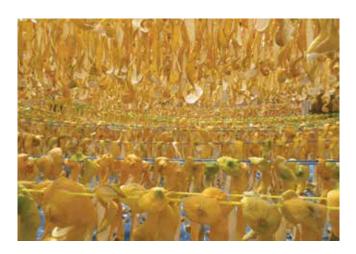
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Beacon Commodities



In reaction to the worldwide shortage of lemon peel, Beacon have established and financed a joint venture producing lemon ribbons in Egypt. Beacon have enjoyed close ties with Egypt for a number of years, establishing this business in 2015. The joint venture is now well established providing quality peels for the distilling trade.



Problems in Spain

Spain is still experiencing (which is expected to continue over the next few years) problems with the supply of fresh lemons. All lemons are being used for the 'table' market which includes juice manufacturers and oil producers. These large companies can afford to pay a higher price and farmers are keen to sell to them as there are no processing costs, unlike the peel processors. The peel industry is also labour intensive and finding the labour in Spain to process the lemons is proving extremely difficult.

Egypt

Egypt grows a large variety of fruit and vegetables and has for a number of years been selling lemons into Russia and the UK markets. The country's lemon groves almost entirely adjoin the River Nile and Beacon Commodities has built up a direct relationship with a farm specifically growing citrus fruit and sending finance out to secure the quantities of fresh lemons. The season for lemons in Egypt is very different to Spain and offers a far greater potential of supply. Egypt can produce lemons for around 9-10 months of the year with a break in harvest between April and July.

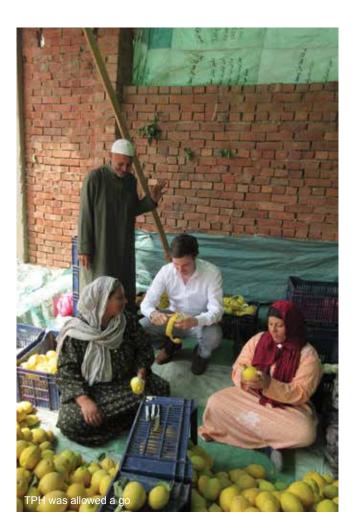








The fresh lemons are handpicked on the citrus farm every day and transported by truck to a processing area where the lemons are peeled by hand before being hung on plastic wire lines to dry. The number of days that the peels are dried depends on the time of year, temperature and humidity but on average take around 6-8 days. Each Lot's moisture content is carefully tested and when ready the peels are packaged and stored before being sent in a container to Alexandria Port in 3 MT Lots.





The process is very labour intensive and requires a huge number of fresh lemons. As a general rule, 10 MT (10,000 kilos) of fresh lemons will produce around 750 kilos of dried lemon peel ribbons. It is the sheer quantity of fresh lemons that provides the difficulty and is why it is imperative to maintain a close relationship with a citrus farm.







The future

It looks unlikely that the problems in Spain will ease and as demand for lemon peel in the distilling trade increases, Beacon's joint venture with Egypt is an established alternative, producing excellent quality peel along the same methods as Spain.

Please contact us if you have any queries on the above and whether you would like to look at the possibility of using Egyptian peels in the future.







