

Argentina expects drop in lemon production and higher orange exports

Argentina is expecting a sharp year-on-year drop in total lemon volumes this season, although the decline is likely to be mainly felt for fruit to be sent for processing.

Jose Carbonell, president of industry body Federcitrus, told FreshFruitPortal.com that the reduction is predominantly due to a lack of rain in the key Northwest growing region. However, despite the challenging conditions, he expects the country's production of lemons for the fresh market to be roughly in line with previous forecasts, which pegged them above last year's levels.

And he added that the dry conditions should boost fruit quality.

In addition, he said the drop in lemon volumes for processing was not a concern, as it comes on the back of an oversupply which pushed down prices.

"I think that this year, not only are stocks going to be depleted, but there will actually be too much demand," he said.

For the fresh market, he expected Argentine to enjoy a relatively good season due to lower supplies from key Northern Hemisphere producing countries.

"Spain, Turkey and the U.S. all had less fruit than last year. They moved 330,000 metric tons (MT) fewer," he said.

However, he noted that while there is good demand for lemons, prices have not held up since the onset of the Covid-19 pandemic.

"Russia started out with very good prices but they fell rapidly, and Europe today has average prices" which allow for exports but do not offer growers good returns, he said. But he mentioned that the situation could change once Northern Hemisphere stocks run out.

Meanwhile, the market outlook for oranges is more optimistic.

"Prices in relation to last year are much higher at the moment. It seems that orange supplies from the Northern Hemisphere are relatively low, and



South Africa is not yet in the market," he said.

Europe is currently supplied almost entirely by Egypt, while Morocco is supplying almost all the mandarins.

"We have an optimistic vision for oranges. Our Valencias are our main export variety, and we think that there will be an increase in volumes for this variety," he said.

In addition, Carbonell noted that there were no major issues related to logistics in Argentina, with a much-improved situation from a few weeks ago.

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