



USDA Foreign Agricultural Service

# GAIN Report

Global Agriculture Information Network

Template Version 2.09

Required Report - public distribution

**Date:** 11/2/2007

**GAIN Report Number:** IS7024

## Israel

## Citrus

## Annual

## 2007

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**Report Highlights:**

In 2007/08, citrus production in Israel is forecast at 634,500 tons, unchanged from the previous year. Citrus exports are expected to decrease about 4 percent compared to the previous year, while delivery to processing plants is expected to increase 5 percent. Due to continued increase in the local planted area, it is estimated that by CY 2012, citrus production will total 800,000 tons.

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Includes PSD Changes: Yes  
Includes Trade Matrix: Yes  
Annual Report  
Tel Aviv [IS1]  
[IS]

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## Executive Summary

In 2007/08, total citrus production is forecast at 634,500 tons, unchanged from the previous year. Out of the total production, approximately 165,000 tons is expected to be exported, 296,500 processed, and the remainder consumed fresh. The slight decrease in exports is due to an expected decrease in local orange production, combined with expected stronger competition from other citrus exporters.

In 2006/07, citrus exports and deliveries to the processing industry increased 23 and 8 percent, respectively, compared to the previous year. The increase in exports and deliveries to the processing industry was due to an increase in local production and restricted supplies of oranges in the international market.

In 2006/07, exports of the sweetie variety to Japan increased 6 percent compared to the previous year. Due to the shortage of oranges from other suppliers, 7,500 tons of oranges were exported to Japan, the first exports in 25 years, and exports to China (20 tons) for the first time ever.

In September 2007, planted citrus area totaled 20,100 ha, representing an increase of 18 percent compared to 2003. Due to continued increase in the local planted area, it is estimated that by 2012, citrus production will total 800,000 tons.

## PSD Tables:

<b>Fresh Oranges</b>									
	2005	Revised		2006	Estimate		2007	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin		10/2005	10/2005		10/2006	10/2006		10/2007	10/2007
Area Planted	5817	5817	5817	5920	5920	5920	0	0	5940
Area Harvested	5410	5410	5410	5506	5506	5506	0	0	5540
Bearing Trees	0	0	0	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0	0	0	0
TOTAL No. Of Trees	0	0	0	0	0	0	0	0	0
Production	144	144	144	185	176	188	0	0	162
Imports	0	0	0	0	0	0	0	0	0
TOTAL SUPPLY	144	144	144	185	176	188	0	0	162
Exports	22	22	23	34	29	35	0	0	30
Fresh Dom. Consumption	60	60	60	65	61	69	0	0	60
Processing	61	61	61	86	86	84	0	0	72
TOTAL DISTRIBUTION	143	143	144	185	176	188	0	0	162

<b>Fresh Grapefruit</b>									
	2005	Revised		2006	Estimate		2007	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin		10/2005	10/2005		10/2006	10/2006		10/2007	10/2007
Area Planted	5032	5032	5032	5730	5730	5730	0	0	5575
Area Harvested	4680	4680	4680	5329	5329	5329	0	0	5370
Bearing Trees	0	0	0	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0	0	0	0
TOTAL No. Of Trees	0	0	0	0	0	0	0	0	0
Production	265	265	265	241	261	242	0	0	245
Imports	0	0	0	0	0	0	0	0	0
TOTAL SUPPLY	265	265	265	241	261	242	0	0	245
Exports	75	75	75	79	77	80	0	0	77
Fresh Dom. Consumption	25	25	25	12	25	5	0	0	7
Processing	165	165	165	150	159	157	0	0	161
TOTAL DISTRIBUTION	265	265	265	241	261	242	0	0	245

<b>Fresh Easy Peelers</b>									
	2005	Revised		2006	Estimate		2007	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin		10/2005	10/2005		10/2006	10/2006		10/2007	10/2007
Area Planted	5351	5351	5351	5632	5632	5632	0	0	5660
Area Harvested	4977	4977	4977	5238	5238	5295	0	0	5320
Bearing Trees	0	0	0	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0	0	0	0
TOTAL No. Of Trees	0	0	0	0	0	0	0	0	0
Production	118	118	118	139	144	140	0	0	160
Imports	0	0	0	0	0	0	0	0	0
TOTAL SUPPLY	118	118	118	139	144	140	0	0	160
Exports	35	35	35	49	43	50	0	0	50
Fresh Dom. Consumption	50	50	50	46	51	51	0	0	53
Processing	33	33	33	44	50	39	0	0	57
TOTAL DISTRIBUTION	118	118	118	139	144	140	0	0	160

<b>Fresh Lemons</b>									
	2005	Revised		2006	Estimate		2007	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin		10/2005	10/2005		10/2006	10/2006		10/2007	10/2007
Area Planted	1828	1828	1730	1853	1853	1853	0	0	1878
Area Harvested	1700	1700	1150	1723	1723	1700	0	0	1735
Bearing Trees	0	0	0	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0	0	0	0
TOTAL No. Of Trees	0	0	0	0	0	0	0	0	0
Production	28	28	29	38	44	49	0	0	50
Imports	0	0	0	0	0	0	0	0	0
TOTAL SUPPLY	28	28	29	38	44	49	0	0	50
Exports	2	2	2	2	2	2	0	0	3
Fresh Dom. Consumption	20	20	22	30	32	43	0	0	41
Processing	6	6	5	6	10	4	0	0	6
TOTAL DISTRIBUTION	28	28	29	38	44	49	0	0	50

<b>Fresh Other Citrus</b>									
	2005	Revised		2006	Estimate		2007	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin		10/2005	10/2005		10/2006	10/2006		10/2007	10/2007
Area Planted	640	640	640	688	688	688	0	0	695
Area Harvested	595	595	595	639	639	639	0	0	650
Bearing Trees	0	0	0	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0	0	0	0
TOTAL No. Of Trees	0	0	0	0	0	0	0	0	0
Production	11	11	11	13	15	13	0	0	17
Imports	0	0	0	0	0	0	0	0	0
TOTAL SUPPLY	11	11	11	13	15	13	0	0	17
Exports	6	6	6	7	7	7	0	0	6
Fresh Dom. Consumption	4	4	5	6	8	6	0	0	11
Processing	0	0	0	0	0	0	0	0	0
TOTAL DISTRIBUTION	10	10	11	13	15	13	0	0	17

<b>Israel 65 Degrees Brix Orange Juice</b>									
	2005	Revised		2006	Estimate		2007	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin		01/2005	01/2005		01/2006	01/2006		01/2007	01/2007
Deliv. To Processors	61000	61000	61000	86000	86000	84000	0	0	72000
Beginning Stocks	500	500	500	100	200	100	200	200	150
Production	17900	22000	17900	25200	25500	24600	0	0	21200
Imports	33700	33700	33700	30000	32000	30000	0	0	32000
Total Supply	52100	56200	52100	55300	57700	54700	200	200	53350
Exports	15000	18000	15000	17600	19000	17200	0	0	15500
Domestic Consumption	37000	38000	37000	37500	38500	37350	0	0	37700
Ending Stocks	100	200	100	200	200	150	0	0	150
Total Distribution	52100	56200	52100	55300	57700	54700	0	0	53350

Israel 65 Degrees Brix <i>Grapefruit Juice</i>									
	2005	Revised		2006	Estimate		2007	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
<b>Market Year Begin</b>		10/2005	10/2005		10/2006	10/2006		10/2007	10/2007
<b>Deliv. To Processors</b>	165000	165000	165000	150000	159000	157000	0	0	161000
<b>Beginning Stocks</b>	5000	5000	5000	5000	5000	5000	3800	3800	6000
<b>Production</b>	81500	81500	81500	72642	77000	76032	0	0	77970
<b>Imports</b>	13000	13000	13000	14500	14500	14500	0	0	12000
<b>Total Supply</b>	99500	99500	99500	92142	96500	95532	3800	3800	95970
<b>Exports</b>	67000	67000	67000	65500	65500	65700	0	0	67000
<b>Domestic Consumption</b>	27500	27500	27500	22842	27200	23832	0	0	24300
<b>Ending Stocks</b>	5000	5000	5000	3800	3800	6000	0	0	4670
<b>Total Distribution</b>	99500	99500	99500	92142	96500	95532	0	0	95970

Israel 65 Degrees Brix <i>Tangerine Juice</i>									
	2005	Revised		2006	Estimate		2007	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
<b>Market Year Begin</b>		10/2005	10/2005		10/2006	10/2006		10/2007	10/2007
<b>Deliv. To Processors</b>	33000	33000	33000	43500	50500	39000	0	0	57000
<b>Beginning Stocks</b>	1000	1000	1000	200	200	200	1000	1000	300
<b>Production</b>	16200	16200	16200	21104	24500	18920	0	0	27650
<b>Imports</b>	17000	17000	17000	16000	16000	14500	0	0	8000
<b>Total Supply</b>	34200	34200	34200	37304	40700	33620	1000	1000	35950
<b>Exports</b>	19500	19500	19500	24900	24900	21900	0	0	23500
<b>Domestic Consumption</b>	14500	14500	14500	11404	14800	11420	0	0	12000
<b>Ending Stocks</b>	200	200	200	1000	1000	300	0	0	450
<b>Total Distribution</b>	34200	34200	34200	37304	40700	33620	0	0	35950

## Production

In 2006/07, production totaled 631,800 tons, a 12 percent increase compared to the previous marketing year. The increased harvest was a result of the "fluctuations phenomenon", an exceptional low/high yield that occurs once every 2-3 years, combined with an increase in planted area. In recent years, the share of easy peelers has increased significantly, and it is expected to further expand in the near future.

Total production in 2007/08 is forecast at 634,500 tons, unchanged from the previous year. However, due to the fluctuations phenomenon the yields for Shamouti, Newhole (oranges), Chandler, Michal and Nova (easy peelers) decreased by an average of 20 percent compared to 2006/07. On the other hand, the yield for Valencia (oranges), Or, Ora (easy peelers) and other easy peeler varieties increased.

Due to continued increase in the local planted area, it is estimated that by 2012, citrus production will total 800,000 tons.

**Table 1: Citrus Production by Varieties, Thousand Tons**

MY	Total Production	Orange	Easy Peelers	Lemon	Grapefruit	Other Citrus <sup>1</sup>
2003/4	513.0	133.0	88.0	45.0	237.0	10.0
2004/5	638.0	172.0	141.0	42.0	271.0	12.0
2005/6	566.6	143.7	118.2	28.5	265.0	11.2
2006/7	631.8	187.8	140.0	49.3	242.0	13.0
2007/8*	634.5	162.0	159.8	50.0	245.0	17.7

Source: The Plants Production and Marketing Board, Citrus division, Israel

\*Forecast: Based on information collected

**Table 2: Species Share Out of Total Production, Percent**

MY	Oranges	Easy Peelers	Lemon	Grapefruit	Other Citrus	Total
2003/4	25.9	17.1	8.8	46.2	2.0	100.0
2004/5	27.0	21.9	6.6	42.5	2.0	100.0
2005/6	25.3	20.8	5.0	46.8	2.1	100.0
2006/7	29.7	22.1	7.8	38.3	2.1	100.0
2007/8*	25.5	25.2	7.9	38.6	2.8	100.0

**Table 3: Citrus Disposition, by Destination, Thousand Tons**

Period	Total Exports		Delivery to Processors		Local Fresh Market		Total Percent
	Quantity	%	Quantity	%	Quantity	%	
2003/4	139,000	28.4	190,000	38.9	160,000	32.7	100
2004/5	178,000	27.9	290,000	45.5	170,000	26.6	100
2005/6	141,605	25.0	261,450	46.1	163,545	28.9	100
2006/7	173,500	24.6	283,000	47.7	175,300	27.7	100
2007/8*	166,000	26.2	296,500	46.7	172,000	27.1	100

Source: The Plants Production and Marketing Board, Citrus division, Israel

\*Forecast: Based on information collected

<sup>1</sup> Other Citrus- Kumquat, Ethrog (Citron), Red & White Pomelo, Limquat.

## Planted Area

In September 2007, planted area totaled 20,100 ha, representing an increase of 18 percent compared to 2003. Increasing demand for citrus in Europe and high profitability have stimulated new demand for citrus seedlings.

## Local Fresh Consumption

In 2007/08, local consumption of fresh citrus will total an estimated 172-174 tmt, about the same as the previous year.

In 2006/07, local consumption of fresh citrus totaled approximately 175 tons, a 9 percent increase compared to the previous marketing year. The increase in consumption was due to an increase in local harvest. In 2006/07, total local consumption (per capita) of fresh citrus was 25 kg. According to the Household Expenditure Survey from 2005, the monthly average expenditure for fresh citrus totaled \$3.5 per household.

**Table 4: Monthly Average Household Expenditure On Fresh Citrus, 2005, \$**

Species	Average	Percent
Oranges	1.17	33.5
Easy Peelers	1.10	31.5
Grapefruit	0.17	4.9
Lemons	0.79	22.6
Pomelo	0.26	7.5
<b>Total</b>	<b>3.49</b>	<b>100.0</b>

Source: Household Expenditure Survey, 2005, CBS

## The Processing Industry

In 2007/08, 296,500 tons of citrus is forecast to be delivered for processing, a 4 percent increase compared to the previous year. The expected increase is a result of an expected slight decrease in exports of citrus.

Due to increased yields in 2006/07, citrus deliveries to processors increased 8 percent compared to 2005/06 (from 261.5 tmt to 283 tmt). The main citrus variety for industry is grapefruit (55 percent market share). In 2006/07, the local industry paid higher prices for oranges compared to the previous year (40 percent up), and as a result deliveries of oranges increased by 42 percent compared to 2005/06. On the other hand, in 2006/07 prices for grapefruit decreased compared to the previous year. The decrease was due to high yield of grapefruit from Florida.

**Table 5: Delivery to the Processing Plants, MY, Tons**

Variety	2006/7		2005/6		2004/5	
	Tons	%	Tons	%	Tons	%
Oranges	83,750	29.6	58,850	22.5	77,000	26.6
Grapefruit	156,750	55.4	165,200	63.2	160,000	55.2
Easy Peelers	38,500	13.6	33,000	12.6	47,000	16.2
Lemons	4,000	1.4	4,400	1.7	6,000	2.0
<b>Total</b>	<b>283,000</b>	<b>100</b>	<b>261,450</b>	<b>100</b>	<b>290,000</b>	<b>100</b>

Source: The Plants Production and Marketing Board, Citrus Division, Israel

## Trade

Exports are forecast to decrease about 4 percent compared to the previous year (see table 6). The expected decrease in exports is mainly due to the decrease in local orange production, combined with expected high yields of Israel's grapefruit competitors.

In 2006/07, citrus exports from Israel increased 23 percent (from 141,605 tons to 173,500 tons). The increase was due to an increased citrus production, combined with shortage of oranges from Florida and California. In addition, easy peelers exports reached a record of 49,883 tons in 2006/07, and it is expected to continue to grow in the forthcoming years.

In 2006/07, exports of the sweetie variety to Japan increased by 6 percent compared to the previous year (from 470,400 cases to 498,512 cases). Due to the shortage of oranges from California and Florida, there was an export of Shamouti and Valencia oranges to Japan (7,525 tons) for the first time in 25 years. The oranges and the sweetie shipments to Japan are valued at \$5 and \$6.5 million, respectively. In addition, there was an export of oranges to China (20 tons) for the first time ever.

In 2006/07, out of the total citrus exports, 62 percent were exported to the EU, mainly England (19 percent), France (11 percent), Netherlands (7 percent), Germany (7 percent), but demand in Eastern Europe, especially in Russia and Ukraine, is increasing, and approximately 14 and 5 percent of the total citrus exports were exported to Russia and Ukraine, respectively (exports to Russia and Ukraine are mainly easy peelers and red grapefruit). Japan capture 7 percent of the total citrus exports and the market share for the U.S. is about 1 percent, mainly oranges and easy peelers.

In 2006/07, out of the total grapefruit exports, nearly 88 percent are red grapefruit, and of the total orange exports, approximately 70 percent are Shamouti. In MY 2006, pomelo exports totaled 4,832 tons, 10 percent decrease compared to the previous year.

**Table 6: Fresh Citrus Exports by Varieties, Tons and Percent, MY**

Variety	2007/8*		2006/7		2005/6	
	Tons	Market Share	Tons	Market Share	Tons	Market Share
<b>Oranges</b>	30,100	18.2	35,105	20.0	22,548	15.9
<b>Grapefruit</b>	77,000	46.7	80,359	45.7	75,096	53.0
<b>Easy Peelers</b>	49,550	30.0	49,883	28.4	35,328	25.0
<b>Others</b>	9,350	5.1	8,153	5.9	8,633	6.1
<b>Total</b>	<b>166,000</b>	<b>100</b>	<b>173,500</b>	<b>100</b>	<b>141,605</b>	<b>100</b>

Source: The Plants Production and Marketing Board, Citrus Division, Israel

\*Forecast: Based on information collected

**Agreement on Trade in Agricultural Products (ATAP)**

According to the State of Israel's Trade Agreements the following fresh citrus products and processed citrus products may be imported to Israel, during the year 2008, tax free:

Description	Quota	Duty	TRQ	Alloc. System
Fresh Oranges* 0805.1000	1,689 mt	exempt	Solely for fresh produce wholesalers or international traders of fruit and vegetables.	Lottery
Fresh Lemons* 0805.5000	506 mt	exempt	As above	Lottery
Fresh Grapefruit* 0805.4000	1,689 mt	exempt	As above	Lottery
Other Fresh citrus (not peelers)* 0805.9000	1,689 mt	exempt	As above	Lottery

- needs Pest Risk Assessment (PRA)

HS No.	Item Description	TRQ mt	Duty	Eligible to Apply for Quota	Allocation System
2009.1000	Orange juice in containers > 100 kg	5,000	exempt	For industrial use only.	ANA <sup>1</sup>
1110					
1130					
1210					
1910					
1930					
2009.2110	Grapefruit juice in containers > 100 kg	2,000	exempt	For industrial use only.	ANA
2910					
2009.3000	Other citrus juice	775	exempt	1. Processors 2. Experienced importers. Import entries are needed. 3. New importers	ANA

Data for 2007 fresh citrus imports shows that quotas have not been utilized and this situation is not expected to change in the future. Israel is self-sufficient with fresh citrus, and in the event of any temporary shortfall, Jordan, Egypt, Turkey, Greece, and/or Italy would be the likely suppliers.

<sup>1</sup> ANA= According to Number of Applicants.

<sup>2</sup> FCS = Food Control Service

## Quota Utilization as per 10/11//2007

Description	Quota Allocated MT	Duty	Utilized Quota MT
Fresh Oranges* 0805.1000	1,594	exempt	0
Fresh Lemons* 0805.3000	478	exempt	0
Fresh Grapefruit* 0805.4000	1,594	exempt	0
Other Fresh citrus not peelers)* 0805.9000	1,594	exempt	0

\* needs Pest Risk Assessment (PRA)