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## Spain

## Citrus

## Annual

## 2007

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**Report Highlights:**

Spain's orange, tangerine and lemon exports during marketing year 2007 will likely be off the record-to-near record setting pace during marketing year 2006. Reduced production prospects and diminished export opportunities, when compared to marketing year 2006, are the prominent factors driving this year's forecasts.

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

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## Executive Summary

The Spanish citrus sector continues to produce for the fresh domestic and export markets. Even on the processing side of the citrus industry, “fresh” is the key word, and fresh orange juice continues to be the key processed product.

Spanish exporters will likely produce and export less citrus fruit during marketing year (MY) 2007 than during the record setting MY 2006 campaign that registered the confluence of record setting production, an early maturing crop, and market openings resulting from frosts in California. This year, however, more normal production and export situations appear to be developing.

The Spanish citrus sector will have a five-year transition period before fully implementing the new Common Market Organization (CMO). Currently, economic support is 100 percent coupled to production, but to begin the transition, Spain proposes to initiate two-years of partial de-coupling, moving to full decoupling and the Single Farm Payment System (SFP) by 2011. When fully decoupled, the European Commission will likely notify the CMO in the “Green Box” section of their domestic support notification.

In this issue, we focus on domestic consumption of citrus fruit and orange-juice, and all of the supply and demand-related implications. This is a subject area where we have recently noted substantial progress in both domestic and European-wide empirical statistics/studies. For example, the Spanish Ministry of Agriculture (MAPA) conducts a monthly home food consumption study with a section focusing on per capita citrus consumption (*La Alimentacion Mes a Mes* in *Últimos Datos*:

<http://www.mapa.es/es/alimentacion/pags/consumo/consumo.htm>). As a result, in this report we have used the MAPA data as a minimum reference point (recognizing that there will be a limited non-home consumption of citrus) in an attempt to improve our estimates of per capita and total consumption, which in some cases (lemons for example) called for dramatic adjustments in the supply and demand numbers, most noticeably to the line item deliveries to processors, now a supply and demand balancing line.

We also provide the reader a series of graphs in many of the subject areas (MY 2000 through MY 2007) based on supply and demand data to provide a sense for the evolution of the citrus industry in Spain—from a statistical/analytical perspective.

In the Orange Juice Section we provide additional information regarding orange juice production and trade.

Commodity name: Oranges, Fresh

## Production, Supply and Distribution Table

PSD Table										
Country	Spain									
Commodity	Oranges, Fresh									
	2005		Revised	2006		Estimate	2007		Forecast	UOM
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
Market Year Begin	11/2005		11/2005	11/2006		11/2006	11/2007		11/2007	MM/YYYY
Area Planted	151000	151000	138800	159805	159805	159805	0	160000	160000	(HECTARES)
Area Harvested	136000	136000	118100	138000	138000	138000	0	140000	140000	(HECTARES)
Bearing Trees	0	0	0	0	0	0	0	0	0	(1000 TREES)
Non-Bearing Trees	0	0	0	0	0	0	0	0	0	(1000 TREES)
Total No. Of Trees	0	0	0	0	0	0	0	0	0	(1000 TREES)
Production	2295	2295	2376	3210	3210	3260	0	2800	2700	(1000 MT)
Imports	119	119	125	50	50	50	0	50	150	(1000 MT)
Total Supply	2414	2414	2501	3260	3260	3310	0	2850	2850	(1000 MT)
Exports, Fresh	1316	1316	1347	1800	1800	1600	0	1400	1300	(1000 MT)
Fresh Dom. Consumptio	646	646	702	960	960	825	0	1000	800	(1000 MT)
For Processing	452	452	452	500	500	885	0	450	750	(1000 MT)
Total Distribution	2414	2414	2501	3260	3260	3310	0	2850	2850	(1000 MT)

FAS/Madrid uses the following sources for all of the tables and graphs in this report, unless otherwise indicated:

Area Planted/Area Harvested: MAPA through 2006, and FAS/Madrid MY 2007

Fresh Fruit Production: MAPA

Import/Export: GTA through MY 2005 and FAS/Madrid MY 2006 and 2007.

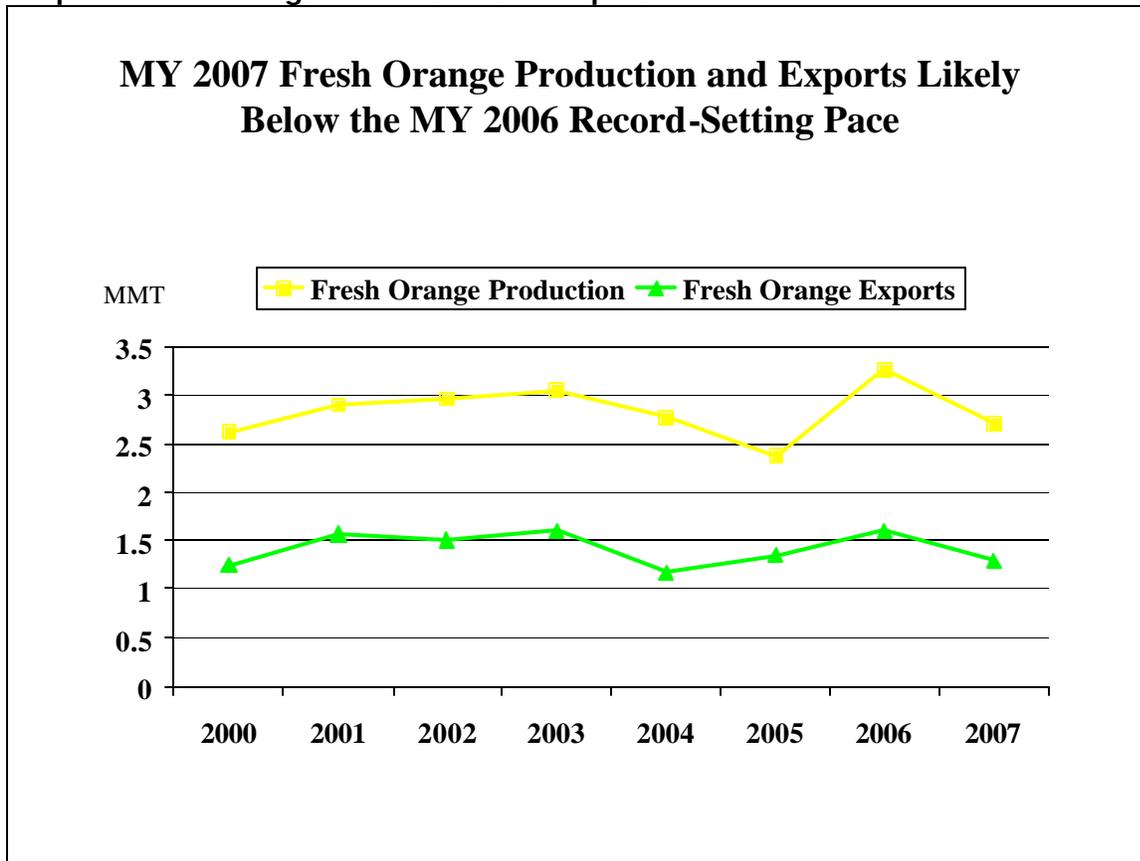
For Processing, Orange Juice production, and Fresh Domestic Consumption: FAS/Madrid.

**Production**

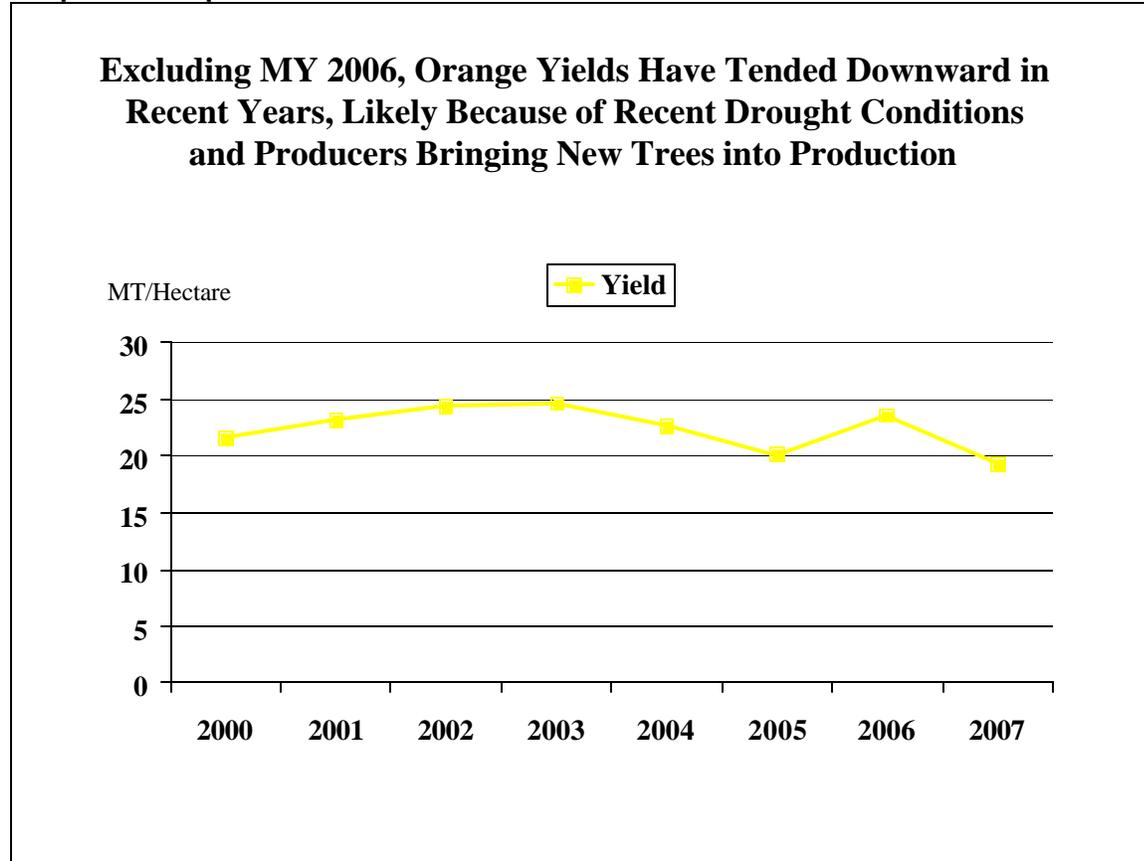
For MY) 2007, we are estimating average orange yields and average production (please see graphs below). Producers experienced the normal run of inclement weather leading up to harvest, including heavy winds in March, low summer-time temperatures, etc., but unless there are additional problems during harvest, the crop appears to be at least average.

Farmers produce primarily for the fresh domestic and export markets (please see graphs below).

**Graph – Fresh Orange Production and Exports**

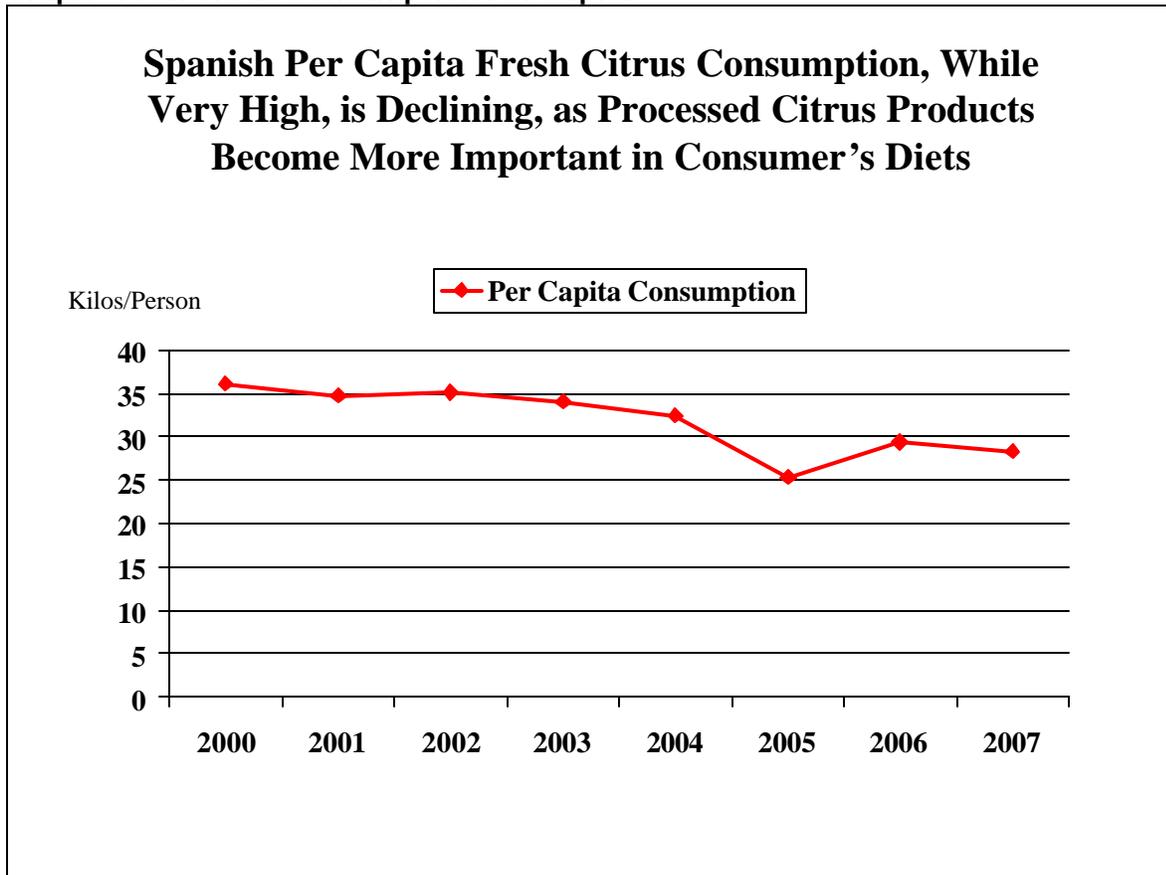


Graph - Yield per Hectare



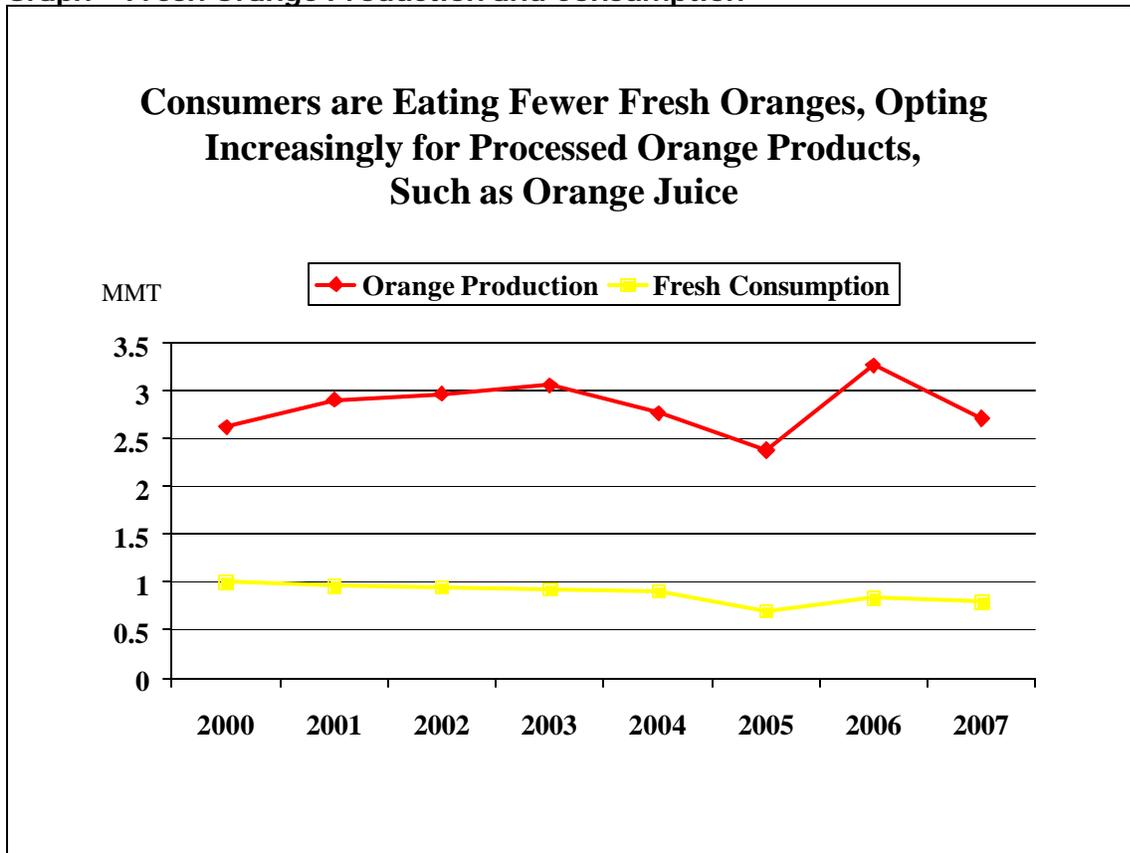
Consumption

Graph- Total Citrus Consumption Per Capita

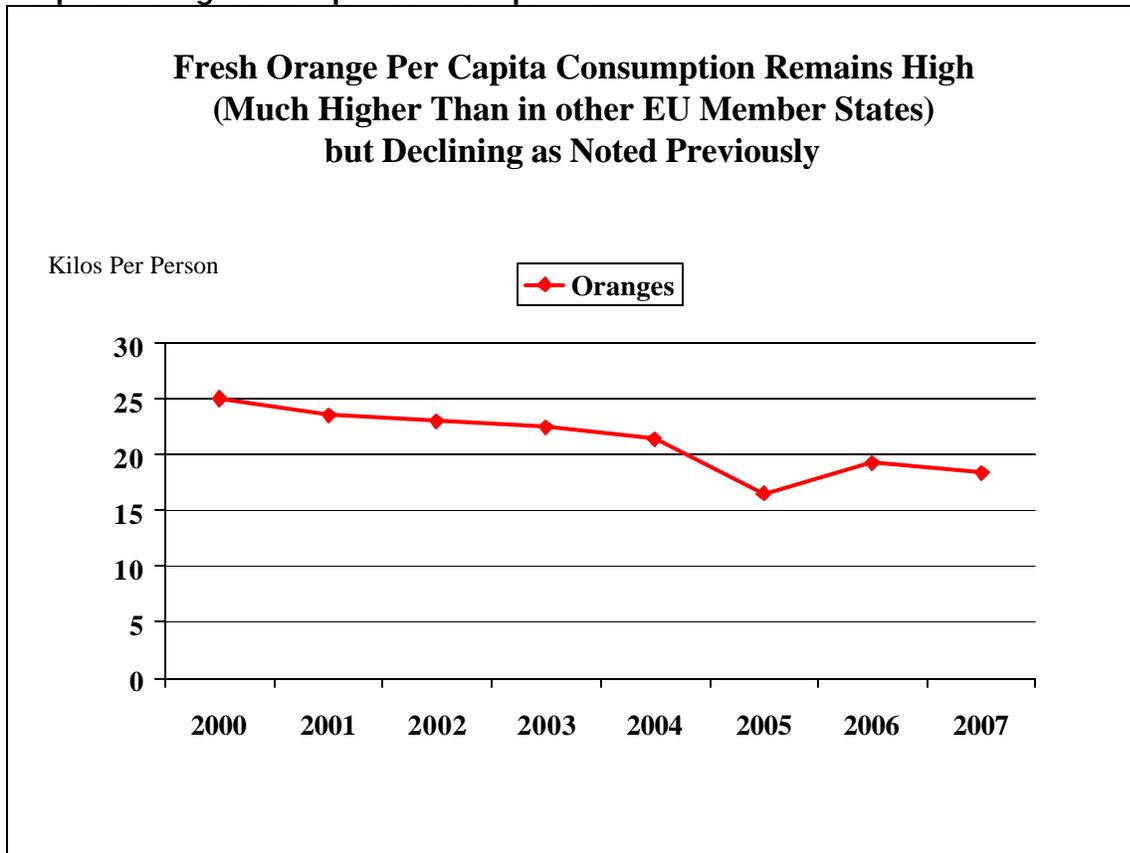


According to MAPA's Consumer Panel of May 2007, Spaniards consume approximately 29 kilos of citrus per person. Spaniards total fresh fruit consumption is 94 kilos per person per year, making citrus fruit the largest portion of consumption.

Graph – Fresh Orange Production and Consumption



Graph – Orange Per Capita Consumption



According to MAPA's monthly household consumption report, orange consumption from 2004 onward has oscillated between approximately 18 to 21 kg/person per year.

**Policy**

The EC provides the following economic support for producers of certain citrus fruits for transformation into juice and fruit segments during MY 2007.

**ORANGES**

Aid	Euros/100 kilos
Annual contract	9.80
Individual producers	8.82
Multiannual contracts	11.27

**TANGERINES/SMALL CITRUS**

Aid	Euros/100 kilos: Juice	Euros/100 kilos: Segments
Annual contract	8.01	9.10
Individual producers	7.21	8.19
Multiannual contracts	9.21	10.47

**LEMONS**

Aid	Euros/100 kilos
Annual contract	9.10
Individual producers	8.19
Multiannual contracts	10.47

## Trade

## Trade Matrices

**Import Trade Matrix****Country**

Spain

**Commodity**

Oranges, Fresh

Time Period

Nov/Oct

Units:

Metric Tons

Imports for:

2005

**2006**

U.S.

U.S.

0

Others

Others

S. Africa	39,402	S. Africa	19,000
Portugal	18,110	Argentina	10,000
Argentina	17,448	Portugal	6,000
Uruguay	17,144	Uruguay	5,000
Brazil	12,616	Brazil	3,000
Netherlands	7,301	France	2,500
Chile	5,387	Chile	2,000
France	2,166		
Italy	2,133		
Morocco	1,693		
Total for Others	123,400		47,500
Others not Listed	2,095		2,500
Grand Total	125,495		50,000

**Export Trade Matrix****Country**

Spain

**Commodity**

Oranges, Fresh

Time Period

Nov/Oct

Units:

Metric Tons

Exports for:

2005

**2006**

U.S.

U.S.

20,000

Others

Others

Germany	368,708	Germany	380,000
France	326,706	France	350,000
Netherlands	157,745	Netherlands	170,000
U.K.	103,279	U.K.	120,000
Belgium	73,196	Poland	90,000
Italy	58,195	Belgium	80,000
Poland	56,706	Italy	60,000
Sweden	30,082	Sweden	40,000
Switzerland	27,601	Czech Rep.	30,000
Norway	24,614	Switzerland	30,000
Total for Others	1,226,832		1,350,000
Others not Listed	120,116		230,000
Grand Total	1,347,037		1,600,000

## Commodity: Tangerines, Fresh

## Production, Supply and Distribution Table

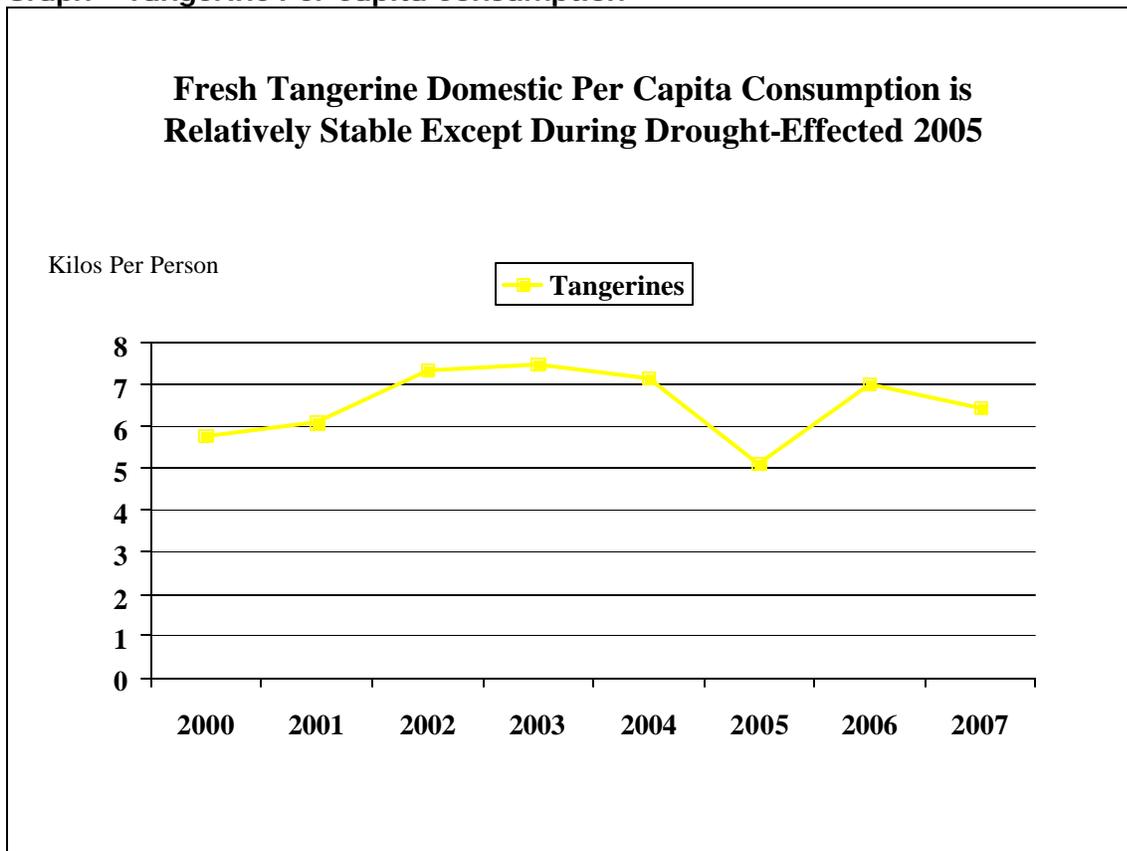
PSD Table										
Country	Spain									
Commodity	Tangerines/Mandarins, Fresh						(HECTARES)(1000 TREES)(1000 MT)			
	2005	Revised		2006	Estimate		2007	Forecast		UOM
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
Market Year Begin		11/2005	11/2005		11/2006	11/2006		11/2007	11/2007	MM/YYYY
Area Planted	109000	109000	121000	117209	117209	117209	0	117209	117209	(HECTARES)
Area Harvested	93000	112000	105300	112000	112000	112000	0	112000	112000	(HECTARES)
Bearing Trees	0	0	0	0	0	0	0	0	0	(1000 TREES)
Non-Bearing Trees	0	0	0	0	0	0	0	0	0	(1000 TREES)
Total No. Of Trees	0	0	0	0	0	0	0	0	0	(1000 TREES)
Production	2126	2126	1957	2634	2634	2634	0	2400	2100	(1000 MT)
Imports	9	9	16	7	7	14	0	5	15	(1000 MT)
Total Supply	2135	2135	1973	2641	2641	2648	0	2405	2115	(1000 MT)
Exports, Fresh	1483	1483	1505	1800	1800	1800	0	1550	1500	(1000 MT)
Fresh Dom. Consumptio	400	400	216	450	450	300	0	450	280	(1000 MT)
For Processing	252	252	252	391	391	548	0	405	335	(1000 MT)
Total Distribution	2135	2135	1973	2641	2641	2648	0	2405	2115	(1000 MT)

**Production**

Spanish tangerine production will likely be off by approximately 20 percent in MY 2007 when compared to MY 2006. Tangerine varieties include hybrids like *Satsumas*, *Ortanquie*, *Fortune*, and *Clemenules*, which is the dominant variety. Lower production figures will decrease yields in all varieties. Tangerine producers are optimistic for the MY 2007 campaign because the lower production (please see graph on page 14 here below) may mean better prices over MY 2006 prices.

**Consumption**

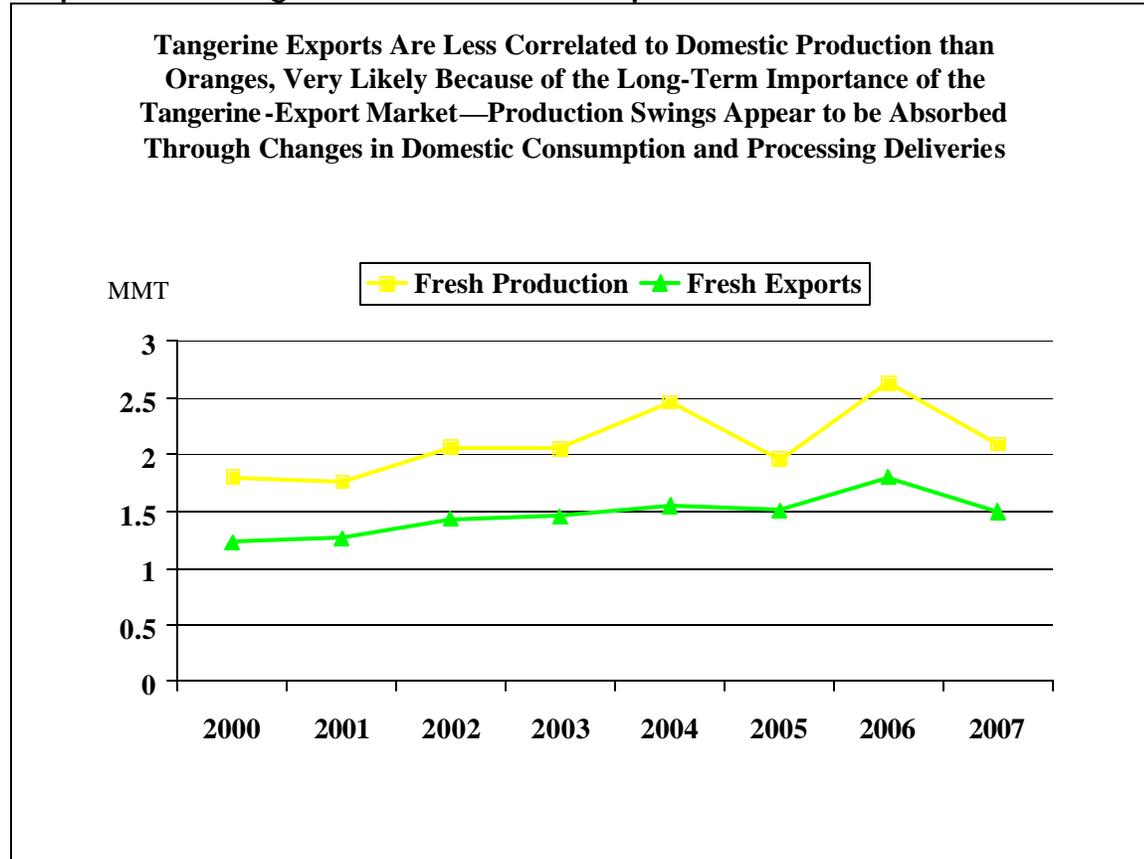
**Graph – Tangerine Per Capita Consumption**



According to MAPA’s monthly household consumption report, tangerine consumption from 2004 onward has oscillated between approximately 5 to 7 kg/person per year.

Trade

Graph – Fresh Tangerine Production and Export



## Trade Matrices

**Import Trade Matrix****Country**

Spain

**Commodity**

Tangerines, Fresh

Time Period

Nov/Oct

Units:

Metric Tons

Imports for:

2005

**2006**

U.S.

U.S.

0

Others

Others

Portugal	8,819	France	6,000
France	1,693	Portugal	3,000
Uruguay	1,379	Morocco	2,000
Netherlands	1,018	S. Africa	1,000
Morocco	781	Netherlands	500
Italy	390	Uruguay	300
Peru	309	Italy	300

Total for Others

14,389

13,100

Others not Listed

1,609

900

Grand Total

15,998

14,000

**Export Trade Matrix****Country**

Spain

**Commodity**

Tangerines, Fresh

Time Period

Nov/Oct

Units:

Metric Tons

Exports for:

2005

**2006**

U.S.

U.S.

75,000

Others

Others

Germany	385,254	Germany	420,000
France	340,132	France	360,000
U.K.	134,225	Poland	170,000
Poland	113,042	U.K.	150,000
Netherlands	87,603	Netherlands	100,000
Italy	70,609	Italy	70,000
Czech Rep.	47,471	Czech Rep.	50,000
Belgium	42,585	Belgium	40,000
Sweden	31,837	Switzerland	30,000

Total for Others

1,252,758

1,390,000

Others not Listed

190,804

335,000

Grand Total

1,504,551

1,800,000

Commodity name: Lemons, Fresh

Production, Supply and Distribution Table

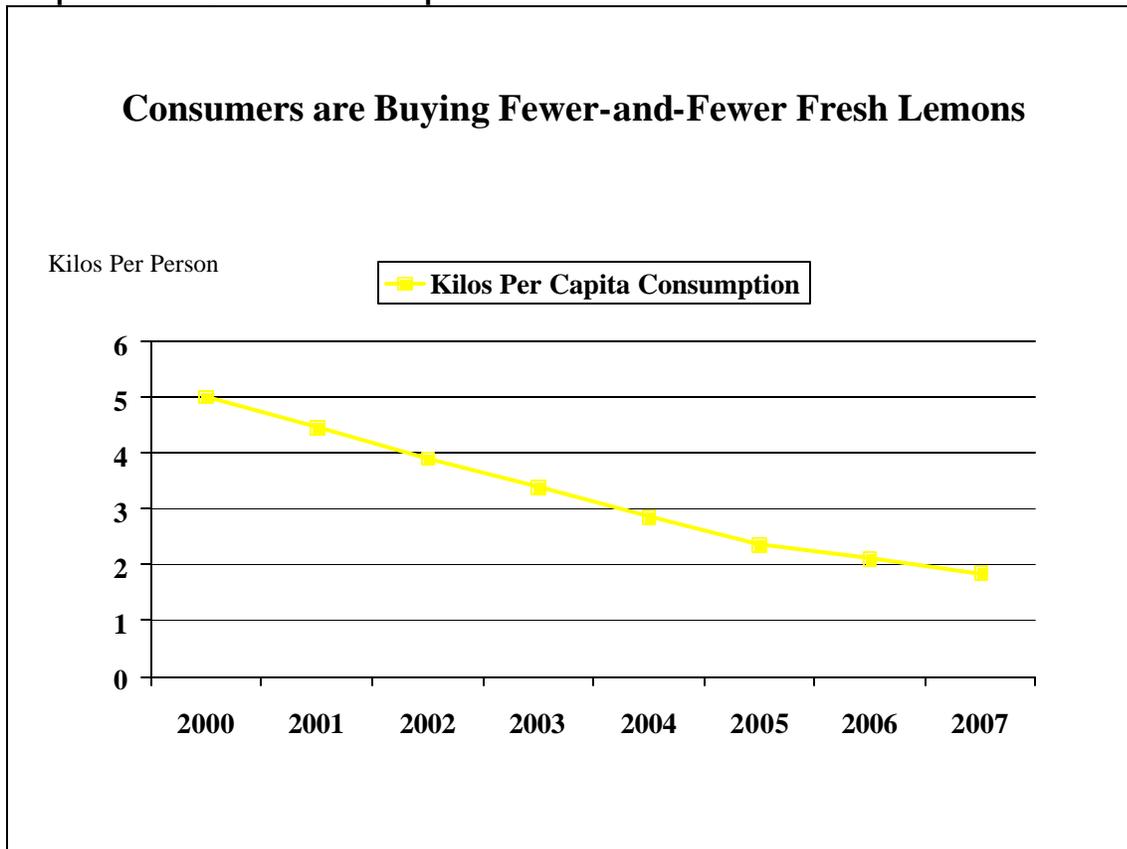
PSD Table										
Country	Spain									
Commodity	Lemons, Fresh									
							(HECTARES)(1000 TREES)(1000 MT)			
	2005	Revised		2006	Estimate		2007	Forecast		UOM
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
Market Year Begin		11/2005	11/2005		11/2006	11/2006		11/2007	11/2007	MM/YYYY
Area Planted	44000	44000	45200	41573	41573	41573	0	41573	41573	(HECTARES)
Area Harvested	42000	42000	42800	40000	40000	40000	0	40000	40000	(HECTARES)
Bearing Trees	0	0	0	0	0	0	0	0	0	(1000 TREES)
Non-Bearing Trees	0	0	0	0	0	0	0	0	0	(1000 TREES)
Total No. Of Trees	0	0	0	0	0	0	0	0	0	(1000 TREES)
Production	897	897	945	900	900	850	0	800	750	(1000 MT)
Imports	35	35	35	50	50	45	0	70	60	(1000 MT)
Total Supply	932	932	980	950	950	895	0	870	810	(1000 MT)
Exports, Fresh	505	505	512	510	510	470	0	450	430	(1000 MT)
Fresh Dom. Consumptio	227	227	100	232	232	90	0	220	80	(1000 MT)
For Processing	200	200	368	208	208	335	0	200	300	(1000 MT)
Total Distribution	932	932	980	950	950	895	0	870	810	(1000 MT)

## Production

Spanish lemon production will decline in MY 2007, as compared to MY 2006. The *Fino* variety corresponds to 75 percent of lemon cultivation and the remaining quarter is the *Verna* variety.

## Consumption

Graph- Fresh Lemon Consumption



According to MAPA's monthly household consumption report, lemon consumption from 2004 onward has oscillated between approximately 1 to 3 kg/person per year.

## Trade

Spanish *Verna* lemon exporters encountered fruit-fly related difficulties exporting to the United States during MY 2006. USDA and MAPA have worked closely to develop a protocol that would permit continued exports while protecting U.S. growers from additional infestations of the Mediterranean fruit fly.

## Trade Matrices

**Import Trade Matrix****Country**

Spain

**Commodity**

Lemons, Fresh

Time Period

Nov/Oct

Units:

Metric Tons

Imports for:

2005

**2006**

U.S.

167

U.S.

50

Others

Others

Argentina	28,110	Argentina	25,000
S. Africa	1,780	Brazil	9,000
Netherlands	1,381	Netherlands	4,000
Uruguay	1,190	Uruguay	1,500
France	929	France	1,000
Portugal	502	Portugal	800
Brazil	357	Poland	500
Total for Others	34,249		36,800
Others not Listed	807		3,150
Grand Total	35,223		45,000

**Export Trade Matrix****Country**

Spain

**Commodity**

Lemons, Fresh

Time Period

Nov/Oct

Units:

Metric Tons

Exports for:

2005

**2006**

U.S.

6,753

U.S.

16,000

Others

Others

Germany	93,609	Germany	100,000
France	83,111	France	90,000
Poland	59,880	Poland	70,000
U.K.	47,223	U.K.	50,000
Italy	36,173	Italy	35,000
Russia	35,636	Russia	30,000
Netherlands	24,920	Netherlands	20,000
Czech Rep.	14,124	Czech Rep.	15,000
Belgium	11,485	Belgium	10,000
Austria	9,016	Austria	5,000
Total for Others	415,177		425,000
Others not Listed	90,012		29,000
Grand Total	511,942		470,000

## Commodity name: Other Citrus, Fresh

## Production, Supply and Distribution Table

PSD Table										
Country	Spain									
Commodity	Citrus, Other, Fresh									
	2005		Revised	2006		Estimate	2007		Forecast	UOM
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
Market Year Begin	11/2005		11/2005	11/2006		11/2006	11/2007		11/2007	MM/YYYY
Area Planted	3884	3884	4826	3884	3884	4826	0	3884	4826	(HECTARES)
Area Harvested	2348	2348	3401	2348	2348	3401	0	2348	3401	(HECTARES)
Bearing Trees	0	0	0	0	0	0	0	0	0	(1000 TREES)
Non-Bearing Trees	0	0	0	0	0	0	0	0	0	(1000 TREES)
Total No. Of Trees	0	0	0	0	0	0	0	0	0	(1000 TREES)
Production	50	50	32	53	53	35	0	50	35	(1000 MT)
Imports	8	8	0	10	10	0	0	10	0	(1000 MT)
Total Supply	58	58	32	63	63	35	0	60	35	(1000 MT)
Exports, Fresh	35	35	2	35	35	4	0	35	2	(1000 MT)
Fresh Dom. Consumptio	13	13	15	13	13	16	0	13	18	(1000 MT)
For Processing	10	10	15	15	15	15	0	12	15	(1000 MT)
Total Distribution	58	58	32	63	63	35	0	60	35	(1000 MT)

## Commodity name: Orange Juice

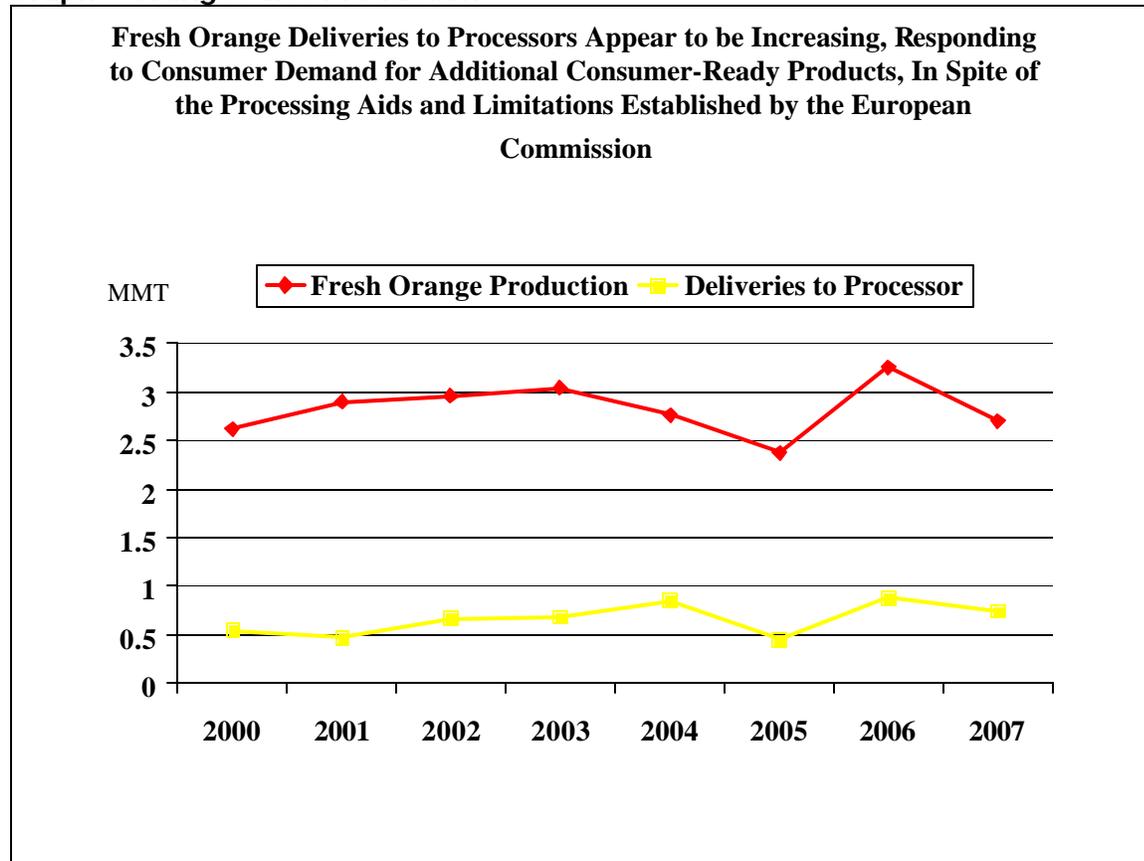
## Production, Supply and Distribution Table

PSD Table											
Country	Spain			65 Degrees Brix							
Commodity	Orange Juice						(MT)				
	2005	Revised		2006	Estimate		2007	Forecast		UOM	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New		
Market Year Begin		11/2005	11/2005		11/2006	11/2006		11/2007	11/2007	MM/YYYY	
Deliv. To Processors	452000	452000	452000	500000	500000	885000	0	450000	750000	(MT)	
Beginning Stocks	1000	1000	11000	3400	3400	0	2833	2833	3000	(MT)	
Production	44055	44055	34800	48733	48733	63000	0	43860	56000	(MT)	
Imports	76392	76392	49348	68000	68000	51000	0	70000	52000	(MT)	
Total Supply	121447	121447	95148	120133	120133	114000	2833	116693	111000	(MT)	
Exports	105047	105047	28391	104300	104300	29000	0	102000	27000	(MT)	
Domestic Consumption	13000	13000	66757	13000	13000	82000	0	13000	83000	(MT)	
Ending Stocks	3400	3400	0	2833	2833	3000	0	1693	1000	(MT)	
Total Distribution	121447	121447	95148	120133	120133	114000	0	116693	111000	(MT)	

## Production

We also used new studies on citrus yield extraction provided by industry sources here in Spain that put the extraction rate for orange juice between 35-to-40 percent of deliveries at 15 brix. Spain produces only fresh orange juice for direct consumer consumption.

**Graph – Orange Juice Production**

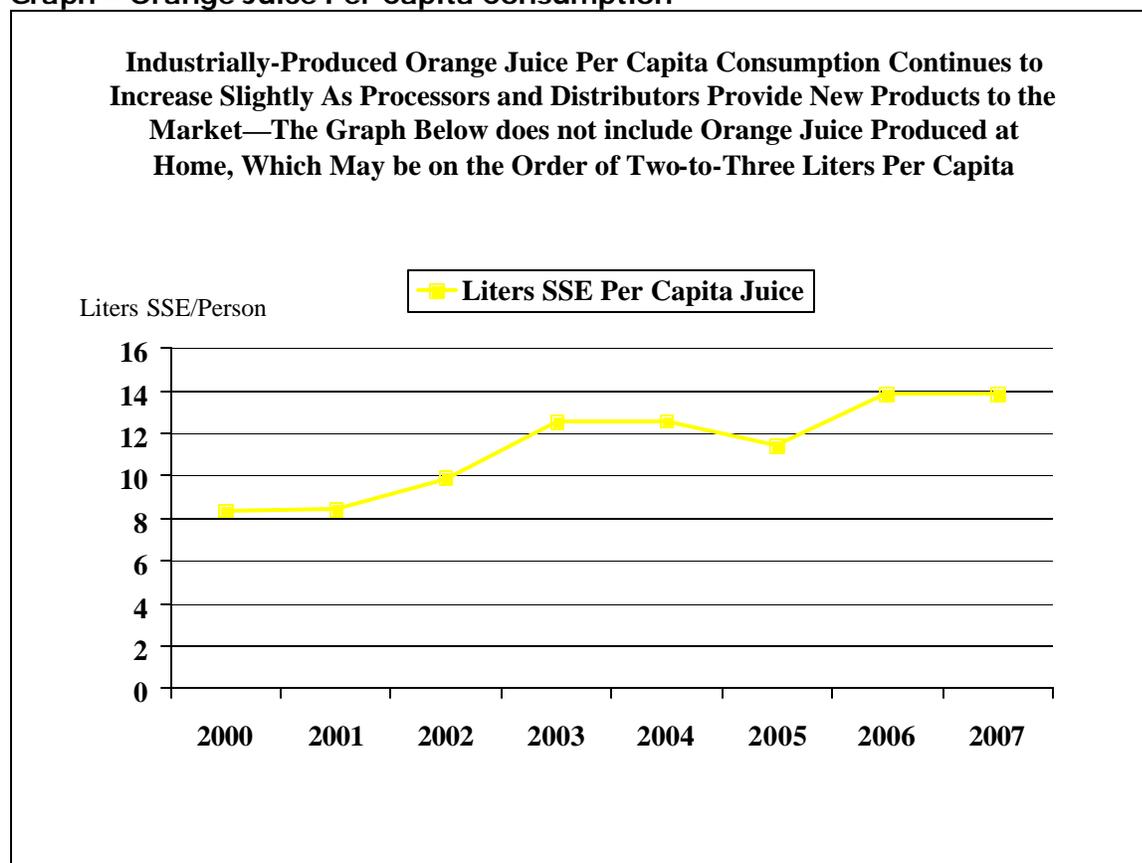


### Consumption

MAPA also provides estimates on orange juice per capita consumption in its database of home consumption (*Base de Datos de Consumo en Hogares*), but the consumption level differs dramatically when compared to information from industry sources, and extensive European studies. Therefore, we have identified, through a Spanish Juice Producer Association (Asozumos), a study of per-capita fruit juice consumption in Europe by the European Fruit Juice Association in order to provide a minimum basis for the orange juice consumption estimates in this report. This time-series focus permitted us to “true up” the supply and demand tables listed and the database behind the tables presented in this report.

Using the abovementioned data brought the domestic per capita orange-juice consumption in line with recent empirical evidence, suggesting a per capita consumption level much higher than what we had been carrying in previous reports.

### Graph – Orange Juice Per Capita Consumption

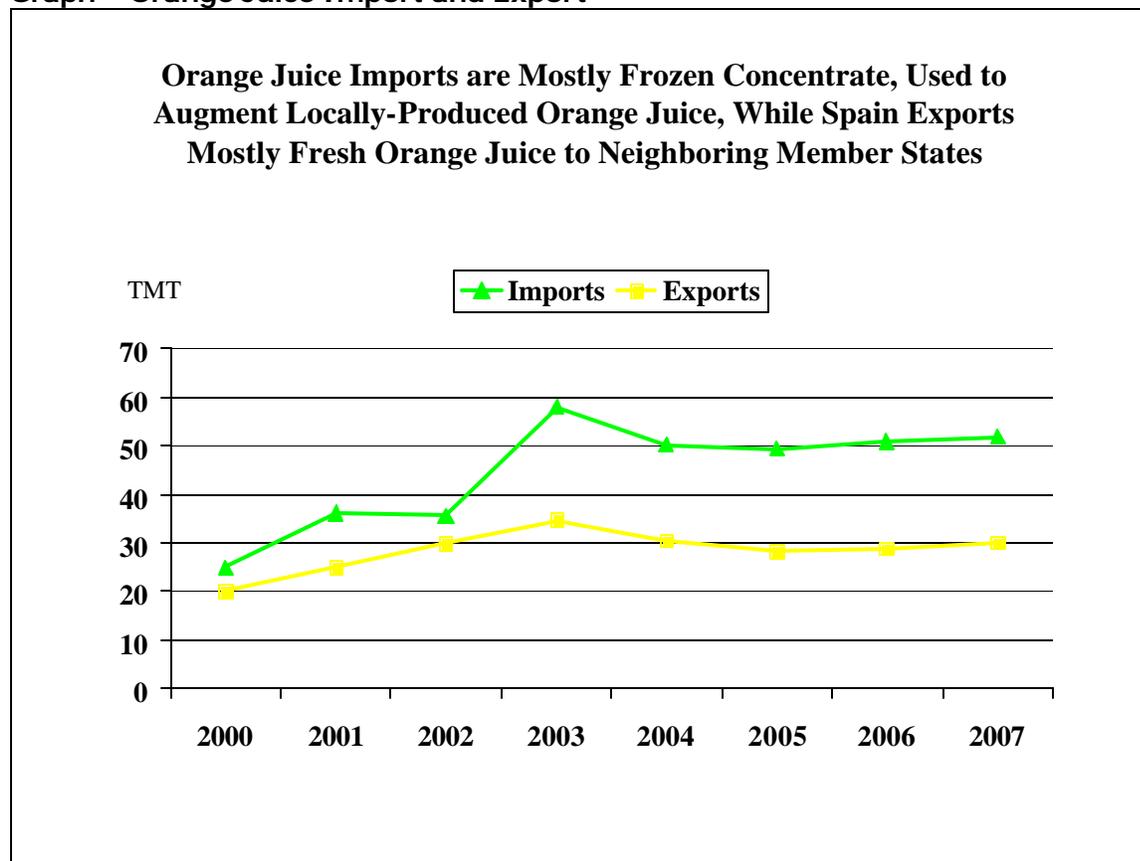


SSE – Single Strength Equivalent

## Trade

Global Trade Atlas (GTA) is now the source of orange juice imports and exports in this report, where we previously used Spanish Customs data.

### Graph – Orange Juice Import and Export



GTA Data:

We note that imports and exports carried out under the same H.S. code (where there is a range of the degrees of Brix in the H.S. code definition) may vary, even to the full extent of the range. For example, Spanish orange juice imports are generally at very high Brix levels, while exports are mainly of fresh juice at low Brix levels. In the following table, we outline our treatment of the pertinent H.S. codes, both regarding imports and exports, providing the multiplication factors we use to arrive at an approximation of 65 Brix orange juice in the above PS&D, and in the orange juice trade tables.

HTSCN Code	Brix	Brix/Import	Factor/Imports	Brix/Export	Factor/Exports
2009.11	Not Specified	67	1.03	-	-
2009.11.11	>67	-	-	69	1.06
2009.11.19	>67	-	-	69	1.06
2009.11.91	<=67	-	-	10	0.15
2009.11.99	<=67	-	-	10	0.15
2009.12	<=20	20	0.31	10	0.15
2009.19.11	>67	85	1.31	69	1.06
2009.19.19	>67	85	1.31	69	1.06
2009.19.91	>20<=67	67	1.03	22	0.31
2009.19.98	>20<=67	67	1.03	22	0.31

## Trade Matrices

**Import Trade Matrix****Country**

Spain

**Commodity**

Orange Juice

Time Period

Nov/Oct

Units:

Metric Tons

Imports for:

2005

**2006**

U.S.

U.S.

0

Others

Others

Belgium	14,165	Netherlands	15,000
Netherlands	12,767	Belgium	12,000
Germany	8,572	Germany	8,000
Portugal	5,982	Brazil	5,000
France	3,317	France	4,000
Brazil	1,455	Portugal	3,000
Greece	819	Greece	1,000
Costa Rica	742	Italy	500

Total for Others

47,819

48,500

Others not Listed

1,525

2,500

Grand Total

49,348

51,000

**Export Trade Matrix****Country**

Spain

**Commodity**

Orange Juice

Time Period

Nov/Oct

Units:

Metric Tons

Exports for:

2005

**2006**

U.S.

U.S.

30

Others

Others

France	21,200	France	20,000
Germany	3,801	Germany	4,000
Portugal	1,126	Portugal	2,000
Belgium	560	Belgium	800
Algeria	259	Algeria	300
Japan	197		
China	119		
U.K.	95		

Total for Others

27,357

27,100

Others not Listed

1,003

1,870

Grand Total

28,391

29,000