

Abbreviated citrus season ends on a high with Valencias

The South African citrus season is coming to a quick end with orange and grapefruit volumes from the northern region down, a very warm springtime in Limpopo leading to regreening of Valencias and in the Cape region quality issues because of wind.

Despite these hindrances in what has been a really tough season, the season is finishing on a high due to good Valencia prices over the past three or four weeks in South East Asia (Malaysia and Singapore), China, the Middle East and Europe, says Gary Britz, managing director of ELE Trading. ELE Trading is currently in their sixth season after being established in 2014.

“In China prices are looking great, with the Moon Festival coming up. Everyone expected the prices to tumble prior to the festival but it looks like they will hold. In Europe it looks great too. At the tail-end of the season prices will go up and I think it’s on the back of them knowing there’s been a reduction in the Valencia crop.”



Delta Valencias in the distinctive box



Company strengths: Citrus + South East Asia

Fixed-price markets in South East Asia – “my stomping ground”, Gary calls the region – are stable, he says, with a slight lack of volume coming in from South Africa. Moreover, it looks like the Chinese crop is going to be late, which stretches the window of opportunity, although growers would want to be finished before the first Turkish orange get to market.

The lift in prices later in the season, coupled with a weakening Rand, has been of strong significance to growers, given increased input and fuel costs domestically. Without it, nett farm income per hectare would’ve been poor this year, putting growers under strain.

The strength of a visual brand

“Many people don’t realise that our name, ELE, stands for the first letters for ‘elephant’,” Gary says, talking about their fortuitous choice of a green elephant, their trademarked logo, and how well it has transcended borders in markets where few customers read English.

“I’ve learned in the market that you’ve got to put something visual that everyone can understand on a box, rather than a word or something in English. People associate with a symbol and an elephant is a universal symbol. The elephant reflects nature, and Africa. It’s youthful and fun and children love it. The image reflects how the product moves from the earth into the stomach.”

He continues that their distinctive black box with the green elephant has received a lot of market acceptance, not just in South East Asia and China, but also in Canada, Africa, Europe, UK and India.

Looking for supply

However, the sales part of the business is relatively easy – it’s securing supply that’s preoccupying Gary.

“The key to this business is supply. We get three, four emails a day from potential receivers but we certainly don’t get mails every day about potential supply.”

The number of citrus growers in South Africa isn’t increasing, he notes, so for a

young company like ELE Trading that doesn't own its own means of production and that engages purely in trade, it's a matter of finding new sources of supply.

"We have quite a few growers in the north, but we'd like to extend our calendar. We have some suppliers in the Western Cape, but we don't get volumes from the Eastern Cape."

"If an opportunity presents itself, or we think it will be a good business decision we will consider it. Other than citrus we trade in table grapes, apples and pears as well. We just happen to have a good strong foothold in citrus, which has been one of our building blocks since we started in 2014."

Another supply base comes from other exporters, who entrust some of their fruit trade in South East Asia to ELE Trading. "Through my experience over the last few years I've come to know that market very well."

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