

Greater competition and pressure is expected in the European lemon market this summer

Detail Introduction :

The Spanish campaign for fine or Primofiori lemons is nearing the end with prices that have remained the same for two weeks, the prices of trading operations have risen in what can be defined as an end-of-campaign "bullish rally", perhaps thinking of having of fruit to extend the campaign of fino or simply of sheer hysteria and speculation, two behaviors that usually go hand in hand, according to Ailimpo. Prices average between 0.31 and 0.37 euros per kilo in the Region of Murcia, the main producing area in Spain.



"Be that as it may, the result is that prices are reached at origin that make it possible to calculate average for the fine campaign that are clearly profitable for the producer," they point out from the interprofessional. On the other hand, the active demand in volume confirms a favorable lemon consumption in Europe, although if we analyze the prices paid by the distribution chains they are certainly depressing, which is the interprofessional's complaint last week in a letter addressed to the supermarket chains.

"There are two realities, undoubtedly real, but completely unbalanced or at least without a cause-effect connection. We are witnessing two unconnected markets, which apparently breaks the normal logic of supply and demand. But that's the way things are", they hold.

The field is firm in the final stretch of the fine lemon campaign, although the increase in costs has not been transferred to the sales market, not only for the fruit but also for energy, materials, packaging, transport. Regarding the Russia-Ukraine conflict and the impact on lemons, Ailimpo indicates that Russia is already suffering from a strong devaluation of the ruble coupled with difficulties in paying for imports. In the

Argentina, the start of the campaign, traditionally in March, has been delayed due to the poor prospects for these markets. The focus of activity will therefore be on trade with the EU, the UK and the US. In the case of South Africa, the main lemon supplier to these markets, business in that area is also at risk. "The result is greater competition and pressure on the European market this summer, where the economic situation is not buoyant, which could have an impact on consumption."