

# CAPESPAN NORTH AMERICA

## MARKET REPORT

Vol.: 2019 Week 20

Friday, 17 May, 2019

\$1 U.S. Dollar Equal To:	
1.344	Canadian Dollars
0.896	Euros
0.786	British Pounds
14.431	South African Rands
696.8	Chilean Pesos
3.324	Peruvian Nuevo Sols
4.101	Brazilian Reals



WEATHER		
<b>Philadelphia</b>	<b>Montréal</b>	<b>Bakersfield</b>
Low 10° C High 15° C	Low 7° C High 11° C	Low 18° C High 33° C

### Soft Citrus:

The Southern Hemisphere soft citrus season is slowly getting underway. Since mid-April Chile, Peru, South Africa and Uruguay have all loaded a variety of soft citrus species to North America, apparently confident that weather and declining confidence in domestic soft citrus would open opportunities by now.

But while earlier indications were that California shippers would finish up their mandarin crop by mid-May, cooler weather in California this week has given growers a bit of a reprieve and providing an opportunity to extend the season by a week or so. Production continues, quality appears to be satisfactory and movement in the shops is very good. Prices for 10 x 3 lbs bags of size 4 and larger domestic late mandarins range from US\$ 28.00 - \$30.00 and US\$ 2.00 higher for branded product. Warm weather, however, is expected to return in the coming days and, when it does, it will hasten the end of the domestic soft citrus deal.

Meanwhile, through Week 19, Chilean sources have loaded 5 000 metric tons of clementines to the USEC and a further 1 500 metric tons to the USWC. While preliminary reports had forecast that Chile's earliest production area (IV Region) would see a decrease in production this season, exports to the USEC through Week 19 are up by almost 33% over last year. But this could well be the impact of a generally earlier harvest and not necessarily a bigger one.

Through Week 19, South African sources have shipped around 75 000 cases of soft citrus to the USEC with the first arrivals expected next week. South African soft citrus loadings will continue at the rate of around 50 000 cases per week until the first bulk loaded citrus vessel to the USEC arrives in early July.

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Since Week 14, Peru has loaded over 3 000 metric tons of clementines to the USEC much of which consists of early variety Primasoles with a smaller portion consisting of traditional Nules. Peru has also loaded around 1 000 metric tons of satsumas to the USEC.

Today, the market for imported easy peelers is sluggish. The continued presence of California late mandarins has moderated demand for imported fruit. In addition, the early clementine varieties do not find favour with all retailers and, indeed, some simply will not accept it.

At the end of Week 20, standard size (4's and larger) imported clementines packed in a 10 x 3 lbs bagged configuration were selling slowly at US\$ 32 - 34. Sellers are trying to push the level up to US\$ 36 toward the end of next week when the expectation is that more retailers will move to imported sources as California supplies wind down. Chilean and South African product will take the higher end of the price range and Peru, due to the fact that some chains are reluctant to accept the early varieties, will occupy the lower end.

## **Navel Oranges:**

As California's navel crop approaches the finish line there remain some Washingtons showing softness and poor quality which are being discounted to clean up supply. Pricing is all over the board ranging from US\$ 8.00 - 12.00.

But late navels are moving well and are showing satisfactory quality on most sizes. This week, 36's and 40's are moving at US\$ 14.00 - 15.00 and are in good supply, 48 & 56's are moving at US\$ 18.00 - 20.00 and are also in good supply. 72's are priced at US\$ 15 - 16.00 and 88's are at US\$ 13 - 14. Supplies of these smaller sizes are tightening up and we expect to see the 72 and 88 price rise over the next couple of weeks as supplies may be unable to fully meet demand.

While the cooler weather will offer growers some relief, there is still a prevailing view that by the end of June, California's navel orange season will come to an end.

From the Southern Hemisphere side, we will see light container arrivals of navel oranges from South Africa in late-June with the first breakbulk vessel only arriving in the first week of July. Chilean navel oranges will also start to arrive in light volume in late-June with the heavier cargo expected in July after the AMS/USDA Marketing Order for Oranges is suspended.

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