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Spain's Citrus Report

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Citrus

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Report Highlights:

Spanish citrus production in MY 2014/15 reached 6.5 MMT representing 62 percent of the EU's citrus production. Spanish orange production is expected lower than previous year reaching 3.173 MMT or 10.3 percent less with a reduction on orange exports of 11 percent. Spain's total tangerine/mandarin production may decrease 1.2 percent compared to previous season, reaching 2.173 MMT while Spain's lemon production is expected to increase 30 percent reaching 1,065 thousand MT and facing record levels both in production and exports

General Information

Orange Fresh

In Spain, last official estimations made by the Spanish Ministry of Agriculture, Environment and Food (MAGRAMA) on April 2015 for Spanish orange production is expected lower than previous year reaching 3.173 MMT or 10.3 percent less. Spanish orange production in MY 2014/15 represents 55.5 percent of the EU's oranges production. Together with this reduction, this season the fruit was of optimum quality which means that less amount of oranges may end for processing.

Oranges, Fresh	2013	2014
	Estimates 2013/2014	Forecast 2014/2015
	Post Data	Post Data
Area Planted	150,200	150,000
Area Harvested	138,928	138,000
Production	3,537,000	3,173,000
Imports	115,000	120,000
Total Supply	3,652,000	3,293,000
Exports	1,632,000	1,700,000
Fresh Dom. Consumption	1,063,000	935,000
For Processing	957,000	658,000
Total Distribution	3,652,000	3,293,000

Source: FAS Madrid (MAGRAMA, GTA)

After several years in a row of an economic crisis in the orange sector it leads to abandon the orange production in the Region of Valencia substituting it by more profitable productions such as persimmon and kiwi.

Producers try to cover the whole marketing year by growing very early and very late varieties, which extends the fruit availability. Oranges are grown with the objective of being consumed fresh and oranges of the Navel group are the most appreciated, especially Navelina and Navelate. Valencia Late variety is used to boost supply in the late part of the season. Valencia late varieties have a brighter color, and are more adequate for juice.

The main Spanish regions of orange production are the Region of Valencia, Andalusia and Region of Murcia. Valencia and Andalusia cover the 90 percent of the total Spanish orange production.

Consumption of oranges in the EU is expected to decrease for MY 2014/15 compared to last year, reaching 935 thousand MT. Spain shows a level of domestic per capita consumption of about 20 kg. Due to lower supply and good quality and calibers, oranges for processing are expected to decrease by 31 percent, reaching 658,000 MT. 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.

Spain is the major European orange producer and a net exporter of oranges within the EU-28 with 1,632,027 MT in MY 2013/2014 according to GTA, which means a reduction of 11 percent compared to the previous year. . The main market is the EU-28, with 90 percent of their total exports of oranges. Spain has reoriented their orange exports to new markets in MY 2013/14 such as Canada, Saudi Arabia, United Arab Emirates, Hong Kong, China, Singapore and Brazil.

Tangerines/Mandarins, Fresh

According to the Ministry of Agriculture Spain’s total tangerine/mandarin production may decrease 1.2 percent compared to previous season, reaching 2.173 MMT in MY 2014/15. This is mostly due to the reduction in production of Satsuma by 36.5 percent and hybrids of mandarins by 4.3 percent. Grade are expected to be normal, so as color. The main Spanish regions of tangerine/mandarin production are the Region of Valencia, Andalusia and Catalonia. Valencia covers the 75 percent of the total Spanish tangerine/mandarin production. The industry continues to expand the range of varieties used to cover more of the calendar spectrum. New early and late varieties continue being developed to extend the fruit availability.

In Spain tangerines for processing are expected to slightly increase.

Spain is a net exporter of tangerines. In MY 2013/2014 Spain exported according to GTA 1,583,156 MT. About 88 percent of Spain’s tangerine exports are going to EU-28. In MY 2013/2014 Spain exported to the United States 40,533 MT of tangerines, 13 percent less than previous year.

	2013	2014
Tangerines/Mandarins, Fresh	Estimates 2013/2014	Forecast 2014/2015

	Post Data	Post Data
Area Planted	114,100	114,000
Area Harvested	103,100	103,000
Production	2,199,000	2,173,000
Imports	7,000	7,000
Total Supply	2,206,000	2,180,000
Exports	1,583,000	1,590,000
Fresh Dom. Consumption	423,000	350,000
For Processing	200,000	240,000
Total Distribution	2,206,000	2,180,000

Source: FAS Madrid (MAGRAMA, GTA)

Lemons, Fresh

According to the Spanish Lemon and Grapefruit Association, AILIMPO, Spain's lemon production in MY 2014/15 is expected to be 10 percent higher than previously estimated resulting in an increase of 30 percent compared to previous year, reaching 1,065 thousand MT. Production of Fino variety is estimated at 800,000 MT while Verna is at 300,000 MT, with 35,000 MT of losses. This means therefore, that Spain's lemon production faces a record in production mainly due to the performance made in previous years allowing the producer a good crop management (irrigation, fertilization, treatments ...) and so increasing the yield per hectare. In addition, a good flowering and fruit setting thanks to favorable weather conditions occurred. Verna season started the last week of April. Growing these two varieties allow for a year round lemon supply. In general and according to AILIMPO, it has been achieved to output all lemon production with profitable prices favored by the absence of stocks on Southern Hemisphere and the increase demand from the industry sector of lemons for processing. As occurred in the previous season, the good volumes being exported make for an optimal scenario for this year's lemon crop in Spain regarding profitability for farmers and industry.

Lemon production in Spain is concentrated in three regions located in the southern Mediterranean area: Murcia, Region of Valencia and the Provinces of Malaga and Almeria in Andalusia. The dominant varieties in Spain are Fino which represents 70 percent of total production and is favored by the processing sector and Verna, a tender and juicy variety with few seeds, representing 30 percent of total production. There is an interest to replace Fino varieties by Verna varieties, representing in the short-term, 60 percent of total production for Fino varieties and 40 percent of total production for Verna varieties. With Verna variety there is higher profitability and less competition with Turkey.

Lemons are primary used for fresh consumption. The lemon per capita consumption in the EU for 2014/15 is estimated at 2.7 kilos.

Lemons, Fresh	2013	2014
	Estimates 2013/2014	Forecast 2014/2015
	Post Data	Post Data
Area Planted	38,300	38,000
Area Harvested	36,900	36,600
Production	818,000	1,065,000
Imports	40,000	10,000
Total Supply	858,000	1,075,000
Exports	622,000	695,000
Fresh Dom. Consumption	70,000	80,000
For Processing	166,000	300,000
Total Distribution	858,000	1,075,000

Source: FAS Madrid (MAGRAMA, AILIMPO, GTA)

In Spain the demand of lemons destined for processing has increased reaching 300,000 MT in MY 2014/2015. The major demand of lemons for processing is mainly due to a higher lemon production and international market conditions for processed lemon are favorable. The favorable conditions are due to increased global demand and a lower processed lemon production in Argentina in 2014 as a reduction of lemon crop caused by weather conditions. Spanish lemon industry is becoming a significant role as a regulator of the fresh lemon market.

Spain as the main European lemon producer, exported in MY 2013/14 according to GTA a total volume of 622,204 MT, of which 90 percent was sent to other EU MS. New markets such as Canada or the United States showed an increase of 500 and 321 percent respectively. Exports are expected to increase by 12 percent.

In Spain, it has been implemented the Protocol Lemon Cert by AILIMPO. It provides lemon packing houses and exporters with a protocol to issue its own mark that implies compliance with a set of sector standards and requirements. The obtaining of the requisite certification to use the mark involves providing evidence of compliance with a series of standardized requirements in the reference protocol. The contract approved by the Spanish Ministry of Agriculture and AILIMPO. The Spanish Ministry Agriculture endorses the Protocol and its associated Quality Label.

Grapefruit, Fresh

Spain's grapefruit production is projected to remain stable in Spain in MY 2014/15 with 55,000 MT according to AILIMPO. Spain's grapefruit production is found in the region of Murcia (60 percent), Andalusia (25 percent) and region of Valencia (12percent). The main variety planted is Ruby Red. This is a very small market for Spain and indeed for the EU, as most of consumption is supplied by imports.

The Spanish industry believes there is the potential for growth in the consumption of grapefruit as the majority of people still do not consume grapefruit

Grapefruits, Fresh	2013	2014
	Estimates 2013/2014	Forecast 2014/2015
	Post Data	Post Data
Area Planted	1,781	1,700
Area Harvested	1,592	1,500
Production	54,000	55,000
Imports	6,000	6,000
Total Supply	60,000	61,000
Exports	49,000	49,000
Fresh Dom. Consumption	10,000	11,000
For Processing	1,000	1,000
Total Distribution	60,000	61,000

Source: FAS Madrid (MAGRAMA, AILIMPO, GTA)

Policy

Due to the Russian ban the EC introduced specific measures for citrus fruit, including oranges and mandarins on September 29, 2014 and on December 19, 2014 (Regulation 1031/2014 http://www.fega.es/PwfGcp/es/regulacion_mercados/fondop/index.jsp). In Spain the total withdrawn of citrus fruits was 58,600 MT until December 2014 and 15,775 MT until June 2015. The total withdrawn then of Spanish citrus fruits due to the Russian embargo is 74,375 MT, 1.1 percent of total Spanish citrus production in MY 2013/2014.

Reg 1031/2014, September 29, 2014 (from Sept 30 to Dec 31, 2014)		
	Total Assigned (MT)	Total Achieved (MT)
Total Citrus	60,286	58,600

Fresh Citrus	35,176	33,600
Citrus For processing	25,110	25,000
Processed Orange	20,168	20,000
Processed Clementine	4,942	5,000

Reg 1031/2014, December 19, 2014 (From Jan 1 to June 2, 2015)		
	Total Assigned (MT)	Total Achieved (MT)
Total Citrus	15,775	15,775
Fresh Citrus	11,250	10,775
Citrus For processing	4,525	5,000
Processed Orange	0	0
Processed Clementine	4,525	5,000