

Update

January 2018 – Issue 24

Beacon Commodities



In the middle of December 2017, we went out to Murcia to check on the Spanish citrus peel situation for the coming year. It proved a very important trip with concerns building for the upcoming harvest. The harvest is now underway.

A dry year

Murcia has experienced its driest year for over 40 years resulting in the artificial lakes being at only 7% capacity. This lack of water has also been exacerbated by the lack of rain and snow melt in the north of Spain.

Murcian farmers rely heavily on purchasing water for their fruit and vegetables from northern Spain which is then sent down south in channels throughout the year after the snow melt and heavy rains. The rain and heavy snow did not appear in the north throughout late 2016 and 2017. It has become so bad that farmers within Murcia are using sea water (after de-salinisation) to water their crops – a very expensive affair!

Many villages and properties throughout Murcia have water restrictions in place with some villages only receiving water for 4 hours per day.



Small lemons prior to harvest



The orange was how big?

The knock-on effect

The result of the lack of water means that both oranges and lemons are much smaller this year therefore reducing the yield from the fields. For the peel industry this makes it more expensive to process and more difficult to secure the quantities. The majority goes to the 'juicers' and 'oil processors'.

Many of our regular processors are not considering the processing of Spanish lemons because of the already high prices and the difficulty in securing fresh fruit.



Tasting this year's crop

A dangerous cycle

Prices for fresh fruit (and especially pomegranates) continue to rise in Murcia meaning many farmers are planting up new acreages which in turn is increasing the demand for water, not a great situation.

The situation we find ourselves in is why we travel regularly and we are confident of securing the required quantities of orange peel from Spain but for the lemon we will once again be processing the 2018 crop in Egypt.

We would be happy to answer any further queries you may have on Citrus and please do not hesitate to contact us on +44 1273 844 264 or +44 7900 244 939.

