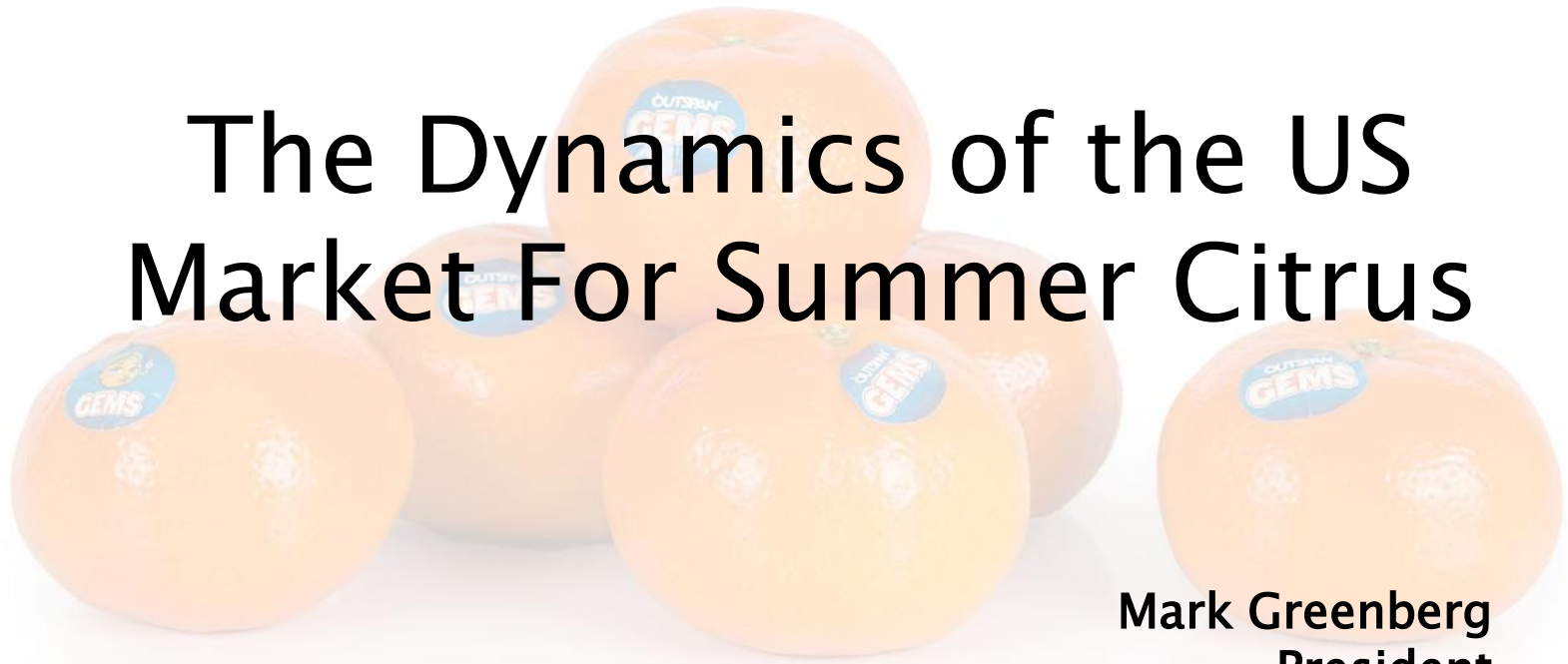


# The Dynamics of the US Market For Summer Citrus



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# Topics

- ✓ The competitive Environment
- ✓ What USA retailers want from summer citrus
- ✓ The impact of tariffs
- ✓ The essential takeaways

# Chile's 2025 Summer Citrus Exports

Expressed in Metric Tons

	To USA	Total	% to USA
<b>Clementines</b>	69,724	71,508	97.5%
<b>Mandarins</b>	175,340	190,782	91.9%
<b>Oranges</b>	112,135	121,587	92.2%
<b>Lemons</b>	56,965	120,887	47.1%
<b>Total</b>	<b>414,164</b>	<b>504,764</b>	<b>82.1%</b>

# 2025 USA Summer Citrus Imports

Expressed in Metric Tons

	Chile	South Africa	Peru	Uruguay	Australia	Argentina	Total	15 kg (equiv) Cartons	Chile's Share
Easy Peelers	245,064	40,208	109,168	22,243	3,935	-	420,618	28,041,213	58.3%
Oranges	112,135	64,346	-	6,907	10,210		193,598	12,906,547	57.9%
Lemons	56,965	1,812	-		-	44,558	103,335	6,889,013	55.1%
Total	414,164	106,366	109,168	29,150	14,145	44,558	717,552	47,836,773	57.7%

# 2025 Summer Citrus - Market Shares by Product & Origin

	Chile	South Africa	Peru	Uruguay	Australia	Argentina
Easy Peelers	58.3%	9.6%	26.0%	5.3%	0.9%	--
Oranges	57.9%	33.2%	--	3.6%	5.3%	--
Lemons	55.1%	1.8%	--	--	--	43.1%
Total	57.7%	14.8%	15.2%	4.1%	2.0%	6.2%

# Chile

## Strengths

- ✓ Natural Market
- ✓ Product Quality
- ✓ Ease of Market Access
- ✓ Numerous Gateways - Full Coverage

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## Challenges

- ✗ Fragmented Supply at Origin
- ✗ Fragmented Supply in Market
- ✗ Single Market Focus

# South Africa

## Strengths

- ✓ Product Quality
- ✓ Consolidation of Supply at Origin
- ✓ Less Fragmentation in Market
- ✓ Numerous Markets Worldwide



# South Africa

## Strengths

- ✓ Product Quality
- ✓ Consolidation of Supply at Origin
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- ✓ Numerous Markets Worldwide

## Challenges

- ✗ Long and Stressful Transit
- ✗ Limited Gateways of Arrival
- ✗ Punitive Tariff

# Peru

## Strengths

- ✓ Tonnage & Timing
- ✓ Good Sizing
- ✓ Numerous Markets Worldwide

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## Strengths

- ✓ Tonnage & Timing
- ✓ Good Sizing
- ✓ Numerous Markets Worldwide

## Challenges

- ✗ Inconsistent Quality

# Competition From Domestic Fruit

## EARLY SEASON

Growth of domestic late mandarin production



Later availability each season



**Deflation of early clementine market (May & June)**

## MID SEASON

Seasonal fruit – grapes, melons, berries, tree fruit – at peak production



Abundant, seasonal, economical, good quality, local



**Seasonal fruit dominates fresh fruit displays throughout summer**

## LATE SEASON

Retailer preference for ‘Buy American’ citrus



**Force early transition to domestic clementines and oranges**

# Chilean Citrus Export Growth to USA

## 2015 - 2025

(Metric Tons)

	<b>2015</b>		<b>2025</b>	<b>% Change</b>
Clementines	28,869	➡	69,724	141.5%
Mandarins	40,058	➡	175,340	337.7%
Oranges	58,882	➡	112,135	90.4%
Lemons	33,631	➡	56,965	69.4%
<b>Total Chilean Citrus to USA</b>	<b>161,440</b>	➡	<b>414,164</b>	<b>156.5%</b>

# What do retailers want? - Product

**Value:** Products that meet quality specification  
Good movement off shelves

**Quality:** Visual appeal  
Good eating experience  
Repeat purchases  
No seeds

## Size:

**Mandarins:** Sizes 1-2-3-4  
Some 5's are okay  
No Size 6 unless programmed and priced

**Oranges:** There is a market for every size 40 - 105  
Size breakdown varies from receiver to receiver  
60% 72, 88, 105  
40% 48, 56, 64

**Lemons:** 95's, 115's and some 140's with PLU's  
140's, 165's and 200's for bags

# What do retailers want? - Service

- Reliability:** Predictable supply, no gaps  
Program volumes supplied in all market conditions
- Food Safety:** All farms and pack facilities audited and certified.  
No exceptions
- Sustainability:** Environmental stewardship  
Social conduct certifications & evaluation

# 2025 US Tariffs

April 5, 2025	10% tariff on fresh produce loaded from Chile, Peru, Argentina, Uruguay
	30% tariff on fresh produce loaded from South Africa
April 9, 2025	90-day moratorium on South Africa reciprocal tariff announced.
August 7, 2025	30% tariff on fresh produce loaded from South Africa takes effect.
November 16, 2025	Tariff on oranges (from all foreign sources) lifted – will not affect fruit already loaded.
	Mandarins and lemons, no change...yet.



# Who Bears the Tariff Burden?

## Tariff Cost:

Shared by growers, exporters, importers, retailers and consumers.

The lion's share is borne by growers

## What determines the price of citrus in the market?

- ✗ Not production costs
- ✗ Not packaging costs
- ✗ Not shipping costs
- ✗ Not tariff cost
- ✓ Determined by supply & demand



The ability to pass on the tariff burden to retailers and consumers depends entirely on the market dynamics of supply & demand

# Tariff Impact in 2025

<b>Chilean soft citrus:</b>	Marginal change in allocation
<b>Chilean oranges:</b>	No discernable impact
<b>Peruvian soft citrus:</b>	Decline in volume to US and in US market share
<b>South African soft citrus:</b>	Reduction in late season loadings
<b>South African oranges:</b>	No discernable impact
<b>Argentina Lemons:</b>	Volume to US decreased – due in part to tariffs and in part due to extraordinary market opportunities in Europe and UK.

# Expected Tariff Impact in USA 2026

## **South African soft citrus volumes to US market will decline:**

The product cannot withstand a 30% tariff. Chile, Peru and Uruguay can supply the market fully. South Africa will likely ship only 30% of its normal easy peeler volume to USA in 2026.

## **Chilean, Peruvian, Uruguayan soft citrus volumes will remain grow:**

These sources will see both opportunity in US as well as the market risk in other markets where South Africa will send the fruit it diverts away from USA,

## **South African Orange volumes will remain robust:**

With no tariffs, the US market will remain a preferred destination for South African exporters. South African exporters are careful to not overload the European and UK markets.

## **Chilean orange volumes to USA will remain stable:**

We expect no change in Chile's export strategy. Reliance will remain on this high-paying, easy access market.

# Takeaways

- ✦ Summer citrus is hyper competitive; there are no gaps and no niches
- ✦ To move today's volume of summer citrus requires shelf space, lots of shelf space
- ✦ Value will get shelf space - value means quality at an affordable price
- ✦ Efficient utilization is critical to delivering value to retailers and strong returns to growers

# Takeaways– continued

- ✦ Keep your problems at home - it takes a lot of discipline, but it saves money
- ✦ Don't shy away from programs - they move fruit and provide certainty of return
- ✦ Information is critical - provide your exporter and receiver with the best production information available so that good decisions can be made
- ✦ Retailers care about viable growers - but they care more about remaining competitive



THANK YOU