



Chilean clementines gaining momentum in North America

Citrus – Easy Peelers

The imported easy peeler market continues to show strength as California mandarins clean up with only light availability. Imported soft citrus is taking over the category with arrivals led by Peruvian Primasoles and satsumas, clementines from Chile and a mix of clementines and satsumas from Uruguay. South African easy peelers have yet to arrive.

The Chilean clementine harvest started slowly in comparison to last year's crop and has now gained its stride with loadings to the USA increasing substantially in the last three weeks. Indeed, loadings from Chile to the USA (both coasts) through Week 18 were running 22% below last season. But since Week 19, tonnage shipped is almost 8% higher than last season at the end of Week 20. What is also interesting is the increased Chilean focus on shipments to the USWC which this season comprises 42% of total tonnage shipped to the US through Week 20 as compared to 27% last season. What has not changed is Chile's reliance on the USA market. Through Week 20, Chilean clementine shipments to the US represent 99.6% of Chile's clementine loadings worldwide.

Peru's contribution to the early easy peeler market has come largely in the form of early clementine varieties such as Primasoles and satsumas. These varieties tend not to find the broadest acceptance in the market, but they are having a good run this year in light of the early departure from the market of California's late mandarins. Peru has focused these early shipments on the USEC where it has shipped 288,000 clementines (mostly Primasoles) and over 80,000 satsumas. Peruvian shipments to the USWC have been substantially lighter with only very modest volumes of early easy peelers headed to California.

Uruguay has also arrived on the USEC with clementines and satsumas and are occupying a position in the market not dissimilar to the early Peruvian products: They are not the most sought after origin, but they are doing well in this meagerly supplied market.

South Africa's clementines are running at least ten days late and will not be available in the USA until mid-June and, even then, in modest volume. The good news is that much needed rain has finally arrived in South Africa's Western Cape. The negative is that this will further delay the arrival of South African clementines and may well serve to divert some fruit from the US market. Easy peelers from other regions in South Africa are in circulation in Canada.



Today, the clementine market on the USEC is stable at US\$ 38 – 40 (mostly US\$ 38) for 10 x 3 lbs bags. Prices on the USWC are running slightly higher at US\$ 40 – 42. Satsumas on the USEC are selling at US\$ 34 – 36.

Even with Chilean clementine arrival volumes set to increase substantially from Week 22 onward, we don't expect to see the current USEC price level disturbed in any significant way for the next couple of weeks. The easy peeler pipeline on the USEC has not been filled and the full demand of the retail chains not been met. As well, navel oranges will remain in light supply from both domestic and imported sources through June which will place even more pressure on easy peelers. Finally, California's early stone fruit crop is light which should be of some benefit to the soft citrus category.

Navel oranges

California navel orange shippers are in cleanup mode with some limited volumes – mostly large sizes – still available. The collective wisdom is that the major California shippers will continue shipping navels until mid-June while others will wind down their navel shipments before the end of May. Today, California navels are selling at US\$ 26 – 28 for 48's and 56's and US\$ 27 – 29 for 72's, 88's and 113's.

Expectations are high for the arrival of the first South African bulk vessel, the m/v Green Chile, expected to arrive at Gloucester, NJ on June 18. The vessel will carry around 2,000 pallets of navel oranges in addition to its 1,400 pallets of soft citrus. Light volumes of South African navels will arrive by container as early as June 6. Chilean shippers, always wary of the strictures of the AMS/USDA Marketing Order For Oranges, have yet to load any navel oranges for the US.

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