

CITRUS

## Production expansion driven by favourable prices

The area under citrus production has expanded significantly over the past couple of years, especially in the Western Cape and Eastern Cape.

John Edmonds, information manager at the Citrus Growers Association, said expansion was driven by lucrative prices received as a result of growing international demand for soft citrus and lemons. "As consumers are becoming more affluent, the demand for soft citrus is growing. People today rather want to put soft citrus into their children's lunch boxes than oranges."

The demand for lemons and limes was growing, as these fruit varieties were used in many different products, ranging from soft drinks to perfume and confectionery. "People won't substitute lemons even when prices are high, for example, if they want to use it in a cake. On the downside, people are not really going to buy more lemons when there is a drop in the price due to an oversupply," he said.

According to Key Industry Statistics for Citrus Growers 2016, the average price of soft citrus in the local market had increased from R2 133/t in 2006 to R5 606/t in 2015.

### DEMAND FOR SOFT CITRUS GROWS AS CONSUMERS BECOME MORE AFFLUENT

The export price increased from R4 423/t to R11 392/t during the corresponding period. Local prices of lemons and limes had increased from R1 753/t in 2006 to R7 463/t in 2015, while export prices had increased from R2 478/t to R12 279/t during the same period.

So far this year, prices of all citrus fruit had also been favourable, due to lower international supply levels and the weak rand.

"Traditional markets started with low volumes, due to countries like Spain exiting the market early, and prices have remained favourable since then," Edmonds said.

Although production was increasing across the country, it was primarily focussed on the Western Cape and Eastern Cape as climatic conditions in these regions were best suited to soft citrus production. However, there was also increased lemon and lime production in Limpopo, he said.

At present there are 9 335ha planted to soft citrus orchards in South Africa, with 42% (3 892ha) in the Western Cape and 31% (2 915ha) in the Eastern Cape.

Approximately 8 262ha are planted to lemon and lime orchards in SA, of which 46% (3 795ha) is in the Eastern Cape, 31% (2 569ha) in Limpopo and 10% (807ha) in the Western Cape. – *Glennis Kriel*

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