

# FR *ui* TROP

English version

CLOSE-UP:  
GRAPEFRUIT

Mediterranean citrus:  
HLB, a new threat

Sea freight: reefer market  
heads for the rocks

<http://passionfruit.cirad.fr>

What are the strategic lines to be used to re-launch demand and how can they be exploited?

How can consumption be restored? Varietal innovation is probably one of the best strategic approaches. The Israeli industry may hold a winning card, according to a recent article in the Haaretz: 'Aliza', a sweet grapefruit that is easy to peel, seedless and a characteristic orange colour both inside and outside is being developed at the Volcani Center. However, it is still too soon to make a judgement on the true potential of the variety as tests have not yet been completed.

Another more obvious answer would be to resume promotion. However, times are not right for a single source to mobilise the large budgets necessary. Florida, by far the most active region in the promotion of grapefruit, is devoting its budgets to research on citrus greening (HLB). In addition, in contrast with oranges and easy peelers, no European budget has been allocated to grapefruit as it is little grown in the EU.

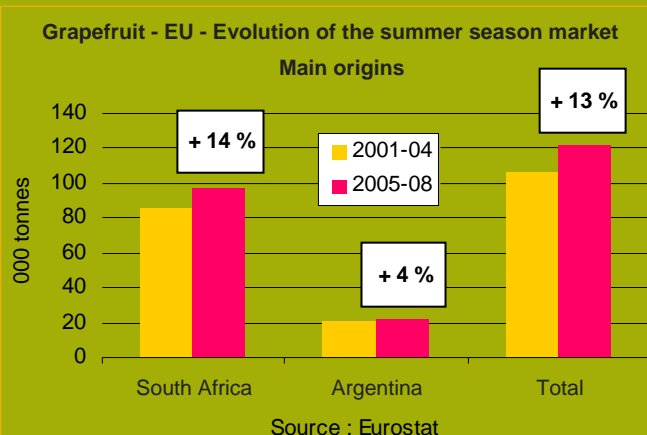
What can be done in this situation? Let's imagine. What if professionals upstream and downstream organised the re-launch of grapefruit themselves? This dream has

## Summer season: slight EU market growth benefiting South Africa

Has the decrease in the volumes exported from Florida benefited stakeholders supplying the summer season? The reply varies according to the market. Although we have seen that the answer is very clearly 'no' in the case of Japan, European imports have increased slightly. The volumes delivered during the summer increased from about 100 000 -115 000 t before the problems in Florida to 110 000-130 000 t in recent seasons, that is to say an increase of about 10 000-15 000 t. The EU has thus confirmed its position as the world's leading market for southern hemisphere grapefruit, ahead of Japan. However, it should be emphasised that the enlargement of the EU to 25 member-countries in 2004 and then to 27 in 2007 doubtless contributed to this growth. The balance also reveals differences when the situation is analysed source by source. The increase has little benefited Argentina. Suffering from recurrent drought and the spread of citrus canker—detected

in the province of Salta in 2002—Argentinian exporters have lost part of their export potential and have switched shipments more massively to eastern Europe and especially Russia. Likewise, and in contrast with the winter market, no secondary source has developed and no outsiders have appeared. Arrivals from Uruguay have remained marginal and Chile, that seemed to wish to increase shipments to the EU, is more and more discreet. Exports had approached 4 000 t in 2006 and totalled only 1 500 t in 2007 and 2008, being sent mainly to neighbouring countries including Argentina. Frost during the 2006 southern hemisphere winter probably accounts for the decrease, that might possibly continue for other reasons. Chilean production potential is only about 10 000 t and the opening of the United States market in May 2009 may well create a strong suction effect, even if customs tariffs will not be fully liberalised until 2012.

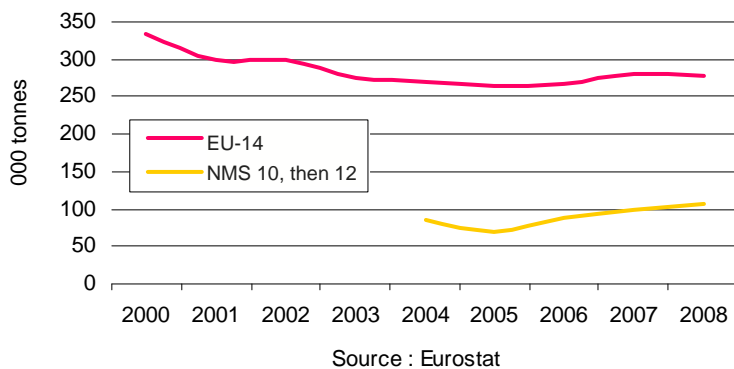
As a result, the source that gained most on the EU market was South Africa, the leading supplier, with an increase in imports of about 15% between before and after 2004. Another cause for satisfaction is that South African exporters have also managed to gain footholds on other large markets. Russia imported less



Grapefruit — Southern Hemisphere					
Tonnes	1997	1998	1999	2000	2001
Austral Africa	68 097	110 423	87 897	108 231	76 752
Argentina	27 453	24 863	19 943	14 456	19 084
Uruguay	1 784	1 580	539	300	1 325
Chile	-	-	-	-	-
<b>Total</b>	<b>97 333</b>	<b>136 866</b>	<b>108 378</b>	<b>122 987</b>	<b>97 160</b>

Overestimated figure for Austral Africa in 2004 / Source: Eurostat - EU 15, EU 25 from 2004, EU 27



**Grapefruit - EU - Evolution of the apparent consumption**

become reality for other produce. In the United States, the California avocado growers' organisation and those of Chilean and Mexican exporters combined to increase consumption three-fold. Closer to the EU, the Banana Group formed by the main banana marketers in the United Kingdom, succeeded in increasing consumption by more than 250 000 t over a period

of about 15 years. The grapefruit sector has assets for success in the first essential stage in such an operation, that is to say that a critical mass of interested operators can be assembled. The export sector is fairly concentrated (Israel and Spain) and has representative organisations capable of managing this type of operation: the Plant Production and Marketing Board in Israel, AILIMPO in Spain, FDOC in Florida and the brand-new Citrus Board in Turkey. A budget can then be assembled by a levy of a few cents on each box sold. In fact, the example of avocado also gives good ideas for overcoming the reluctance of some supplier countries to form an alliance with competitors. Not all the budget is devoted to generic promotion; some is re-allocated for 'source' promotion operations.

Tried and tested solutions are readily available and it is a good thing to make a reminder that an alliance for promotion purposes in no way stops every company having its own marketing and sales policy ■

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than 500 000 boxes in 2006 but took over a million in 2008. Furthermore, financial returns for growers have been comparatively satisfactory in recent seasons, as can be seen in the firming of the average season price at the import stage. As a result, the areas under grapefruit have increased noticeably. Planting was running at the rate of some 150 000 trees per year at the beginning of the decade and has exceeded 300 000 trees per year since 2004. The total area concerned was about 7 800 ha in 2004 and approached 8 500 ha in 2007. In recent seasons, production has oscillated between 350 000 and 400 000 t in comparison with approximately 300 000 t at the beginning of the decade.

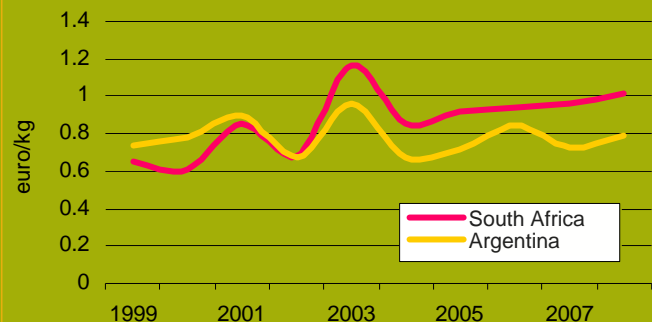
In addition, the export potential forecast by South African operators for the 2009 season is in the high average bracket: approximately 14 million 15-kg boxes. This is more than the 12.5 million in 2008 but fairly similar to the 2007 figure. So what will be available on the EU market this season? Allocations by destination will obviously be decisive in the current context of strong economic uncertainty and may be different from those of other seasons. South African exports to Russia are down at the beginning of the

season but shipments to the very important Japanese market that has taken an average of 6 million boxes in recent seasons are at a fairly good level. The weakness of Argentinian production should result in smaller shipments to the EU than last year in spite of the practically total (and abnormal) concentration of shipments to Europe at the expense of the Russian market. The drought in the Salta region has had an extremely negative effect on fruit sizes and considerably reduced the quantities available for export. In fact, exports seem to have decreased since the beginning of June and this is very early. However, it should be underlined that although the Russian and Japanese markets are uncertain as regards receptiveness, this applies to the EU as well. Competition from the season's fruits with good crops after several meagre years, may add to the real or supposed effects of the economic downturn on fruit and vegetable consumption.

**European imports**

2002	2003	2004	2005	2006	2007	2008
96 653	85 355	84 062	110 288	82 482	105 286	93 868
18 882	24 504	19 583	26 869	17 627	23 513	17 078
483	665	401	576	2 063	775	298
-	-	200	474	2 513	959	719
<b>116 018</b>	<b>110 523</b>	<b>104 245</b>	<b>138 207</b>	<b>104 685</b>	<b>130 533</b>	<b>111 963</b>

7 from 2007 - code HS 08054000

**Grapefruit - France - Average season price**

Source: Cirad - Average for grades 40/45

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