

Required Report: Required - Public Distribution

Date: December 20, 2021

Report Number: E42021-0083

Report Name: Citrus Annual

Country: European Union

Post: Madrid

Report Category: Citrus

Prepared By: Carmen Valverde

Approved By: Karisha Kuypers

Report Highlights:

In MY 2021/22, EU citrus production is projected to drop 6.8 percent compared to the previous season to 10.7 MMT due to unfavorable weather conditions in the top EU citrus-producing countries. Expected reductions in domestic supplies, higher demand for citrus derived from the COVID-19 pandemic, and the reopening of the hospitality sector may encourage EU citrus imports. Spain is the major citrus supplier to the EU market. United Kingdom, Switzerland, Norway, Canada, and Serbia, followed by Brazil and the Middle East continue to be relevant EU citrus export markets. In MY 2021/22, additional issues concerning the rise of citrus production costs due to strong price increases for agricultural inputs, electricity, logistics, and petrol may create economic disruption for EU citrus growers.

This report covers the commodities:

- Oranges, Fresh
- Orange Juice
- Tangerines/Mandarins, Fresh
- Lemons/Limes, fresh
- Grapefruits, Fresh

Disclaimer: This report presents the outlook for fresh oranges, orange juice, fresh tangerines/mandarins, fresh lemon/limes, and fresh grapefruits in the European Union (EU). This report presents the views of the authors and does not reflect the official views of the U.S. Department of Agriculture (USDA). The data is not official USDA data.

Note: Effective January 1, 2021, the separation of the United Kingdom (UK) from the European Union (EU) is complete, including trade between both entities. **In this report, unless otherwise noted, “EU” means the current EU27 without the UK.** However, Production, Supply, and Distribution (PSD) tables still include numbers for EU27+UK in the columns "USDA official." The column "New Post" in the PSD tables only includes the EU27 (without UK). Please note that due to this change "USDA official" and "New Post" cannot be compared as they represent different data sets.

This report was a group effort of the following FAS analysts:

Ornella Bettini	FAS/Rome covering Italy
Tania De Belder	USEU/FAS Brussels covering EU policy
Dimosthenis Faniadis	FAS/Rome covering Greece
Carmen Valverde	FAS/Madrid covering Spain and Portugal; Coordinator of the EU Citrus Annual Report

Harmonized System (HS) Codes:

- Oranges : 080510
- Orange Juice: 200911, 200912, 200919
- Tangerines/Tangerines : 080520, 080521, 080522, 080529
- Lemons/Limes : 080550
- Grapefruits : 080540

MY Marketing year:

- Oranges, Fresh October/September
- Orange Juice October/September
- Tangerines/Mandarins, Fresh October/September

Lemons/Limes, fresh	October/September
Grapefruits, Fresh	October/September

Abbreviations used in this report:

CAP	Common Agricultural Policy
CMO	Common Market Organization
EC	European Commission
EU	European Union
FAS	Foreign Agricultural Service
FCOJ	Frozen Concentrated Orange Juice
HA	Hectares
TDM	Trade Data Monitor
MY	Marketing Year
MS	EU Member State
MT	Metric ton (1,000 kg)
MMT	Million Metric Tons
PS&D	Production, Supply, and Demand
\$	U.S. Dollar

EU Citrus Production and Exports May Decline in MY 2021/22

Executive Summary

EU citrus production is concentrated in the Mediterranean region. Spain and Italy represent the leading EU citrus producers, followed by Greece, Portugal, and Cyprus. For Marketing Year (MY) 2021/22 (October/September), Post expects citrus production to decline 6.8 percent compared to the previous season to 10.7 MMT due to unfavorable weather conditions and expected decreased production mainly in Spain, Italy, and Greece following a significant increase in MY 2020/21. Citrus size and quality are expected to be good. According to official data, total citrus production in MY 2021/22 for Spain, the major EU citrus grower, is forecast to decline almost 5 percent compared to the previous season to 6.7 MMT. The expected Spanish citrus production is also 2.1 percent lower than the average of the last five years. The decline is mainly due to the expected drop in mandarin and lemon production that could not offset the stable estimated production in Spanish oranges. In MY 2021/22, the major concern for EU citrus growers is the rise of citrus production costs, as a consequence of the strong increases in prices for agricultural inputs, electricity, logistics, and petrol. This may create economic disruption to EU citrus growers if the final citrus price does not compensate for their production costs.

According to Eurostat, EU organic citrus planted area continues an upward trend for the last decade and stands at 56,738 HA in 2019, which meant 11 percent of total EU citrus planted area. This represents an increase of 11 percent compared to the last five-year average. Spain's organic citrus production stood at 19,844 HA in 2020, representing around 30 percent of total EU organic citrus production, an approximately 20 percent increase compared to the last decade.

The Spanish fruit sector is committed to and focused on sustainable production, smart farming, digital improvements, green packaging, and fruit quality. More efficient harvest and processing methods have resulted in higher productivity. Improvements in sustainable production are mainly focused on the circular economy and use of renewable energies, as well as on reducing waste, CO₂ emissions, water footprint, and inputs, to produce more efficiently through reduced resource use. Technology and innovation, digitalization, smart farming, and Artificial Intelligence (AI) are key factors in the overall Spanish fruit sector and enable the transitions called for in the EU Farm to Fork strategy (see [GAIN Report](#)).

EU citrus consumption may continue trending upwards in response to the COVID-19 pandemic and the reopening of the hospitality sector. During 2020/21, EU citrus consumption increased during the EU citrus season, as consumers looked for foods to strengthen the immune system. In MY 2020/21, higher consumption combined with lower EU citrus supplies led to peak citrus prices (see [EU Citrus Semi-Annual Report](#)).

The EU is a net importer of citrus fruits. In MY 2020/21, EU citrus imports declined by 3.8 percent compared to the previous season to 2.1 million metric tons (MMT) due to the growth in EU citrus supply, and mainly due to the drop in oranges and grapefruits. EU citrus imports last season were valued at \$2 billion, due to reductions from the main suppliers, namely South Africa, Turkey, and Morocco. Additionally, last season, EU citrus exports decreased 0.77 percent compared to the previous season to 943,229 metric tons and valued at \$1 billion. EU imports were sourced mainly from South Africa, Egypt, Turkey, Morocco, and China (for grapefruits) while EU exports were mainly destined to the UK, Switzerland, Norway, and Canada. Overall EU citrus exports to the UK dropped six percent valued at \$431 million. Additionally, in MY 2021/22, EU citrus exports are expected to decline due to the lower supply, while imports may increase due to the estimated decline in local production.

In MY 2019/20, U.S. tariffs related to the World Trade Organization (WTO) case against EU aircraft subsidies impacted EU citrus exports, primarily Spanish mandarins and lemons. In November 2020, the European Commission (EC) imposed additional tariffs on a list of U.S. products in retaliation for U.S. aircraft subsidies (see [GAIN report](#)). The EU list included grapefruits, prepared citrus fruits, frozen orange juice, and grapefruit juice. However, in June 2021, the United States and the EU agreed to suspend all retaliatory tariffs for a period of five years (see Policy Section). Additionally,

EU imports of U.S. orange juice sharply declined since 2018 due to the EU’s 25 percent tariffs on orange juice products in retaliation for U.S. safeguard measures against EU steel and aluminum (see Policy Section). Some EU Free Trade Agreements (FTAs), especially EU-Mercosur (Argentina, Brazil, Paraguay, and Uruguay) may also impact U.S. exports to the EU, although the EU Parliament and Commission must still ratify the Mercosur agreement (see Policy Section). In MY 2020/21, EU citrus exports to the UK, the vast majority shipping from Spain, overall performed well.

Over the past year, the COVID-19 crisis, the European Green Deal, the Common Agricultural Policy reform (CAP), and Brexit consumed agricultural EU policy makers. In particular, the pandemic shaped EU policy with concerns over resilient supply chains and sustainability. These concerns have also influenced the Green Deal’s agri-food vision under the Farm to Fork (F2F) and Biodiversity Strategies (see Policy Section). Specifically at the production level, the Commission proposes actions to reduce the overall use and risk of chemical pesticides by 50 percent by 2030. The reduction of pesticide use could affect the availability of active substances for citrus producers in the EU and may create potential trade implications regarding U.S. citrus exports to the European market.

Commodities

ORANGES

Table 1: Production, Supply, and Distribution

Oranges, Fresh Market Begin Year European Union	2018/2019		2019/2020		2020/2021	
	Oct 2018		Oct 2019		Oct 2020	
	USDA Official EU27+UK	New Post EU27	USDA Official EU27+UK	New Post EU27	USDA Official EU27+UK	New Post EU27
Area Planted	278,746	278,746	278,960	278,367		276,245
Area Harvested	261,958	261,829	261,114	259,898		257,452
Bearing Trees	0	0	0	0		0
Non-Bearing Trees	0	0	0	0		0
Total No. Of Trees	0	0	0	0		0
Production	6,205	6,268	6,531	6,488		6,101
Imports	1,086	960	1,000	858		1,000
Total Supply	7,291	7,228	7,531	7,346		7,101
Exports	290	417	300	410		400
Fresh Dom. Consumption	6,078	5,963	6,080	5,930		5,793
For Processing	923	848	1,151	1,006		908
Total Distribution	7,291	7,228	7,531	7,346		7,101
(HECTARES), (1000 TREES), (1000 MT)						

Not official USDA data. Sources: Trade for MY 2019/20 and 2020/21: Trade Data Monitor, LLC (TDM); All other: FAS EU posts

PRODUCTION

EU orange production is concentrated in the Mediterranean region. Spain and Italy represent 80 percent of the EU's total production of oranges. The remaining 20 percent is distributed among other Member States (MS), such as Greece and Portugal. For MY 2021/22 (October/September), EU orange production is forecast at 6.1 MMT, six percent lower than the previous season ([see EU Citrus Semi-Annual 2021](#)) and 3.3 percent lower than the EU's ten-year average of 6.3 MMT. This drop is mainly due to expected strong declines in both Italian and Greek orange production (see Table 2).

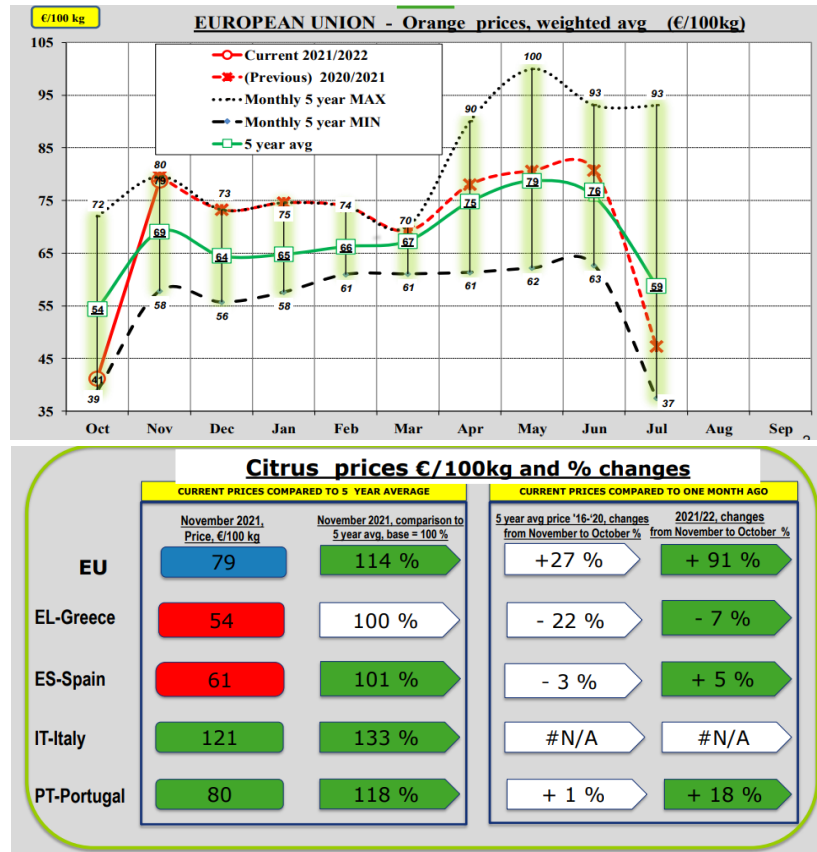
Table 2. Top EU Fresh Orange Producers (MT)

Country	MY 2019/20	MY 2020/21	MY 2021/22
Spain	3,342,540	3,496,145	3,511,079
Italy	1,650,207	1,772,769	1,500,000
Greece	915,537	886,639	750,000
Portugal	346,510	355,280	320,170

Source: FAS offices

According to the [EU Citrus Dashboard](#), during the first ten months of MY 2020/21 from October through July, EU average orange prices stood at around 74 €/100kg, 10.5 percent higher than the last five-year average (see Chart 1). This rise in prices was mainly fueled by strong EU orange demand due to lower winter temperatures and the improved image of citrus as an immune restorative product during the COVID-19 pandemic. As Spain is the major orange supplier to the EU, the rise in Spanish orange prices also stimulated the overall EU price.

Chart 1. EU Orange Prices (€/ 100 kg) MY 2020/21

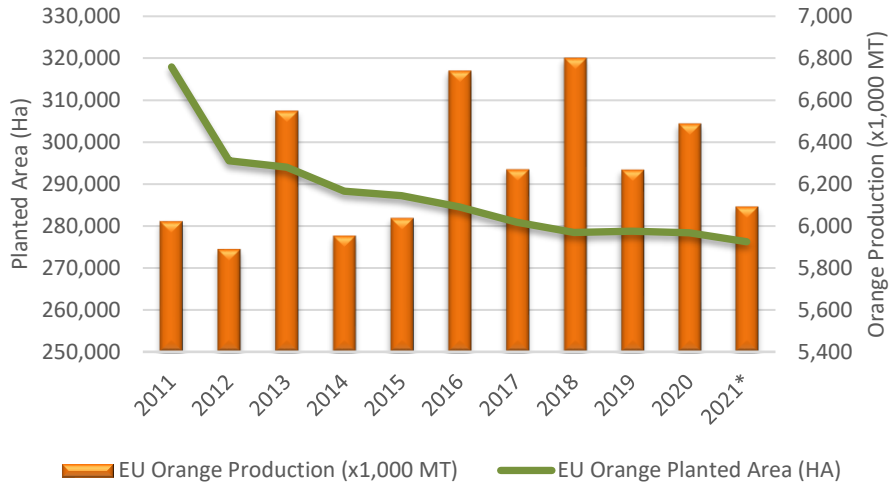


Source: DG AGRI Dashboard: Citrus Fruit

According to Spanish citrus growers, at the beginning of MY 2021/22, citrus prices paid to farmers remained 16.5 percent lower than the first weeks of MY 2020/21 and 9.8 percent lower than the last five seasons. Additionally, the sector is experiencing higher production costs (agricultural inputs, electricity, labor costs, logistics, and petrol). The Spanish citrus sector believes that the overlap of non-EU citrus imports with the start of Spanish citrus harvest, mainly in oranges and mandarins, created the current situation of lower prices in the market. Conversely, in MY 2020/21, Spanish citrus prices, mainly orange and mandarin prices, hit record levels for the last decade. However, the Spanish citrus sector expects prices to rebound in the coming weeks, as a result of the decrease of citrus supply and the rise in EU citrus demand after the arrival of cold weather.

In MY 2021/22, total EU orange planted area is expected to decline mainly in Italy. According to local official data, the reviewed orange planted area in Portugal stands 25 percent lower at 13,340 hectares (HA). In MY 2021/22, estimated EU orange planted area may decline 0.8 percent compared to the previous season to 276,245 HA (see Chart 2).

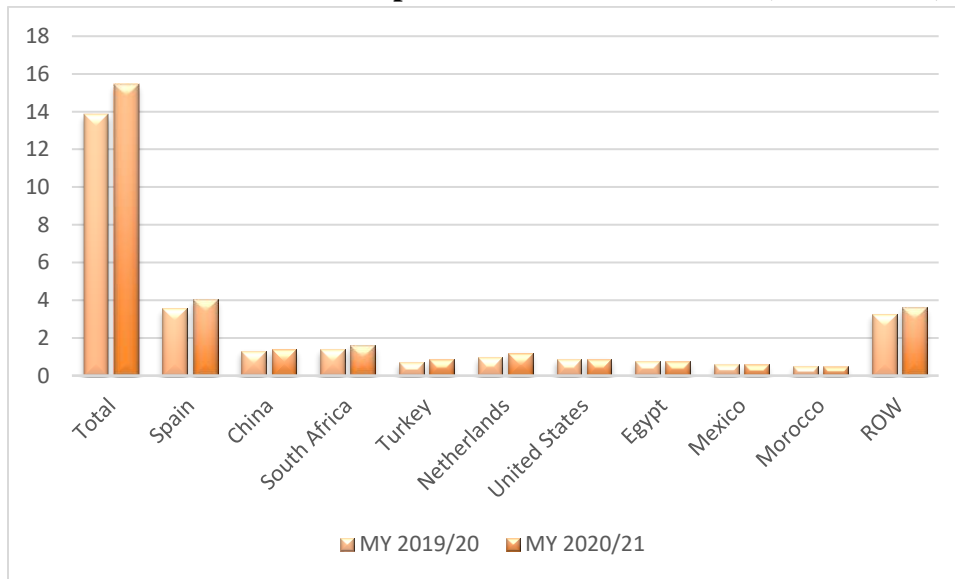
Chart 2. EU Orange Production and Orange Planted Area 2011-2021



*Forecast Source: FAS offices

Spain is one of the top global citrus producers and the number one global citrus exporter ([see Citrus World Markets and Trade Report](#)). According to Spanish official data, around 40 percent of Spain’s citrus production is destined for domestic fresh consumption, 15 percent for processing (mainly into citrus juice, essential oils, and by-products), and 45 percent for exports. In MY 2020/21, according to Trade Data Monitor, LLC (TDM), Spanish citrus exports were valued at \$4 billion (mainly oranges, mandarins, and lemons), and represented 26 percent market share of global citrus exports (see Chart 3). Almost 85 percent of Spanish citrus exports are destined for the EU market. EU citrus imports are mainly sourced from Spain.

Chart 3. Global Citrus Exports MY 2019/20-2020/21 (Billion USD)

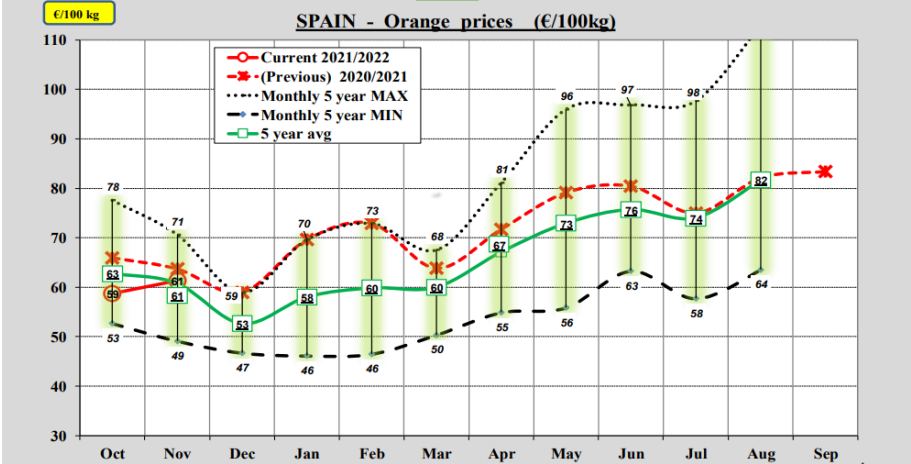


Source: Trade Data Monitor, LLC

Spain is the primary orange producer in the EU. According to Spanish official data, Spain’s MY 2021/22 (October/September) orange production is forecast to remain flat (+0.4 percent) compared to the previous season at 3.5 million metric tons (MMT), representing 73 percent of total Spanish citrus production.

The Spanish orange sector performed well in MY 2020/21, with a positive evolution in prices and exports. According to TDM, in MY 2020/21, Spanish orange unit value stood at 940.5 \$/T, resulting in a 10.7 percent higher price than the previous season. Average orange prices were not affected by greater volumes, remaining above the last five-year season average price from October until June (see Chart 4). It is also important to highlight the substantial increase in prices from January 2021 caused by both lower supplies and a higher demand as a result of the low temperatures in Europe, Spain’s main orange export destination.

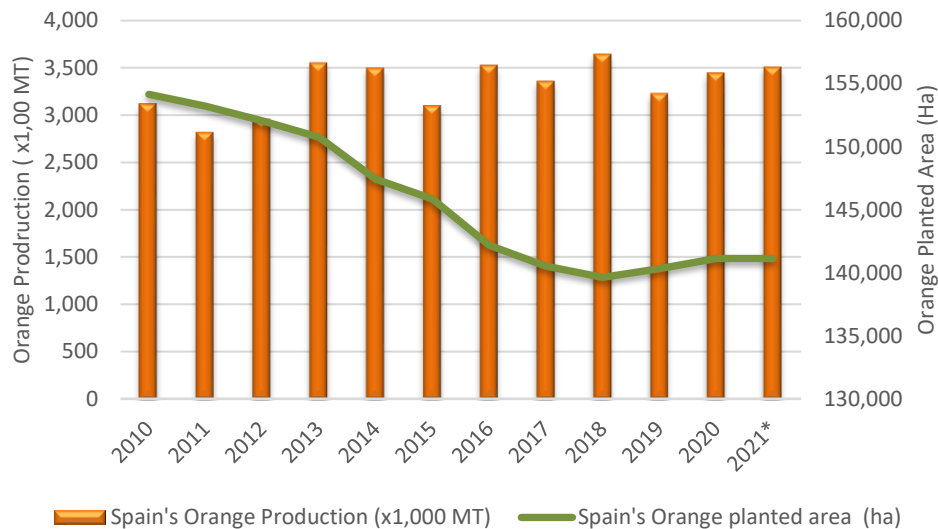
Chart 4. Spain’s Orange Prices (€/100 kg) MY 2020/21



Source: DG AGRI Dashboard: Citrus Fruit

Over the last decade, Spain has reduced its orange planted area by almost eight percent (see Chart 5). In 2020, Spanish planted area for oranges stood at 141,130 HA, the highest orange planted area in the EU. It is worth noting that after several consecutive years of economic slowdown, citrus farmers left orange production for more profitable products such as persimmons and avocado. However, Spanish orange planted area has been steadily increasing since MY 2017/18. Nevertheless, sustainable practices and the productivity of Spanish orange farms utilizing efficient varieties and performance have kept Spain as the top orange producer and exporter in the EU.

**Chart 5. Spain's Orange Production and Orange Planted Area 2010-2021
(1,000 MT & HA)**



Source: Eurostat data

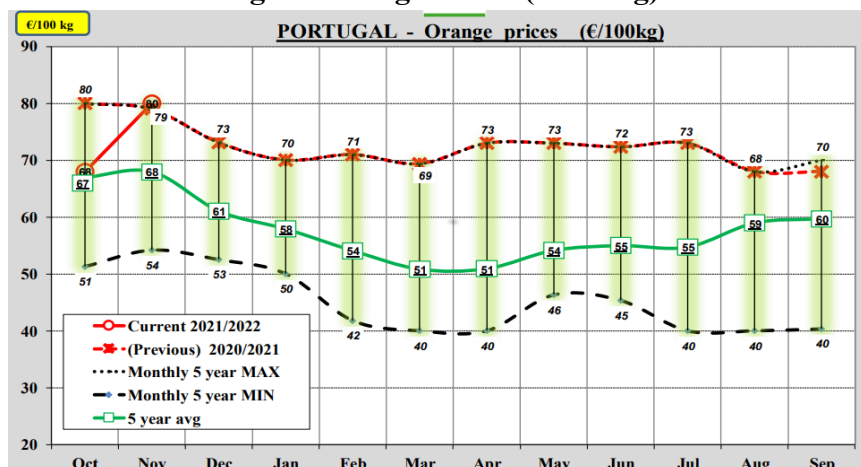
Accounting for approximately 90 percent of the Spanish orange production, Valencia and Andalusia are Spain's major orange producing regions. Spanish producers try to supply the market throughout the whole marketing year by growing both early and late varieties to extend the fruit availability. *Naveline, Navel, Navelate, Salustiane, Valencia and Sanguinello* are the leading orange varieties grown in Spain.

Italy is the second largest European orange producer after Spain. Sicily and Calabria are the main orange-producing areas, accounting for approximately 63 and 19 percent of total production, respectively. *Tarocco, Moro, Sanguinello, Naveline, and Valencia* are the leading orange varieties grown in the country. Moreover, *Ippolito* and *Meli* cultivars are gaining popularity. Italy's MY 2021/22 orange production is forecast to significantly reduce from the previous season due to floods that hit Sicily at the end of October causing damage to orange groves. It is important to note that the Italian citrus industry is still estimating the damage caused by floods in Sicily.

Greece's MY 2021/22 (October /September) orange production is expected to decrease by approximately 17 percent compared to the previous year due to the summer heatwave and lack of rainfall that significantly affected yields. Additionally, spring adverse weather conditions during fruit setting also reduced yields. Quality is expected to be good. Peloponnese and Etoloakarnania (western Greece) are the main orange-producing areas. *Washington Navel, Commons, Skaggs Bonanza, Navelina, New Hall, Lanelate, and Valencia* are the chief varieties grown in Greece.

According to official data, in MY 2021/2022, Portuguese production is expected to drop by almost 10 percent to 320,170 MT compared to the previous season. Nevertheless, over the last decade, Portugal has increased its orange production by 55 percent with more efficient and irrigated citrus farms. Seventy-five percent of Portuguese orange production is located in Algarve, the southern region. In MY 2020/21, Portuguese average orange prices stood at 87 €/100kg, 25 percent higher than the last five-year average (see Chart 6).

Chart 6. Portugal's Orange Prices (€/100 kg) MY 2020/21



Source: DG AGRI Dashboard: Citrus Fruit

CONSUMPTION

The EU orange supply is mainly consumed fresh. Approximately 80 percent of EU orange supply is destined for fresh consumption and around 10 percent of EU orange supply is destined for processing. Late varieties are destined for both the processing and fresh markets. In MY 2021/22, fresh orange consumption is expected to decrease compared to the previous season due to estimated shortage in orange supply. During the COVID-19 pandemic, EU consumers sought citrus fruits for their health benefits and as good natural sources of vitamin C. This growth in citrus consumption, combined with lower EU citrus supplies, pushed EU citrus prices upward during MY 2020/21 season.

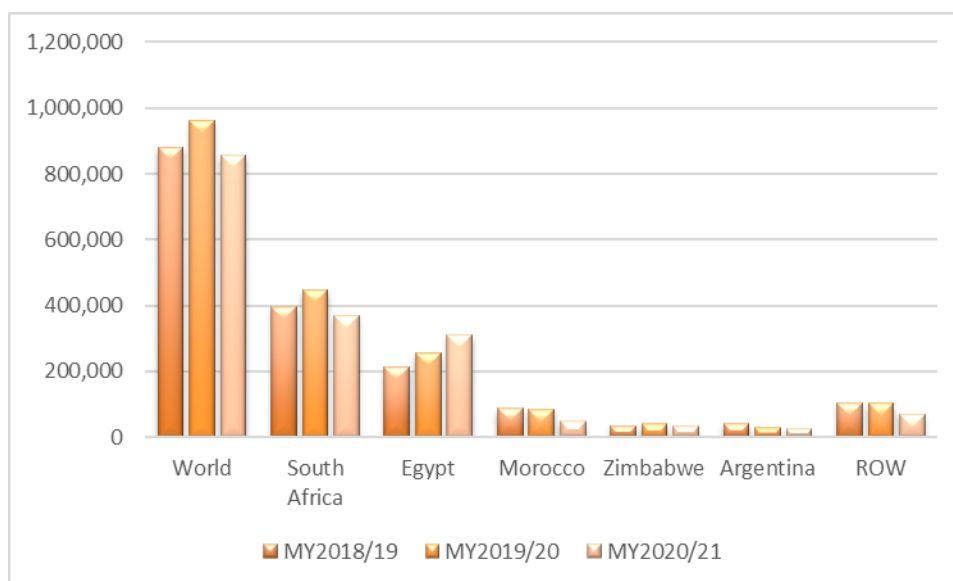
Spain's per capita orange consumption is estimated at approximately 30 kg. In Spain, most oranges are consumed fresh, especially *Navelina* and *Navelate* varieties. *Valencia Late* varieties are predominantly used for processing. In Spain, the increase in orange consumption during the COVID-19 pandemic led to a rise in citrus prices including orange prices. In Italy, blood varieties (*Tarocco*, *Moro*, and *Sanguinello*) are used primarily for fresh consumption. Late varieties (*Ovale* and *Valencia*) are destined for both the processing and fresh markets. In Greece and Portugal, the majority of oranges are also consumed fresh.

In MY 2021/22, the volume of oranges for processing (mainly for orange juice and by-products) is expected to decline almost 10 percent compared to previous period because of the drop in EU orange production. In MY 2020/21, the volume of oranges for processing grew strongly compared to the previous season, as the extremely cold weather that affected Spain in January 2021 slightly reduced the quality of the product for fresh consumption. The increase was also due to the updated data of the Italian citrus industry. Spain is the major orange processor in the EU, followed by Italy, and around 20 percent of Spanish orange production is used in processing. In Spain, there are more than 30 citrus processors for both domestic and international markets.

TRADE

The EU is a net importer of oranges to meet its domestic and export demands. According to TDM, following a significant rise in EU orange production compared to the previous season in MY 2020/21, the EU imported 10 percent less oranges than previous season standing at 858,355 MT of oranges and valued at 20 percent less at \$660 million (see Chart 7). South Africa and Egypt continued to be the leading suppliers of oranges to the EU market, mainly shipping to the Netherlands and Portugal. Other important suppliers are Morocco, Zimbabwe, and Argentina. During last season, EU citrus imports from South Africa and Morocco experienced a significant reduction of 17 and 43 percent respectively compared to a 22 percent increase from Egypt. For MY 2021/22, EU orange imports may rise due to the expected decline in EU orange supplies.

Chart 7. MY EU Imports of Oranges by Origin (MT)



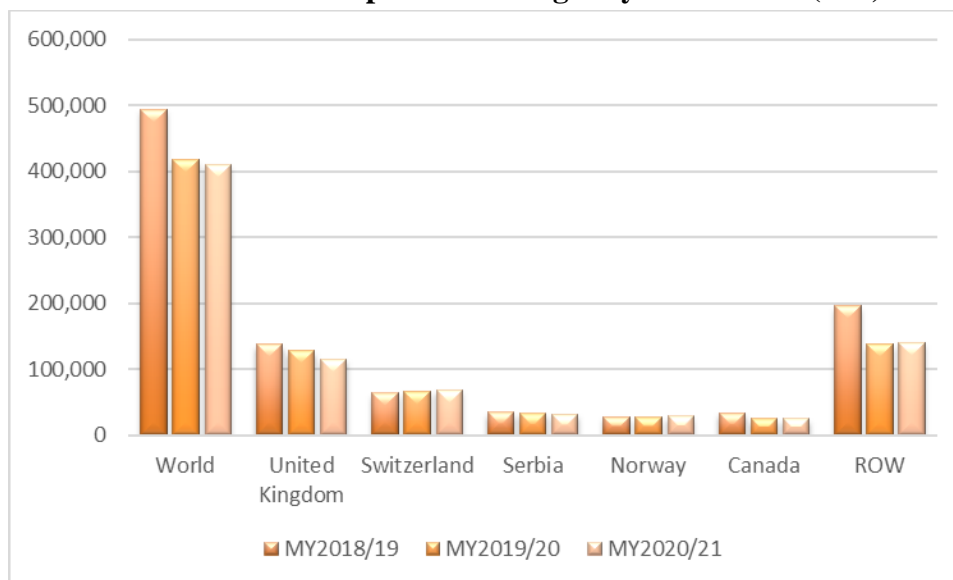
Source: Trade Data Monitor, LLC

Spain is the major citrus supplier to the EU. Eighty-five percent of Spain's orange exports are destined to other EU markets and 15 percent to non-EU countries, mainly to United Kingdom, Switzerland, Canada, Norway, the Middle East, and Brazil. In MY 2020/21, despite a higher orange supply and the logistical difficulties under COVID-19, TDM indicates Spain's total orange exports declined five percent to 1.55 MMT, mainly due to a five percent decrease to EU markets, as non-EU markets remained stable. However, total Spanish orange exports were still valued five percent more at \$1.4 billion. Total Spanish orange exports rose almost 11 percent in unit value compared to the previous season to 940 \$/T. During last season, the export volume of Spanish oranges to the UK remained stable despite Brexit (see Policy Section). Conversely, during this period, Spanish orange exports to China dropped significantly and followed last season's decline during the start of the COVID-19 pandemic.

According to TDM, in MY 2020/21, the volume of EU orange exports declined 1.7 percent to 410,314 MT despite the higher orange supply mainly due to the 10 percent decline to the UK. However, EU orange exports valued 6.5 percent more at \$388 million and grew in all the EU strategic markets including the UK. Unit value of EU orange exports grew eight percent to 947 \$/T. Higher EU orange consumption in response to COVID-19 accounted for the slight decline in EU exports. During this period, main export destinations were the UK, Switzerland, Serbia, Norway, and Canada, mainly shipped from Spain. Greece is the top orange supplier to Serbia. The Middle East and Brazil are also growing markets for EU orange exports. Higher demand in the EU and EU's top markets, logistics disruptions due to the pandemic, as well as competition with alternative suppliers, resulted in EU orange exports to China plummeting by 82 percent, sourced mainly from Spain (see Chart 8). Additionally, during this period, UK imports of oranges from the EU-27 (mainly from Spain) declined 10 percent in volume but grew one percent in value terms to \$120 million. Overall, in MY 2021/22, EU orange exports may do down slightly due to the expected reduction in EU orange supplies.

Since 2014, the Russian government banned a range of agricultural and food products, including fresh citrus, from the United States, the EU, Canada, Australia, and Norway (see Policy Section). This has resulted in a total loss of \$34 million in EU orange exports to Russia since 2013. To compensate for the loss of the Russian market, the EU's major orange exporters have reoriented their exports to new markets such as Canada, Brazil, Middle East, and China.

Chart 8. MY EU Exports of Oranges by Destination (MT)



Source: Trade Data Monitor, LLC

ORANGE JUICE

Table 3: Production, Supply, and Distribution (Brix 65)

Orange Juice	2019/2020		2020/2021		2021/2022	
	Oct 2019		Oct 2020		Oct 2021	
Market Begin Year	USDA Official EU27+UK	New Post EU27	USDA Official EU27+UK	New Post EU27	USDA Official EU27+UK	New Post EU27
European Union						
Deliv. To Processors	923,000	848,000	1,151,000	1,006,000		908,000
Beginning Stocks	15,000	15,000	15,000	15,000		15,000
Production	71,553	65,739	89,228	77,987		70,390
Imports	686,195	685,061	670,000	635,098		650,000
Total Supply	772,748	765,800	774,228	728,085		735,390
Exports	66,788	162,050	67,000	132,174		135,000
Domestic Consumption	690,960	588,750	692,228	580,911		585,390
Ending Stocks	15,000	15,000	15,000	15,000		15,000
Total Distribution	772,748	765,800	774,228	728,085		735,390
(MT)						

Not official USDA data. Sources: Trade for MY 2019/20 and 2020/21: Trade Data Monitor, LLC (TDM); All other: FAS EU posts

PRODUCTION

For MY 2021/22, EU orange juice production is forecast at 70,390 MT, a drop of almost 10 percent compared to the previous period due to the expected decline in EU orange supply. Additionally, the strong difference in orange juice production in MY 2019/20 stems from a downward revision in Italy compared to previous estimates, as an exceptional surge in domestic orange consumption in Italy lowered its deliveries to processors in MY 2020/21. The total volume of oranges channeled to processing depends on the crop quality and quantity of oranges destined for the fresh markets at home and abroad and acts as a regulator of the fresh citrus market, balancing supply and demand.

Spain is the major orange processor in the EU, followed by Italy, and around 20 percent of Spanish orange production is used in processing, mainly into fresh orange juice. The focus of Spanish fresh orange juice processors is to increase domestic production to reduce imports of orange juice, mainly as concentrated juice. The Spanish citrus processing industry also manufactures other essential citrus by-products following the concept of circular economy. Additionally, prominent Spanish citrus processors are implementing sustainable measures to increase efficiency and respond to new consumer demand. The use of sustainable packaging is also a significant trend in the EU.

According to the Spanish citrus industry, the EU-Mercosur trade agreement (Argentina, Brazil, Paraguay, and Uruguay) is causing the sector major concerns. Spain's citrus sector is oriented to fresh markets, while Brazil's sector, the EU's top foreign supplier, is oriented to orange juice production, mainly as frozen concentrated juice. Given the higher domestic costs of producing fresh orange juice and Brazil's more competitive prices, the Spanish citrus industry may be impacted in the EU market under the EU-Mercosur trade agreement (see Policy Section). Additionally, orange juice imports from Brazil could further discourage U.S. orange juice and citrus fruits exports to the EU and according to the Spanish sector, could strongly impact the Spanish citrus processing industry and citrus growers.

CONSUMPTION

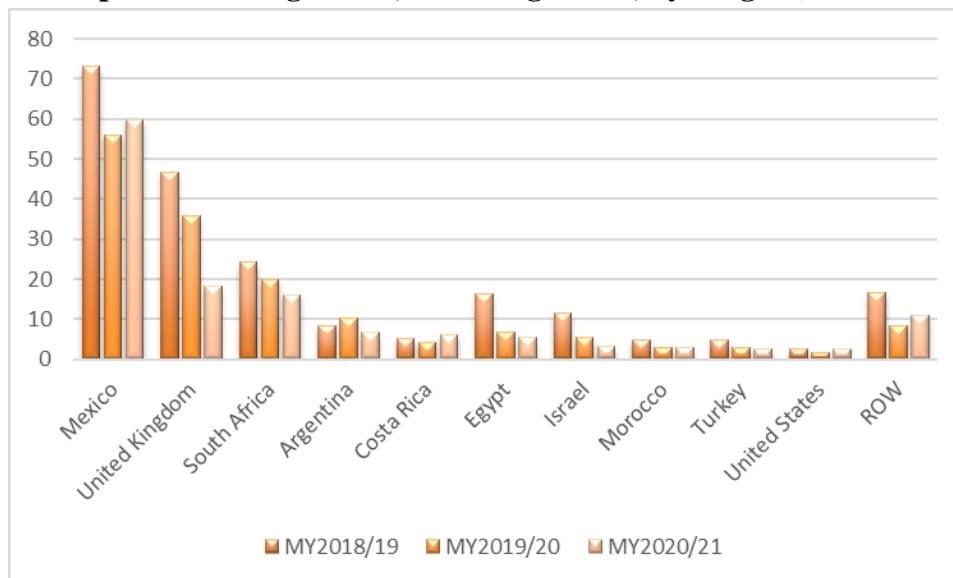
While orange juice is the most popular juice within the EU, it competes with other drinks and fruit juices (see [European Fruit Juice Association Report](#)). Last season, EU orange juice consumption went down as a result of a tight EU orange juice supply due to lower imports. In MY 2021/22, EU orange juice consumption is forecast to grow because of increased consumer interest for immune-strengthening products following the pandemic. In Spain, the growing trend is for chilled and premium fruit juices.

TRADE

The EU is a net importer of orange juice. However, during the last five years, EU imports of orange juice declined by 15 percent due to a growth in production and a downward trend in orange juice consumption. However, the COVID-19 pandemic changed this trend in consumption, reversing the decline.

According to TDM, in MY 2020/21, EU imports of orange juice declined seven percent to 635,098 MT due to the growth in EU orange juice supply and valued six percent less than the previous season at \$1.15 billion (see Chart 9). Brazil is by far the leading supplier of orange juice to the EU market, representing 90 percent of total imports and valued at \$1 billion last season, followed by Mexico, United Kingdom, South Africa, and Argentina, which last season surpassed Egypt. The United States used to be the third orange juice supplier to the EU. However, since 2018, EU imports of U.S. orange juice have declined sharply as a result of additional EU tariffs of 25 percent imposed since 2018 in response to U.S. safeguard measures on EU steel and aluminum (see Policy Section). In MY 2019/20, also due partially to COVID-19, the value of EU imports of U.S. orange juice dropped 31 percent to \$1.7 million compared to the previous season. For MY 2021/22, Post expects EU imports of orange juice to grow as a result of the expected drop in EU orange supply and orange juice production.

Chart 9: EU Imports of Orange Juice, excluding Brazil, by Origin (Million USD, Brix 65)

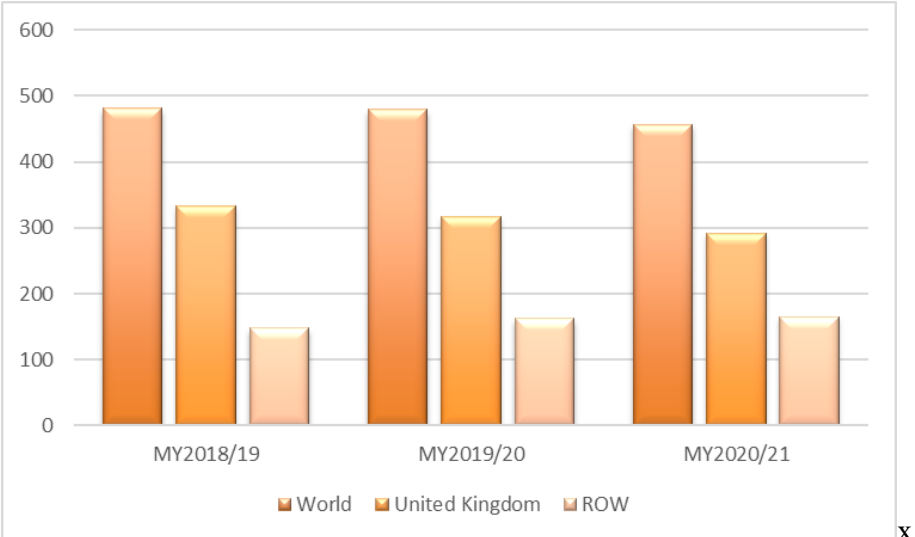


Source: Trade Data Monitor, LLC

In MY 2020/21, the EU exported 18 percent less volume of orange juice than in the previous season at 132,174 MT due to lower EU orange juice supply, valued at \$456 million. Main export

destinations are United Kingdom, Switzerland, Saudi Arabia, South Korea, Norway, Japan, and China (see Chart 10). In addition, in MY 2020/21, EU orange juice exports to the United States reached 3,127 MT and valued at \$7 million. In MY 2021/22, EU orange juice exports are expected to drop slightly in line with the lower EU orange production.

Chart 10: EU Exports of Orange Juice by Destination (Million USD, Brix 65)



Source: Trade Data Monitor, LLC

TANGERINES/MANDARINS

Table 4: Production, Supply, and Distribution

Tangerines/Mandarins, Fresh	2019/2020		2020/2021		2021/2022	
Market Begin Year	Oct 2019		Oct 2020		Oct 2021	
	USDA Official EU27+UK	New Post EU27	USDA Official EU27+UK	New Post EU27	USDA Official EU27+UK	New Post EU27
European Union						
Area Planted	153,224	153,404	152,781	152,406		152,400
Area Harvested	141,552	141,632	141,207	141,972		141,874
Bearing Trees	0	0	0	0		0
Non-Bearing Trees	0	0	0	0		0
Total No. Of Trees	0	0	0	0		0
Production	2,827	2,889	3,424	3,206		2,965
Imports	558	407	450	422		450
Total Supply	3,385	3,296	3,874	3,628		3,415
Exports	172	330	250	350		340
Fresh Dom. Consumption	2,983	2,694	3,354	3,001		2,813
For Processing	230	272	270	277		262
Total Distribution	3,385	3,296	3,874	3,628		3,415

(HECTARES) ,(1000 TREES) ,(1000 MT)

Not official USDA data. Sources: Trade for MY 2019/20 and 2020/21: Trade Data Monitor, LLC (TDM); All other: FAS EU posts

PRODUCTION

In MY 2021/22, EU mandarin production is forecast to decline 7.5 percent from the previous year to 2.9 MMT. In addition, in MY 2020/21, EU mandarin production is 6.3 percent lower than previous estimations, mainly due to the 20 percent drop estimated by the Italian industry. In MY 2021/22, EU mandarin production may also be almost 5.5 percent lower than the ten-year average production at 3.1 MMT. The shortage in EU mandarin production expected for this marketing year is mainly the result of expected decreases in Spain, EU's major mandarin producer (see Table 5).

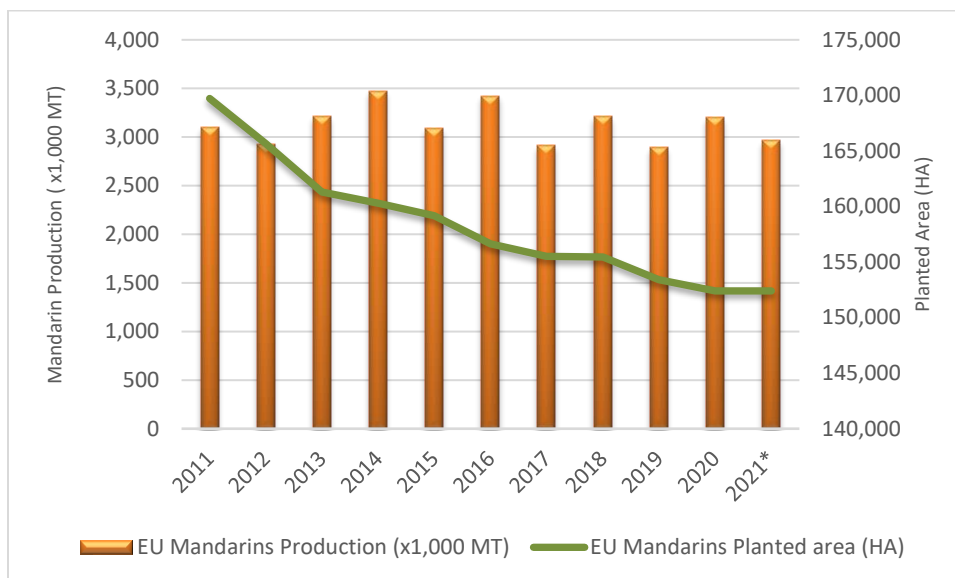
Table 5: Top EU Fresh Mandarin Producers (MT)

Country	MY 2019/20	MY 2020/21	MY 2021/22
Spain	1,893,951	2,317,019	2,083,000
Italy	763,601	660,280	660,000
Greece	174,147	171,849	165,000

Source: FAS offices

In MY 2020/21, EU planted area for mandarins may remain stable at 152,400 HA (see Chart 11). According to Eurostat, during 2011-2020 period, the EU reduced its mandarin planted area by 8 percent, Spanish mandarin planted area decreased by 13 percent to 104,500 HA, and Italian area decreased by 8 percent to 34,240 HA in 2020. Conversely, during this period, Greek mandarin planted area rose 43 percent to 9,900 HA in 2020 and Portugal’s mandarin planted area went also up by 11 percent to 2,600 HA in 2020.

Chart 11. EU Mandarins Production and Planted Area 2011-2021*



*Forecast Source: FAS offices

According to Spanish official data, Spain’s MY 2021/22 mandarin production is forecast to decline 10 percent due to unfavorable weather conditions to 2 MMT, representing 31 percent of the total Spanish citrus production. This expected decline follows a strong jump in Spanish mandarin production in MY 2020/21 at 2.3 MMT, which was nine percent higher than the last ten-year average. The Spanish citrus sector reports that during MY 2020/21, the mandarin season developed well, with increases in production, price, and exports. Spain’s main mandarin-producing areas are the regions of Valencia, Andalusia, and Catalonia. Spain continues to develop new early and late seedless varieties to extend fruit availability throughout the year. Around 50 percent of Spanish mandarins are *Clementines* and seven percent *Satsumas*.

Italy’s mandarin production consists of over 80 percent seedless clementines and nearly 20 percent mandarins. Calabria, Sicily, and Puglia are Italy’s main tangerine-producing areas, accounting for approximately 53, 20, and 15 percent of total production, respectively. *Comune* or *Oroval* and *Monreal* are the leading clementine varieties grown in the country. *Avana* and *Tardivo di Ciaculli* are the chief mandarin cultivars. According to the Italian industry, Italy’s MY 2021/22

mandarin production is forecast to remain flat compared to the poor crop of MY 2020/21 and below MY 2019/20 levels due to spring frosts that occurred in Calabria and floods that hit Sicily at the end of October that damaged soft citrus groves. The Italian citrus industry is still evaluating the damage caused by floods in Sicily.

Greece's MY 2021/22 tangerine production is expected to decrease by 4.1 percent compared to the previous season due to the summer heatwave and lack of rainfall that affected yields for both *Clementine* and *Nova* varieties. The main producing areas include the prefectures of Igoumenitsa, Arta, Mesologgi, Thesprotia located in West Greece, and the prefecture of Laconia in Peloponnese. *Clementine* is the major tangerine variety grown in Greece; new plantings include *Nova*, *Page* and *Ortanique* varieties.

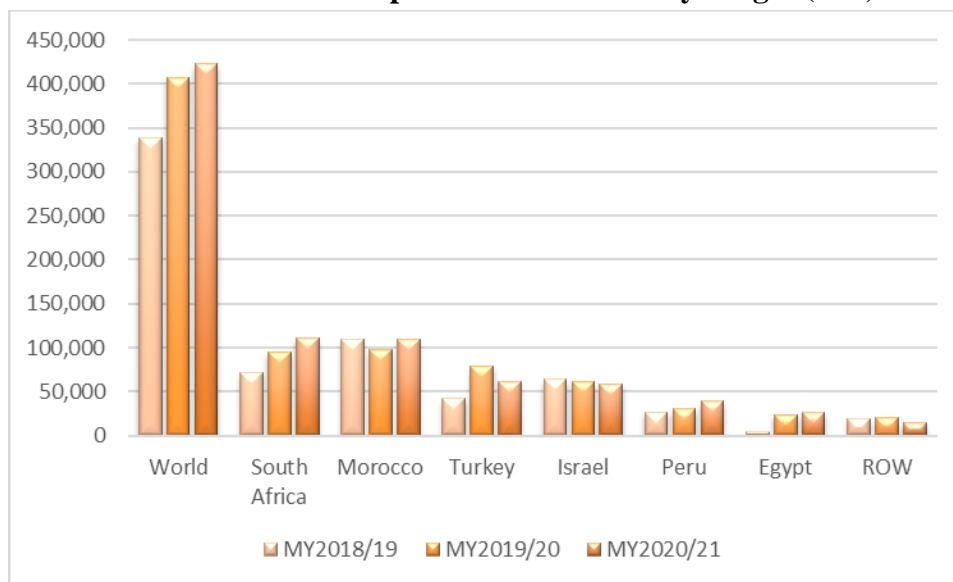
CONSUMPTION

EU mandarins are mainly consumed fresh. MY 2021/22 EU fresh mandarins for consumption and processing are forecast to decrease in line with the expected drop in supply. During the COVID-19 pandemic, EU consumers sought mandarins for their health benefits and as good natural sources of vitamin C. Spain is the major consumer of mandarins in the EU, mainly seedless clementines, for both fresh consumption and processing. Last season, Spanish mandarin consumption in households grew 11 percent due to perceived health benefits, experiencing a dynamic market despite the pandemic. Italy and Portugal also consume large quantities of mandarins. In Greece, *Clementines* cover early and late season demand, both domestically and abroad. Late varieties *Nova* and *Page* cover the late season demand, when saturation from *Clementines* occurs.

TRADE

The EU is a net importer of fresh mandarins. According to TDM, during MY 2020/21, due to higher domestic consumption, EU imports of mandarins rose 3.6 percent to 422,377 MT and valued at \$545 million, 14 percent more than previous year. South Africa and Morocco continue to be the leading suppliers to the EU market, followed by Turkey, Israel, and Peru (see Chart 12). Last season, EU imports of South African mandarins grew 18 percent, imports from Morocco jumped 12 percent, and imports from Egypt increased 11 percent. In MY 2020/21, the volume of imports from the United States remained stable, although valued six percent more at \$6.6 million, due to higher unit value than its competitors' products. However, the major mandarin supplier to the EU is Spain. For MY 2021/22, EU imports of mandarins are expected to grow following last season's trends and the expected lower EU mandarin production.

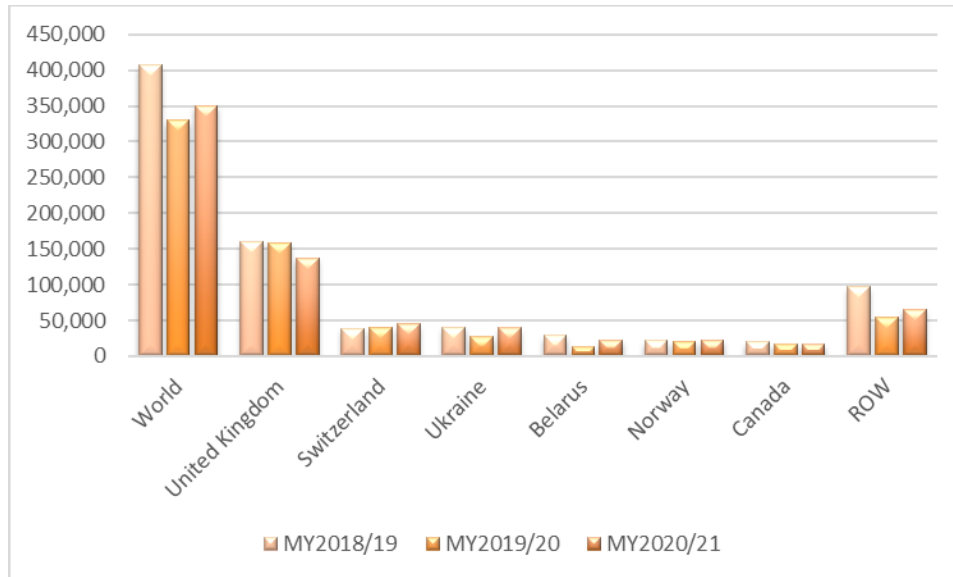
Chart 12. MY EU Imports of Mandarins by Origin (MT)



Source: Trade Data Monitor, LLC

During MY 2020/21, EU exports of mandarins rose six percent to 350,362 MT and valued at \$429 million due to higher EU mandarin supply compared to the previous season. In volume terms, EU’s main export market destinations were United Kingdom, Switzerland, Ukraine, Belarus, Norway, and Canada, (see Chart 13). Until MY 2012/13, the United States was the third major export destination for EU mandarins. As the top global supplier of mandarins to the United States, Spain shipped around 50,000 MT worth of mandarins valued at around \$55 million. However, since then, South America, North Africa, and South Africa have surpassed the presence of Spanish mandarins in the U.S. market. In MY 2020/21, EU exports to the United States were almost negligible. Major global competition combined with U.S. tariffs on Spanish mandarins related to the WTO case against EU aircraft subsidies imposed in late 2019 discouraged shipments of Spanish mandarins to the U.S. market (see Policy Section). In addition, since 2013, EU mandarin exports to Russia have plummeted \$106 million since due to the Russian ban (see Policy Section). In response, EU exporters searched for new alternative third markets such as Canada, the Middle East, and Brazil. In MY 2021/22, EU mandarin exports are forecast to decline due to the expected decline of EU mandarin production.

Chart 13. MY EU Exports of Mandarins by Destination (MT)



Source: Trade Data Monitor, LLC

In MY 2020/21, Spain, the leading EU mandarin producer and exporter, increased its mandarin exports by eight percent to 1.4 MMT valued at \$1.8 billion due to higher supplies and EU demand during that season. Eighty-three percent of these exports were sent to other EU Member States. Canada, the Middle East, and Brazil continue to be important new strategic markets for Spanish mandarin exports. Due to the Russian ban, Spain lost \$37 million of mandarin exports to Russia. Despite the lockdown in response to the COVID-19 pandemic, the Spanish mandarin sector remained strong, satisfying domestic and export demands. The UK is the third major export destination for Spanish mandarins, which were valued at \$186 million last season. In MY 2020/21, UK mandarin imports from EU, mainly from Spain, grew by 6.4 percent despite Brexit.

LEMONS/LIMES

Table 6: Production, Supply, and Distribution

Lemons/Limes, Fresh Market Begin Year European Union	2019/2020		2020/2021		2021/2022	
	Oct 2019		Oct 2020		Oct 2021	
	USDA Official EU27+UK	New Post EU27	USDA Official EU27+UK	New Post EU27	USDA Official EU27+UK	New Post EU27
Area Planted	79,229	80,229	80,420	82,320		82,220
Area Harvested	68,433	68,433	70,020	71,249		71,315
Bearing Trees	0	0	0	0		0
Non-Bearing Trees	0	0	0	0		0
Total No. Of Trees	0	0	0	0		0
Production	1,480	1,488	1,654	1,720		1,567
Imports	579	521	550	551		560
Total Supply	2,059	2,009	2,204	2,271		2,127
Exports	81	174	85	155		150
Fresh Dom. Consumption	1,658	1,521	1,757	1,724		1,694
For Processing	320	314	362	392		283
Total Distribution	2,059	2,009	2,204	2,271		2,127

(HECTARES), (1000 TREES), (1000 MT)

Not official USDA data. Sources: Trade for MY 2019/20 and 2020/21: Trade Data Monitor, LLC (TDM); All other: FAS EU posts

PRODUCTION

In MY 2021/22, EU lemon production is forecast to decrease by almost nine percent compared to previous season to 1.57 MMT. This reduction is due to the overall expected production drop in EU's main lemon producers, Spain and Italy (see Table 7). Additionally, EU lemon planted area continued trending upwards in MY 2020/21 to 82,320 HA (see Chart 14), mainly due to the strong expansion in Spain.

Table 7: Top EU Fresh Lemons Producers (MT)

Country	MY 2019/20	MY 2020/21	MY 2021/22
Spain	938,420	1,141,574	1,011,458
Italy	445,949	473,276	450,000
Greece	82,255	87,889	88,000dx

Source: FAS offices

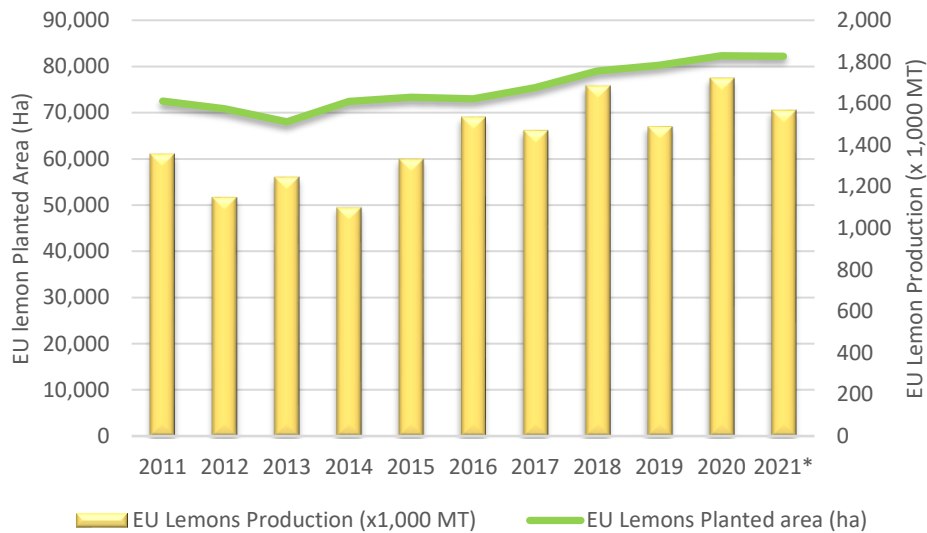
Spanish lemon production represents around 15 percent of total Spanish citrus production. According to the latest Spanish official data, Spain's MY 2021/22 lemon production is forecast at 1 MMT, a decrease of 11 percent compared to the previous year. The decline is mainly due to unfavorable weather conditions that affected flowering and fruit set in some production areas, mainly impacting the *Verna* variety. In addition, in recent years, Spain increased its total planted area for lemons to meet its domestic and export demands, standing at around 48,000 HA in 2020. Of this planted area, 17 percent is under certified organic lemons. According to the Spanish lemon industry, Spain will continue to consolidate its leading commercial position in Europe with its quality and phytosanitary guarantees compared to other competitors. Following Mexico and Argentina, Spain is the third largest lemon producer in the world but the first global exporter of fresh lemons in value terms.

Spanish lemon production is concentrated in the regions of Murcia and Valencia, and the Provinces of Malaga and Almeria in Andalusia. The leading lemon varieties grown in Spain are *Fino*, accounting for 70 percent of total production, and *Verna*, a Spanish variety, representing 30 percent. The *Fino* variety is predominantly used for processing. Around 25 percent of Spanish lemon production is destined for industry use as Spain is the second major global industrial lemon manufacturer, mainly juice, essential oils, and dehydrated peel. According to the Spanish lemon sector, certifications are key elements to differentiate Spanish lemons and promote economically, environmentally, and socially sustainable lemon production.

Italy is the second largest European lemon producer after Spain. Sicily is the main lemon-producing area, accounting for 88 percent of domestic production. *Femminello*, *Siracusano*, *Lunario*, *Interdonato*, *Limone di Sorrento*, and *Limone di Procida* are the leading lemon varieties grown in the country. Italy's MY 2021/22 lemon production is forecast to reduce from the previous season due to floods that hit Sicily at the end of October, causing damage to lemon groves. The Italian citrus industry is still estimating the damage caused by floods in Sicily.

Greece's MY 2021/22 lemon production is expected to remain flat at approximately 88,000 MT. The main lemon-producing areas include the prefectures of Achaia, Korinthos, Crete, and Laconia, located in southern Greece. The major lemon variety grown in Greece is *Maglini*, whose fruit is strongly aromatic with a bitter juice. It has a thin, shiny peel and when fully ripe has a yellow color. The early varieties *Interdonato* and *Eureka* are also grown.

Chart 14. EU Lemon Production and Planted Area 2011-2021



*Forecast Source: FAS offices

CONSUMPTION

EU lemons are mainly consumed fresh. In MY 2021/22, EU fresh lemon consumption and lemons for processing are forecast to decrease in line with the decline in EU lemon production. EU per capita lemon consumption stands at 3kg. According to industry sources, Spain has become the second global producer of processed lemons, which experienced a strong jump last season due to the closure of the hospitality sector. Italian, Greek, and Portuguese lemons are mainly destined for the fresh market. Greece became increasingly reliant on imported lemon juice to meet consumer demand for soft drinks.

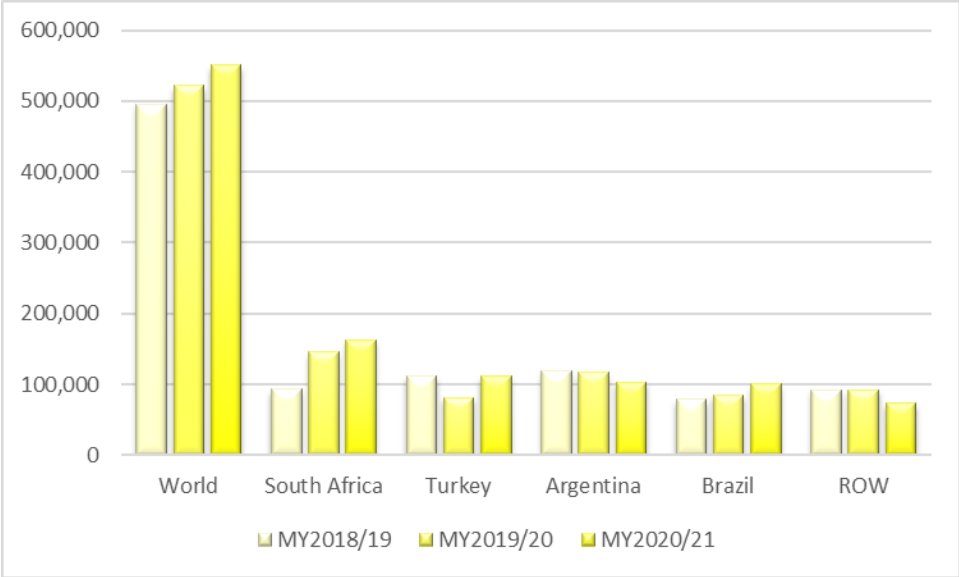
In April 2021, the Spanish Lemon and Grapefruit Association presented a [proposal to the EU](#) to eliminate the additive citric acid (E-330) used as a preservative in the organic food industry. The proposal suggests for this additive to be replaced with natural organic lemon juice, mainly composed of natural citric acid.

TRADE

The EU is a net importer of lemons. During MY 2020/21, EU imports of lemons increased five percent to 551,169 MT valued at \$626 million to meet with a jump in domestic lemon consumption during this season compared to the previous year. South Africa, Turkey, Brazil, and Argentina are the leading suppliers to the EU market, followed by Mexico (see Chart 15). Last season, EU lemon imports from Turkey surpassed those from Argentina due to the EU ban imposed

on Argentina citrus. Given the expected drop in EU lemon production in MY 2021/22, EU imports of lemons are expected to rise.

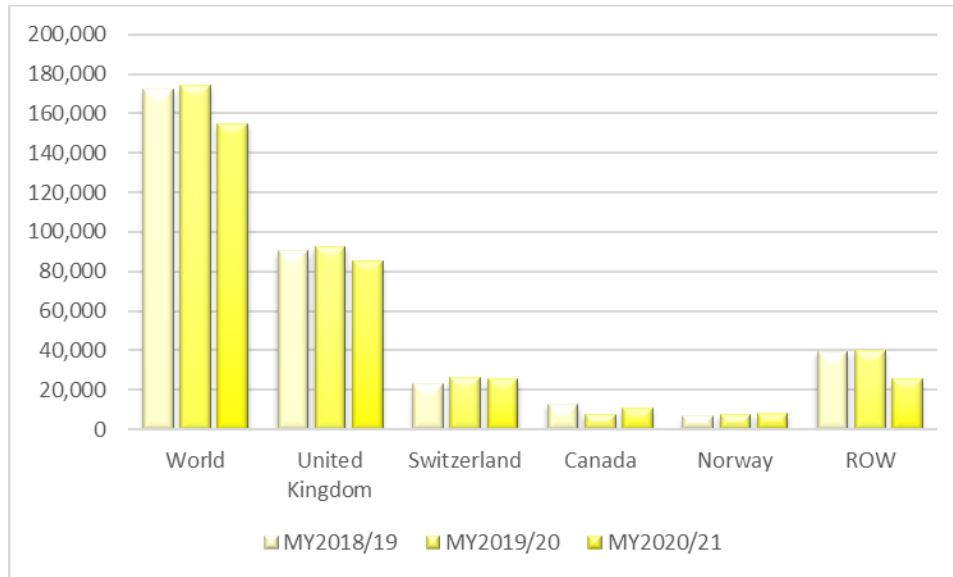
Chart 15. MY EU Imports of Lemons by Origin (MT)



Source: Trade Data Monitor, LLC

In MY 2020/21, the volume of EU lemon exports declined 11 percent compared to the previous year at almost 155,000 MT and valued at \$213 million. Shipping primarily from Spain, main export destinations for EU lemons were UK, Switzerland, Canada, and Norway (see Chart 16). EU lemon export to UK dropped eight percent and were valued \$107 million. Similarly, during the pandemic, EU lemon exports to the United States declined sharply 57 percent in volume and were valued \$1.2 million while in MY2018/19 valued at \$9 million. In MY 2018/19, the United States became the EU’s third largest lemon export destination, mainly shipped from Spain. However, U.S. tariffs related to the WTO Case against EU aircraft subsidies impacted Spanish lemon exports to this market. On June 15, 2021, the European Union and the United States agreed to suspend the application of the tariffs for a period of five years. Nevertheless, according to the Spanish industry, Spain’s lemon export to this market may not rebound due to logistics disruptions.

Chart 16. MY EU Exports of Lemons by Destination (MT)



Source: Trade Data Monitor, LLC

In MY 2020/21, Spanish lemon exports performed well and were valued at \$938 million, despite COVID-19 related issues and Brexit. Spanish lemon strategic export markets outside the EU, which account for 15 percent of total Spanish lemon exports, are UK, Canada, Switzerland, Norway, Serbia, and Brazil. In addition, UK is Spain’s third largest lemon export market, with exports valued at \$87 million last season, and show no major impact due to Brexit.

In November 2021, the Spanish lemon industry called for tighter controls on EU lemon imports from South Africa following a record level of detections of Citrus Black Spot (CBS) last summer ([more information available here](#)). In order to prevent the entry of CBS, which is not yet present in the EU, the Spanish lemon association called for the EU to impose a range of measures starting in 2022, to include the coordination and harmonization of border inspection services at all EU ports of entry and stricter controls at origin and in European ports. These demands came after the EU decision to strengthen controls on Turkish lemon imports following an increase in rejections due to the presence of pesticides exceeding EU limits.

GRAPEFRUIT

Table 8: Production, Supply, and Distribution

Grapefruit, Fresh Market Begin Year European Union	2019/2020		2020/2021		2021/2022	
	Oct 2019		Oct 2020		Oct 2022	
	USDA Official EU27+UK	New Post EU27	USDA Official EU27+UK	New Post EU27	USDA Official EU27+UK	New Post EU27
Area Planted	3,352	3,452	3,405	3,648		3,648
Area Harvested	2,868	2,868	2,827	2,846		2,844
Bearing Trees	0	0	0	0		0
Non-Bearing Trees	0	0	0	0		0
Total No. Of Trees	0	0	0	0		0
Production	95	95	103	105		108
Imports	340	320	335	295		295
Total Supply	435	415	438	400		403
Exports	17	27	17	26		27
Fresh Dom. Consumption	404	374	406	358		360
For Processing	14	14	15	16		16
Total Distribution	435	415	438	400		403

(HECTARES), (1000 TREES), (1000 MT)

Not official USDA data. Sources: Trade for MY 2019/20 and 2020/21: Trade Data Monitor, LLC (TDM); All other: FAS EU posts

PRODUCTION

MY 2021/22 EU grapefruit production is forecast to grow 2.8 percent to 108,000 MT, due to the almost four percent expected increase in Spanish grapefruit production. Spain is the major EU grapefruit producer at 84,000 MT. EU grapefruit planted area stands at around 3,600 HA. According to the Spanish official data, in MY 2020/21, Spain's grapefruit planted area grew eight percent to 2,630 HA, following an upward trend during the last decade. Leading grapefruit producing areas include the regions of Murcia, Andalusia, and Valencia. *Ruby Red* is the main grapefruit variety planted in Spain. Cyprus is the second largest grapefruit producer in the EU. *White Marsh Seedless*, mostly grown in the Limassol area, is the leading Cypriot grapefruit variety. Sicily is the main grapefruit producing area in Italy, accounting for 86 percent of domestic production. Greek's prefectures of Corinth and Kavala, the region of Thessaly, and the island of Crete are the major grapefruit-producing areas in Greece.

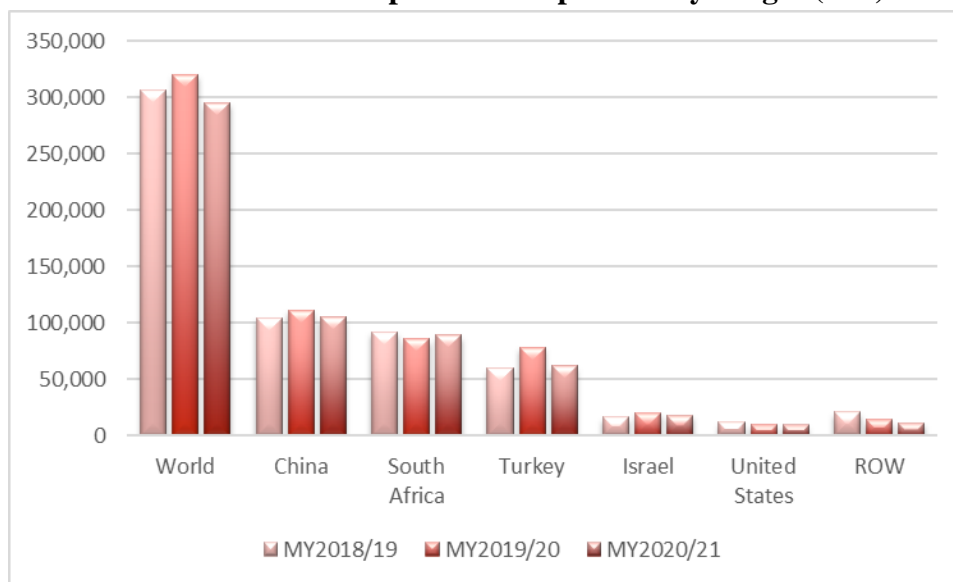
CONSUMPTION

Grapefruits in the EU are mainly consumed fresh with consumption significantly surpassing grapefruit production. Therefore, the EU is a net importer of grapefruits to satisfy the EU domestic demand. EU grapefruit imports comprise around 80 percent of EU's total grapefruit supply. Spain and Cyprus are the main grapefruit processors in the EU. In MY 2021/22, EU grapefruit consumption is expected to remain flat.

TRADE

During MY 2020/21, EU imports of grapefruit decreased eight percent to 295,184 MT compared to the previous period due to growth in EU grapefruit supply and valued at \$234 million. China, South Africa, Turkey, Israel, and the United States are the leading suppliers to the EU market. EU imports of grapefruit from the United States dropped strongly 23 percent to 9,536 MT and valued at almost \$12 million, as U.S. grapefruit competed with lower prices from other foreign suppliers (see Chart 17). With the suspension of the additional EU tariffs related to the WTO case against U.S. aircraft subsidies which impacted U.S. grapefruit exports (see Policy Section), grapefruit imports from the United States may rebound in MY 2021/22.

Chart 17. MY EU Imports of Grapefruits by Origin (MT)



Source: Trade Data Monitor, LLC

During MY 2020/21, EU grapefruit exports declined four percent to 25,977 MT and valued at \$27 million. The UK, Switzerland, Belarus, and Ukraine are the main export destinations for EU grapefruit. In MY 2021/22, EU grapefruit exports are expected to remain relatively stable.

POLICY SECTION

Overview

Over the past year, the COVID-19 crisis, the European Green Deal, the Common Agricultural Policy reform (CAP), and Brexit consumed agricultural EU policy makers in Brussels. In particular, the pandemic shaped EU policy making responding to concerns over resilient supply chains and sustainability. These concerns influenced the Green Deal's agri-food vision under the Farm to Fork (F2F) and Biodiversity Strategies and sparked debates over CAP reform. In addition, other issues concerning tariff changes and agricultural bans also influenced global citrus trade.

The Farm to Fork Strategy

The F2F Strategy highlights 27 actions aimed to transform the way EU food is produced, processed, transported, presented, and sold and seeks to position the EU's food systems on a more sustainable path. The full Strategy is available [here](#). At the production level, the Commission proposes actions to reduce the overall use and risk of chemical pesticides by 50 percent by 2030 as well as the reduction of the use of fertilizers by at least 20 percent, among other cuts. Additionally, the Commission is aiming for 25 percent of agricultural lands to be used for organic farming, up from the current 8 percent. See [GAIN report: Pesticides Initiatives in the EU Farm to Fork Strategy](#) for more information. The reduction of pesticide use could affect the availability of active substances for citrus producers in the EU and associated maximum residue levels (MRLs). This in turn could create potential trade implications regarding imports of citrus into the EU.

Biodiversity Strategy

The Biodiversity Strategy provides a broad focus on nature conservation and tackling biodiversity loss in the EU and globally. The two main pesticide reduction initiatives presented in F2F are emphasized in the Biodiversity Strategy and complemented by the Biodiversity Strategy's pledge to review and possibly revise the EU 2018 Pollinators Initiative. This Strategy also aims for further soil and nature conservation by setting aside a minimum of 10 percent of the existing agricultural area into higher biodiversity landscape features, such as buffer strips and rotational and non-rotational fallow land. The Commission's proposed conservation measure is nested within the over-arching target of the Biodiversity Strategy to protect 30 percent of all EU land. See [GAIN report: Green Deal Strategies for the EU Agri-Food Sector Present a Politically Ambitious Policy Roadmap](#).

Common Agricultural Policy Reform

Established in the 1958 Treaty of Rome, the CAP continues to be the EU's principal agriculture sector legislative framework. It currently supports approximately 10.5 million farms and thousands

of rural communities across the EU. At the July 2020 European Council summit, EU heads of state and government allocated €344 billion¹ for the CAP under the 2021-2027 Multiannual Financial Framework, comprising 32 percent of the overall 2021-2027 budget.

Every five to seven years, the Commission begins multi-year stakeholder consultations on the next CAP, adjusting the framework to social and political priorities and gradually modifying the way farming operates in the EU. The Commission drafts the initial CAP proposal, which is provided to the European Parliament (EP) and Council who deliberate and vote to accept or amend the Commission's proposal. Agricultural sector stakeholder consultations for the current CAP proposal began in 2018. On June 25, 2021, the Parliament, Council, and Commission reached a provisional political agreement on the new CAP, which will enter into force in 2022. Technical discussions must still take place between the three institutions.

Certification of Fruit Shipments

Fruit and vegetables exported to the EU require a phytosanitary certificate issued by the USDA/Animal Plant Health Inspection Service. This standard-setting body coordinates cooperation between nations to control plant and plant product pests and to prevent their spread.

[Regulation 2016/2031](#) concerning protective measures against pests of plants since December 14, 2019, contains provisions concerning compulsory plant health checks. This includes documentary, identity, and physical plant health checks to verify compliance with EU import requirements and uniform conditions for its implementation that are established in [Regulation \(EU\) 2019/2072](#). There is more information available on the DG SANTE website on [Trade in plants and plant products from non-EU countries](#).

The Commission monitors imports of fruit and vegetables on an annual basis to determine how to adjust the frequency of testing consignments. There is a reduced frequency of plant health checks when justified, as [published](#) in the latest updated list of products on November 19, 2021.

Marketing Standards

Fresh fruit and vegetable imports into the EU also have to comply with the EU-harmonized marketing standards. These standards apply at all marketing stages and include criteria such as quality, size, labeling, packaging, and presentation. Commission implementing Regulation (EU) No 543/2011 provides for a general marketing standard for all fresh fruits and vegetables. Specific marketing standards are still in place for ten products, including citrus fruit, and are set out in Part 2 of Annex I to this Regulation on page 42.

¹ At an exchange rate of 1 Euro = 1.17053 (September 28, 2021) this converts to roughly 403 billion U.S. dollar (USD)

Pesticides and Maximum Residue Levels (MRLs) for Citrus – Upcoming Reviews

Maximum Residue Levels (MRLs) for pesticides, including import tolerances, have been harmonized throughout the EU and can be found in the [EU MRL database](#). The following tables provide interested stakeholders with advance notice of active ingredients under review for renewal of approval in the EU and are listed with a U.S. MRL for citrus fruit in the [global MRL database](#).

In particular, the Commission recently put forward a proposal for the non-renewal of the active substance phosmet and submitted its intention to not renew the substance to the WTO. If phosmet is not renewed, this will likely have an impact on MRLs for future U.S. exports of citrus to the EU. For additional information, please consult the FAS/Brussels' website on [EU Early Alerts](#).

Upcoming reviews for MRLs:

Article 12 review: <https://www.efsa.europa.eu/sites/default/files/pesticides-MRL-review-progress-report.pdf>

Upcoming reviews for active substances:

Active Substance	Expiry date	Last day to submit application for renewal of the active substance:
Chlorantraniliprole	12/31/2024	12/31/2021
Emamectin	11/30/2024	11/30/2021
Amisulbrom	09/30/2024	09/30/2021
Ascorbic acid	09/30/2024	09/30/2021
S-Abscisic acid	09/30/2024	09/30/2021
Spinetoram	09/30/2024	09/30/2021
Thiencarbazone	09/30/2024	09/30/2021
Valifenalate (formerly Valiphenal)	09/30/2024	09/30/2021
Acequinocyl	11/30/2024	11/30/2021
Flubendiamide	11/30/2024	11/30/2021
Ipconazole	11/30/2024	11/30/2021
Pendimethalin*	11/30/2024	11/30/2021
Imazamox*	01/31/2025	01/31/2022
Aminopyralid	12/31/2024	12/31/2021
Metaflumizone	12/31/2024	12/31/2021
Metobromuron	12/31/2024	12/31/2021

Glyphosate

The active substance glyphosate is approved for use at the EU level. Its last reauthorization was limited to [five years](#) instead of the more typical 10 to 15 years and is set to expire on December 15, 2022. Its renewal procedure is currently ongoing. Although the substance is still approved at the EU level, some Member States are banning its sale or restricting its use in plant protection products at the national level, such as Luxembourg, Austria, Germany, France, the Netherlands, and Belgium.

Despite the restrictions, the EU MRLs for glyphosate remain in place in these Member States. At the time of this report, impact on trade has been limited as there are no restrictions on imported products that are treated with products containing glyphosate. However, some Member States may be under political pressure to restrict imported products containing glyphosate because some EU farmers are not allowed to use the substance.

EU Import Policies Concerning Tariffs

Entry Price System

EU imports of fresh fruit and vegetables are subject to the Entry Price System, which has been in place in its current form since the WTO Uruguay Round. It is a complex tariff system that provides a high level of protection to EU producers. In this system, fruits and vegetables imported at or above an established entry price are charged an ad valorem duty only. Tariff levels for 2021 are published in [Commission Implementing Regulation 2021/1832](#). The tariffs for citrus fruit can be found on page 104 for oranges, tangerines, lemons, grapefruit, and other citrus fruit, while the tariff for orange juice can be found on page 173.

First Come, First Served Principle

Regarding the administration of import tariff quotas, certain types of citrus fruit are subject to the [‘first come, first served’ principle](#):

Product	Tariff codes	Quantity (kg)	Period	Origin	In-Quota Duty
Sweet oranges	0805 10 22 10 0805 10 24 10 0805 10 28 10	20 000 000	Feb 1 – April 30	All origins	10%
Minneolas	0805 29 00 21 0805 29 00 29	17 931 000	Feb 1 – April 30	All origins	2%
Frozen Orange Juice	2009 11 99 11 2009 11 99 19	1 500 000	Jan 1 – Dec 31	All origins	13%

Additional EU Duties Targeting U.S. Citrus

EU Retaliation on U.S. Section 232 Safeguard Measures on EU Steel and Aluminum: On June 22, 2018, the EU imposed [additional tariffs](#) of 25 percent on orange juice products in retaliation for U. S. safeguard measures on EU steel and aluminum ([Commission Implementing Regulation \(EU\) 2018/886](#)).

U.S.-EU WTO Cases on Aircraft Subsidies: On November 9, 2020, the European Union adopted countermeasures against U.S. exports following the WTO's ruling that authorized the EU to take such countermeasures against U.S. subsidies to aircraft maker Boeing. The European Commission published [Implementing Regulation \(EU\) 2020/1646](#) that lays down the list of products affected by a 25 percent additional tariff. The Regulation entered into force on November 10, 2020. Fresh Grapefruit was listed in the Regulation and was subject to the additional tariff. On June 15, 2021, the European Union and the United States agreed to suspend the application of the tariffs for a period of five years. The two sides also agreed to seek to overcome long-standing differences to avoid future litigation through the [Understanding on a Cooperative Framework for Large Civil Aircraft](#).

Tariff Rate Quotas Under Free Trade Agreements

On June 28, 2019, the European Union became the first major partner to strike a trade agreement with the Southern Common Market (or Mercosur) countries of Argentina, Brazil, Paraguay, and Uruguay. The EU Parliament and Commission still have to ratify the agreement. When ratified, the agreement will eliminate 93 percent of tariffs for Mercosur exports to the EU while offering preferential treatment for the remaining 7 percent. Although a final tariff schedule has not yet been publicly released, a [preliminary analysis](#) indicates that U.S. agricultural products that compete with Mercosur and EU products will be at a significant disadvantage.

Other Free Trade Agreement affecting citrus fruit exports to the EU

The EU is negotiating and has implemented several Free Trade Agreements (FTAs) with other countries and regions such as the major EU citrus partners: South Africa, Turkey, Egypt, Morocco, Israel, the UK, and Canada, which include concessions on food products. Additional information is available on the website of the EC at:

<https://ec.europa.eu/trade/policy/countries-and-regions/negotiations-and-agreements/>.

EU's Decision on Citrus Canker

The new [provisions](#) for citrus fruit exported from areas with *Xanthomonas citri* (Citrus canker) require that groves are appropriately managed and that the fruit is free of symptoms of canker. The previous regulation required certification that “no symptoms have been observed in the field of production and in its immediate vicinity,” which was overly burdensome and would require expensive and time-consuming inspections of entire groves.

Bans Impacting Citrus Trade

Russian Ban on Agricultural Products

On August 7, 2014, the Russian government implemented a (then) one-year ban on a range of agricultural and food products, including citrus fruit, from the United States, the EU, Canada, Australia, and Norway, in response to U.S. and EU sanctions over Russian actions in Ukraine. Russia has continued to extend the ban every year. The Commission introduced specific market support measures for citrus fruit, including oranges, mandarins and clementines, but the last emergency measures for fruit and vegetables were phased out on June 30, 2018. The impact on the EU citrus sector is very limited because exports to Russia have not been significant in terms of volumes. Overall, the EU granted \$588 million (€500 million) of aid to EU producers of fruit and vegetables corresponding to 1.7 million tons of withdrawals from the market. For more information, see the [Commission's website](#) regarding the Russian ban.

European School Fruit, Vegetables and Milk Scheme

The European “School Fruit Scheme” originated in 2009 as a measure to combat child obesity. It includes three elements: free distribution of fruit and vegetables in schools, informational campaigns on healthy eating habits, and monitoring and evaluation. The total EU budget for the scheme in the period 2017-23 was set at €250 million² per school year of which up to €150 million³ is for fruit and vegetables and up to €100 million⁴ for milk. This budget is broken down by country based on the number of children and the level of regional development. More information about the EU budget by country for the 2021/2022 school year can be found [here](#).

In addition to the school fruit scheme, the sector can also benefit from the European promotion budget for agricultural products and quality schemes. The Commission reformed its promotion policy with an extension of the product scope and a greater focus on export markets. For 2021, the

² Approximately 290 million USD

³ Approximately 175 million USD

⁴ Approximately 117 million USD

European Commission allocated a total of 182.9 million⁵ euros for the promotion of the European Union's agri-food products both in Europe and worldwide. The focus is on promoting products and farming methods that more directly support the European Green Deal objectives, prioritizing organic products, fruit and vegetables and sustainable agriculture. As part of the F2F Strategy, the European Commission announced in April 2021 that it would review the European Union's policy on the promotion of agricultural products both inside and outside the Union. This review fits in the Commission's Green Deal efforts to promote more sustainable production and consumption of food. For more information about the EU's promotion program please see GAIN Reports [EU 2021 Promotion Programs for Agricultural Products](#) and [Review of the EU Policy on the Promotion of Agricultural Products](#).

Brexit

The United Kingdom withdrew from the European Union as of February 1, 2020. The Agreement on the withdrawal of the UK from the EU entered into force on the same date. This Agreement provided for a transition period, which ended on December 31, 2020. During the transition period, EU law was applicable to and in the United Kingdom. On December 24, 2020, the EU and UK negotiators reached a Trade and Cooperation [Agreement](#) (TCA) that sets out the rules on the new partnership between the EU and UK which started to apply from January 1, 2021. More information is at: https://ec.europa.eu/info/relations-united-kingdom/new-normal/consequences-brexit_en.

From January 1, 2021, the provisions of the TCA immediately led to some border disruption, delays, and stuck shipments, especially on the UK side as EU ports and customs immediately enforced the new customs documents requirements according to EU guidelines, while the UK implemented a phased grace period through July 1, 2021, which was subsequently extended until July 1, 2022. Some of these problems reflect the speed with which traders had to familiarize themselves with the new arrangements, while others are more structural in nature and will mean long term change, such as the amount of paperwork required for groupage shipping or the availability of export health certification for certain products.

The European Commission published a notice to stakeholders on the withdrawal of the United Kingdom and EU food law, as well as for [import licenses](#) on the EU Tariff Rate Quotas (TRQ).

⁵ Approximately 214 million USD

TRADE SHOWS

Trade fairs play a key role in presenting new products to the trade or in finding additional buyers and importers. The most important trade shows related to the fruit and vegetable sectors are:

<p>FRUIT LOGISTICA</p> <p>Berlin, Germany (Interval: yearly)</p> <p>Target Market: Germany/EU/Central & Eastern Europe</p> <p>FRUIT LOGISTICA is the leading European trade show for fresh and dried fruit, nuts, and related products. More than 2,400 companies from across the entire fresh produce value chain will participate, including major global players, as well as small and medium-sized suppliers from around the world.</p> <p>https://www.fruitlogistica.de/en/</p>	<p>Next Fair:</p> <p>February 9-11, 2022</p>
<p>BIOFACH</p> <p>Nuremberg, Germany (Interval: yearly)</p> <p>Target Market: Germany/Europe</p> <p>The leading European trade show for organic food and non-food products.</p> <p>http://www.biofach.de/en</p>	<p>Next Fair:</p> <p>February 15-18, 2022</p>
<p>FRUIT ATTRACTION</p> <p>Madrid, Spain (Interval: yearly)</p> <p>Target Market: Spain/EU/International</p> <p>Fruit attraction is an international Trade Show for the Fruit and Vegetable Industry sector with more than 1600 exhibitor companies from around the world.</p> <p>http://www.fruitattraction.com</p>	<p>Next Fair:</p> <p>October 5-7, 2022</p>

Related Reports

Country	Title	Date
EU	EU Fresh Deciduous Fruit Annual	11/09/2021
Spain	Spanish Fresh Deciduous Fruit Committed to Sustainability and Smart Farming	10/01/2021
EU	EU Stone Fruit Annual	09/03/2021
Portugal	Portuguese Fruit Sector Aims to Increase Investments Efficiency and Exports	06/29/2021
EU	EU Citrus Semi-Annual	06/17/2021
EU	EU Citrus Annual	12/18/2020

These and other GAIN reports can be downloaded from the USDA/FAS GAIN database:

<https://gain.fas.usda.gov/#/search>

Attachments:

No Attachments