

Egyptian citrus price to fall as exports increase

Prices for citrus have been high in Europe, Russia and Asia because of strong demand, but the market is expected to come down as Egypt increases production. Russia's ban on Turkish goods is not likely to affect the market much because the ban won't go into effect until after the end of the Turkish citrus season.

“We're kind of overloaded with orders right now because we're not yet in full production,” said Mohamed Ghallab of Agroegypt. “There have been no oranges in some markets, especially in the Gulf and the Far East, so those markets are empty and there are lots of opportunities.” Warm weather early in the season slowed down fruit coloration, so the season got off to a slow start. But temperatures have come down and fruit has begun coloring well, so exported volumes will increase in the coming weeks.

“Prices are expensive right now,” said Mohamed, “but the market will stabilize in the next few weeks. Maybe later this month prices will come down a bit.” Last season, Egyptian exporters shipped about 1.2 million tons of citrus, and Mohamed expects similarly-sized volumes will stabilize the market going into 2016. For Agroegypt's part, he hopes to increase exports from the 19,000 tons shipped last season to about 27,000 tons this time around.

Russia-Turkey situation brings opportunities

Tensions between Russia and Turkey have spilled over into trade between the two nations. Russia will no longer accept Turkish goods in January, and while the ban won't go into effect until most Turkish citrus has already shipped, the ban will open other markets to Egyptian exporters.

“We have a lot of stonefruit in Egypt, and we will start shipping peaches and nectarines to take advantage of the embargo,” said Mohamed. Agroegypt will add stonefruit to its lineup of citrus commodities, onions and grapes, and while Mohamed explained that they don't want to stray too far from their core products, it's necessary to take advantage of new markets when they become available.

“China has a lot of potential, and we're increasing volumes to China this season,” said Mohamed. “We don't want to rely on just the market we have right now, and the Egyptian authorities are always trying to open new markets. North America is another place we need to go to.” He added that they're also trying to provide additional value to their existing customers by giving them more insight into the shipping process.

“We are now constantly posting to our website, pictures, videos and information on our products and how they're exported,” said Mohamed. “It's another one of our marketing tools, and we do this for all of our clients, from the ones we always keep in touch with to the ones we may not talk to very often.”

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