Module 4
Citrus Markets

Presenter: Paul Hardman

Introduction

South African citrus is exported to more than sixty countries across the world. Even though only 67% of the total citrus we produce is exported every year, exports generate more than 90% of the income generated by the industry.

It is therefore extremely important for us to understand where the different citrus types are exported to, and what volumes each export market absorbs. We also need to understand that there are standards set by these markets, which all growers and packhouses must comply with.

Citrus Usage

Firstly we will look at the overall splits in terms of how the 2 million odd tons of citrus that is produced in South Africa annually is divided between export, processed and local consumption.

On average 67% of citrus is exported, 25% is processed into fruit juices and citrus oils and 8% is consumed on the local market.

If you look at the different varieties there is a big difference between what the breakdown is between those different of markets. For example, 73% of oranges are exported whereas only about 10% is sent to the local market and the balance of 17% is processed.

Grapefruit on the other hand is mostly exported, just under 60% the remaining 40% is processed with very few sales on the local market, less than 1%.
Citrus Markets

Valencia Markets

Of the valencia crop, which is by far the biggest citrus type in terms of production, approximately 42 million 15kg equivalent cartons are exported a year.

Most of that fruit lands up in Northern Europe, about 35%, followed by Southern Europe, with about 16%. Another key market for the valencia growers is the Middle East. Russia has grown as an important market over the last couple of years and takes about 10% of valencias now.

Grapefruit Markets

On average, about 12 to 15 million 15kg carton equivalents of grapefruit are exported each year. The pattern that we see of where that fruit goes to is quite different from the other fruit kinds.

Japan remains a key market for grapefruit growers. It is reported under the Far East figure, which receives 34% of grapefruit.

Soft Citrus Markets

In 2008 we exported about 7.3 million 15kg equivalent cartons of soft citrus.

Soft citrus has historically depended quite heavily on the UK market, particularly for the Satsuma varieties, and that remains a key market, taking a full 44% of the crop in 2008.

Market Information

More information on key industry statistics can be obtained in the members’ section on the website of the Citrus Grower Association (www.cga.co.za).
Market Requirements

Due to the requirements that are now placed on growers in terms of both food safety and phytosanitary factors, it is necessary to know very early in the production cycle where you are going to be sending your fruit to.

DAFF publishes minimum quality standards, which include food safety, and all growers need to recognise these and apply them on their own farms.

There are general aspects looking at quality and safety of the product, also ensuring that there is no biological, physical or chemical contamination in the citrus that is exported.

They also specify minimum standards for packing, and how the product needs to be displayed for inspection. There is a traceability requirement – each and every carton of citrus exported from South Africa needs to be traceable.

In addition to that there are specific marking requirements that need to be applied to the cartons, on one hand to facilitate traceability, but also to facilitate inspection.

Phytosanitary

The term phytosanitary literally means 'plant hygienic' (phyto=plant, sanitary=hygienic) or 'hygienic plant', and is used to refer to plant health. Commonly, phytosanitary requirements concern the presence of pests and diseases and the chemicals that can be used for pre-harvest pest control.
Market Requirements

Information on market requirements can be obtained from the website of the Department of Agriculture, Forestry and Fisheries, at www.daff.gov.za.

Maximum Residue Levels

One of the key food safety requirements is to comply with the maximum residue levels of the importing country.

The CGA and CRI, Citrus Research International, publish a document that specifies the MRLs (Maximum Residue Levels), and in addition also indicate what the usage would be for plant protection products in order to achieve those MRLs.

Growers are advised and strongly encouraged to use this document as it gives them the assurance that when their product arrives in the overseas market it will be legally compliant with the residue requirements in that market. There are also specific phytosanitary requirements for each market.

Accreditation Schemes

In addition to the official requirements, growers are again encouraged to consider what the buyers are looking for in terms of additional certification and special private accreditation schemes that may be over and above the minimum standards.

This is an aspect that is commercially driven. Examples might be a GLOBALGAP audit or GLOBALGAP or BRC certification.

GLOBALGAP

GLOBALGAP is a private sector body that sets voluntary standards for the certification of agricultural products around the globe.

BRC Global Standard

The BRC Global Standard was developed by the British Retail Consortium (BRC), and is a benchmark for packing quality and safety.
Accreditation Schemes

More information on accreditation schemes such as GLOBALGAP and BRC can be found in module 49 – Commercial Accreditation Schemes.

Market Information

The Citrus Growers’ Association makes available market information throughout the citrus season to all citrus growers in South Africa.

In addition, a statistics booklet is produced every year with all the information of citrus produced and exported during the previous season. To find out more about these publications, please visit the website of the Citrus Growers Association at www.cga.co.za.

active learning

Watch the DVD clips, read through the learning material and do workplace research to gather the knowledge and information to complete the assignment(s) below.

Activity 4.1 – Presentation

As a group, draw a pie chart for each of the citrus types to show what percentage goes to which market segment. Present your graphs to the rest of the class, explaining each segment of the graph in more detail.

Activity 4.2 – Media Research

Get hold of the Key Industry Statistics booklet (for any year), published by the CGA and look up the following information:

✔️ In the table in your workbook, list the five major export markets for Valencias, grapefruit and soft citrus in order of export volume.

✔️ In the second table in your workbook, indicate which countries are the largest producers and exporters of the different citrus types.
Activity 4.1 – Presentation

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✓ In the second table below, indicate which countries are the largest producers and exporters of the different citrus types.

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<th>Valencias</th>
<th>Grapefruit</th>
<th>Soft citrus</th>
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<th>Citrus Type</th>
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