



USDA Foreign Agricultural Service

# GAIN Report

Global Agriculture Information Network

Template Version 2.09

Voluntary Report - public distribution

**Date:** 4/28/2008

**GAIN Report Number:** E48048

## EU-27

## Citrus

## Annual

## 2008

**Approved by:**

Stephen Hammond  
USDA/FAS/Madrid-Rome-Athens

**Prepared by:**

Geoff Wiggin

---

**Report Highlights:**

European orange juice imports are likely to drop to record-low levels during Marketing Year 2008. European consumers appear to be opting for fresh orange juice and trying exotic fruit-juices rather than maintaining the same level of reconstituted orange juice consumption. While the EU-27 is a net importer of citrus/products, the European Union Mediterranean-basin citrus producers produce all but just over ten percent of the European-consumed fresh-citrus. In addition to the extremely important domestic market, they also work very diligently to protect and expand the U.S. market for Clementine oranges, and have expressed serious concerns regarding the proposal to establish a marketing order for Clementine oranges sold in the United States.

---

Includes PSD Changes: Yes  
Includes Trade Matrix: Yes  
Annual Report  
Madrid [SP1]  
[E4]

**TABLE OF CONTENTS**

**Executive Summary ..... 3**  
**EU Citrus Production Policy ..... 4**  
**EU Citrus Trade Policy ..... 5**  
**EU Citrus Market-Enhancement Policy ..... 5**  
**EU Citrus Third-Country Trade Policy ..... 5**  
**Commodity Name: Oranges, Fresh ..... 6**  
Trade Tables ..... 7  
**Commodity Name: Tangerines/Mandarins, Fresh ..... 8**  
Trade Tables ..... 9  
**Commodity Name: Lemons, Fresh ..... 10**  
Trade Tables ..... 11  
**Commodity Name: Orange Juice ..... 12**  
Trade Tables ..... 13  
**Commodity Name: Lemon Juice ..... 14**  
Trade Tables ..... 15

## Executive Summary

This is the first European Union (EU) consolidated citrus report. Officials at the U.S. Department of Agriculture's Foreign Agricultural Service (FAS) in Washington, D.C. and stationed within the EU opted for this consolidated report rather than EU Member State (MS) reports, as a means of providing more valuable market information for U.S. citrus exporters and U.S. Government Officials following EU agricultural policy developments.

We provide the reader a series of graphs based on supply and demand information beginning in marketing years (MY) 2000 through forecast MY 2008 for the entire EU-27, as it is constructed today. The graphs are in a separate Power Point presentation that can be accessed along with this report. Our intention is to provide the reader with an analytical understanding of the status of the European citrus market, as a basis for understanding FAS estimates and forecasts for MY 2007 and MY 2008, respectively, and certainly, the overall trends within this very important market sector.

The report sets out EU citrus production, trade, and market-enhancement policies, which we will not update again until such time that the EC determines a new production-policy strategy, or we ascertain that better information becomes available. European Commission' (EC) policies generally permit policy application flexibilities at the MS level, and with each successive report we will indicate which of these MS's policies are available from the local FAS office. At this point, Greek producers and the Government of Greece have decided on an approach to Common Agriculture Policy reform and the FAS office in Greece has developed a report detailing that reform.

The supply and demand tables in this report include hectares planted, harvested, and production statistics from the respective MS Ministries of Agriculture, and from FAS European analysts for the estimates and forecasts. We used Global Trade Systems trade data, excluding EU intra-trade except in the case of current-year estimates and out-year forecasts. We used consistent per capita domestic consumption and the Eurostat population data base for EU-27 population estimates. We assumed that orange and lemon juice production was similar in all producing countries, with about 40 percent (of the total weight) of oranges and 30 percent of lemons dedicated to further processing becoming juice. We converted all of the juice statistics to 65 Brix.

From time-to-time, we will feature U.S. citrus market opportunities in specific Member States or point the reader to specific market opportunity reports generated from FAS offices in specific MS. Otherwise, we will only reference the overall EU market, which we believe is ultimately the interest of major U.S. citrus exporters and export associations.

## EU Citrus Production Policy

EC Regulation 1182/2007 establishes common specific rules for the fruit and vegetables sector, defines the rules for the decoupled support and the integration of the support for fruit and vegetables into the single payment scheme, including citrus for processing.

Member States should make provision for the establishment of reference amounts and eligible hectares under the single payment scheme on the basis of a representative period appropriate to the market of each fruit and vegetable product and of appropriate objective and non-discriminatory criteria. Areas planted with fruit and vegetables, including permanent fruits and vegetables, as well as nurseries should be eligible for the single payment scheme. In order to provide time for the sectors concerned to adapt to their integration into the single payment scheme, transitional periods should be provided. In particular, provision should be made for decoupled fruit and vegetables payments and temporary coupled area subsidies for certain products intended for processing, which were eligible under the previous provisions.

### Article 8 – Operational Funds

The operational funds established by producer organizations (POs) are financed in equal parts by the producers and the EC. In regions where the level of production isn't sufficient to organize a PO, the Member States may allocate a complementary subsidy. The funds are meant to finance market withdrawals, operational programs approved by national authorities or action plans presented by pre-recognized the PO. The proportion of the operational fund earmarked for withdrawals is a maximum of 30 percent. Financial assistance may not exceed 4.1 percent of the value of the products marketed by the organization.

### Article 9 – Operational Programs

Operational programs are reportedly meant to help producers improve commodity production, marketing, and environmental and phytosanitary conditions. The multi-annual operational programs must be approved by the MS Government and provide for two or more of the following objectives: planning of production; improvement of product quality; boosting the commercial value of products; promotion of the products, whether in a fresh or processed form; environmental measures and methods of production respecting the environment, including organic farming; crisis prevention and management may include market withdrawal; green harvesting or non-harvesting of fruit and vegetables; promotion and communication; training measures; harvest insurance; support for the administrative costs of setting up mutual funds).

### Article 10 – Community Financial Assistance

The EC financial contribution may be equal to the amount of the PO member financial contribution but limited to 50 percent of the actual PO's expenses.

### Article 12 – National Framework and National Strategy for Operational Programs

Each MS is required to establish a national strategy for sustainable operational programs in the fruit and vegetable market. The strategy must be approved by the EC.

## EU Citrus Trade Policy

**Tariff Rate/Quotas:** Annex I - EC 973/2006 establishes tariff rate quotas (TRQs) bound under GATT.

Combined Nomenclature/ TARIC subheading	Description	Quota Period	Quota Volume (tonnes)	Duty rate (%)
0805.50.10	Lemons ( <i>Citrus Limon</i> , <i>Citrus Limonum</i> )	15 January to 14 June	10,000	6

## EU Citrus Market-Enhancement Policy

EC 3/2008 establishes citrus fruit (among others) market promotion measures for agricultural products within the EU-27 and in third countries.

Information and promotion measures: Article 2

The primary interest in promoting farm products lies with producers, wholesalers and retailers, the processing industry, exporters and Member States. Some promotion measures include public relations work, promotion and advertising, information campaigns, etc. On the internal market, the measures may take the form of participation in events, fairs and exhibitions of national or European importance. In third countries, the measures may include participation in events, fairs and exhibitions of international importance, studies of new markets, necessary for the expansion of market outlets and high-level trade visits.

## EU Citrus Third-Country Trade Policy

EU Clementine producers and exporters remain very concerned about a proposed marketing order (MO) for Clementine oranges to be sold in the United States. U.S. producers have proposed the MO and appear to have support from the U.S. Congress to add Clementines to the list of imports under Section 8(e), under which the U.S. Government could impose grade and quality restrictions on all Clementines in the U.S. market during certain periods of the year.

The proposed inclusion of Clementines in the list of 8(e) commodities is part of the currently proposed farm bill, which has not yet been agreed nor signed into law by the President of the United States. Once on the list, the U.S. Department of Agriculture would still have to consider a petition from U.S. Clementine growers to establish the MO. The process of consideration could take up to two years to complete. If agreed, the MO would outline all of the requirements to market Clementines in the United States during specified periods of each year.

Commodity Name: Oranges, Fresh

**PSD Table**

Country Commodity	EU-27 Oranges, Fresh						(HECTARES)(1000 TREES)(1000 MT)			UOM
	2006	Revised	Post	2007	Estimate	Post	2008	Forecast	Post	
	USDA Official	Post Estimate	Estimate New	USDA Official	Post Estimate	Estimate New	USDA Official	Post Estimate	Estimate New	
Market Year Begin		11/2006	11/2006		11/2007	11/2007		11/2008	11/2008	MM/YYYY
Area Planted	0	0	303947	0	0	304142	0	0	303650	(HECTARES)
Area Harvested	0	0	279518	0	0	282013	0	0	282000	(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	0	0	6486	0	0	5999	0	0	6000	(1000 MT)
Imports	0	0	1022	0	0	1000	0	0	1000	(1000 MT)
Total Supply	0	0	7508	0	0	6999	0	0	7000	(1000 MT)
Exports, Fresh	0	0	260	0	0	250	0	0	250	(1000 MT)
Fresh Dom. Consumption	0	0	5040	0	0	4619	0	0	4750	(1000 MT)
For Processing	0	0	2208	0	0	2130	0	0	2000	(1000 MT)
Total Distribution	0	0	7508	0	0	6999	0	0	7000	(1000 MT)

Explanation of the data sources for all of the tables in this report, with the exception of orange juice:

- The 2006 area planted/harvested/production/deliveries for processing estimates are provided by the Ministries of Agriculture in Spain, Italy and Greece, while the same category 2007 and 2008 estimates and forecasts are provided by FAS/Europe analysts.
- FAS/Europe analysts provided the 2006-08 fresh domestic consumption estimates and forecasts.
- Global Trade Atlas provided the 2006 import/export estimates, and FAS/Europe analysts established the 2007 and 2008 trade estimates and forecasts.

## Trade Tables

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

EU-27

**Commodity**

Oranges, Fresh

Time Period

Nov/Oct

Units:

Metric Tons

Imports for:

2006

**2007**

U.S.

U.S.

100

Others

Others

S. Africa	439,456	S. Africa	500,000
Argentina	117,102	Argentina	120,000
Egypt	109,031	Egypt	100,000
Morocco	96,974	Morocco	100,000
Uruguay	71,578	Uruguay	90,000
Turkey	39,875	Brazil	40,000
Brazil	34,284	Turkey	40,000
Total for Others	908,300		990,000
Others not Listed	113,712		9,900
Grand Total	1,022,097		1,000,000

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

EU-27

**Commodity**

Oranges, Fresh

Time Period

Nov/Oct

Units:

Metric Tons

Exports for:

2006

**2007**

U.S.

U.S.

30,000

Others

Others

Switzerland	55,877	Switzerland	60,000
Norway	32,826	Norway	35,000
Serbia	26,059	Croatia	29,000
Croatia	25,829	Serbia	25,000
Albania	19,268	Albania	20,000
Bosnia & Herzegovina	12,101	Bosnia & Herzegovina	10,000
Total for Others	171,960		179,000
Others not Listed	61,948		41,000
Grand Total	260,424		250,000

## Commodity Name: Tangerines/Mandarins, Fresh

## PSD Table

Country Commodity	EU-27			Tangerines/Mandarins, Fresh			(HECTARES)(1000 TREES)(1000 MT)			UOM
	2006	Revised	Post	2007	Estimate	Post	2008	Forecast	Post	
Market Year Begin	USDA Official	Post Estimate	Estimate New	USDA Official	Post Estimate	Estimate New	USDA Official	Post Estimate	Estimate New	MM/YYYY
		11/2006	11/2006		11/2007	11/2007		11/2008	11/2008	
Area Planted	0	0	160726	0	0	160626	0	0	157709	(HECTARES)
Area Harvested	0	0	153976	0	0	154374	0	0	151500	(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	0	0	3391	0	0	2744	0	0	3205	(1000 MT)
Imports	0	0	367	0	0	400	0	0	350	(1000 MT)
Total Supply	0	0	3758	0	0	3144	0	0	3555	(1000 MT)
Exports, Fresh	0	0	247	0	0	250	0	0	250	(1000 MT)
Fresh Dom. Consumption	0	0	2772	0	0	2368	0	0	2714	(1000 MT)
For Processing	0	0	739	0	0	526	0	0	591	(1000 MT)
Total Distribution	0	0	3758	0	0	3144	0	0	3555	(1000 MT)

## Trade Tables

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

EU-27

**Commodity**

Tangerines/Mandarins, Fresh

Time Period

Nov/Oct

Units:

Metric Tons

Imports for:

2006

**2007**

U.S.

U.S.

0

Others

Others

Morocco	82,317	Morocco	100,000
Turkey	80,239	Turkey	90,000
S. Africa	67,774	S. Africa	70,000
Uruguay	33,820	Argentina	40,000
Argentina	32,143	Uruguay	30,000
Israel	27,306	Israel	30,000
Peru	18,471	Peru	20,000
Total for Others	342,070		380,000
Others not Listed	24,640		20,000
Grand Total	366,710		400,000

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

EU-27

**Commodity**

Tangerines/Mandarins, Fresh

Time Period

Nov/Oct

Units:

Metric Tons

Imports for:

2006

**2007**

U.S.

U.S.

80,000

Others

Others

Switzerland	40,480	Switzerland	45,000
Russia	36,274	Russia	40,000
Norway	22,273	Norway	25,000
Ukraine	18,434	Ukraine	20,000
Belarus	13,329	Belarus	15,000
Albania	10,407	Albania	10,000
Total for Others	141,197		155,000
Others not Listed	34,847		15,000
Grand Total	246,680		250,000

Commodity Name: Lemons, Fresh

**PSD Table**

Country Commodity	EU-27 Lemons, Fresh						(HECTARES)(1000 TREES)(1000 MT)			UOM
	2006	Revised	Post	2007	Estimate	Post	2008	Forecast	Post	
Market Year Begin	USDA Official	Post Estimate	Estimate New	USDA Official	Post Estimate	Estimate New	USDA Official	Post Estimate	Estimate New	MM/YYYY
		11/2006	11/2006		11/2007	11/2007		11/2008	11/2008	
Area Planted	0	0	83535	0	0	83629	0	0	83373	(HECTARES)
Area Harvested	0	0	79711	0	0	78851	0	0	78800	(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	0	0	1463	0	0	1136	0	0	1445	(1000 MT)
Imports	0	0	415	0	0	350	0	0	300	(1000 MT)
Total Supply	0	0	1878	0	0	1486	0	0	1745	(1000 MT)
Exports, Fresh	0	0	92	0	0	40	0	0	50	(1000 MT)
Fresh Dom. Consumptior	0	0	1241	0	0	943	0	0	1142	(1000 MT)
For Processing	0	0	545	0	0	503	0	0	553	(1000 MT)
Total Distribution	0	0	1878	0	0	1486	0	0	1745	(1000 MT)

## Trade Tables

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

EU-27

**Commodity**

Lemons, Fresh

Time Period

Nov/Oct

Units:

Metric Tons

Imports for:

2006

**2007**

U.S.

U.S.

0

Others

Others

Argentina	218,853	Argentina	185,000
Turkey	89,631	Turkey	90,000
Brazil	47,169	Brazil	40,000
South Africa	30,566	South Africa	20,000
Mexico	13,026	Mexico	10,000
Uruguay	9,709	Uruguay	5,000

Total for Others

408,954

350,000

Others not Listed

5,690

Grand Total

414,669

350,000

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

EU-27

**Commodity**

Lemons, Fresh

Time Period

Nov/Oct

Units:

Metric Tons

Exports for:

2006

**2007**

U.S.

U.S.

9,000

Others

Others

Russia	28,496	Russia	20,000
Switzerland	12,823	Switzerland	10,000
Croatia	6,218	Croatia	1,000
Ukraine	5,265		
Norway	3,857		
Canada	3,673		

Total for Others

60,332

31,000

Others not Listed

15,971

Grand Total

92,163

40,000

Commodity Name: Orange Juice

**PSD Table**

Country	EU-27		65 Degrees Brix			(MT)			UOM
	Orange Juice								
Commodity	2006	Revised	Post	2007	Estimate	Post	2008	Forecast	Post
	USDA Official	Post Estimate	Estimate New	USDA Official	Post Estimate	Estimate New	USDA Official	Post Estimate	Estimate New
Market Year Begin	11/2006	11/2006		11/2007	11/2007		11/2008	11/2008	MM/YYYY
Deliv. To Processors	0	0	2208000	0	0	2130000	0	0	2000000 (MT)
Beginning Stocks	0	0	50000	0	0	10000	0	0	15000 (MT)
Production	0	0	152175	0	0	146800	0	0	137840 (MT)
Imports	0	0	666836	0	0	670000	0	0	650000 (MT)
Total Supply	0	0	869011	0	0	826800	0	0	802840 (MT)
Exports	0	0	13662	0	0	10000	0	0	10000 (MT)
Domestic Consumption	0	0	845349	0	0	801800	0	0	777840 (MT)
Ending Stocks	0	0	10000	0	0	15000	0	0	15000 (MT)
Total Distribution	0	0	869011	0	0	826800	0	0	802840 (MT)

Sources:

- The Ministries of Agriculture in Spain, Italy and Greece provided 2006 area planted/harvested/production/delivery to processor estimates, while 2007 and 2008 are FAS/Europe estimates and forecasts.
- FAS/Europe analysts established 2006-08 beginning and ending stocks, and domestic consumption estimates and forecasts.
- Global Trade Atlas data was used for 2006 imports and exports, while FAS/Europe provided the 2007 and 2008 trade estimates and forecasts.

## Trade Tables

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

EU-27

**Commodity**

Orange Juice

Time Period	Nov/Oct	Units:	Metric Tons
Imports for:	2006		2007
U.S.	6,587	U.S.	8,000
Others		Others	
Brazil	538,211	Brazil	540,000
Switzerland	80,228	Switzerland	80,000
Israel	12,384	Israel	13,000
Cuba	8,952	Cuba	9,000
Bosnia & Herzegovina	3,750	Bosnia & Herzegovina	4,000
S. Africa	2,774	S. Africa	3,000
Argentina	2,736	Argentina	3,000
Total for Others	649,035		652,000
Others not Listed	11,214		10,000
Grand Total	666,836		670,000

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

EU-27

**Commodity**

Orange Juice

Time Period	Nov/Oct	Units:	Metric Tons
Exports for:	2006		2007
U.S.	306	U.S.	200
Others		Others	
Switzerland	2,137	Switzerland	2,500
Norway	1,470	Norway	1,500
Russia	1,092	Russia	1,200
Saudi Arabia	573	Saudi Arabia	500
United Arab Emirates	557	United Arab Emirates	500
Algeria	349	Kazakhstan	300
Kazakhstan	308		
Lybia	305		
Morocco	291		
Total for Others	7,082		6,500
Others not Listed	6,274		3,300
Grand Total	13,662		10,000

Commodity Name: Lemon Juice

**PSD Table**

Country Commodity	EU-27 Lemon Juice			(MT)			UOM			
	2006	Revised	Post	2007	Estimate	Post	2008	Forecast	Post	
Market Year Begin	USDA Official	Post Estimate	Estimate New	USDA Official	Post Estimate	Estimate New	USDA Official	Post Estimate	Estimate New	MM/YYYY
		11/2006	11/2006		11/2007	11/2007		11/2008	11/2008	
Deliv. To Processors	0	0	545000	0	0	503000	0	0	553000	(MT)
Beginning Stocks	0	0	1500	0	0	3500	0	0	3500	(MT)
Production	0	0	28171	0	0	26000	0	0	28585	(MT)
Imports	0	0	531	0	0	600	0	0	600	(MT)
Total Supply	0	0	30202	0	0	30100	0	0	32685	(MT)
Exports	0	0	791	0	0	800	0	0	800	(MT)
Domestic Consumption	0	0	25911	0	0	25800	0	0	25300	(MT)
Ending Stocks	0	0	3500	0	0	3500	0	0	6585	(MT)
Total Distribution	0	0	30202	0	0	30100	0	0	32685	(MT)

Sources:

--The Ministries of Agriculture in Spain, Italy and Greece provided 2006 area planted/harvested/production/delivery to processor estimates, while 2007 and 2008 are FAS/Europe estimates and forecasts.

--FAS/Europe analysts established 2006-08 beginning and ending stocks, and domestic consumption estimates and forecasts.

--Global Trade Atlas data was used for 2006 imports and exports, while FAS/Europe provided the 2007 and 2008 trade estimates and forecasts.

Trade Tables

# Import Trade Matrix

Country

EU-27

Commodity

Lemon Juice

Time Period	Nov/Oct	Units:	Metric Tons
Imports for:	2006		2007
U.S.	3	U.S.	0
Others		Others	
Argentina	405	Argentina	400
Brazil	80	Brazil	100
Turkey	24	Turkey	30
Iran	7	Israel	10
Israel	3		
Argentina	405		
Total for Others	519		540
Others not Listed	9		60
Grand Total	531		600

# Export Trade Matrix

Country

EU-27

Commodity

Lemon Juice

Time Period	Nov/Oct	Units:	Metric Tons
Exports for:	2006		2007
U.S.	31	U.S.	50
Others		Others	
Japan	588	Japan	600
Switzerland	68	Switzerland	80
Israel	10	Israel	20
Total for Others	666		700
Others not Listed	94		50
Grand Total	791		800