


Citrus production in the Southern Hemisphere's key growing regions is set to fall by 6% this year, but initial estimates forecast a less pronounced fall in exports of just 1%.

The projections come from an initial summary of a teleconference held this week between the Southern Hemisphere Association of Fresh Fruit Exporters (SHAFFE) and the European Fresh Produce Association (Freshfel), released by the Citrus Growers Association of Southern Africa in a newsletter. 

The official minutes from the meeting are expected for release Monday.

The forecasts are for fresh citrus with figures contributed by SHAFFE industry representatives from Argentina, Uruguay, South Africa, Peru, Chile and Australia. The association does not include Brazil, which is the world's biggest orange producer but is mainly focused on juice.

The expected drop is mainly due to a 25% reduction in the lemon crop, primarily driven by weather issues affecting the world's biggest exporter of the fruit - Argentina. It is expected the country's export volumes will fall from last year's 275,000 metric tons (MT) to 200,000MT in 2014.

In neighboring Uruguay, both lemon and orange exports are set to rise by more than 40%, along with a 30% uptick in easy peeler shipments. Overall, the nation is projected to raise its total citrus exports by 38%.

The newsletter highlighted an expected milestone for Peru's citrus industry, which is on track to exceeding 100,000MT in exports for the first time, representing a 10% year-on-year rise that is mainly concentrated in easy peelers.

The summary mentioned Chilean growers were expecting a decrease in early Navel oranges, and therefore were in line for a 10% reduction in orange production and exports. The Andean country is also expecting a reduction in easy peeler exports of 5%.

Final confirmation was still needed on Australian forecasts, while South African estimates were not provided in the newsletter.

Overall, most Southern Hemisphere citrus crops are looking fairly stable despite the expected export reduction for lemons (9%) and grapefruit (6%). Easy peeler exports will be up by 9% and orange shipments will stay steady.

Northern Hemisphere situation

Representatives from the U.S., Turkey and Spain also joined the teleconference, while the secretariat had received information from Italy.

The newsletter mentioned that market feedback from Europe was that the recent citrus campaign had been tough with a lot of small oranges of "indifferent quality". It said extreme weather with high temperatures and hail had influenced both supply and demand.

"There was still a lot of fruit in warehouses and concerns regarding the fruits' shelf life. Prices have been low throughout the season," the newsletter said.

Competition from Turkey in Russia forced an increase in exports to EU countries for Spanish Fino lemon growers, while the country's Verna lemons are set for a 20% year-on-year increase with availability until the end of July.

The newsletter said Italy witnessed a large volume of smaller sized oranges which was difficult to market.

"A lot of these oranges were simply not harvested due to poor domestic market conditions. For lemons the domestic market was better than previous years and considered stable.

"Turkey had a good volume of citrus for exports – soft citrus increased by 30%, oranges by 40%, grapefruit by 15% and lemons by 15%."

The newsletter highlighted the impacts of citrus greening and freezing temperatures on the U.S. crop, along with the current drought in California.

"In terms of the transition to southern hemisphere fruit there are interesting market dynamics that will create supply gaps during May and into June.

"Soft citrus gaps should appear as we enter May, since California has limited supplies of Late Mandarins, and the quality is suspect.

"The balance of the Navel crop will be kept closer to home because of freeze damage, and we can expect the trade to be looking for new crop from the southern hemisphere."

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