

season update

This publication has been facilitated by HAL in partnership with Australian Citrus Growers (ACG) and has been funded by the national citrus R&D levy. The Australian Government provides matched funding for all HAL's R&D activities.

PROCESSING – MAY 2006 REPORT

The Australian processing industry is going through a relatively quiet period in the run up to the end of the season. Ratios are now at 15-16, similar to last month. Brix levels are down to 9-10 from 12, which has resulted in a watery tasting juice that needs to be blended.

Between 60-70% of the Valencia processing season has been run in the Riverina and in South Australia and the Murray River region the season is around 95% complete. The South Australian season will wind up in June and the Riverina will run until August.

Yields have dropped off slightly for most processors and are now at 470 single strength litres (SSL)/tonne of fruit. One of the larger processors is juicing at 52SSL/t.

Spot prices are at \$80/tonne in the Riverina and \$120-130/t in the Murray Valley and South Australia. Processors point out that trades at \$120-130/t are few and far between.

Volumes of fruit being sent to concentrate are limited due to the lower yields, although some supplies from the Riverina are still being concentrated. Producers suggest that the spot price needs to sink to around \$30/t for domestic concentrate to replace imported.

Producers expect a higher volume of navels to be sent to low grade applications this season, which may stem concentrate imports.

The Brazilian market is offering concentrate at US\$1,750/t, similar to last month. Prices are not expected to increase that much with US\$1,800/t being the ceiling for the foreseeable future.

Domestic retail sales are slower than last month and down on expectations. Nevertheless, sales are up on this time last year by around 8%. Processors continue to try to attract shelf stable customers to the fresh chilled sector.

Labelling

One new labelling issue has emerged over the past month with industry players hoping to get a preservative (DMDC) re-named as a processing agent, which would mean it would not need to be included on the label.

However, some processors state that processing aids are not the same as preservatives and therefore do not expect this to be implemented.

Australian orange juice imports (tonnes)

MAT to 23/04/06	Dollars	Litres
Total Ambient Juice	381,323.6	274,734.9
Total Chilled Drink	69,006.6	55,540.1
Total Chilled Juice	279,331.7	128,614.1

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