**MARKET SITUATION REPORT RELEVANT TO COVID-19 IMPACTS**

**Report: 2**

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This reports seeks to communicate the current situation in each key citrus market in relation to the current impact brought about by COVID-19. Every effort has been made to ensure the information is reliable, but conditions in each market may well shift quickly and exporters should be engaging their trading partners directly in each market.

**General (All markets):**

* Uncertainty persists about the exact rate and flow of fruit under these new trading conditions – supply chains are going through a re-calibration / adjustment process.
* The restaurant and hotel demand is significantly lower. This is being offset by increased demand through retail stores with more consumers eating at home – but the actual ratio’s is difficult to quantify.
* Exporters seem less concerned right now about overall demand, as this should hold, than about logistics and actually getting the product through to consumers.

**European Union:**

* The EU Commission and governments continue to work hard to ensure the movement of product across the EU is done without constraint. They recognize the need to ensure supply chains function efficiently is important and so helping streamline border crossings and paperwork (Phyto’s and Certificates of Inspection) for truckers.
* With COVID-19 citrus sales have increased in all of the different market segments, in Europe and UK also. It’s difficult to mention any numbers but in UK citrus sales have increased by 30-35%. Specifically, the demand for lemons and easy peelers.

**UK**

* The “panic buying” peak from 7-10 days ago seems to have subsided somewhat.
* The longer shelf life of citrus probably makes it more preferable compared to some other perishable produce types as shoppers look to visit the shops less frequently.

**Middle East**

* Saudi Arabia: The country is under lockdown. At this stage wholesale markets remain open but with working hours reduced. For a few weeks rumours that wholesale markets might close have existed but this has not happened. The real challenge seems to do more with logistics around the market where drivers are needing permits to enter facilities, etc. rather than slow demand. In fact, produce prices have actually increased, causing officials to intervene and set “reasonable” maximum selling prices for some commodities (including lemons). It is unclear if this peak in price was driven by panic buying as observed in the EU, or slow supply to the markets.
* Kuwait: Ports are currently closed in Kuwait meaning shipments need to be diverted and cleared at alternative ports in the Middle East. The country is in lockdown.
* Dubai: Dubai is also under lockdown with only essential services running. There is significantly reduced activity at the markets but they remain open. There is also the impact of officials now working from home which could mean the clearing of fruit could take longer than normal.
* Qatar: It has been confirmed that the Certificate that Qatar was seeking around COVID-19 (i.e. providing assurance that the product had been handled to avoid COVID-19 transmission) has fallen away and is no longer needed.

**China**

* Phytosanitary inspections for fruit destined to China are underway.
* The Chinese ports continue to improve throughput.
* Demand seems strong for Egyptian citrus.
* Buyers are gearing up of South African product, but approaching the SA season with due care under the circumstances.
* No further new on this market.

**Japan**

* Fruit for Japan is expected to be flowing to the port from next week.

**South Korea**

* DALRRD are continuing to engage with Korean authorities to confirm the arrival arrangements for the South Korean inspector – but the challenges are proving rather difficult to overcome.

**USA**

* There does seem to be increasing demand for citrus through the retail and wholesale markets while food service volumes are down (see footnote [[1]](#footnote-1)), which is also extending to other produce (see footnote [[2]](#footnote-2)).
* From California: With regard to the situation in the United States, retail demand seems to be very good for citrus, but the institutional market is nonexistent.  Most states are ordering restaurants and bars to close, so that’s a problem for lemons.  Otherwise, citrus is seen as good for combatting the virus because of its vitamin C and also it’s perceived a little safer because it can be peeled. The expectation is that demand should be good for a while.  The virus will be in the news and on everyone’s mind for the next 3-6 months and there’s likely to be a halo effect regarding the health benefits that won’t be quickly forgotten.

**Russia**

* No new information available
1. <https://www.freshplaza.com/article/9202211/demand-spikes-across-north-america-for-oranges/> [↑](#footnote-ref-1)
2. <https://www.freshplaza.com/article/9201982/from-a-stagnant-market-to-escalating-demand/?utm_campaign=highlights&utm_medium=email&utm_source=27-03-2020> [↑](#footnote-ref-2)