

**Required Report:** Required - Public Distribution

**Date:** December 18, 2024

**Report Number:** IS2024-0011

## **Report Name:** Citrus Annual

**Country:** Israel

**Post:** Tel Aviv

**Report Category:** Citrus

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### **Report Highlights:**

Israel's planted citrus area in marketing year (MY) 2024/25 is forecast to be lower than MY 2023/24 figures due to low profitability and water shortages, which has disincentivized farmers to plant new citrus plots. This year, the war also had a direct effect on the sector, as the lack of labor limited harvest and plot cultivation, as well as limited activities in packing houses. Since October 7, 2023, the effects from the war on the citrus industry have become clearer; as such, Post revises much of its MY 2023/24 data to represent these impacts. Exports were also affected and will continue to be impacted due to the disruptions in the Red Sea and higher freight costs.

## **Introduction**

Since October 7, 2023, the effects from the war on the citrus industry have become clearer. As such, Post revises much of its marketing year (MY) 2023/24 (October-September) data to represent updates from the war. In MY 2023/24, Israeli citrus production was 6.4 percent lower than initial estimates of 450 thousand metric tons (TMT), due to damaged plots and a lack of labor. Although producers reported higher production in oranges, all other varieties were reduced. As such, Post is increasing its MY 2023/24 production estimates for oranges and updating the reduction in production of all other varieties.

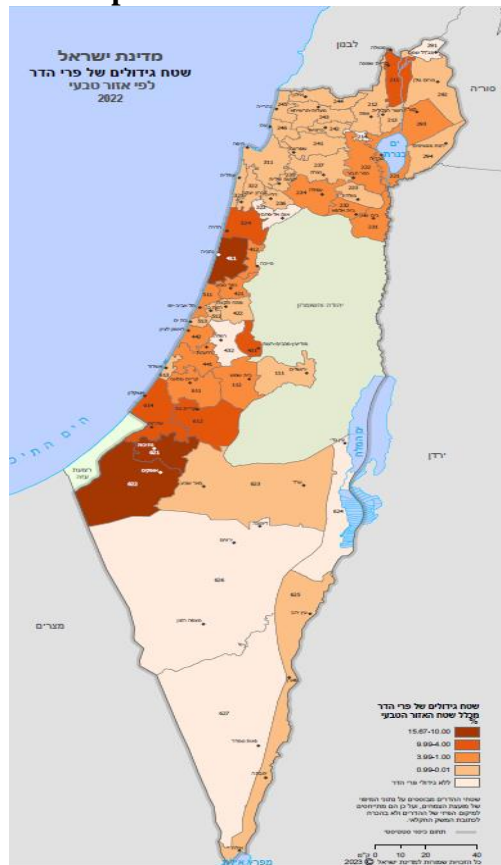
The citrus industry also faced several export and logistical issues, some of which may continue to affect certain citrus forecasts for MY 2024/25:

1. Limited or halted exports to Asia, due to the inability to route via the Red Sea as a result of Houthi attacks on shipping vessels.
2. Continued port delays in vessel arrivals to be used for exports.
3. Increased costs of sea freight and higher war risk insurance.
4. A lack of a skilled workforce due to many foreign workers leaving the country, Palestinian residents' inability to cross into Israel, and many Israeli workers recruited into the military service.
5. Packing houses located in "war zones" are not operational.
6. Unskilled volunteers assisting in harvesting which damaged fruit.
7. War activities that damaged citrus groves resulted in:
  - a. Damaged irrigation systems
  - b. Damaged groves from fires
  - c. Inaccessibility to plots located near active fighting areas
  - d. Plots not harvested in time due to the war which generated phytosanitary issues

## **Citrus Crop Area Overview**

Israeli citrus production is located throughout the country, except for the southernmost part of Israel. Currently, 27 percent of all citrus is grown in northern Israel, 34 percent in the central areas, and 36 percent in the south (of which 29 percent is grown in the Gaza periphery). The remaining plots are grown in the northeast and the southeast along the Jordanian border (See Map 1). Post estimates the total planted area in MY 2024/25 at 14,290 hectares (ha), which reflects a decrease of 10.7 percent in the overall planted area of MY 2023/24. (Note: In MY 2023/24, the planted area estimated by the Israeli Citrus Board was not collected.)

**Map 1: Citrus Plots in Israel**

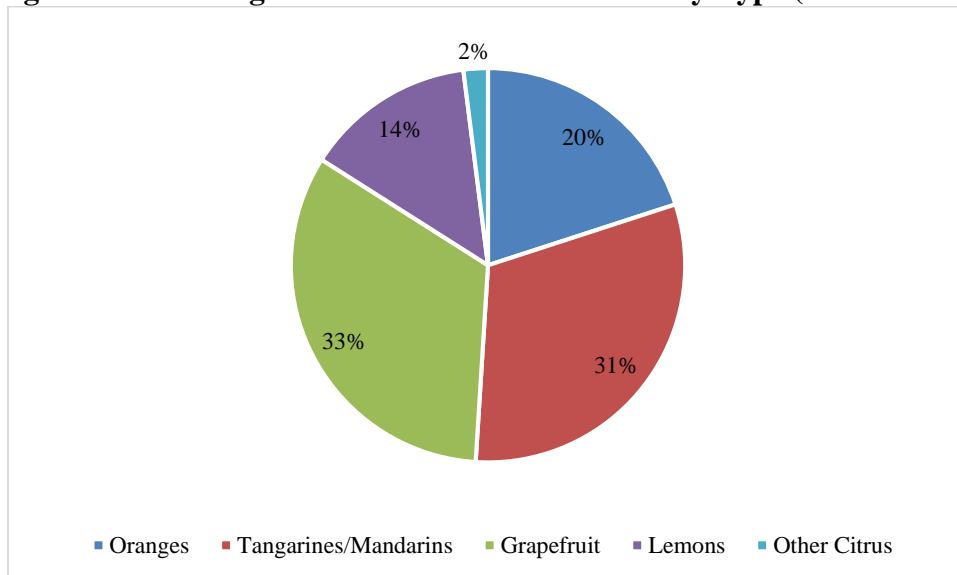


Source: Israeli Central Bureau of Statistics, 2022 survey  
 \*The darker the area is, the higher percent of citrus plots in the area.

**Citrus Production Overview**

Israeli citrus production this marketing year is primarily comprised of oranges 86 TMT, tangerines/mandarins 133 TMT, grapefruit 144 TMT, lemons 58 TMT, and others 9 TMT (See Figure 1). Production is estimated to decrease on account for irregular rainfall, a decrease in labor, damaged plots, and shifting to other high-value plants. In recent years, the main challenge for Israeli farmers has been related to climate change—longer summers and shorter winters, with a severe decrease and unpredictable rainfall. Farmers find themselves having to irrigate during the wintertime due to lack of rainfalls, a practice that was rare in the past. Every January, Israeli farmers receive an allocation of water and are prohibited from using more, as all water rights are owned by the government. As a result, farmland for irrigated crops is limited, and farmers are incentivized to plant high-value cash crops or those that use less water, such as almonds, figs, pomegranates. In the future, Post expects that Israel’s citrus planted area will decrease and be replaced by grapes, olives, and figs (which are more heat tolerant and demand less water).

**Figure 1: Percentage of Israeli Citrus Production by Type (MY 2023/24)**



*Source: Trade Data Monitor, Inc.*

The Israeli citrus sector is highly dependent upon manual labor, of which most workers have historically come from Thailand or from the Palestinian Territories (West Bank and Gaza). However, the start of the Israel-Hamas conflict on October 7, 2023, led to the departure of most Thai workers and to the closure of land crossings between Israel and the Palestinian Territories (PT), which prohibited the work of Palestinian agricultural workers. The disruption in the workforce in the citrus sector began at the start of the harvesting season, causing many plots to remain unharvested. Although there was a lack of labor, many Israelis (especially high school and college students), volunteered to assist farmers. However, many volunteers lacked the professional harvesting skills which led to a reduction in quality and supply.

While some plots were damaged due to the conflict in the Gaza periphery, the escalation of the conflict with Hizballah in the North (along the Lebanese border) further disrupted production. Some citrus plots had to be uprooted due to direct and indirect war activities over the past year.

### **Citrus Processing Overview**

The Israeli citrus processing industry is highly consolidated, as are many other sectors of Israeli food and agriculture production. In the case of citrus, three large firms control the country's local production—Gan-Shmuel (Pri-Mor), Pri-Gat and Pri-Niv. These plants produce mainly liquid products for both the local market and exports.

Farmers see the domestic processing industry as their last resort. In general, prices paid by domestic processors would not support an orchard as they tend to be lower than the actual production cost. In MY 2023/24, lower quantities of fruit were sent to processors as the total supply was limited and the demands for fresh citrus in the market was higher. In MY 2023/24, there was a decrease of 12 TMT of total citrus delivered to the processors, over earlier projections (See Tables 1 and 2).

The production lines at the beginning of the season were operating at a skeletal format and production of fresh orange juice was low. The bulk of Israeli orange production will continue to find its way to the local market and to the domestic processing industry as international market prices are still less attractive and face high competition from Southern Europe and North Africa producers.

**Table 1: Citrus for Processing (TMT)**

<b>Processing</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
Oranges	42	38	27	30
Grapefruit	97	96	98	98
Easy Peelers	24	38	21	26
Lemons/Limes	3	2	2	2
<b>Total</b>	<b>167</b>	<b>174</b>	<b>148</b>	<b>181</b>

*Source: Israeli Citrus Board and Israeli media*

**Table 2: Total Citrus Utilization (TMT)**

<b>Period</b>	<b>Total Exports</b>		<b>Delivery to Processors</b>		<b>Local Fresh Market</b>	
	<b>Quantity</b>	<b>%</b>	<b>Quantity</b>	<b>%</b>	<b>Quantity</b>	<b>%</b>
<b>2014/15</b>	163	30	199	36	186	34
<b>2015/16</b>	158	31	160	31	195	38
<b>2016/17</b>	189	35	168.5	31	188	34
<b>2017/18</b>	163	36	134	30	152	34
<b>2018/19</b>	161	34	148	31	164	35
<b>2019/20</b>	159	34	155	33	152	33
<b>2020/21</b>	136	34	104	25	166	41
<b>2021/22</b>	142	28	167	34	187	38
<b>2022/23</b>	146	28	174	33	206	39
<b>2023/24</b>	95	22	148	35	187	43
<b>2024/25</b>	112	23	181	36	205	41

*Source: Israeli Citrus Board; Israeli local media*

### **Citrus Consumption Overview**

Post expects local consumption of all fresh citrus for MY 2024/25 to increase to 205 TMT, like those of two years ago. Citrus is commonly consumed in Israeli households and with less travel of Israelis abroad and less domestic tourism, it is expected that demands for fresh fruit will increase (See Table 3).

Local fresh citrus consumption in MY 2023/24 was 5.6 percent higher than previously reported estimates of 177 TMT. This growth in fresh citrus consumption was mainly due to attractive local market prices with higher demands in the local market. Higher demands were a result of more home dining and less travel abroad due to the war, coupled with some logistical challenges and higher shipping costs that made the domestic market much more appealing to producers.

**Table 3: Fresh Citrus Consumption in the Israeli Market (TMT)**

<b>Product</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
Oranges	55	65	59	64
Grapefruit	16	15	13	20
Easy Peelers	56	57	50	55
Lemons/Limes	60	60	56	60
Others	6	9	9	6
<b>Total</b>	<b>193</b>	<b>206</b>	<b>187</b>	<b>205</b>

*Source: Israeli Citrus Board; Media*

### **Citrus Trade Overview**

Post forecasts that Israel’s exports of citrus in MY 2024/25 will reach 112 TMT (not including niche varieties captured as “others” (See Table 4)). This is up 17.9 percent from MY 2023/24 exports, but still well under pre-war export figures. The decrease in exports is explained by higher freight costs and the difficulty to export to Asia due to the Houthi attacks in the Red Sea.

The Israeli fresh citrus market is price sensitive. When international prices drop, exporters tend to shift sales back to the domestic market, where prices tend to remain high, and demand frequently outstrips supply. This year, logistical challenges due to lack of manpower limited exports. Some fruit harvest that was made by unskilled volunteers damaged fruit to an extent that it was not suitable for export.

**Table 4: Citrus Exports by Type (TMT)**

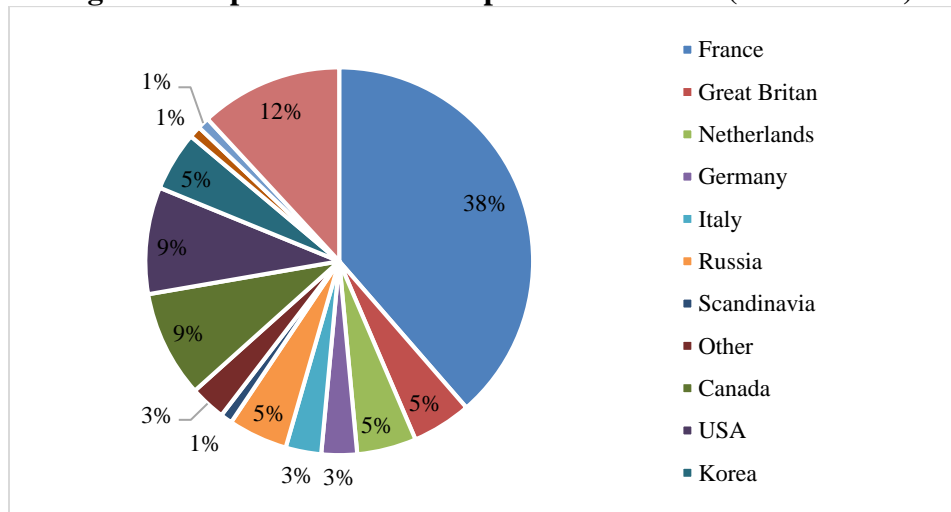
Export	2021/22	2022/23	2023/24	2024/25
Oranges	1	1	0	1
Grapefruit	62	44	33	37
*Easy Peelers	79	100	62	74
Lemons/ Limes	0	0	0	0
Others	2	1	0	0
<b>Total</b>	<b>144</b>	<b>146</b>	<b>95</b>	<b>112</b>

Source: Israeli Citrus Board, Central Bureau of Statistics

\*Easy Peelers are any type of clementine, tangerine, satsuma, or small orange whose skin is easily removed.

Israeli citrus is primarily exported to Asia and Europe (See Figure 2). The Israeli citrus industry intends to expand shipments to China, Japan, and South Korea, as well as gain access to other markets, such as Australia and India. Currently, these two markets are closed for Israeli citrus exports due to sanitary and phytosanitary issues and recent detection reports of Lime Butterfly (*papilio demoleus*), an invasive pest in Israel. However, it is too soon to predict how this insect could affect citrus production in Israel and if it will have any impact on international trade.

**Figure 2: Top Israeli Citrus Export Destinations (MY 2023/24)**



Source: Israeli Citrus Board

## **Citrus Policy Overview**

Fresh citrus exports to Israel are currently not permissible and a Pest Risk Assessment (PRA) has not been conducted for U.S. citrus. Diseases such as *citrus greening* are not found in Israel and are considered a quarantine pest, automatically blocking imports from any country in which *citrus greening* is found.

## **Oranges**

### **Crop Area**

In MY 2024/25, Post forecasts area planted to be 3,860 ha, based on revisions of the Israeli Citrus Board—an increase of 460 ha compared to estimates done in the past marketing years. The planted area of oranges isn't expected to change dramatically in the coming years.

### **Production**

Unlike other citrus varieties, orange production was 7.5 percent higher in MY 2023/24, as local volunteers focused on helping harvest oranges over other citrus products (although much fruit was still damaged due to unskilled labor).

### **Consumption**

For MY 2023/24, Post revises domestic consumption up, to 59 MT and forecasts an increase for MY 2024/25 of 64 MT. Both increases are because Israelis consume more oranges at home, and due to the war, limited international travel and time spent at restaurants, more Israelis are eating at home.

### **Processing**

Post is also revising downwards processing supply to 27 TMT, 30 percent below previous figures, due to low demands and skeletal operation of production lines. Post forecasts processing to slightly increase for MY 2024/25 as more workers return to processing facilities.

### **Exports**

Due to strong competition for oranges in the EU (Israel's largest export market), Post is also revising MY 2023/24 exports to zero. The decrease was mainly due to more attractive prices in the local market over the prices received in the EU. Post forecasts MY 2024/25 exports to resume to pre-war figures of 1 MT if competition for oranges in the EU becomes more favorable.



**Production, Supply, and Distribution:**

Oranges, Fresh Market Year Begins	2022/2023		2023/2024		2024/2025	
	Oct 2022		Oct 2023		Oct 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Israel						
Area Planted (HECTARES)	3500	3500	3500	3400	0	3860
Area Harvested (HECTARES)	3400	3400	3400	3300	0	3300
Bearing Trees (1000 TREES)	0	0	0	0	0	0
Non-Bearing Trees (1000 TREES)	0	0	0	0	0	0
Total No. Of Trees (1000 TREES)	0	0	0	0	0	0
Production (1000 MT)	104	104	80	86	0	95
Imports (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	104	104	80	86	0	95
Exports (1000 MT)	1	1	1	0	0	1
Fresh Dom. Consumption (1000 MT)	65	65	40	59	0	64
For Processing (1000 MT)	38	38	39	27	0	30
Total Distribution (1000 MT)	104	104	80	86	0	95
(HECTARES), (1000 TREES), (1000 MT)						

**Mandarins/Tangerines**

**Crop Area**

Israel grows more than 15 varieties of mandarins and tangerines, which represent 34.5 percent of the total area for citrus. However, Israeli growers mainly focus on one variety of mandarins—the *Or/Ori* variety. Areas planted for other mandarin varieties are sharply decreasing as farmers prefer to grow the *Or* variety, as consumers prefer easier to peel fruits with less seeds (such as the *Or*). Currently, there are no new varieties with better characteristics being propagated that could potentially replace the *Or* soon. Post forecasts MY 2024/25 crop area for mandarins to decrease as growers have started to abandon many traditional tangerine varieties.

**Production**

In MY 2024/25, Post forecasts total mandarin and tangerine production to reach 155 TMT, due to good weather conditions throughout the growing season thus far. However, Post revises mandarin and tangerine production during MY 2023/24 down to 133 TMT, 27 TMT below previous estimates due to the limited workforce, as well as volunteers focus on harvesting oranges over mandarins.

## **Consumption**

Tangerine consumption in MY 2023/24 was 8 TMT lower than Post's original forecast. The decrease can be attributed to lower supplies and lower quality supplied to the market, both due to lack of professional labor during harvest and for Tangerines being more sensitive for external damages that usually occur during harvest. Easy peelers are widely consumed in Israeli homes and with professional labor returning to the farms, it is expected that the domestic consumption will pick up and return to the average figures.

## **Processing**

The processing sector received smaller quantities of tangerines this year, as well as smaller quantities sent to the domestic fresh market due to lack of manual labor during the harvest season. Logistical issues mainly due to lack of labor also affected exports due to slowdowns at the packing houses and a lack of truck drivers, many of which were recruited for military service. Post forecasts MY 2024/25 to slightly increase on the account of more labor returning to harvest and to the packing lines.

## **Exports**

The *Or* variety alone contributed to 62 percent of the total citrus exports this season as it maintains high demand and strong prices in both local and export markets. However, Post is revising exports down due to continued shipping issues. Post forecasts MY 2024/25 up due to the return of workers for harvest and to the packing houses.

**Production, Supply, and Distribution:**

Tangerines/Mandarins, Fresh Market Year Begins	2022/2023		2023/2024		2024/2025	
	Oct 2022		Oct 2023		Oct 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
<b>Israel</b>						
<b>Area Planted</b> (HECTARES)	6700	6700	6700	6600	0	4930
<b>Area Harvested</b> (HECTARES)	6650	6650	6650	5800	0	4900
<b>Bearing Trees</b> (1000 TREES)	0	0	0	0	0	0
<b>Non-Bearing Trees</b> (1000 TREES)	0	0	0	0	0	0
<b>Total No. Of Trees</b> (1000 TREES)	0	0	0	0	0	0
<b>Production</b> (1000 MT)	195	195	160	133	0	155
<b>Imports</b> (1000 MT)	0	0	0	0	0	0
<b>Total Supply</b> (1000 MT)	195	195	160	133	0	155
<b>Exports</b> (1000 MT)	100	100	78	62	0	74
<b>Fresh Dom. Consumption</b> (1000 MT)	57	57	58	50	0	55
<b>For Processing</b> (1000 MT)	38	38	24	21	0	26
<b>Total Distribution</b> (1000 MT)	195	195	160	133	0	155
(HECTARES), (1000 TREES), (1000 MT)						

**Grapefruit**

**Crop Area**

Post forecasts MY 2024/25 area planted for grapefruit down according to the Israeli Citrus Board estimations due to damaged plots by war activities and a lack of cultivation.

**Production**

In MY 2024/25, grapefruit production is expected to increase to 155 TMT to average production quantities due to increasing demands, mainly for red grapefruit varieties, but also for white grapefruits in both the international and domestic markets. While many plots were destroyed by the war, many plants which were three-four years old have now matured. Moreover, ideal weather conditions supported an increased production of grapefruit. For MY 2023/24, Post is decreasing grapefruit production by four percent, from 150 TMT to 144 TMT, due to decreased labor to harvest grapefruit.

**Consumption**

Post is decreasing the fresh consumption figures for MY 2023/24 by 13.3 percent to 13 TMT on account of lower supplies mainly due to lack of labor. Post also forecasts consumption up due to

attractive market prices at the beginning of this season and high-quality fruit offered for consumers.

### Processing

For the grapefruit processing sector, Post is increasing MY 2023/24 by 3 TMT due to receiving higher quantities of grapefruit this year because of favorable prices and decreased exports. Post forecasts processing to remain the same for MY 2024/25 due to continued favorable pricing.

### Exports

In the last few years, red grapefruit exports to Asia increased, particularly to Japan, Korea, and China increased. However, logistical challenges this past year due Houthi attacks on shipping vessels in the Red Sea prevented exports this season. As such, Post revises MY 2023/24 exports down to 33 TMT. However, if the conflict subsides and routes resume in the Red Sea, Israel will shift back to focusing on these Asian markets due to limited competition and favorable prices. These markets give a higher dollar value for the product compared to closer markets such as Europe where Israeli produce faces stiff competition from other exporting countries such as Morocco, Turkey, and Spain.

### Production, Supply, and Distribution:

Grapefruit, Fresh Market Year Begins	2022/2023		2023/2024		2024/2025	
	Oct 2022		Oct 2023		Oct 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
<b>Israel</b>						
<b>Area Planted</b> (HECTARES)	4000	4000	400	4000	0	3000
<b>Area Harvested</b> (HECTARES)	3950	3950	3950	3600	0	3000
<b>Bearing Trees</b> (1000 TREES)	0	0	0	0	0	0
<b>Non-Bearing Trees</b> (1000 TREES)	0	0	0	0	0	0
<b>Total No. Of Trees</b> (1000 TREES)	0	0	0	0	0	0
<b>Production</b> (1000 MT)	155	155	150	144	0	155
<b>Imports</b> (1000 MT)	0	0	0	0	0	0
<b>Total Supply</b> (1000 MT)	155	155	150	144	0	155
<b>Exports</b> (1000 MT)	44	44	40	33	0	37
<b>Fresh Dom. Consumption</b> (1000 MT)	15	15	15	13	0	20
<b>For Processing</b> (1000 MT)	96	96	95	98	0	98
<b>Total Distribution</b> (1000 MT)	155	155	150	144	0	155
(HECTARES), (1000 TREES), (1000 MT)						

## **Lemons**

### **Crop Area**

For MY 2024/25, Post forecasts area planted up by 500 MT, per revisions of the Israeli Citrus Board. Despite good weather in MY 2023/24, yields were lower than anticipated, due to limited harvest, related to a lack of workforce from the war.

### **Production**

In MY 2024/25, production is expected to be 62 TMT, 4 TMT higher than MY 2023/24, as farmers and packing houses start to increase operations to pre-war numbers, and plots become more accessible in the northern parts of the country and in the Gaza periphery. Additionally, the weather has been moderate and has allowed for continuous harvest.

### **Exports**

Like previous years, competition with other lemon producing countries limited nearly all Israeli lemon exports.

### **Consumption**

Low production in MY 2023/24 led to a decrease in local consumption; as such, Post is decreasing MY 2023/24 fresh consumption estimates of 58 TMT to 56 TMT. For MY 2024/25, Post forecasts consumption slightly up as the market is restabilizing and demands are expected to return to be like those of past years.

### **Processing**

Processing for industry is forecasted unchanged from previous years, as demand has remained stagnant.

**Production, Supply, and Distribution:**

Lemons/Limes, Fresh Market Year Begins	2022/2023		2023/2024		2024/2025	
	Oct 2022		Oct 2023		Oct 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
<b>Israel</b>						
<b>Area Planted</b> (HECTARES)	2000	2000	2000	2000	0	2500
<b>Area Harvested</b> (HECTARES)	1850	1850	1850	1750	0	2000
<b>Bearing Trees</b> (1000 TREES)	0	0	0	0	0	0
<b>Non-Bearing Trees</b> (1000 TREES)	0	0	0	0	0	0
<b>Total No. Of Trees</b> (1000 TREES)	0	0	0	0	0	0
<b>Production</b> (1000 MT)	62	62	60	58	0	62
<b>Imports</b> (1000 MT)	0	0	0	0	0	0
<b>Total Supply</b> (1000 MT)	62	62	60	58	0	62
<b>Exports</b> (1000 MT)	0	0	0	0	0	0
<b>Fresh Dom. Consumption</b> (1000 MT)	60	60	58	56	0	60
<b>For Processing</b> (1000 MT)	2	2	2	2	0	2
<b>Total Distribution</b> (1000 MT)	62	62	60	58	0	62
(HECTARES), (1000 TREES), (1000 MT)						

**Frozen Concentrated Orange Juice (FCOJ)**

**Production**

In MY 2023/24, 27 TMT of oranges were delivered to the processors, down by 28.9 percent of MY 2022/23 figures. Post expects a higher forecast at 30 TMT in the coming marketing year if world prices remain high.

**Consumption**

Consumption of FCOJ is driven by sales at coffee shops and hotels, as well as supermarket chains and open-air markets. Limited activity of the HRI (hotel restaurants and institutional) sector decreased local consumption as well as logistical challenges in production lines which led to lower exports. However, Post forecasts consumption in MY 2024/25 to increase if the war subsides, which would bring back both domestic and international tourism leading to an uptick in the HRI sector.

## Export

Israel exported 1,938 MT of FCOJ in MY 2023/24. The largest export markets were Taiwan followed by South Korea.

## Imports

In MY 2023/24 Israel imported 3,986 MT of FCOJ (all from Brazil). Imports are expected to increase on account of increased domestic demand (from a possible increase in tourism) and an increased demand from processors which re-export some of the imported FCOJ.

## Production, Supply, and Consumption:

Orange Juice Market Year Begins	2022/2023		2023/2024		2024/2025	
	Oct 2022		Oct 2023		Oct 2024	
Israel	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Deliv. To Processors (MT)	38000	38000	39000	27000	0	30000
Beginning Stocks (MT)	100	100	100	100	0	100
Production (MT)	3800	3800	3900	2700	0	3000
Imports (MT)	12900	12900	13500	3986	0	5200
Total Supply (MT)	16800	16800	17500	6786	0	8300
Exports (MT)	9900	9900	11800	1938	0	3200
Domestic Consumption (MT)	6800	6800	5600	4748	0	5000
Ending Stocks (MT)	100	100	100	100	0	100
Total Distribution (MT)	16800	16800	17500	6786	0	8300
(MT)						

## Attachments:

No Attachments