

The Spanish oranges that have taken over the Chinese market

After the approval of the protocol for the export of Spanish oranges to China, Juan Motilla SL was the first company to successfully ship some containers to the Asian country in 2013. Since then, the Motilla brand has been consolidating as a leader in China's orange market. So much so, that it recently won the 2017 IFC award for the best imported brand in China.

Commercial director Juan Motilla is the third generation of a family business founded by his grandfather. His father, Juan Carlos, his aunt Pepa, his cousin Rafa and his brother Javier Motilla share the management duties of this Valencian company based in Carcaixent, which handles around 45 million kilos of oranges, clementines and satsumas.

Juan divides the campaign into two distinct stages, one that runs from September to January, with the focus on Europe, and a second one from February to July, where China plays an increasingly important role.

"90% of our sales are intended for export. In the first stage of the campaign, we focus mainly on European destinations, such as Switzerland, Germany and Norway, working only with Premium quality products, since having an excessive supply can backfire," says Juan Motilla, commercial director of the company.

This Premium quality is, according to Juan Motilla, what has made it possible to open and consolidate the Chinese market, which has become an increasingly important destination in the second stage of the campaign.

"We are allocating a significant volume of oranges to China, as this leads to the stabilisation of prices and the pace of sales, since demand in Europe usually starts dropping in February," he explains. "We market the fruit via greengrocers, a very popular concept in China, and wholesale markets, since supermarkets are not yet very developed there."

Juan Motilla is very familiar with Chinese culture; he even speaks the language. "Before we opened this market, I went to study in China for two years, where I learned their customs and to speak Chinese. It's a different culture, but I adapted very well, and the truth is that I love it," he says. "There I visited the local markets and met many importers, discovering that there were opportunities for high quality products. We were already very successful in the first year, when we also managed to take advantage of the veto on US products. In three years, we have succeeded in making our brand very popular."

Other Spanish exporters have tried, and try every year, to enter this market and only a few manage to establish themselves. "It is not an easy market if you do not have the quality they demand, especially considering that, with a transit time of between 35 and 40 days, you have to do an impeccable job in both warehouse and logistics," says the exporter.

Spanish oranges compete in the Chinese market mainly against those from Egypt and the United States. "The United States has been in this market for years and reaches the highest prices. In the opposite side we have Egyptian oranges, with much lower prices and volumes on the rise. Their quality is still lower than that of Spanish and US oranges; however, it must be said that they have been improving in recent years. The prices of our oranges in China are lower than those of the US fruit, but higher than those of the Egyptian."

"While in Asia we also ship to Hong Kong and Singapore, those are more sensitive markets when it comes to prices. Given our work methods, we see that China has the most potential for the future, and we also see opportunities in Japan and South Korea, where US imports have a great influence on the market."

Juan Motilla sells Navel and Navel Late oranges to China. "The Valencia, for example, are not appreciated in China, because they do not have the size, colour, taste and texture that consumers are looking for. We would only ship Valencia oranges if there was a shortage of Navel in all producing areas."

According to the commercial director, it is important to be present at Asia Fruit Logistica, where they have had a stand for 3 years, since "it is the most important fair, not only for the Chinese market, but for the whole of Asia." Also, it is worth mentioning the growing popularity of the Wechat application for business transactions. "Ecommerce can be a potential tool in the future, although it is still very small in the citrus trade."

The company aims to continue growing and expanding its own production with strategic varieties for the first stage of the campaign in Europe, while also seeking to continue consolidating itself in the Premium market in China. "We were already pioneers in the opening of the Polish market in the 80's and in the use of containers to export to Russia in the first decade of the 2000's. Seeking opportunities in new markets, from Australia all the way to the United States, is in our genes."

Source : <http://www.freshplaza.com/article/186292/The-Spanish-oranges-that-have-taken-over-the-Chinese-market>