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**Spain**

**Citrus**

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**Report Highlights:** The total Spanish 2002/03 citrus crop is expected to reach 5.8 million tons, about the same as last year. Increases in clementines (in both traditional and non-traditional areas) and record output for mandarins will be offset by drops in lemon and orange production. Good rains during the summer improved the size and quality of the crop in most of production areas. The harvest started later than usual due to cooler temperatures during the summer

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Includes PSD changes: Yes  
Includes Trade Matrix: Yes  
Annual Report  
Madrid [SP1], SP

Executive Summary .....	1
Production .....	1
Orange Juice .....	2
Crop Area .....	3
Consumption .....	4
Trade .....	4
Fresh Tangerines .....	4
Fresh Lemons .....	5
Fresh Other Citrus .....	5
Orange Juice .....	5
Policy .....	6
Marketing .....	6
PSD Tables and Trade Matrix .....	7

## Executive Summary

According to the Spanish Ministry of Agriculture, the total 2002/03 citrus crop is forecast at 5.8 million tons, one percent higher than the previous year. Orange and lemon production are expected to decline about one and eleven percent, respectively, while that for tangerines will increase by 13 percent. According to trade sources, the weather has been favorable for the 2002/03 crop and the quality is expected to be good. Rains during the last few months increased the size of oranges and clementines. There are a couple of production trends worth noting. First, while production in Valencia continues to account for two-thirds of Spain's citrus crop, most recent new area planted is in Andalucia. Second, the replanting of old orange orchards with clementines is continuing and production of clementines is expected to surpass that of oranges in the Valencia area for the first time in 2002/03.

Total Spanish citrus exports during 2001/2002 (July/June) rose to 3.1 million tons, almost 12 percent higher than in 2000/01. About 88 percent is exported to other EU countries. With a larger crop (mainly tangerines) likely for the next few years, total citrus exports should rise in both the short and medium term. About 80 percent of mandarin production and 95 percent of grapefruit production are exported.

Since Spain is a major citrus producer and exporter, U.S. citrus exporters have few market opportunities here.

NOTE: Current exchange rate is  
1.02 euros = \$1.00.

## Production

### Fresh Oranges

The 2002/03 orange crop is forecast at 2.9 million tons, about one percent lower than the previous crop. Rainfall during most of the season was adequate for the development of the crop and water levels in reservoirs are adequate to meet orchard needs during 2002/03. The irrigation system is very sophisticated in most citrus areas. Rains in July, August and September increased the average size of the fruit, which will be larger than last year's. Spain continues to produce primarily table-type varieties, notably Navel, Navelate and Valencia Late, which comprise approximately two-thirds of orange exports. Production of other varieties, with the exception of Salustiana, continues to decline, and are being replaced by tangerines. Producers are expecting better prices for Navelina, Navel and Navelate due to a shorter crop and better quality. Most Spanish citrus producers are part time farmers who are very competitive and who have resources to invest and expand production.

### Fresh Tangerines

The 2002/03 tangerine crop should be a record 2 million tons, up 13-percent from the previous season. Clementine output, at 1.7 million tons, will make up most of the tangerine production. Weather has been favorable for tangerines and fruit quality and size are reported to be better than in the previous season. In order to increase the quality of fruit, the Autonomous Government of Valencia has in force a program to reduce the

population of Mediterranean fruit fly (*Ceratitis Capitata*) in production areas; this program will cost about 6 million euros. Since citrus farmers are shifting land from oranges and Satsumas to clementines, further increases in clementine production are likely for the next few years. Due to the expected good crop, prices for clementines are depressed in production areas; however, the recent lifting of the ban on clementine exports to the U.S. market should provide some upward pressure.

#### Fresh Lemons

The 2002/03 lemon crop is estimated at about 900,000 tons, eleven percent lower than last year's near-record crop. Producer prices for lemons currently range from 0.35 to 0.40 euros per kilo compared to 0.18 to 0.20 euros per kilo last season.

#### Grapefruit

Total production is forecast at about 29,000 tons, some 14 percent higher than last season. Most of this production is exported.

#### Other Fresh Citrus

Bitter oranges are the only product included under the "Other Citrus" category. The 2002/3 output is estimated at around 18,000 tons, lower than the previous season due an "off year" in the production cycle.

#### Orange Juice

An estimated 950,000 tons of fresh oranges were delivered to processors in 2001/02 yielding about 62,000 tons of orange juice (65 Brix). Deliveries during 2002/03 are likely to be lower due to the expected shorter crop. Oranges are not grown specifically for juice production; rather, oranges going to juice processors are primarily those that have been rejected for fresh consumption. Most orange juice plants are located near the orchards in Valencia and Andalucia.

Note: 2.9 kilograms of fresh oranges yield 1 Kg of single strength orange juice (12Brix); 15.7 Kg of fresh fruit yield 1 Kg. of concentrated orange juice (65Brix).

### Spain's Citrus Production - 2002/03 Metric Tons

	Sweet Oranges	Tangerines	Lemons	Grapefruit	Other Citrus*	TOTAL
Valencia	1,645,666	1,653,196	306,287	5,840	0	<b>3,610,989</b>
Murcia	172,540	68,300	445,000	15,100	0	<b>700,940</b>
Andalucia	952,586	157,443	140,874	8,094	18,231	<b>1,277,228</b>
Catalonia	46,490	122,978	960	125	0	<b>170,553</b>
Balearic Is.	19,000	2,100	2,000	0	0	<b>23,100</b>

**Spain's Citrus Production - 2002/03**  
**Metric Tons**

Others	32,880	1,015	8,400	100	0	<b>42,395</b>
<b>TOTAL</b>	<b>2,869,162</b>	<b>2,005,032</b>	<b>903,521</b>	<b>29,259</b>	<b>18,231</b>	<b>5,825,205</b>

\*Bitter Oranges.

## Crop Area

The data in the table below and in the PS&Ds are based on a survey taken in 1997, when the last official crop area survey was published. Total area in the Valencia region has increased marginally in the last few years. In addition, an increase in area has been reported in Andalucia, mainly in the provinces of Sevilla and Huelva. According to trade sources, citrus area could expand by about 5 percent in the next few years. During the last few years, the most notable change has been a slight increase in the area planted in tangerines and oranges and a decline in that for lemons. The success of Spain's tangerine sector in recent years has led to replacement of older orange and Satsuma orchards with clementines. In addition, new varieties of early and late season clementines are replacing traditional ones, as the export and domestic markets pay comparatively higher prices for this "extended season" fruit.

**Spain's Citrus Area - 1997**  
**Hectares**

	Sweet Oranges	Tangerines	Lemons
Valencia	83,828	89,516	14,225
Murcia	9,400	1,657	22,141
Andalucia	32,885	5,539	6,533
Catalonia	3,168	4,220	70
Balearic Is.	2,753	274	284
Others	997	44	282
<b>TOTAL</b>	<b>133,031</b>	<b>101,250</b>	<b>43,535</b>

## Consumption

Total citrus consumption for 2001/02 rose due to low prices for oranges. Expected higher prices for oranges in 2002/03 will likely depress consumption. The citrus industry funds promotional campaigns each year to increase or maintain consumption. Fresh oranges account for over a quarter of total fresh fruit consumed in Spain. Despite strong competition from other beverages, orange juice remains the favorite juice with consumption totaling 204 million liters in 2001/02. Of this total, fresh, chilled and frozen juice amounted to 32 million liters. Total annual per capita consumption of orange juice is estimated at about 5.1 liters. Among other citrus fruits, bitter oranges are produced mainly for processing into marmalades and other preparations; about 90 percent is used in the domestic market and the rest is exported for processing.

## Trade

### Fresh Oranges

Orange exports rose to 1.4 million tons in 2001/02 (May/April), a rise of 17 percent over the previous season. This trade was supported by higher production and lower prices in the domestic market. Exports in 2002/3 should increase slightly due to expectations for quality of the crop. Spain's traditional markets are Germany, France, Netherlands, UK, and Poland; shipments generally begin in October and continue through the following September. Spain exports about half of its total crop. About 40 to 50 percent of total exports are shipped in October - December and progressively taper off afterwards.

Orange imports mostly meet demand during the summer, arriving from South Africa, Argentina, Brazil and Uruguay. The volume of imports vary widely, depending on local supplies. In calendar 2001, imports rose sharply to 168,633 tons, more than double the level of 2000. With higher domestic production for the 2001/02 season, however, imports during January-June 2002 declined by 75 percent. Imported fresh oranges compete with abundant, cheap domestic fruit production, such as peaches, melons and other summer fruit.

### Fresh Tangerines

During the 2001/2002 (May/April) season, tangerine exports totaled 1.2 million tons, up 6 percent over the previous season. Due to the record crop expected in 2002/03, exports should also reach record levels. In calendar 2001, Spain exported 1,053,894 tons of tangerines, about 23 percent less than in previous year; exports to the United States amounted to 75,692 tons, a 4 percent decrease from the previous year's total of 79,222 tons. In December 2001, Spanish clementines were banned in the U.S. market after larvae of Mediterranean fruit fly (*Ceratitis Capitata*) were found in several shipments. The ban was removed on October 15, 2002, and exports of clementines to the U.S. market have been reinitiated.

### Fresh Lemons

During the period 2001/2002 (November-2000/June-2001), lemon exports totaled 474,907 tons, some 10 percent less than in the same period of the previous year. With expectations for a lower crop in 2002/03, exports are likely to decline again next year. In calendar 2001, Spain exported 498,951 tons, 3 percent lower than the previous year. Exports to the United States in calendar 2001 totaled 7,590 tons, marginally lower than in the previous year.

In calendar year 2001, Spanish lemon imports were 38,710 metric tons, 50 percent more than in the previous

year. For the MY 2002/03 more imports and less exports are expected due to a lower crop in Spain.

#### Fresh Other Citrus

Some 3,096 tons of bitter oranges were exported during calendar 2001, while only 169 tons were imported. A lower expected crop this season may restrict exports.

#### Orange Juice

Orange juice exports for 2002/03 are forecast to be lower than in previous year due to forecasted higher exports of fresh oranges due to the quality of the crop and a marginal lower production of oranges. A large percentage of juice exports, mainly to other EU countries, is "single strength". However, exports of liquid concentrate (with a Brix value not exceeding 20) amounted to 40,528 tons during 2001/02 (July-June); France was the major buyer, taking 30,000 tons. Larger exports of this liquid concentrate are expected for the next few years. For imports, about half of the total tonnage is concentrate and the other half, "single strength."

The Spanish Customs Office does not provide data on the volume of orange juice trade; consequently, the trade matrix reflects the value of imports and exports in euros. In order to be consistent with data in the P,S&D table, where production is based on 65 degrees Brix, trade figures have been estimated by this office.

## **Policy**

EU Regulation 1092/2001 lays down detailed rules for the application of Council Regulation 2202/96, which

introduced an aid scheme for producers of certain citrus fruits. The scheme provides a subsidy to growers who deliver their crops to processors. Subsidies are only available on a maximum quantity (or "threshold") of fruit delivered.

### Citrus processing thresholds for 2002/03 (MT)

	Oranges	Lemons	Grapefruit	Mandarins
Community thresholds	1,500,236	510,600	6,000	384,000
Spanish thresholds	600,467	192,198	1,919	270,186

### Payments for processing(2002/03) (Euros/100 kilograms )

Multiannual contracts	11.27	10.47	4.28	10.47
Contract covering a single marketing year	9.8	9.1	3.72	9.10
Individual producers	8.82	8.19	3.35	8.19

## Marketing

As a major citrus producer, Spain offers few opportunities for U.S. citrus exporters. Spain does play an important role as a U.S. competitor, particularly in Europe, where Spanish fruit is generally very price competitive.

In an effort to increase consumption and exports of Spanish oranges and clementines, about 8.5 million euros will be spent in eight promotional campaigns during the season 2002/03. The participants include the EU; Intercitrus, which represents the citrus sector; ICEX, Spain's agency responsible for export promotion; and the regional governments of Valencia, Catalonia and Andalucia. The largest promotions will take place in Belgium, Netherlands, Austria, Denmark, Finland, Sweden, Ireland and Spain itself. Intercitrus, together with ICEX, spent about \$676,000 to promote tangerines in the United States during November - December, 2001. Another promotion is planned for November - December, 2002. The EU, Spain, Italy and Greece, as well as Intercitrus and farmers' organizations also plan to promote consumption of citrus in Switzerland, Czech Republic and Hungary.

## PSD Tables and Trade Matrix

PSD Table						
Country	Spain					
Commodity	Fresh Oranges				(HECTARES)(1000 TREES)(1000 MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		11/2000		11/2001		11/2002
Area Planted	137000	137000	137000	140000	0	142000
Area Harvested	125000	125000	127000	130000	0	132000
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
TOTAL No. Of Trees	0	0	0	0	0	0
Production	2688	2688	2807	2907	0	2869
Imports	180	180	80	169	0	170
TOTAL SUPPLY	2868	2868	2887	3076	0	3039
Exports	1068	1068	1300	1126	0	1200
Fresh Dom. Consumption	900	900	800	1000	0	950
Processing	900	900	787	950	0	889
TOTAL DISTRIBUTION	2868	2868	2887	3076	0	3039

Imports - Fresh Oranges

Import Trade Matrix			
Country	Spain		
Commodity	Fresh Oranges		
Time period	C.Y.	Units:	Metric Tons
Imports for:	2000		2001
U.S.		U.S.	
Others		Others	
South Africa	34,108		39,591
Argentina	4270		37527
Brazil	9806		25537
Uruguay	10806		24632
Morocco	157		20226
Netherlands	1954		7472
Total for Others	61101		154985
Others not Listed	18063		13647
Grand Total	79164		168632

Exports - Fresh Oranges

Export Trade Matrix			
Country	Spain		
Commodity	Fresh Oranges		
Time period	CY	Units:	Metric Tons
Exports for:	2000		2001
U.S.		U.S.	
Others		Others	
Germany	390466		320314
France	307357		243158
Netherlands	147931		110365
Poland	87836		78985
UK	100137		71307
Belgium	66819		52135
Portugal	31651		29839
Italy	50660		26380
Sweden	26230		26079
Czech Republic	34445		23158
Total for Others	1243532		981720
Others not Listed	173839		144074
Grand Total	1417371		1125794

## P,S,&amp;D - Fresh Tangerines

PSD Table						
Country	Spain					
Commodity	Fresh Tangerines				(HECTARES)(1000 TREES)(1000 MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		11/2000		11/2001		11/2002
Area Planted	103500	103500	104000	104000	0	106000
Area Harvested	88000	88000	95000	95000	0	97000
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
TOTAL No. Of Trees	0	0	0	0	0	0
Production	1780	1780	1655	1778	0	2005
Imports	39	39	45	45	0	9
TOTAL SUPPLY	1819	1819	1700	1823	0	2014
Exports	1106	1106	1020	1054	0	1250
Fresh Dom. Consumption	460	460	460	489	0	500
Processing	253	253	220	280	0	264
TOTAL DISTRIBUTION	1819	1819	1700	1823	0	2014

## Imports - Fresh Tangerines

Import Trade Matrix			
Country	Spain		
Commodity	Fresh Tangerines		
Time period	CY	Units:	Metric Tons
Imports for:	2000		2001
U.S.		U.S.	
Others		Others	
Uruguay	539		2437
Morocco	62		1990
South Africa	8		1814
Argentina	66		801
France	1184		764
Total for Others	1859		7806
Others not Listed	545		1089
Grand Total	2404		8895

## Exports - Fresh Tangerines

Export Trade Matrix			
Country	Spain		
Commodity	Fresh Tangerines		
Time period	CY	Units:	Metric Tons
Exports for:	2000		2001
U.S.	79222	U.S.	75692
Others		Others	
Germany	367671		282541
France	248378		211067
UK	141825		106783
Poland	102122		70661
Netherlands	90998		63300
Italy	62504		38151
Belgium	42236		31393
Switzerland	29054		25313
Czech Republic	34203		23586
Total for Others	1118991		852795
Others not Listed	174260		125407
Grand Total	1372473		1053894

## P,S &amp; D - Fresh Lemons

PSD Table						
Country	Spain					
Commodity	Fresh Lemons					
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		11/2000		11/2001		11/2002
Area Planted	43500	43500	43000	43000	0	43000
Area Harvested	42500	42500	41500	41500	0	41500
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
TOTAL No. Of Trees	0	0	0	0	0	0
Production	960	960	1037	1018	0	904
Imports	39	39	23	23	0	39
TOTAL SUPPLY	999	999	1060	1041	0	943
Exports	522	522	550	550	0	483
Fresh Dom. Consumption	230	230	260	241	0	220
Processing	247	247	250	250	0	240
TOTAL DISTRIBUTION	999	999	1060	1041	0	943

## Imports - Fresh Lemons

Import Trade Matrix			
Country	Spain		
Commodity	Fresh Lemons		
Time period	CY	Units:	Metric Tons
Imports for:	2000		2001
U.S.		U.S.	
Others		Others	
Argentina	18629		27684
Germany	77		3691
Uruguay	1832		3065
Netherlnads	752		1284
France	1088		1265
South Africa	1197		1126
Total for Others	23575		38115
Others not Listed	1965		595
Grand Total	25540		38710

## Exports - Fresh Lemons

Export Trade Matrix			
Country	Spain		
Commodity	Fresh Lemons		
Time period	CY	Units:	Metric Tons
Exports for:	2000		2001
U.S.	8652	U.S.	7590
Others		Others	
Germany	103142		101443
France	95908		86247
Poland	72093		75785
Russia	23685		39848
UK	38876		37509
Netherlands	31809		27251
Italy	38182		23985
Czech Republic	11283		12379
Belgium	12804		11703
Switzerland	11602		10419
Total for Others	439384		426569
Others not Listed	64796		64792
Grand Total	512832		498951

## P,S &amp; D - Fresh Citrus, Other

PSD Table						
Country	Spain					
Commodity	Fresh Citrus,Other				(HECTARES)(1000 TREES)(1000 MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		11/2000		11/2001		11/2002
Area Planted	700	700	700	700	0	700
Area Harvested	670	670	670	670	0	670
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
TOTAL No. Of Trees	0	0	0	0	0	0
Production	14	14	15	22	0	18
Imports	0	0	0	0	0	0
TOTAL SUPPLY	14	14	15	22	0	18
Exports	1	1	0	0	0	0
Fresh Dom. Consumption	0	0	0	0	0	0
Processing	13	13	15	22	0	18
TOTAL DISTRIBUTION	14	14	15	22	0	18

## Imports - Fresh Citrus, Other

Import Trade Matrix			
Country	Spain		
Commodity	Fresh Citrus,Other		
Time period	CY	Units:	Metric Tons
Imports for:	2000		2001
U.S.		U.S.	
Others		Others	
Mexico	42		63
Brazil	0		41
France	8		33
Ecuador	0		25
Total for Others	50		162
Others not Listed	14		7
Grand Total	64		169

## Exports - Fresh Citrus, Other

Export Trade Matrix			
Country	Spain		
Commodity	Fresh Citrus,Other		
Time period	CY	Units:	Metric Tons
Exports for:	2000		2001
U.S.		U.S.	
Others		Others	
France	121		49
UK	41		121
Portugal	28		40
Germany	10		41
Netherlands	9		4
Russia	63		0
Total for Others	272		255
Others not Listed	0		4
Grand Total	272		259

P,S & D - Juice, Orange

PSD Table						
Country	Spain				Degrees Brix	
Commodity	Juice, Orange				(MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		11/2000		11/2001		11/2002
Deliv. To Processors	900	900	787	950	0	889
Beginning Stocks	1000	1	1000	1	1000	1
Production	46000	58	43000	62	0	58
Imports	35000	35	35000	27	0	27
TOTAL SUPPLY	82000	94	79000	90	1000	86
Exports	70000	59	65000	55	0	50
Domestic Consumption	11000	34	13000	34	0	35
Ending Stocks	1000	1	1000	1	0	1
TOTAL DISTRIBUTION	82000	94	79000	90	0	86

## Imports - Juice, Other

Import Trade Matrix			
Country	Spain		
Commodity	Juice, Orange		
Time period	CY	Units:	Millon euros
Imports for:	2000		2001
U.S.		U.S.	
Others		Others	
Netherland	20		17
Belgium	6		8
Brazil	5		4
France	3		1
UK	1		1
Total for Others	35		31
Others not Listed	25		13
Grand Total	60		44

## Exports - Juice, Orange

Export Trade Matrix			
Country	Spain		
Commodity	Juice, Orange		

Time period	CY	Units:	Million euros
Exports for:	2000		2001
U.S.		U.S.	
Others		Others	
France	99		92
Germany	14		16
UK	6		5
Belgium	1		5
Portugal	3		2
Italy	2		1
Total for Others	125		121
Others not Listed	5		5
Grand Total	130		126