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EU-27

Citrus Annual

EU-27 Citrus Annual Report 2011

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Report Highlights:
For MY2011/12, an EU orange crop of over 6,350,000 MT is forecast. This is a 2.6 percent increase from last season mostly as a result of higher production in Italy. Tangerine production is expected to be close to 3,097,000 MT in MY2011/12, slightly below last season's due to the influence of a dry summer. Lemon will benefit from the mid November rains and is expected to reach 1,320,000 in MY 2011/12, an almost 6 percent increase from the previous year. Grapefruit production has been increasing in the last three years and is expected to reach nearly 114,000 MT in MY 2011/12. Orange juice is expected to increase by 6 percent in MY 2011/12 to 99,500 MT (Brix 65), in line with higher deliveries of oranges to the industry.

Disclaimer: This report presents the situation for citrus (orange juice, oranges, grapefruits, lemons, tangerines, mandarins and other citrus) in the EU-27. This report contains the views of the authors and does not reflect the official views of the U.S. Department of Agriculture (USDA). The data are not official USDA data.

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Abbreviations used in this report:

CMO Common Market Organization
EC European Commission
EU European Union
FAS Foreign Agricultural Service
FCOJ Frozen Concentrated Orange Juice
GTA Global Trade Atlas

HS Codes: Harmonized System codes for commodity classification used to calculate trade data
Oranges 080510
Tangerines/Mandarins 080520
Lemons 080550
Grapefruit 080540
Orange Juice 200911, 200912, 200919

MS EU Member State(s)
MT Metric ton (1,000 kg)
MY Marketing year
- Orange November/October
- Tangerine November/October
- Lemon November/October
- Grapefruit November/October
- Other Citrus November/October
- Orange Juice November/October

PO Production Organization
PS&D Production, Supply and Demand

TMT	Thousand Metric Tons
USD	U.S. Dollar

Commodities:

Oranges, Fresh

Production:

EU orange production is concentrated in the Mediterranean region. Oranges are the second largest EU fruit crop after apples, with nearly 6.2 million tons produced in MY 2010/11. More than 80 percent of the EU's total production of oranges is sourced in Spain and Italy. The remaining 20 percent is distributed among other Member States (MS), mainly Cyprus, Greece and Portugal. For MY2011/12, an EU-wide orange crop of over 6.3 million tons is forecast.

Spain

Spain is the largest orange producer within the EU, representing about 50% of total orange production within the Union. The season started with a delay of between one and two weeks in Spain, depending on the regions, and with good perspectives for early varieties. The orange production for MY 2011/12 in Spain is expected to reach 2,860,000 MT in what is considered an average season, half way between the last two, with good quality, although with a higher volume of commercial sizes. Industry sources note the good organoleptic quality of the fruit. Spring was initially very cold but was followed by warmer days. Summer saw temperatures below average in the first half of the season and above average in the second half of the season. The mid November rains contributed to higher calibers and better color for the fruit that hadn't been harvested yet.

More and more producers try to cover the whole marketing year by growing very early and very late varieties. Navelate/Lanelate and Valencia Late varieties are used to boost supply in the late part of the season. Valencia late varieties have brighter color, and are more adequate for juice. However, oranges are grown with the objective of being consumed fresh and oranges of the Navel group are the most appreciated. In Valencia, the area planted to citrus has been diminishing due to urban pressure. Many roads were built that were preceded by expropriation of the lands and some small fields were abandoned. On the other hand in Andalucía the area has been increasing. Producer prices in Spain have been at last year's level with a kilo of oranges being paid at €0.16 on average in early November 2011 (see Annex A).

Italy

MY 2011/12 Italian orange production is expected to be at about 2,260,000 MT, close to the 2009 harvest and significantly higher than last year. According to industry estimates, the crop in Sicily and Calabria (the two main Italian producing regions) will be abundant due to rotational bearing, which creates wide cyclical swings in yields. In fact, MY 2011/12 is a high quantity year in this cycle. Moreover, experts report the quality to be good both in terms of Brix levels and of lack of disease and insects damage. In general, the MY will likely be split in two parts. Fruit size is expected to be significantly lower for oranges harvested from November to January due to higher yields along with the drought that hit Italy over the summer. However, abundant rains occurred in late October-November will likely positively affect the fruit size of varieties harvested from February on.

As for the beginning of MY 2011/12, the size of almost 80 percent of the production is below the 76 mm size and farm gate price fluctuates around 0.2 €/kg (larger sizes are sold at 0.30-0.35 €/kg). Farmers will likely try to sell part of this small-size production through targeted campaigns in foreign markets; however, a large portion of this crop will be destined to the processing industry. According to estimates, around 400,000 MT of oranges will be processed in MY 2011/12. The cultivated area is not expected to decrease. Despite every year around 5 percent of the farms cultivating oranges shift to other crops, other farms are trying to invest their private capital in new innovative and advanced groves to compete internationally.

Greece

MY 2011/12 Greek orange production is forecast to decrease by about 1 percent to reach 910,000 MT, due to heavy frost during flowering. Peloponnese and Aitoloakarnaia (western Greece) are the main orange-producing areas. Washington Navel, Commons, Valencia, Navelina, and Newhall are the major orange varieties grown in Greece.

Portugal

Portuguese production of oranges in MY 2011/12 is expected to reach 210,000 MT following good weather conditions with sufficient rain. A new 10 year census recently released by the National Institute of Statistics revealed a 22% reduction in the orange commercial production area from 1999 to 2009. Orange trees account for 83% of the country’s 17,000 ha of commercial citrus groves. Restructuring of farms has been occurring to try to gain competitiveness through economies of scale. This is seen by a 46% reduction in the number of commercial citrus farms and an increase in the average area from 0.5 to 0.7 ha in the last 10 years. However total commercial citrus area also decreased by 28% in the same time period reflecting remaining competitiveness problems in the sector.

Cyprus

Cyprus has produced oranges since the 1950s. MY 2011/12 Cypriot orange production is forecast to increase significantly by 16 percent thanks to the rainfalls occurred in mid-November that should also help improve the size of the fruit. Total production is forecast at 114,000 MT. Famagusta, Limassol, Larnaca, and Paphos districts are the major orange-producing areas. Navels, Ovals (Shamoutis), and Valencia are the main orange varieties grown in Cyprus.

Table 1. Major EU Fresh Orange Producers by Volume in MT

Country	MY 2009/10	MY 2010/11	MY 2011/12
Spain	2,669,355	3,026,500	2,860,000
Italy	2,350,000	1,950,000	2,260,000
Greece	969,660	922,000	910,000
Portugal	183,400	193,900	210,000
Cyprus	70,900	97,800	113,900
Total	**6,243,315**	**6,190,200**	**6,353,900**

Source: FAS offices

Consumption:

Consumption of oranges in the EU is expected to remain above 5,300,000 MT for MY 2010/11, a level very close to last season's. Oranges are Spain's favorite fresh fruit, with over 21 kilos per capita consumed in 2010, representing up to 20 percent of fresh fruit consumption. However consumption in Southern Europe is decreasing due to the unfolding economic crisis. Oranges are sold all year round due to its high demand by consumers, but in Spain around 80 percent of sales are concentrated in the months of November to May.

Trade:

The EU is a net importer of oranges, with imports largely exceeding exports. Imports into the EU were valued at about US $540 million in MY 2010/11 whereas the value of exports in MY 2010/11 reached US $234 million. Intra-EU trade is very important, considering the volume of oranges produced within the EU. The main customers of the major EU producing countries are other EU Member States.

The major supplier of oranges to the European market is South Africa, which supplies the market from June until October, when the Northern hemisphere harvest starts, followed by Egypt, Morocco, and Argentina. The major EU importers are Germany, France, the Netherlands and the United Kingdom.

Table 2. EU-27 Imports of Oranges by Origin in MT

Country of Origin	MY 2008/09	MY 2009/10	MY 2010/11
South Africa	335,155	413,917	255,670
Egypt	131,498	132,928	97,887
Morocco	90,354	94,011	96,928
Argentina	81,588	87,936	75,465
Uruguay	60,357	70,956	55,383
Turkey	32,826	17,387	10,673
Others	114,709	141,451	119,418
Total Imports	**846,487**	**958,586**	**711,424**

Source: GTA and FAS estimates.

Table 3. EU-27 Exports of Oranges by Destination in MT

Country of Destination	MY 2008/09	MY 2009/10	MY 2010/11
Switzerland	55,534	58,342	54,838
Serbia	33,666	36,010	43,202
Albania	21,781	21,326	34,809
Norway	29,959	29,290	27,981
Russia	14,350	21,625	27,809
Croatia	22,848	22,423	26,779
Others	63,539	46,918	56,488
Total Exports	**241,677**	**235,934**	**271,906**

Source: GTA and FAS estimates.

Production, Supply and Demand Data Statistics:

Table 4. Oranges, Fresh Production, Supply and Demand

Oranges, Fresh EU-27	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Nov 2009		Market Year Begin: Nov 2010		Market Year Begin: Nov 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	315,165	312,615	313,466	316,904		318,036
Area Harvested	290,664	288,991	289,552	292,233		293,439
Bearing Trees	0	0	0	0		0
Non-Bearing Trees	0	0	0	0		0
Total No. Of Trees	0	0	0	0		0
Production	6,343	6,243	6,134	6,190		6,354
Imports	964	959	900	711		700
Total Supply	7,307	7,202	7,034	6,901		7,054
Exports	272	272	325	318		320
Fresh Dom. Consumption	5,933	5,717	5,764	5,373		5,450
For Processing	1,102	1,213	945	1,210		1,284
Total Distribution	7,307	7,202	7,034	6,901		7,054
HECTARES, 1000 TREES, 1000 MT						

Source: FAS offices

Commodities:

Tangerines/Mandarins, Fresh

Production:

Total European tangerine production is expected to be close to 3,097,000 MT in MY2011/12, slightly below last season's level.

Spain

Spain's tangerine production is expected to decrease by approximately 3 percent to 2,124,000 MT in MY 2011/12. In Andalucía, groves that were planted 5 to 10 years ago are coming into full production. Although this year there seems to be less production of early varieties this should be compensated to an extent by later varieties. Last year was a record production year for mandarins in Spain. In spite of lower domestic production producer prices have been trending below last season's due to lower buying power and pressure from industry and distribution to decrease prices (see Annex B). Logistical problems with harvesting during the November rains created a temporary backlog in the distribution of fruit that affected producer prices.

Italy

MY 2011/12 Italian easy peelers production (83 percent seedless clementines, 17 percent mandarins) is expected to be at about 780,000 MT, 3 percent up from last year. However, while the production of clementines will significantly increase, mandarin production will drop by about 30 percent due to a bad fruit set. Despite a relatively abundant crop, the drought over the summer and a dry and warm weather over the ripening period in the fall, delayed the harvest by 10-15 days and negatively affected the fruit size of early (Caffin.) and regular (Comuni) clementines varieties.

As in MY 2010/11, experts expect prices to decline significantly in December and January due to the bulk of the production hitting the market in these months, to growing competition from other Mediterranean countries and to the lack of early and late varieties. Early and late varieties currently grown in the South of Italy are generally less productive and more capital and labor intensive than regular varieties.

Greece

MY 2011/12 Greek tangerine production is forecast to remain steady at 120,000 MT. The main producing areas include the prefectures of Igoumenitsa, Arta, Mosologgi, and Thesprotia, located in northern Greece. “Clementine” is the major tangerine variety grown in Greece.

Cyprus

Tangerines represent 39 percent of total citrus production in Cyprus. MY 2011/12 Cypriot tangerine production is forecast to decrease by 9 percent because of the rotational bearing, which creates wide cyclical swings in yields. Famagusta, Limassol, Larnaca, and Paphos districts are the major tangerine-producing areas. “Mandoras”, “Tangelo”, “Minneolas”, “Nova”, and “Clementines” are the main tangerine varieties grown in Cyprus.

Portugal

Tangerines are the second most important citrus product in Portugal, after oranges. The Algarve is the most representative region with 80% of the total producing area. The production of tangerines expected to be of 34,000 MT in MY 2011/12.

Table 5. Major EU Fresh Tangerine Producers by Volume in MT

Country	MY 2009/10	MY 2010/11	MY 2011/12
Spain	2,000,149	2,196,400	2,120,000
Italy	826,825	758,000	781,000
Greece	110,000	120,000	120,000

Cyprus	82,000	85,400	77,600
Portugal	34,700	34,400	34,000
Total	**3,053,674**	**3,194,200**	**3,132,600**

Source: FAS Offices

Consumption:

Total EU-27 consumption in MY2011/12 is forecast to be above 2,800,000 MT. Consumption is stabilizing within the EU, particularly within those MS who produce mandarins and tangerines. Per capita consumption in the EU for 2010/11 is calculated at 5.6 kilos.

Trade:

The major suppliers of tangerines to the European market are Morocco, South Africa and Turkey. The major EU importers are the United Kingdom, France, Germany and the Netherlands. Exports to Russia are estimated to have increased by more than 50 percent to over 90,000 MT this marketing year. In 2010/11 EU imports are projected to be around US $368 million and EU exports at around US $374 million. The EU turned from being a net importer to being a net exporter of tangerines in 2010/11 following a record crop.

Table 6. EU-27 Imports of Tangerines by Origin in MT

Country of Origin	MY 2008/09	MY 2009/10	MY 2010/11
Morocco	80,384	115,546	88,894
South Africa	65,300	65,064	56,991
Turkey	81,106	64,894	49,786
Argentina	46,638	40,158	31,225
Israel	24,787	36,166	28,536
Uruguay	33,828	37,142	24,267
Others	44,560	58,212	62,134
Total Imports	**376,603**	**417,182**	**341,832**

Source: GTA and FAS estimates

Table 7. EU-27 Exports of Tangerines by Destination in MT

Country of Destination	MY 2008/09	MY 2009/10	MY 2010/11
Russia	52,194	59,351	90,965
United States	56,932	46,090	63,047
Ukraine	26,280	27,293	54,572

Switzerland	39,445	38,965	38,106
Belarus	21,859	19,073	31,071
Norway	23,576	24,544	23,190
Others	37,948	52,155	67,688
Total Exports	**258,234**	**267,471**	**368,639**

Source: GTA and FAS estimates

Production, Supply and Demand Data Statistics:

Table 8. Tangerines/Mandarins, Fresh Production, Supply and Demand

Tangerines/Mandarins, Fresh EU-27	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Nov 2009		Market Year Begin: Nov 2010		Market Year Begin: Nov 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	166,922	171,874	165,363	167,740		165,243
Area Harvested	151,962	155,577	150,918	150,918		150,105
Bearing Trees	0	0	0	0		0
Non-Bearing Trees	0	0	0	0		0
Total No. Of Trees	0	0	0	0		0
Production	3,083	3,054	3,216	3,194		3,133
Imports	417	417	360	342		350
Total Supply	3,500	3,471	3,576	3,536		3,483
Exports	267	267	360	369		360
Fresh Dom. Consumption	2,810	2,812	2,769	2,828		2,802
For Processing	423	392	447	339		321
Total Distribution	3,500	3,471	3,576	3,536		3,483
HECTARES, 1000 TREES, 1000 MT						

Source: FAS offices

Commodities:

Lemons, Fresh

Production:

At EU-level, the production of lemon is expected to reach 1,320,000 in MY 2011/12, an almost 6 percent increase from the previous year.

Spain

In Spain, lemon crop production for MY 2011/12 is according to official sources close to 728,000 MT, a 5.8 percent increase over the previous year. Lemon production in Spain is concentrated in three regions located in the southern Mediterranean area: Murcia, Valencia and the Provinces of Malaga and Almeria in Andalusia. The dominant varieties in Spain are Verna - a tender and juicy variety with few seeds, representing 30 percent of total production; and Fino which represents 70 percent of total production and is favored by the processing sector. Verna is a summer variety, harvested from May to September, while Fino is a winter variety, harvested from October to April. High hopes are placed by the Spanish industry on the MY2011/2012 Verna season, where a higher production is expected.

Producer prices have recently caught up with last season's (see Annex C) but there is overall a great pressure from distribution to decrease prices in the face of the economic crisis in the country.

Harvests forecasts from the main lemon and grapefruit inter-professional association (AILIMPO) are higher for MY2011/12 at 870,000 MT in Spain, with a possibility to be even higher as lemons are increasing in caliber and weight after recent rains. As can be seen there continues to be an important disparity between official numbers (published by the Ministry of Agriculture) and the numbers from the industry body. A detailed analysis of this problem was submitted in March by the industry to the EU Citrus Experts Group.

Italy

MY 2011/12 Italian lemon production is expected to be at about 520,000 MT, increasing 7 percent from MY 2010/11. Farmers will deliver around 100,000 MT of lemons to the industry for processing.

Greece

MY 2011/12 Greek lemon production is forecast to remain stable. The main producing areas include the prefectures of Korinthos, Achaia, Piraeus, and Ilias, located in northern Greece. The major lemon variety grown in Greece is Maglini, whose fruit is strongly aromatic, with a quite sour juice. It has a thin, shiny peel and when fully ripe has a yellow color.

Cyprus

MY 2011/12 Cypriot lemon production is forecast to increase by 4 percent, thanks to the rainfalls occurred in mid-November that should also help improve the size. Lapithos village is the main lemon-producing area. Lapithiotiki (a local variety), Eureka, and Lisbon are the major lemon varieties grown in Cyprus.

Portugal

Lemons represent 5 percent of Portugal's citrus crop and production levels have remained stable over the last seasons at around 12,000 MT.

Table 9. Major EU Fresh Lemons/Limes Producers by Volume in MT

Country	MY 2009/10	MY 2010/11	MY 2011/12
Spain	558,180	688,400	730,000
Italy	544,532	488,008	520,000
Greece	33,000	46,000	45,000
Cyprus	10,800	18,900	19,700
Portugal	12,524	12,613	12,000
Total	**1,146,512**	**1,241,308**	**1,314,700**

Source: FAS Offices

Consumption:

EU-27 consumption is forecast to be above 1,340,000 MT in 2011/12. The estimated average consumption of fresh lemons has stabilized at around 2.7 kg per capita. As lime production within the EU is minor, consumer demand is met mostly through imports. The Spanish processing industry does not expect a very good campaign for MY 2011/2011 because of high existing stocks of juice and essential oils. This is due to last season having been a record season for processing in Spain and the fact that Argentina increased its summer processing contributing to higher availability lemon based products in the market.

Trade:

The EU is a net importer of lemons, with imports largely exceeding exports. Imports into the EU are estimated at about US $432 million in MY 2010/11, while the value of exports in MY 2010/11 is estimated to have reached US $75 million. Intra-EU trade is critical to the sector, taking into account the volume of lemons produced in the Mediterranean Member States and the demand in non producer Member States. The main intra-EU importers are Germany, the Netherlands, France, and the United Kingdom.

The major supplier to the European market is Argentina, followed by Turkey, Brazil, and South Africa. Latest trade data show Turkey increasing exports in MY 2011/12, especially to eastern and central countries of the EU. The major EU importers of non-EU lemons are the Netherlands, Germany, France and Italy. The main extra-EU destination for European lemons is Russia.

Table 10. EU-27 Imports of Lemons/Limes by Origin in MT

Country of Origin	MY 2008/09	MY 2009/10	MY 2010/11
Argentina	163,756	182,160	163,488
Turkey	103,880	128,376	101,466
Brazil	53,356	56,810	52,583
South Africa	39,340	45,796	42,354
Mexico	24,421	24,903	27,962
Uruguay	10,098	10,832	8,153
Others	10,314	22,011	11,532
Total Imports	**405,165**	**470,888**	**407,538**

Source: GTA and FAS estimates

Table 11. EU-27 Exports of Lemons/Limes by Destination in MT

Country of Destination	MY 2008/09	MY 2009/10	MY 2010/11
Russia	32,035	24,526	21,441
Switzerland	13,866	13,448	14,414
Croatia	7,850	5,444	7,766
Ukraine	6,838	6,211	4,672
Norway	4,127	3,340	3,756
Bosnia & Herzegovina	4,113	2,589	2,501
Others	18,228	11,087	13,823
Total Exports	**87,057**	**66,645**	**68,373**

Source: GTA and FAS estimates

Production, Supply and Demand Data Statistics:

Table 12. Lemons, Fresh Production, Supply and Demand

Lemons/Limes, Fresh EU-27	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Nov 2009		Market Year Begin: Nov 2010		Market Year Begin: Nov 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	82,916	82,679	80,444	81,890		80,160
Area Harvested	77,051	75,308	77,247	77,247		77,090
Bearing Trees	0	0	0	0		0

Non-Bearing Trees	0	0	0	0		0
Total No. Of Trees	0	0	0	0		0
Production	1,159	1,159	1,200	1,254		1,320
Imports	469	471	420	408		400
Total Supply	1,628	1,630	1,620	1,662		1,720
Exports	67	67	80	68		70
Fresh Dom. Consumption	1,393	1,395	1,319	1,353		1,350
For Processing	168	168	221	241		300
Total Distribution	1,628	1,630	1,620	1,662		1,720
HECTARES, 1000 TREES, 1000 MT						

Source: FAS Offices

Commodities:

Grapefruit, Fresh

Production:

Overall EU grapefruit production has been increasing in the last three marketing years and is expected to reach nearly 114,000 MT in MY 2011/12.

Spain

Grapefruit production continues to increase in Spain and it is expected to be above 50,000 MT in MY 2011/12. Spain is the European Member State with the highest grapefruit production, although still very low when compared to other citrus crops. Half of Spain's grapefruit production is found in the region of Murcia. The main variety planted is Ruby Red.

Cyprus

Grapefruits from Cyprus, the second largest EU-27 grapefruit producer, are famous for their quality. MY 2011/12 Cypriot grapefruit production is forecast to remain steady. White Marsh Seedless, mostly grown in the Limassol area, is the major grapefruit variety grown in Cyprus. New plantations have been established in the district of Paphos where the Red varieties were introduced to meet the increased market demand.

Table 13. Major EU Fresh Grapefruit Producers by Volume in MT

Country	MY 2009/10	MY 2010/11	MY 2011/12
Spain	42,000	48,000	50,000
Cyprus	48,000	51,800	49,500
Italy	7,250	7,500	8,000
Greece	5,800	5,800	6,000
Portugal	200	115	115
Total	**103,250**	**113,215**	**113,615**

Source: FAS Offices

Consumption:

EU-27 consumption of fresh grapefruit is forecast to remain stable at around 424,000 MT in 2011/12. The Spanish industry believes there is the potential for growth in the consumption of grapefruit. This is because official data shows that 84 percent of people do not yet consume grapefruit and 54% associate it with slimming diets. For grapefruit, only 6,000 MT are expected to be delivered to industry in Spain. MY 2011/12 Cypriot grapefruit consumption is forecast to decrease by 12 percent. Cypriot grapefruits are both consumed fresh and channeled to food and beverage manufacturers. MY 2011/2012 Greek grapefruit consumption is forecast to remain stable. Most grapefruits are consumed fresh.

Trade:

The EU imports grapefruit from third countries, as domestic supply is currently just above 20 percent of demand. Imports for MY 2010/11 are valued at US$ 340 million while exports are estimated to be slightly above US$ 20 million. The largest importers within the EU are France, the Netherlands, Germany and Belgium. The major sources for imported grapefruit in MY 2010/11 were South Africa, Turkey, China, and Israel. Regarding exports, the main destinations for EU-27 grapefruit are Russia, Switzerland, and Belarus.

Table 14. EU-27 Imports of Grapefruit by Origin in MT

Country of Origin	MY 2008/09	MY 2009/10	MY 2010/11
South Africa	87,072	88,501	79,007
Turkey	73,709	65,567	75,621
China	67,087	69,884	72,934
Israel	62,175	66,425	61,228
United States	79,318	63,760	54,646
Argentina	23,757	15,328	9,129
Others	36,802	29,842	32,580

Total Imports	**429,920**	**399,307**	**385,145**

Source: GTA and FAS estimates

Table 15. EU-27 Exports of Grapefruit by Destination in MT

Country of Destination	MY 2008/09	MY 2009/10	MY 2010/11
Russia	9,382	7,246	8,273
Switzerland	2,211	3,009	2,393
Belarus	1,951	2,490	2,090
Ukraine	1,712	1,410	1,606
Serbia	1,232	1,737	1,431
Croatia	1,371	1,241	1,273
Others	3,179	3,900	4,400
Total Exports	**21,038**	**21,033**	**21,466**

Source: GTA and FAS estimates

Production, Supply and Demand Data Statistics:

Table 16. Grapefruit, Fresh Production, Supply and Demand

Grapefruit, Fresh EU-27	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Nov 2009		Market Year Begin: Nov 2010		Market Year Begin: Nov 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	2,439	2,622	2,436	2,420		2,202
Area Harvested	1,944	2,071	1,937	2,346		2,121
Bearing Trees	0	0	0	0		0

Non-Bearing Trees	0	0	0	0		0
Total No. Of Trees	0	0	0	0		0
Production	103	103	112	113		114
Imports	385	389	380	355		360
Total Supply	488	492	492	468		474
Exports	21	22	22	19		20
Fresh Dom. Consumption	445	449	444	424		428
For Processing	22	21	26	25		26
Total Distribution	488	492	492	468		474
HECTARES, 1000 TREES, 1000 MT						

Source: FAS Offices

Commodities:

Orange Juice

Production:

EU-27 production of orange juice is expected to increase by 6 percent in MY 2011/12 to 99,500 MT (Brix 65), in line with higher deliveries of orange to be processed by industry. MY 2010/2011 orange juice production was increased to 93,829 MT due to larger than expected orange deliveries to the processing industry. The European citrus sector is strongly orientated towards the fresh produce market. Margins are better for fresh fruit intended for fresh consumption for both domestic and export demand. Processing is a buffer for production surpluses and fruit that does not meet commercial standards.

Consumption:

Consumption of orange juice is expected to stabilize after a fall in 2010/11 reflecting decreasing buying power in most of the EU countries. While orange juice is the most popular juice within the EU-27, it competes with other non-alcoholic drinks and juices made from other fruits. The preferred packaging type by European consumers is the carton. The convenience of orange juice is reflected in its better adaptation to modern consumption habits than whole fresh oranges. Another factor affecting consumption is the current economic situation that has led to higher demand for private label juice at the expense of brand labels.

Trade:

In MY 2010/11, total imports were lower than in the previous market year, with a high share of Brazilian imports. Brazil continues to be the main supplier of orange juice to the EU with around 80 percent of total imports of orange juice to the EU market. Trade data confirms increasing supplies from the United States and a continuous decrease in the ranking of Switzerland within the juice sector trade in MY 2010/2011. EU-27 exports have increased in MY 2010/11 with main export destinations to be Switzerland, Saudi Arabia and Algeria.

Table 17. EU-27 Imports of Orange Juice by Origin in MT (Brix 65)

Country of Origin	MY 2008/09	MY 2009/10	MY 2010/11
Brazil	801,479	682,946	563,892
United States	15,995	27,797	59,003
Israel	8,210	10,388	12,773
Cuba	9,194	12,835	7,183
Argentina	6,183	5,847	6,514
Switzerland	55,388	7,114	572
Others	45,188	49,239	55,064
Total Imports	**941,637**	**796,166**	**705,000**

Source: GTA and FAS estimates

Table 18. EU-27 Exports of Orange Juice by Destination in MT (Brix 65)

Country of Destination	MY 2008/09	MY 2009/10	MY 2010/11
Switzerland	5,569	5,869	5,920
Saudi Arabia	2,959	5,274	5,290
Algeria	3,292	4,302	4,293
Norway	4,025	3,095	3,446
Japan	2,446	2,064	1,987
Russia	1,760	1,436	1,376
Others	18,667	23,450	26,464
Total Exports	**38,719**	**45,491**	**48,776**

Source: GTA and FAS estimates

Production, Supply and Demand Data Statistics:

Table 19. Orange Juice Production, Supply and Demand (Brix 65)

Orange Juice EU-27	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Nov 2009		Market Year Begin: Nov 2010		Market Year Begin: Nov 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Deliv. To Processors	1,101,500	1,213,147	945,500	1,210,353		1,283,500
Beginning Stocks	15,000	15,000	15,000	15,000		15,000
Production	85,390	94,046	73,297	93,829		99,500

Imports	778,771	796,166	800,000	705,000		700,000
Total Supply	879,161	905,212	888,297	813,829		814,500
Exports	45,374	45,491	45,000	48,776		50,000
Domestic Consumption	818,787	844,721	828,297	750,053		749,500
Ending Stocks	15,000	15,000	15,000	15,000		15,000
Total Distribution	879,161	905,212	888,297	813,829		814,500
MT						

Source: FAS Offices

Policy:

A new Common Market Organization (CMO) for fruit and vegetables was reformed in 2007. The policy changes agreed in the context of the CMO reforms for fruit and vegetables were incorporated in the single CMO by Council Regulation 361/2008. The shift from production support to direct aid to producers was designed to improve the competitiveness, market orientation and sustainability of the sector.

The European Commission asserts that the aim of the reformed CMO is to improve the competitiveness and market orientation of the fruit and vegetable sector, reduce income fluctuations resulting from crises, promote consumption – so contributing to improved public health – and enhance environmental safeguards.

Producer Organizations (PO's) are the key elements in the EU's CMO for fruit and vegetables. PO's are legal entities established by producers to market commodities, including citrus fruit. EU subsidies are not paid to individual producers but are channeled through PO's. In order to qualify for EU subsidies, PO's must submit an operational program financed through an operational fund. The EU's financial contribution is paid directly into the PO's operational fund. The calculation of the estimated amount of operational fund is based on the operational program and the value of marketed production.

All the implementing rules have been incorporated in a new Commission Regulation 543/2011 repealing Regulation (EC) No 1580/2007.

Maximum Residue Level for Fruit

Maximum Residue Levels (MRLs) for pesticides, including import tolerances, have been harmonized throughout the EU since September 2008. Regulation 1107/2009 concerning the placing on the market of plant protection products (PPPs) became fully applicable on June 14, 2011 and is setting out the rules for the authorization of plant protection products (PPPs). However, it is still uncertain how this will affect the MRL legislation.

For more information, see at:

http://ec.europa.eu/food/plant/protection/pesticides/index_en.htm

Certification of Plant Products

Plant products need a phytosanitary certificate to be exported to the EU. Phytosanitary certificates issued by an APHIS inspector are required to accompany fruit, vegetable and nut shipments. APHIS issues phytosanitary certificates in accordance with international regulations established by the International Plant Protection Convention of the Food and Agriculture Organization of the United Nations. This standard-setting body coordinates cooperation between nations to control plant and plant product pests and to prevent their spread.

Council Directive 2000/29/EC contains provisions concerning compulsory plant health checks. This includes documentary, identity and physical plant health checks to verify compliance with EU import requirements. More information can be accessed on DG Health & Consumer Protection's website http://ec.europa.eu/food/plant/organisms/imports/inspection_en.htm .

Commission Regulation 1756/2004 provides for plant health checks to be carried out at reduced frequency when this can be justified (list of products recommended for plant health checks at reduced levels updated July 7, 2010).

Tariffs

Imports of fresh fruit and vegetables are subject to the Entry Price System (EPS) which has been in place in its current form since the Uruguay Round. It is a complex tariff system that provides a high level of protection to EU producers. In this system fruits and vegetables imported at or above an established entry price are charged an ad valorem duty only. Produce valued below the entry price are charged a tariff equivalent in addition to the ad valorem duty. The tariff equivalent is graduated for products valued between 92 and 100 percent of the entry price. The ad valorem duty and the full tariff equivalent are levied on imports valued at less than 92 percent of the entry price.

Whether or not the EU will maintain the EPS will be discussed in the context of the Doha Round trade talks. The EPS is not necessarily discriminatory for U.S. exporters. The U.S. tends to sell high quality products, which are usually relatively high priced and do not face any additional duty. Replacing the EPS with fixed tariffs could result in higher ad valorem duties.

Tariff levels for 2012 are published in EU Regulation 1006/2011. For details please refer to: http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:282:0001:0912:EN:PDF

Oranges see page 96
Tangerines see page 96
Lemons see page 96
Grapefruit see page 96
Other Citrus see page 96
Orange Juice see page 165

Marketing:

EU Marketing Standards for Fruits and Vegetables

The Commission implementing Regulation (EU) No 543/2011 of the reform (see paragraph on the reform) provides for a general marketing standard for all fresh fruits and vegetables (repealing Commission Regulation 1221/2008). The specific marketing standards are set out in Part B of Annex I to this Regulation. The specific marketing standards for citrus fruit can be found in Part 2 of that same section (p.71).

Fresh fruit and vegetable imports into the EU are checked for compliance with EU-harmonized marketing standards. These standards apply at all marketing stages and include criteria such as quality, size, labeling, packaging and presentation.

For detailed up-to-date information, please visit: http://useu.usmission.gov/agri/Fruit-Veg.html

Table 20. Citrus PGIs in the EU-27

Country	Name	Products	Scheme
Spain	Citricos valencianos	Oranges, Tangerines and Lemons	PGI
	Clementinas de las Tierras del Ebro;	Clementines	PGI
Italy	Limone Femminello del Gargano	Lemon	PGI
	Limone di Sorrento	Lemon	PGI
	Limone Costa d'Amalfi	Lemon	PGI
	Clementine di Calabria	Clementines	PGI
	Clementine del Golfo di Taranto	Clementines	PGI
	Arancia del Gargano	Orange	PGI
	Arancia Rossa di Sicilia	Orange	PGI
Greece	Tangerines Chiou	Tangerines	PGI
Portugal	Citrinos do Algarve	Oranges, Tangerines	PGI

Trade Shows

Trade shows in Europe offer excellent opportunities for U.S. exporters to meet potential clients or business partners from EU countries and other continents. The most important trade shows related to the fruit and vegetable sectors are:

Fruit Logistica

Berlin, Germany
Frequency: Every year
Web: http://www.fruitlogistica.de

Fruit Logistica is one of the most important trade shows for fresh and dried fruits in Europe. The next show will take place on **February 8-10, 2012.** More than 2,400 companies from across the entire fresh produce value chain will participate, including major global players as well as small and medium-sized suppliers from around the world.

Bio Fach
Nuremberg, Germany
Frequency: Every year
Web: http://www.biofach.de

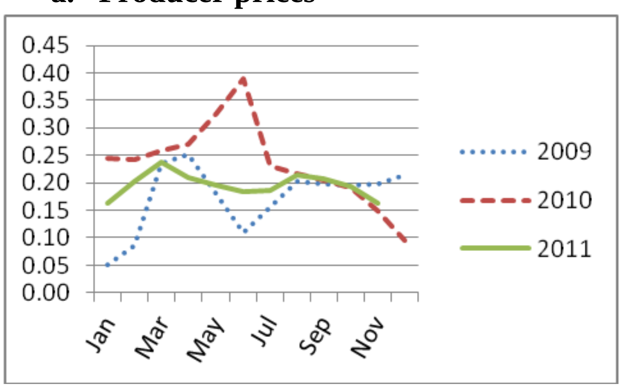
Bio Fach is one of the most important trade shows for organic products in Europe. The next show will take place on **February 15-18, 2012.**

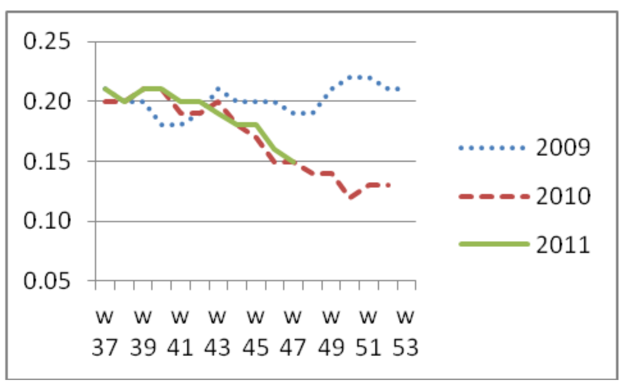
Other Related Reports from FAS EU Offices

Report number	Title	Date released
SP1112	EU-27 – Citrus Semi-Annual	8/07/2011
GR1112	Greece – Citrus 2011	11/25/2011
IT1102	Italian Citrus Fruit 2010 - 2011	01/20/2011
CY1113	Cyprus – Citrus 2011	11/25/2011

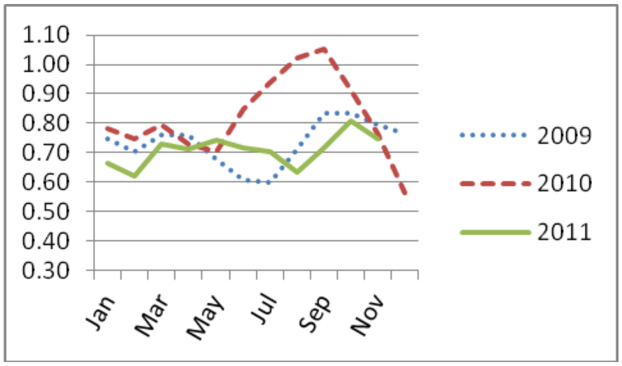
Annex A. Navel Orange Prices in Spain at different levels of the supply chain (Euro/kg)

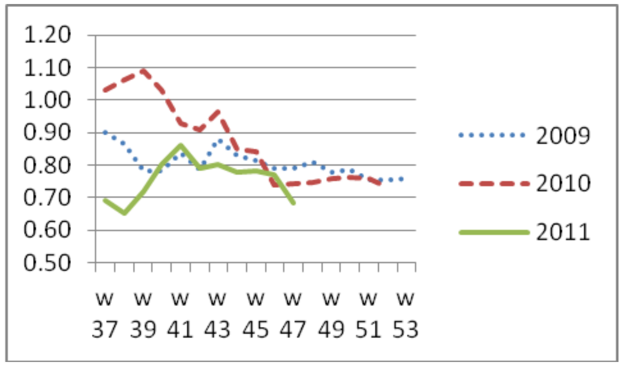
a. **Producer prices**



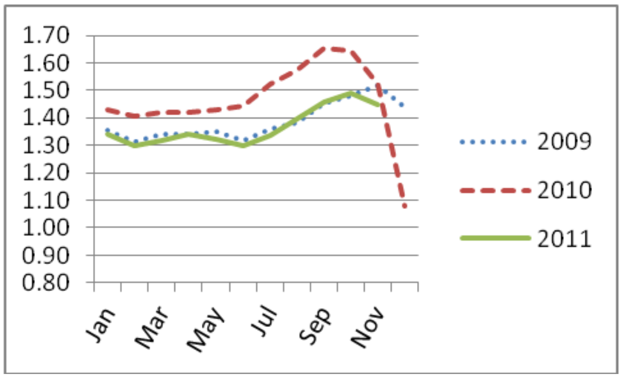


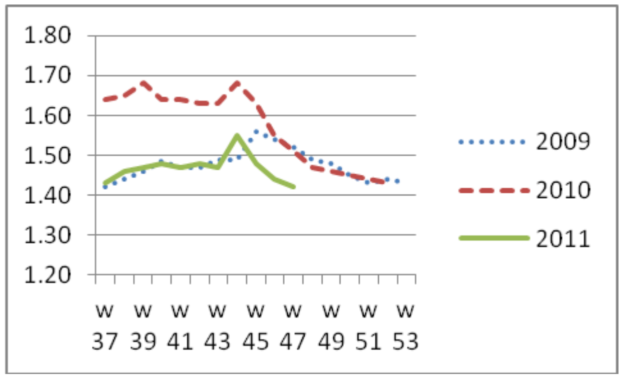
b. **Wholesale prices**





c. **Retail prices**

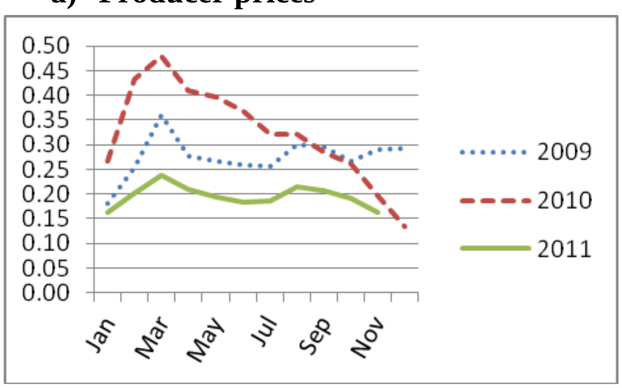


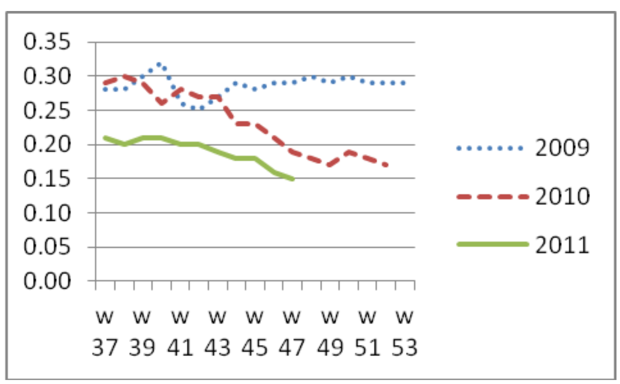


Source: Spanish Ministry of Environment, Rural and Marine Affairs (MARM) and FAS-Post estimates

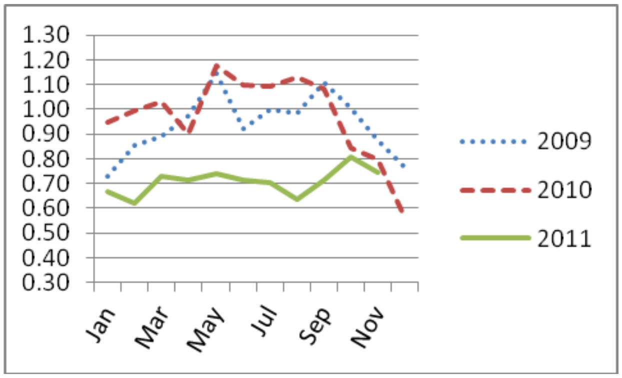
Annex B. Clementine Prices in Spain at different levels of the supply chain (Euro/kg)

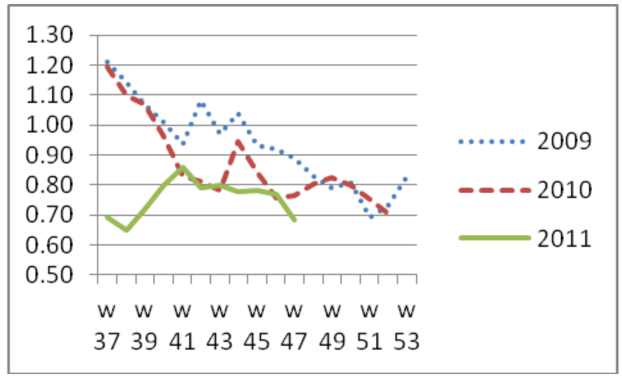
a) **Producer prices**



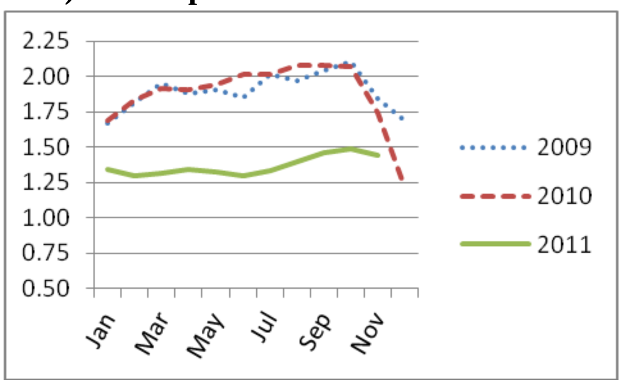


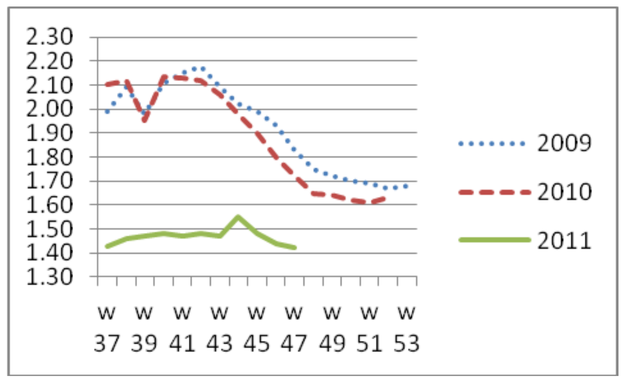
b) **Wholesale prices**





c) **Retail prices**

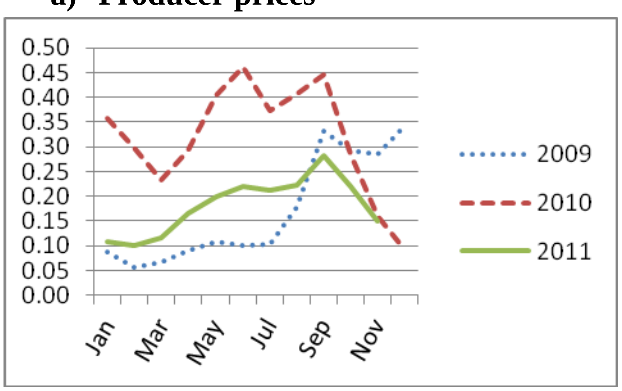


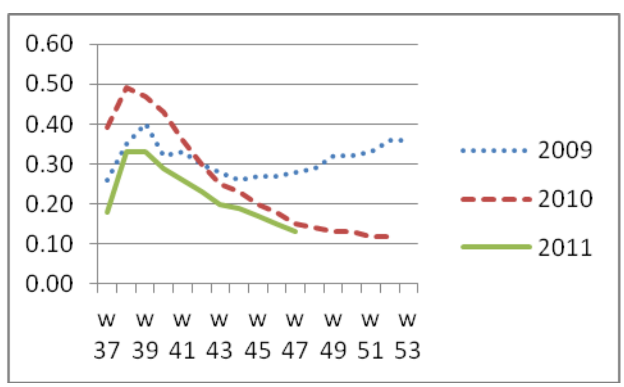


Source: MARM and FAS-Post estimates

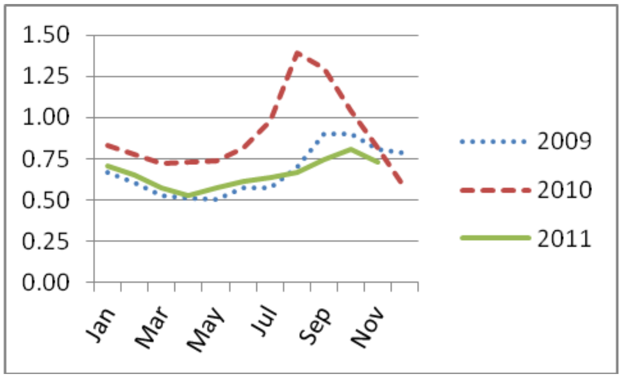
Annex C. Lemon Prices in Spain at different levels of the supply chain (Euro/kg)

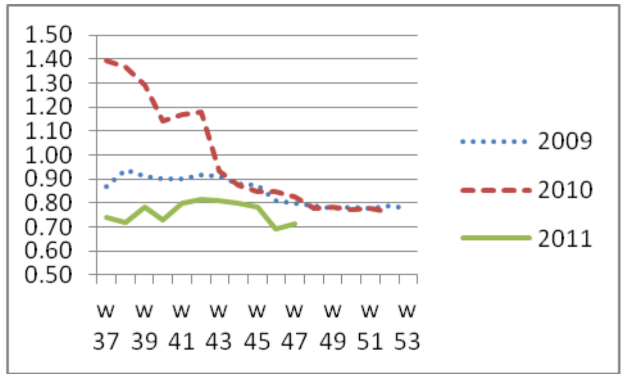
a) **Producer prices**



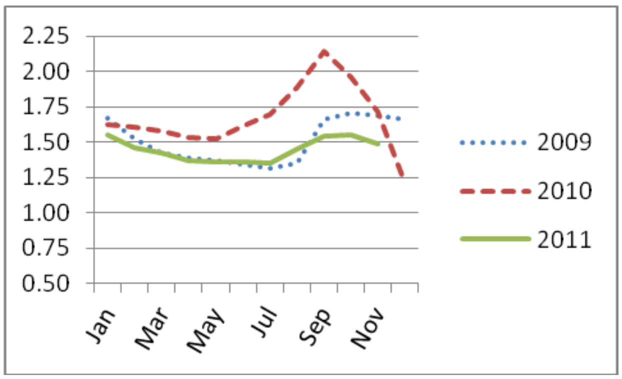


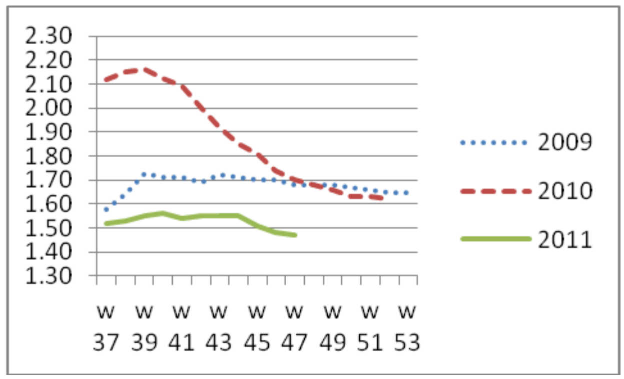
b) **Wholesale prices**





c) Retail prices





Source: MARM and FAS-Post estimates