

season update

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PROCESSING – MARCH 2006 REPORT

Australian growers have now harvested between 35-50% of the 2005/06 Valencia crop. Some industry sources suggest the crop should be slightly further on than this which could indicate a late end to the harvest.

Apart from the slower-than-usual picking, the season is progressing as expected and processors state that there is still five to six weeks of high quality fruit to be run. Although this does depend on the weather; if the mild weather heats up then harvesting and processing will speed up.

Ratios are holding steady with fruit in most producing regions at 14-15 ratio – some marginally higher at 16-17. Ratios will taper off in from April onwards until the crop winds up in July.

Juice yields are currently pegged between 470-485 single strength (SS) litres per tonne of fruit, although one of the larger processors is reportedly crushing at 540 SS litres per tonne.

Similar to last month, there are very limited volumes of Valencia fruit being put to concentrate and most processors are running all supplies to not-from-concentrate (NFC). Nevertheless, one processor stated that around 20% of his uptake was being crushed into frozen concentrated orange juice (FCOJ) as an import replacement.

Spot prices for Valencia are varied. The Riverina region is trading between A\$30-50/tonne, while fruit in some areas is changing hands for A\$150/t. An average price seems to be around A\$80/t, similar to last month.

Contracted fruit prices for the season were fixed towards the end of last year at A\$200-240/t, compared with A\$280-300/t the previous season. Industry sources claim the spot market has eased recently and that there are less calls from growers trying to sell fruit.

Industrial NFC is still trading at A\$0.55 cents/litre, a level that is unlikely to change for the rest of the season.

Overseas

The United States Department of Agriculture (USDA) has reduced the crop forecast for Florida's 2005/06 harvest once again this month, which could give the big Brazilian processors an incentive to increase their prices. Nevertheless, trading of Brazilian juice is quiet at the moment on both the European and Australian market. The majority of Australian buyers are covered until the end of June and some traders have fixed contracts beyond that.

Retail

Retail consumption has risen marginally over the past month due to the Commonwealth games coupled with some strong advertising campaigns. A spokesperson from one of the larger packers stated that their retail uptake is up by 10% on last year.

Labelling

End-users have been hoping to use the 'Aussie Grown' logo on reconstituted juice made with 100% Australian concentrate. Australian Citrus Growers granted six juice producers the use of the logo on a range of products from the end of February. The remainder of the other processors will likely have to wait until next season.

Source: Stefan Worsley, www.juicemarket.co.uk