

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Costa Rica

Citrus Annual

Orange Juice Production and Trade

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Report Highlights:

Costa Rica's production of oranges declined to 8 million boxes of 40.824 kg. in 2010/2011 but it is expected to rebound to approximately 9 million boxes during 2011/2012. The U.S. remains as the leading destination for Costa Rica's orange juice.

Executive Summary:

COSTA RICA: ORANGE JUICE PRODUCTION AND TRADE

Costa Rica's orange production is concentrated in the northern part of the Alajuela province, around Los Chiles, Guatuso and Upala, and in the northern part of Guanacaste, near the border with Nicaragua. Two companies, Ticofrut and Del Oro, control production and processing of oranges. According to government estimates, these two companies produce roughly 70% of the oranges produced in Costa Rica. The rest is produced by medium and small size independent producers. Production of oranges has also increased in Nicaragua, near the border with Costa Rica. According to the data from the Costa Rican government, Costa Rica imported 54,471 MT of fresh oranges from Nicaragua during 2010. The oranges from these plantations are trucked to Costa Rica for processing. Industry estimates put area planted at around 22,000 ha. and 6.0 million orange trees, including area planted on the Nicaraguan side of the border. Some growers are planting the "Flying Dragon" pattern which allows for a higher number of trees per hectare. As this pattern takes hold, the number of trees should increase in the next few years as producers replant or renovate their farms using this variety. At this point, area planted is not expected to increase substantially, primarily as a result of concern among growers that citrus greening disease, which was identified in February of this year in Costa Rica, may increase production costs or result in losses. Growers are trying to contain the disease and have established strict controls to that effect. Producers have mentioned that if not for the threat of citrus greening, area planted would probably increase, since the international price of juice concentrate, used as the basis for payment by the processing plants, has remained very attractive over the last couple of growing seasons. According to producers, production conditions, both in terms of climate and soils are very favorable on both sides of the Costa Rica-Nicaragua border. A new road being built on the Costa Rican side of the border with Nicaragua is expected to create opportunities for new area planted in oranges in the future.

Although accurate production data is not available from government or industry sources, orange production in 2010/2011 was lower than previously expected as a result of adverse weather conditions. Production reached an estimated 8 million boxes (40.824 kg.) during that period. Production is forecast to increase to about 9 million boxes during 2011/2012 as a result of good weather conditions during the flowering period earlier this year and new trees coming into production. Industry sources expect total production to increase to 10.5 million boxes in 2012/2013. Output is expected to increase as a result of improved farm management and new trees coming into production. For instance, because of its smaller size, the new Dragon Fly pattern allows planting more than twice the number of trees of the varieties currently planted. This variety also allows producers to reduce cultural practices. These factors are expected to result in higher yields in the future.

Costa Rica exports the majority of its orange production as frozen orange juice concentrate, but also exports non frozen concentrate juice. According to information from the Costa Rican Trade Promotion Board (PROCOMER), during calendar year 2010, juice exports to all destinations amounted to 49,090 MT valued at \$50.6 million. Data available for 2011 (for January-October), indicate that export value had reached \$34.3 million, while volume amounted to 34,560 MT.

The United States was Costa Rica's main destination for orange juice exports in 2010 and 2011. Exports to the U.S. reached 17,646 MT in 2010, valued at \$32.9 million, and 9,495 MT valued at \$18.6 million during the period January-October 2011. Other important destinations include the Netherlands, Panama, and Nicaragua and China, in that order.

Costa Rican orange juice enters the United States duty free under the CAFTA – DR.

Commodities:

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