

FruitOne gears up for record season of South African grapefruits, lemons and tangos

"Biggest challenge for the South African citrus season lies in logistics"

The Citrus Growers Association of South Africa released the 2021 citrus production estimate last week and are anticipating a record crop for the region. Favourable weather conditions in the northern production regions have resulted in a good citrus blossom and fruit set, but more importantly good rains have given the growers water security after years of drought.

Weather conditions in the Eastern Cape remain dry, posing some significant challenges, but crop growth is expected on some commodities due to new plantings. It is perhaps pertinent to note that this is a production estimate and not necessarily an indication of the final export volume, which will be influenced by market circumstance and fruit specification.

“With the FruitOne farms being situated in the Limpopo province, we are also expecting an increase in volumes on our early lemons and the grapefruit crop due to the favourable weather. While our Tango premium mandarin crop benefitted from these conditions, additional growth is expected as new hectares come into production. This increase will continue exponentially in the coming seasons as FruitOne is the single largest producer of seedless Tango in South Africa, based on hectares planted,” shares Rowan Vickery.



While the increase in volume will present new challenges for FruitOne and the industry in general, South African producers have shown a willingness to constantly innovate and turn these challenges into opportunities. The development of increased packing capacity will allow us to catch up on the initial delays caused by rain, and the adoption of new technology will ensure that South Africa continues to pack exceptional quality to ensure that the consumers have a wonderful citrus experience.

"In this regard FruitOne has increased its own capacity in order to retain and grow our position as a supplier of top-quality citrus to our global partners. Being one of the earliest packers of lemons, grapefruit and Tango in South Africa has enabled us to strengthen these relationships, particularly in the retail sector. This has coincided rather well with the shift in consumer buying behaviour into retail brought on by the Coronavirus pandemic. Nevertheless, increasing market access remains an important strategy for FruitOne and the South African industry."



Despite an initial delay to the season caused by rain, the markets have generally been positive. Grapefruit especially is looking good, and we anticipate entering a relatively empty market. Potentially the biggest challenge facing South African citrus this season is on the logistical front. The forecast shortage of containers is a concern, though we are hopeful that the situation will be resolved as the South Africa crop starts to increase.

“At the moment, volumes remain low at the start of the season and we are able to move our fruit quickly and efficiently. Should the shortage of equipment not be rectified it will add extra costs to the growers in South Africa, who are already having to deal with higher wage and electricity bills,” explains Cornelius de Villiers.

Regarding the citrus’ market in Europe, the northern hemisphere has experienced adverse weather conditions, such as excess rain in Turkey, Israel, Morocco and extreme cold in the Iberian Peninsula, which will clearly condition the late supply from the north.

“A shorter shelf life and a lower percentage of expected packing percentage will decrease the late varieties’ volume from the northern hemisphere and will in many cases allow early distribution gaps in various categories of citrus fruits from the southern hemisphere. Due to the expectation of a greater a harvest from the southern hemisphere, the euro strength, and the fact that Europe has mature distribution networks through retail, it is clear that the focus of many

southern exporters will be to seek expansion in this market. But it is good to consider that distribution outside of retail channels, such as Horeca, Food Service, etc., has suffered enormously due to the lock-downs measures to contain Covid in the last year.

"The moment of total reopening and the percentage of recovery of these segments for this 2021-2022 is still very uncertain, which calls for a greater understanding, when deciding the volumes and destinations to export. Clearly the speed and logistics efficiency will suffer again in 2021 both at origin and destination, due to the current degree of Covid contagion. Lastly, phytosanitary barriers such as "black spot" will play a role reducing the arriving volumes and complicating the normal flow of goods into Europe", says Andres Ribas.

The recognition of the Fruitone brand and channels have clearly grown in the last years in all continents and markets where we arrive with our products. "In Europe in particular, thanks to the development in collaboration with our business partners, the recognition of our level of service, continuity and the product itself, is clearer every year. This constant effort has yielded very satisfactory results at the "Point of Sales". Our focus on developing Taylor Made programs, logistics efficiency and our expansion and market penetration strategy have considerably solidified our distribution channels and our image.



Facing a clearly more complex market, we note that some paradigms of the past are questionable now. A good example is the introduction of Tango mandarin by retailers from Mediterranean countries throughout the summer. Tango mandarin is a perfect "summer-snack", which surpasses older varieties of mandarins in many ways.

"According to an analysis of consumer behaviour, we found that 60% to 80% of the customers are willing to diversify the fruit purchase basket, highlighting the mix between quality, flavour, "shelf life", despite the fact that the price to the consumer may be greater than that of "seasonal products". These changes in consumption patterns, also determined by the search for a healthier diet, have favoured the entire supply chain in recent years," says Jürgen Müller.

"We are witnessing a clear "renaissance" of oranges (fresh juice) and the mandarin (premium snacks) in terms of consumption. Many of these tendencies, came to stay!" concludes Andres Ribas.



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