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Excellent summer ahead for Salix's Argentinian lemons

By

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Lemons, which are heavily dependent on foodservice sales, are currently in a strong demand-supply situation as the nation's restaurants reopen in the new near post-pandemic environment.

Riding that wave of success is U.S.-based Salix, a significant importer of Argentinian lemons, other citrus and fruit crops from South America, Mexico and a host of countries. "With regard to lemons, California does not have a lot of availability right now, so we are seeing a very strong market," said Salix Sales Manager Juana Elortondo.



Juana Elortondo

She noted that lemons from Argentina can be imported into the United States without a cold treatment protocol from April through August. This season's shipments began to arrive at U.S. ports in mid-May and Salix is planning to extend the season, on a test basis, even into September when a cold treatment is required. Elortondo said that Mexico's late summer lemon crop is expected to be down so the importer may test the waters if the demand warrants it.

Salix CEO Alejandro Moralejo noted that the company has been increasing its imports to the United States and around the world every year since its inception in 2013. The distributor focuses on citrus,

such as lemons, limes, mandarins and oranges, from many countries including Argentina, Peru, Colombia, Mexico, Spain, Turkey and Morocco. It also distributes other fruits, including apples, grapes and pears. The company's website declares that it has "80 loyal growers in 18 countries and 400 customers in 57 countries."

Moralejo said the Argentina lemons are one of its core crops and it is one of the larger suppliers of that item around the globe. Annually, Salix imports about 500 containers of fruit to the United States and ships another 2,000 containers around the globe.

"We were crazy enough to grow during a pandemic," said Elortondo. "We only know one direction and that's moving forward."

Though the lack of foodservice for lemons and other citrus did make for a challenging 2020, Moralejo said the company did continue to expand and search for new customers. Elortondo said expanding its retail customer list is a definite goal for 2021 as more retailers are open to new suppliers this year with buying patterns returning to a more normal level.

Logistics are always an issue, according to Moralejo, with that piece being especially challenging in 2020 due to container shortages across the seas and unloading delays at ports around the world. But this year, logistics are presenting an advantage for Argentina lemons in the United States. Elortondo said that the ocean freight cost to ship a container from Argentina to the United States has a significant price advantage in comparison to the inland cross-country freight that would be necessary to haul California citrus over to the East Coast.

To further enhance its freight advantage, Salix is also exploring opportunities in shipping Argentinian lemons to the United States in bulk ships, which will reduce the amount of time from harvest to the U.S.

"We are focusing on the East Coast market, where we can offer a price advantage and are shipping a very high-quality piece of fruit in many different sizes. Quality is very important," Moralejo said, noting that the company unloads the fruit in ports in both Florida and near Philadelphia, and is also exploring Texas, as well as West Coast options for customers on that side of the country.

He added that the company is perfectly positioned to deal with its South American suppliers. "We are an American company with lots of Latin blood."

The Salix representatives added that the company can be part of any customer's year-round citrus program as they do have citrus 12 months of the year including oranges from Chile, Valencias from Mexico, and Mandarins from Peru and Morocco, to just name a few of their origins of supply. In fact, Elortondo said Salix is currently working with customers in Puerto Rico on citrus supplies from Australia and South Africa to navigate that island's import protocols.

Moralejo acknowledged that the company is not setting the market nor greatly impacting the supply-demand equation. "We are not picking the music, but we can dance to whatever is being played," he quipped.

