



Raw materials for the fruit juice industry

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The constant availability of raw materials for the fruit juice industry during the 2009 period, did not run as smoothly as some would have predicted. And the prospects for 2010 are definitely no different – just more challenging!

Due to negative constraints such as energy supply and labour price hikes during 2008, the 2009 economic recession did not help to put things at ease as far as planning and predictions with regard to raw material sourcing were concerned.

Uncertainty regarding consumption as well as local and international availability of raw materials combined with other economic constraints, such as the volatile South African rand and negative worldwide buying power, made any calculated consumption prediction look like a wild guess in the dark.

SA vs the rest

Except for mango and litchi, local prices and supply of all popular raw materials were competing exceptionally well with their international counterparts. Local mango and litchi supply during 2009 was very low, and huge quantities had to be imported to satisfy to the local demand.

Although local suppliers would like to be able to meet these shortages during 2010, this will not be the case, as imports are said to be in progress, even by some local mango

processors. Due to the latter, expectations are that the 2009 mango (especially 28 brix) and litchi shortage will continue. Due to the fact this is a supply problem which is influenced by a number of factors, it is also not possible to determine the duration of this shortage.

Fresh fruit, dried fruit, achar and juice are all competing for and contributing towards the said mango fruit shortage. Here, unexpected and out-of-the-ordinary weather conditions also had a negative impact on fruit supply during 2008/2009 as well as 2009/2010.

Concentrates

The negative economic pressure of 2009 did not spare orange juice concentrate and last year saw this commodity reaching long-term lows, such as US\$ 650/mt (FOB) during August and September 2009.

After the October 2009 Anuga Food Trade Show in Germany, the price of orange juice concentrate recovered slightly and, due to frost conditions in Europe and North America, the price is currently still moving upwards to an estimated FOB-price of US\$ 2 000/mt in the near future.

International prices and demand for lemon juice concentrate, on the other hand, remained on the high side during 2009 and is currently increasing to FOB-prices above US\$ 3 300/mt, due to frost conditions in Argentina.

There is still a growing demand for pomegranate and certain berry commodities. Supply for these materials still come mainly from abroad, as some of these products are not yet available locally.



What of 2010?

Considering the above uncertainties as well as the supply and demand highs and lows of 2009, and adding the changing daily impact which the 2010 South African Fifa World Cup Soccer has on predicted consumption, it remains a daunting task to determine and predict the consumption of fruit juices for 2010.

Suppliers of fruit juices have over recent years gained valuable experience in meeting the volatile local supply requirements and 2010 will be no exception to the rule, when the industry's experience and strength will once again assure a steady supply to the South African fruit juice industry. **M&J**