Grapefruit

Another fine campaign forecast


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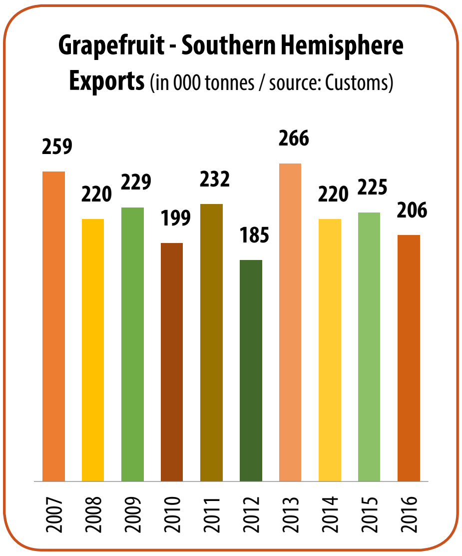
The counter-season grapefruit market has seen a string of fine seasons since 2015, and this trend should extend into 2017. South Africa, the only significant supplier, has a higher export potential than in the lean 2016 season, though the level is only average (15.6 million 15-kg boxes). The sizing is a very good level, with the north of the country, where the bulk of production is concentrated, enjoying fairly abundant rainfall unlike last campaign. Furthermore, the market context is excellent both in the EU-28 and in Japan, destinations absorbing more than 80 % of the Southern Hemisphere supply on their own. The Floridian campaign was leaner still than in 2015-16, and finished even earlier than previous years on both markets. Finally, the Asian diversification markets should continue to rise. Exports to China have tripled since 2012 to exceed 30 000 t in 2016, with exports to South Korea going from zero to 10 000 t at the same time. Prices, though they should be high, will still depend on the export calendar. The risk of an accumulation of volumes at the beginning of the season is high, given the very high rates charged in early May and the desire by certain producers to pick and pack the grapefruits quickly so as to be able to start the Valencia campaign early due to the lack of Navel (see orange forecast). The supply management system in place for the past few campaigns is nonetheless a decent safeguard.

Grapefruit – European Union – Imports from Southern Hemisphere

in tonnes	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
South Africa	55 833	97 170	72 924	90 825	86 852	88 616	78 897	94 006	75 412	104 725	76 707	90 017	89 752
Swaziland	5 369	7 197	7 210	10 085	9 260	6 707	9 906	14 986	8 480	2 328	3 933	647	4 604
Chile	200	474	2 513	959	719	70	363	18	176	105	64	1 660	2 883
Zimbabwe	1 436	5 001	2 227	3 556	1 409	1 947	2 053	2 228	1 360	2 414	2 133	2 139	1 939
Argentina	19 583	26 869	17 627	23 186	24 171	14 828	9 129	8 276	1 485	1 080	59	-	375
Uruguay	401	576	2 063	775	298	213	140	-	-	-	-	115	-
Mozambique	780	919	120	-	-	240	669	1 016	840	89	-	-	-
Others	75	85	87	180	83	255	251	-	457	721	556	917	287
Total	**83 676**	**138 291**	**104 771**	**129 566**	**122 792**	**112 876**	**101 410**	**120 529**	**88 210**	**111 461**	**83 451**	**95 494**	**99 840**

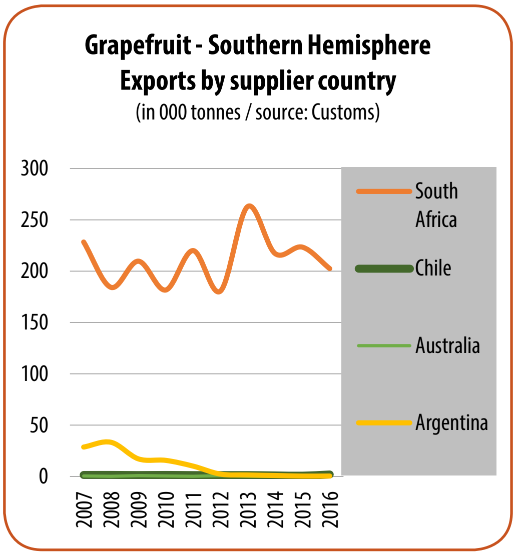
Source: Eurostat

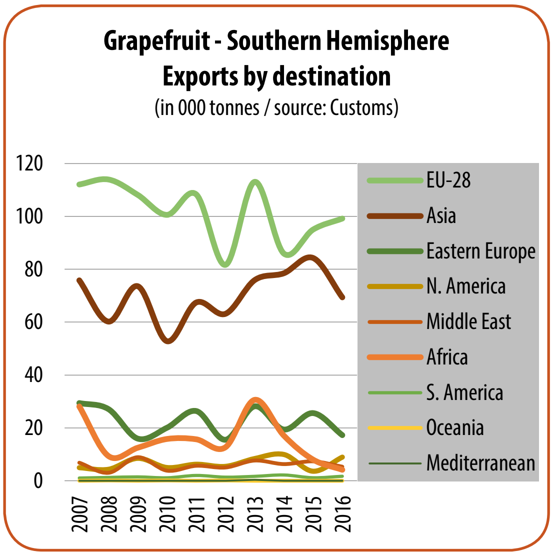


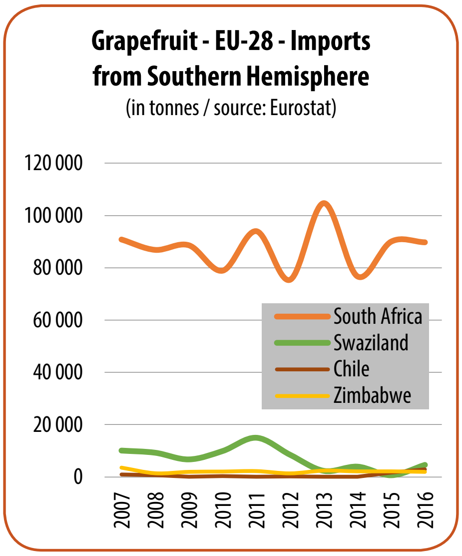
Grapefruit – Southern Hemisphere – Export forecast

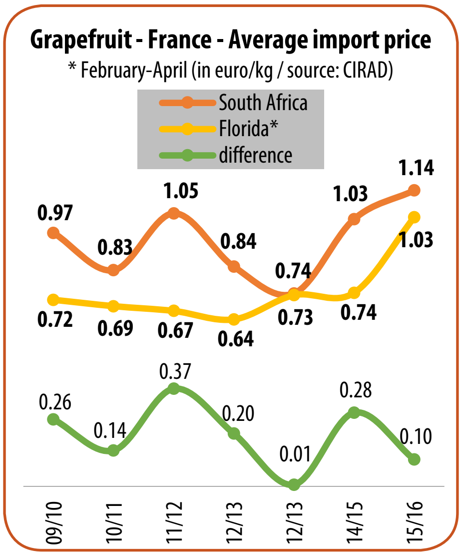
in tonnes	2017	compared to	
		2016	2013-2016 average
South Africa	235 000	+ 16 %	+ 4 %

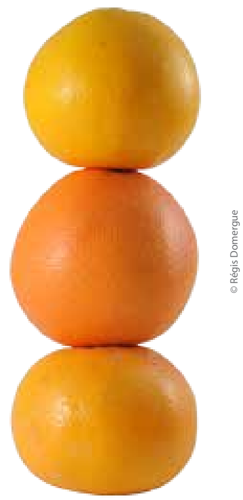
Professional sources, Shaffe, CGA

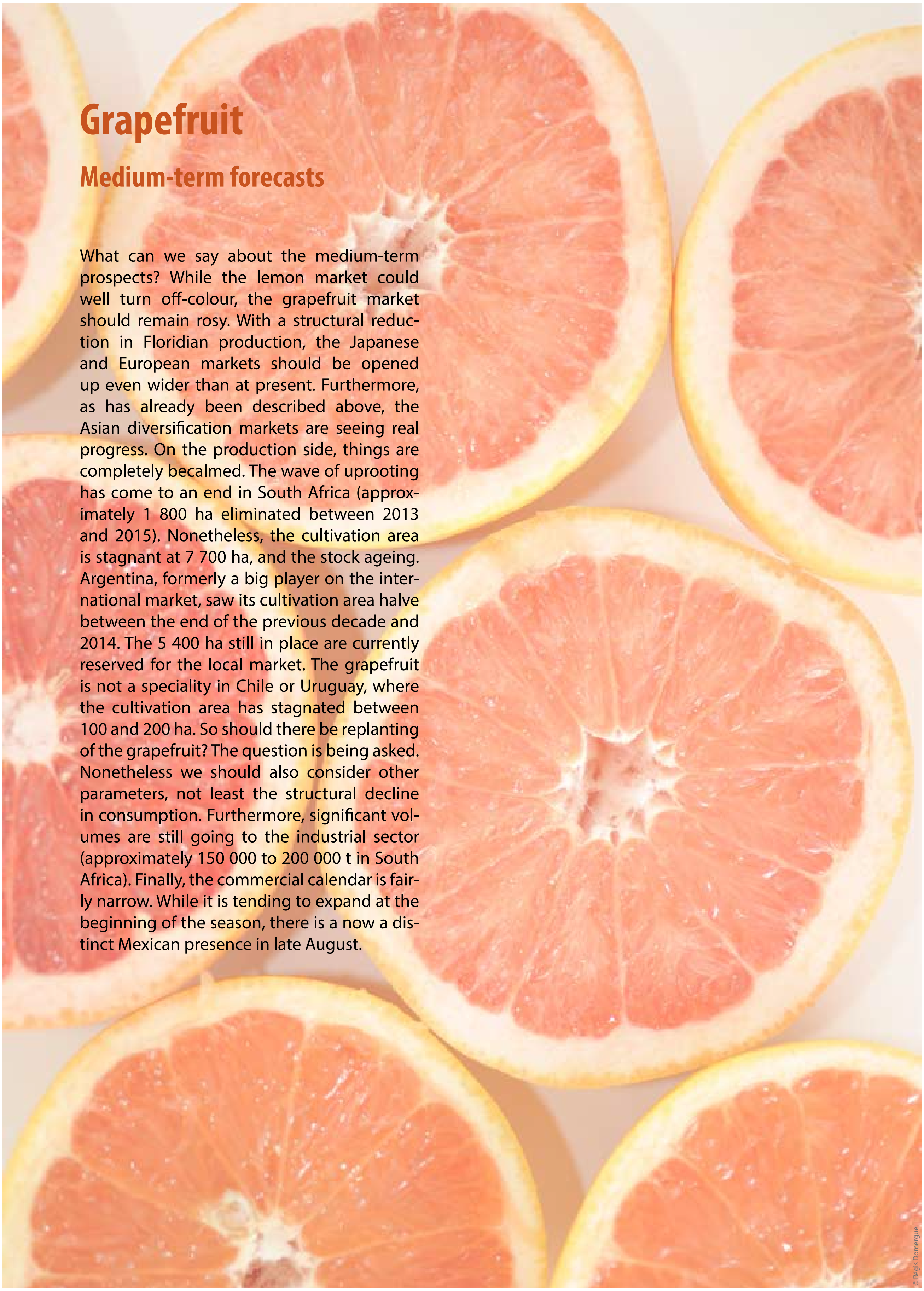












Grapefruit

Medium-term forecasts

What can we say about the medium-term prospects? While the lemon market could well turn off-colour, the grapefruit market should remain rosy. With a structural reduction in Floridian production, the Japanese and European markets should be opened up even wider than at present. Furthermore, as has already been described above, the Asian diversification markets are seeing real progress. On the production side, things are completely becalmed. The wave of uprooting has come to an end in South Africa (approximately 1 800 ha eliminated between 2013 and 2015). Nonetheless, the cultivation area is stagnant at 7 700 ha, and the stock ageing. Argentina, formerly a big player on the international market, saw its cultivation area halve between the end of the previous decade and 2014. The 5 400 ha still in place are currently reserved for the local market. The grapefruit is not a speciality in Chile or Uruguay, where the cultivation area has stagnated between 100 and 200 ha. So should there be replanting of the grapefruit? The question is being asked. Nonetheless we should also consider other parameters, not least the structural decline in consumption. Furthermore, significant volumes are still going to the industrial sector (approximately 150 000 to 200 000 t in South Africa). Finally, the commercial calendar is fairly narrow. While it is tending to expand at the beginning of the season, there is a now a distinct Mexican presence in late August.

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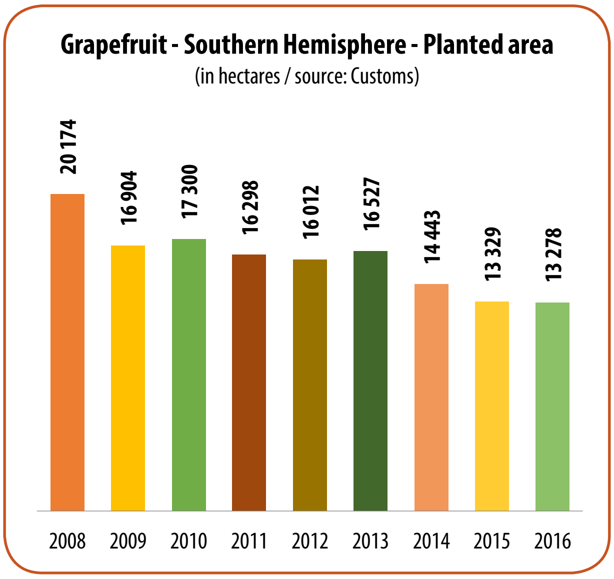
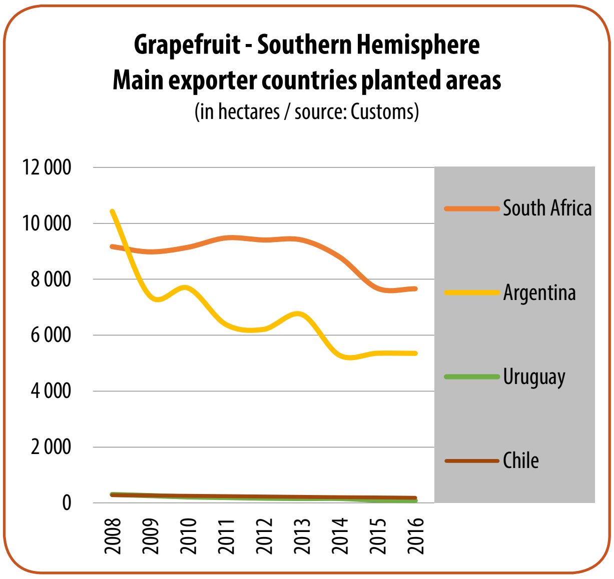
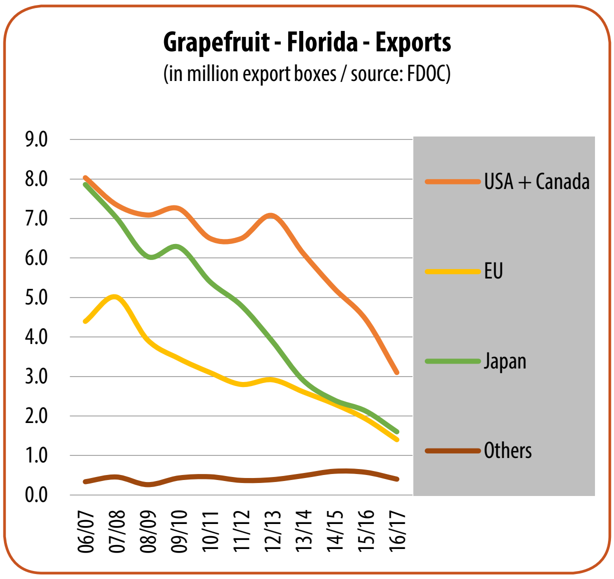
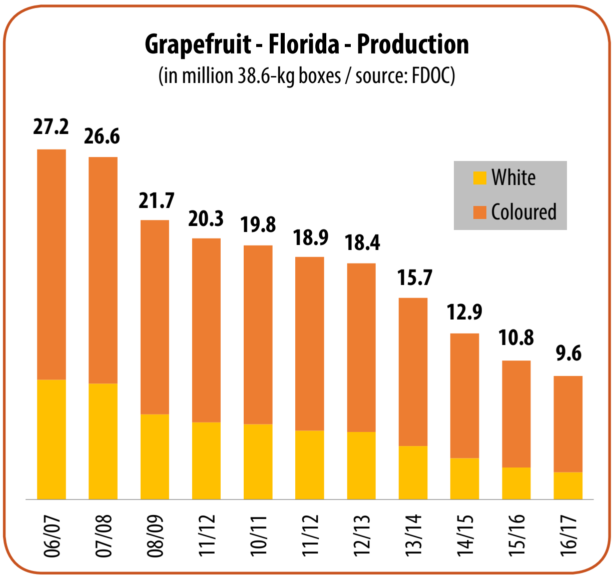
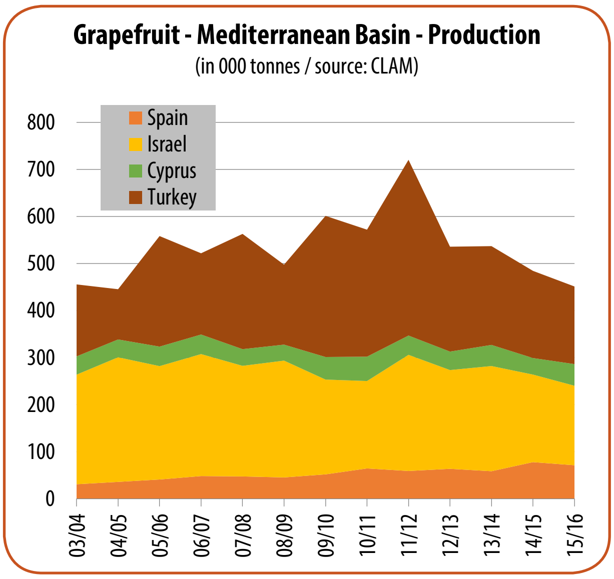

Grapefruit - Southern Hemisphere - Planted area
(in hectares / source: Customs)
20 174
16 904
17 300
16 298
16 012
16 527
14 443
13 329
13 278
2008
2009
2010
2011
2012
2013
2014
2015
2016


Grapefruit - Southern Hemisphere
Main exporter countries planted areas
(in hectares / source: Customs)
12 000
10 000
8 000
6 000
4 000
2 000
0
South Africa
Argentina
Uruguay
Chile
2008
2009
2010
2011
2012
2013
2014
2015
2016


Grapefruit - Florida - Exports
(in million export boxes / source: FDOC)
9.0
8.0
7.0
6.0
5.0
4.0
3.0
2.0
1.0
0.0
USA + Canada
EU
Japan
Others
06/07
07/08
08/09
09/10
10/11
11/12
12/13
13/14
14/15
15/16
16/17


Grapefruit - Florida - Production
(in million 38.6-kg boxes / source: FDOC)
27.2
26.6
21.7
20.3
19.8
18.9
18.4
15.7
12.9
10.8
9.6
White
Coloured
06/07
07/08
08/09
11/12
10/11
11/12
12/13
13/14
14/15
15/16
16/17


Grapefruit - Mediterranean Basin - Production
(in 000 tonnes / source: CLAM)
800
700
600
500
400
300
200
100
0
Spain
Israel
Cyprus
Turkey
03/04
04/05
05/06
06/07
07/08
08/09
09/10
10/11
11/12
12/13
13/14
14/15
15/16