

Season Update – Markets

October 2005 Report

A strong month for citrus with both the demand and prices lifting as arrivals of good quality Late Lanes hit the market. Early season Valencia's have also been reasonably well accepted, especially for the smaller sizes (counts 138/163).

Orders for lemons and Murcotts were also pleasing with the only difficulty being that the lemon size was large and the Murcott size small, when the market required the reverse. Argentinean Murcotts were Australia's main competition in the market.

The Australian dollar fluctuated during the month but at the time of this report was below 0.75 to United States (US) dollar which was helpful. What was not helpful was the increased Bunker Surcharges applied to sea freight rates as fuel costs continue to rise.

The last of the citrus sent to US will be sold by the end of week 42, after sales surged to record highs in the last three weeks.

Strong demand is expected for the first half of November, prior the wet season in Asia and the arrival of early season China and US navels

NAVELS

Domestic The earlier over-supply situation cleared quicker than expected as rains slowed harvest. As a result there was an improvement in grower returns for navels by \$3-4.00 per carton, as the better quality Late Lanes appeared on the market. Some chains are now looking to switch to Valencia's as regular supplies of Late Lanes dry up.

Export Record sales of 2300 pallets per week resulted in an earlier than anticipated end to the USA season. As a result there will be no competition from Californian navels that are due in the market at the end of October.

Hong Kong and SE Asian markets were also stronger for Late Lanes, with most finding it difficult to fill all orders received, even at higher prices. A pleasing end to a tough season.

VALENCIA

Domestic The wholesale market was sticking with Late Lanes, but retail has started to swing to Valencia. Consumer demand over next few weeks is expected to slowly increase.

Export Packouts and quality of Valencia is good this season and with brix levels two weeks ahead of the same time last season, market acceptance was good. Prices were below the starting level of last season, due to coming off a low price navel season and the higher forex rate with most trading companies. Japan has come on stream for large to medium size fruit which is assisting in moving all sizes of fruit available. It is expected harvest will recommence with serious volumes from the first week in October, or early if Japan comes on stream. Juice processors started taking contracted fruit from second week October.

MANDARINS

Domestic Queensland Murcotts were still being sold one week over their scheduled program. Southern fruit was arriving in the chain stores and moving slowly, despite promotion, but the returns for large sizes was good.

Export Argentinean Honey Murcotts currently dominate the market, landing at US\$7.00 (\$9.30)/15kg/ctn, but are coming to an end and interest is now being shown in Southern Australia product.

LEMONS

Domestic The market improved slightly due to adverse weather conditions hampering harvest. Quality is deteriorating with high colour and small signs of sour rot being of concern. Prices fluctuated during the month but eased slightly overall.

Export Demand for both class 1 and composite grade lemons continued at steady prices. There was strong demand for medium to small fruit, which is in short supply. If the quality level drops further, there will be limited opportunity for export.

GRAPEFRUIT

Domestic No change from the previous month. Market demand and price quite steady. Marsh and pink grapefruit are available with the pink generally being very light.

Export The demand for white and red grapefruit remains limited to small orders mixed with other citrus.

Source: Australian Horticultural Exports Association (AHEA)