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REVIEW OF THE 2010 THE SOUTH AFRICAN CITRUS SEASON

The citrus season in South Africa is coming to a close. The season has produced a good crop up about 12% on last season with good quality and reasonable prices.

JOHN EDMONDS

Sales to all destinations showed an increase on last season. A down point was the strong rand, which made many producers wary about exporting to Europe, but the European prices were up on last year so it was well worth exporting there. The Russian market got off to a good start this season and is growing steadily and indications point towards it becoming stronger in the future. To get an overall feel for this past season one needs to compare it with 2008 rather than 2009 which was a low volume year.

However, South Africa’s citrus growers did not have it all their way during the opening months of the new season. Too much rain during the first weeks of the harvesting season in the northern parts of South Africa, the disruptive strike and a negative exchange rate initially made things difficult this season for the country’s exporters. The strike hampered efforts to take advantage of early season marketing conditions which were much better than last year due to lower supplies from other parts of the world and frustrated growers and exporters trying to take advantage of the window of opportunity between the northern and southern hemisphere seasons. Rains had affected early grapefruit and early navels from the north so the supply was already compromised before the strike. The strike also had the effect of reopening the debate on conventional versus container shipping. The trend is towards container shipping and the strike which did not affect conventional shipping was a reminder to the industry to keep its options open.

The growing sector’s variety focus groups had meetings on a monthly basis to gauge the progress of the export crop against the estimate they set in March. The last prediction pointed to a total citrus volume of about 98 million 15 kg cartons – the 2008 final packed figure was 95 million 15 kg cartons.

ORANGES
This year will be remembered for the excellent orange crop, both in quality and quantity. Late rains and the strike made for a nervous start to the season, impacting on quality and shelf life but finished strongly with good export pack outs of Valencia and satisfactory prices in most markets. For Valencia growers 2010 has been a good year with good fruit size complemented by excellent cosmetic appearance and great internal quality resulting in very good export pack outs. With markets generally performing well a new record sales rate was also lower than 2009 and lower than the 3-year average as a result of low stock levels. The split in shipped grapefruit to Japan was 40% white, 6% rose and 54% red grapefruit. The ratio of pigmented to white grapefruit continued to improve to all markets with only 18% of volume being white grapefruit. Pigmented grapefruit is preferred in the market. Northern Europe received proportionally more - 36% of the South African export which translated to a figure of 4 million fifteen kilogram equivalent cartons. Russia increased its share in absolute and relative terms, receiving over a million cartons i.e. 10% of the grapefruit exports.

LEMONS
A similar proportional shift in shipping patterns from 2009 is reflected in lemons. Less was shipped to Middle East (2009 43%; 2010 36%) and Far East (2009 12%; 2010 7%) and more to Northern Europe (2009 14%; 2010 19%), Southern Europe (2009 3%; 2010 4%), UK (2009 11%, 2010 13%) and especially Russia (2009 11%, 2010 16%). As early as January indications were that there could be good demand for South African lemons in 2010. With less supply to the market from Spain in the northern hemisphere and the biggest southern hemisphere supplier, Argentina having a smaller offering due to adverse weather in their Tucuman region, South African growers did indeed realize a very good year throughout. Similar to 2008, there was a big peak in packing in weeks 18 to 22 followed by a distinct but smaller peak between weeks 26 and 29. This is in contrast to 2007 and 2009 where the second flush was bigger than the first.

GRAPEFRUIT
The total volume of packed for export of 12.5 million fifteen kilogram equivalent cartons was very close to the original 12.6 million cartons estimated in March. This is a decrease of 12% from that of 2009. Japan received less grapefruit this year, about three million cartons as opposed to the almost 4 million cartons in 2009. The sales rate was also lower than 2009 and lower than the 3-year average as a result of low stock levels. The split in shipped grapefruit to Japan was 40% white, 6% rose and 54% red grapefruit. The ratio of pigmented to white grapefruit continued to improve to all markets with only 18% of volume being white grapefruit. Pigmented grapefruit is preferred in the market. Northern Europe received proportionally more - 36% of the South African export which translated to a figure of 4 million fifteen kilogram equivalent cartons. Russia increased its share in absolute and relative terms, receiving over a million cartons i.e. 10% of the grapefruit exports.

SOFT CITRUS
Early good prices for Satsumas had been about 20% higher than 2009. Prices dropped off after week 14. Growers said that the market for Satsumas in Europe had been tough although the season had been generally good in terms of quality for soft citrus. Some growers also noted that Clementines prices were higher this year than last, but returns to growers were less especially with Euro markets due to costs and the exchange rate. Clementines, Novas and Mandarins had generally done well. In terms of market share, the UK received less soft citrus in 2009 (45% compared to 2010’s 39%) with exporters preferring markets in Russia (2009 9%, 2010 11%); North America (2009 10%, 2010 12%); Middle East (2009 7%, 2010 9%) and Asia (2009 5%, 2010 6%).