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Report Highlights:

Warm and dry summer conditions have driven the EU's MY 2022/23 citrus production down to 10.5 million metric tons (MT). The production decline has been especially steep in the case of orange production, which is anticipated to decline by nearly 13 percent. The reduced domestic availability is anticipated to be only partially offset by imports, as price-sensitive consumers in a period of increasing food inflation are expected to switch to cheaper alternatives.

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.

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Acknowledgements

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Abbreviations and References used in this report:

CAP	Common Agricultural Policy
CMO	Common Market Organization
EC	European Commission
EU	European Union
€	Euro
FAS	Foreign Agricultural Service
HA	Hectares
TDM	Trade Data Monitor
MY	Marketing Year (October/September for all citrus and products)
MS	EU Member State
MT	Metric ton (1,000 kg)
MMT	Million Metric Tons
OJ	Orange Juice
PS&D	Production, Supply, and Demand
ROW	Rest of the World
UK	United Kingdom
US	United States
$	U.S. Dollar

Harmonized System (HS) Codes:
Oranges : 080510
Orange Juice: 200911, 200912, 200919
Tangerines/Tangerines : 080520, 080521, 080522, 080529
Lemons/Limes : 080550
Grapefruits : 080540

Executive Summary

Table 1. EU Citrus Production, Supply, and Distribution

All Citrus, Fresh	2020/2021		2021/2022		2022/2023	
Market Year Begins	Oct 2020		Oct 2021		Oct 2022	
European Union	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (HECTARES)	516,231	517,542	516,102	519,858		525,426
Area Harvested (HECTARES)	474,955	474,703	470,003	471,824		481,111
Bearing Trees (1000 TREES)						
Non-Bearing Trees (1000 TREES)						
Total No. Of Trees (1000 TREES)						
Production (1000 MT)	11,549	11,620	10,936	11,615		10,543
Imports (1000 MT)	2,126	2,127	2,115	2,024		2,020
Total Supply (1000 MT)	13,675	13,747	13,051	13,639		12,563
Exports (1000 MT)	941	941	857	884		845
Fresh Dom. Consumption (1000 MT)	11,054	11,139	10,812	11,003		10,658
For Processing (1000 MT)	1,680	1,659	1,382	1,752		1,060
Total Distribution (1000 MT)	13,675	13,739	13,051	13,639		12,563
(HECTARES), (1000 TREES), (1000 MT)						

Not official USDA data.

Sources: Trade for MY 2020/21 and 2021/22: Trade Data Monitor, LLC (TDM). All other: FAS EU posts.

Production: In MY 2022/23, the EU production of citrus is projected to amount to 10.5 MT, nearly 13 percent down from the previous marketing year's levels.

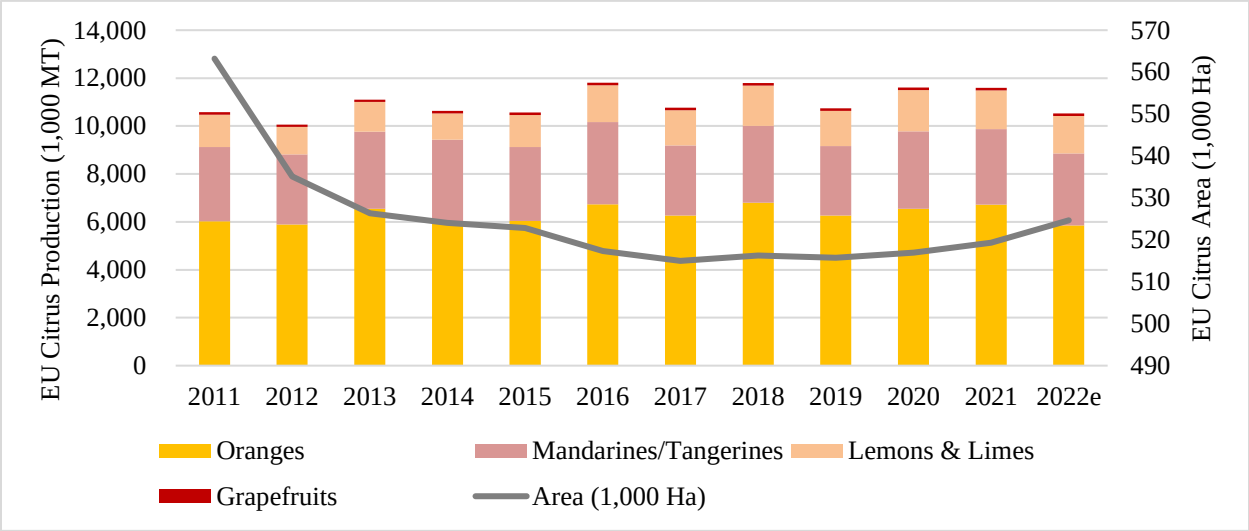
EU citrus production is concentrated in the Mediterranean region. Spain and Italy represent the leading EU citrus producers, followed by Greece, Portugal, and Cyprus. The production reduction is expected to materialize in Spain and Italy, which account for 60 and 25 percent, respectively, of the bloc's citrus production. Reductions in citrus output are also projected for Portugal. Conversely, in MY 2022/23, Greece constitutes an exception to the rule, as the country expects a recovery from the poor yields registered the past season. The steeper decline was registered in Spain, where a combination of spring rains that negatively affected flowering and fruit setting and an unusually warm summer significantly compromised citrus yielding potential, particularly in the case of oranges.

While COVID-19 did not impact production volumes, since 2020, the adaptation of workflow organization and additional investments to meet the pandemic-related new sanitary measures have resulted in increased production costs. These measures include minimal distancing rules, heightened standards for accommodation, transport, and new documentation requirements.

Likewise, Russia's invasion of Ukraine in February 2022 did not have a direct impact in citrus production volumes. However, the war triggered an increase in energy costs (fuel and electricity) and compromised fertilizer availability, which increased its prices as well. Higher agricultural input costs, especially for plant protection products and energy, along with an agricultural labor deficit, remain concerns for citrus producers across the EU. The fact that the sales value of citrus fruits did not increase along with the price hike in agricultural inputs led to profitability losses for citrus fruit producers and operators.

Area: According to FAS EU Post projections, area planted to citrus in the EU is anticipated to amount to just above 0.5 million Hectares, which translates into a slight increase, as more profitable tree plantations continue to replace arable crops in the Mediterranean producing countries. Grapefruit and lemons area are expected to experience the largest increase in MY 2022/23 driven by the new organic grapefruit and lemon plantings. EU orange plantings are also expected to grow moderately in MY 2022/23, whereas area planted to tangerines and mandarins in the EU is anticipated to remain stable. The bulk of the citrus area expansion is concentrated in Spain, whereas area planted to citrus in Italy and Greece remains more stable.

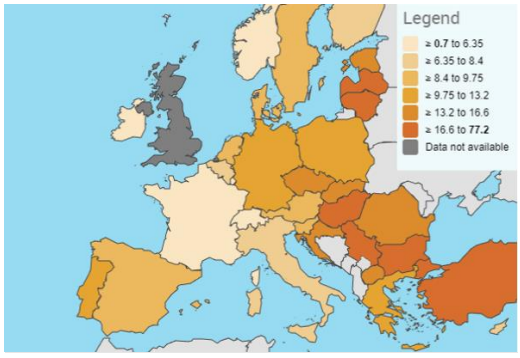
Chart 1. EU Citrus Production and Planted Area 2011-2022



Source: FAS EU posts.

Consumption: In the demand side, inflation is negatively affecting consumers' disposable income and may result in reduced fresh citrus consumption levels in the EU. As the food supply chain, from production to processing, transportation, storage, and retail is heavily dependent on energy, the increase in energy prices has triggered food prices inflation across the EU. Smaller amounts of citrus are anticipated to be devoted for processing, which will likely absorb most of the EU's reduced citrus-supply impact.

Map 1. EU Harmonized Index of Food and Beverages Consumer Prices (Percent)



Source: Eurostat. **12-Month Average Rate of Change in Food & Non-Alc. Bev. (October 2022)*

Trade: In MY 2022/23 EU imports of citrus are expected to be curbed, as EU citrus consumption returns to more average levels after peaking in MY 2020/21 and MY 2021/22, when health-conscious consumers sought natural sources of vitamin C during the pandemic. Orange imports are an exemption to the rule, as imports will be needed to counter the significant production decline and meet the EU's internal demand.

Moreover, given the early end of the south hemisphere citrus season in South Africa, Argentina, Uruguay, and Chile, EU citrus are well-positioned to dominate the EU market, especially during the first half of MY 2022/23. However, given the logistical challenges that Russia's invasion of Ukraine poses, exporters such as Morocco and Turkey are expected to switch gears and focus more on the EU market, increasing competition for EU citrus exporting countries. The EU is a net importer of all citrus fruits, with imports largely exceeding exports. Since citrus production is concentrated in the Mediterranean area, a large amount of citrus trade occurs within the EU from southern EU producing Member States to non-producing regions in the north.

EU fresh citrus exports in MY 2022/23 are expected to remain steady despite the EU's shorter crop. The weaker euro could bring European citrus opportunities in export markets, and the citrus processing outlet that is anticipated to absorb the bulk of the reduced citrus supply. Due to struggles with the prices of freight and the limited availability of containers, EU fresh citrus exporters are developing a preference to supply regional markets with shorter shipping routes.

Policy: On the regulatory side, according to Commission Implementing Regulation EU 2022/959, orange imports from countries affected by False Codling Moth (*Thaumatotibia leucotreta*) will be required to undergo a precooling and cold treatment in transit.

Oranges

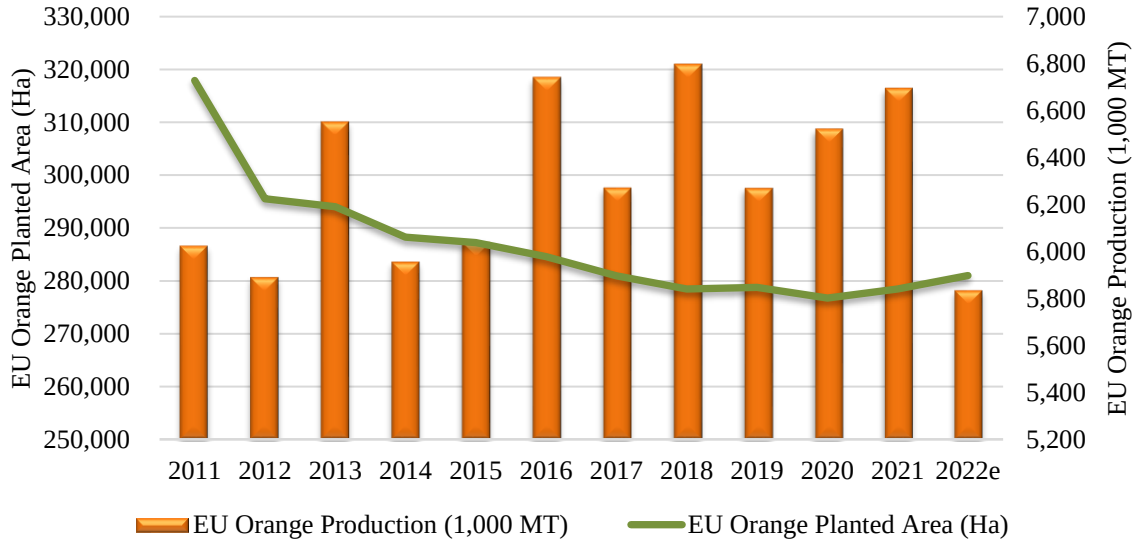
Table 2. EU Oranges Production, Supply, and Distribution

Oranges, Fresh	2020/2021		2021/2022		2022/2023	
Market Year Begins	Oct 2020		Oct 2021		Oct 2022	
European Union	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (HECTARES)	278,367	277,864	277,945	279,620		282,145
Area Harvested (HECTARES)	259,898	259,164	255,252	257,780		262,779
Bearing Trees (1000 TREES)						
Non-Bearing Trees (1000 TREES)						
Total No. Of Trees (1000 TREES)						
Production (1000 MT)	6,489	6,540	6,096	6,720		5,854
Imports (1000 MT)	858	858	840	740		835
Total Supply (1000 MT)	7,347	7,398	6,936	7,460		6,689
Exports (1000 MT)	410	410	380	403		390
Fresh Dom. Consumption (1000 MT)	5,941	5,992	5,753	5,947		5,640
For Processing (1000 MT)	996	996	803	1,110		659
Total Distribution (1000 MT)	7,347	7,398	6,936	7,460		6,689
(HECTARES), (1000 TREES), (1000 MT)						

Not official USDA data.

Sources: Trade for MY 2020/21 and 2021/22: Trade Data Monitor, LLC (TDM). All other: FAS EU posts.

Chart 2. EU Orange Production and Orange Planted Area 2011-2022



Source: FAS EU posts.

Production: For MY 2022/23, EU orange production is expected at 5.8 million MT, a 12 percent reduction compared to previous season output levels. The decline is mainly explained by the production declines registered in Spain and Italy, which produce over 50 and 25 percent of the EU oranges respectively.

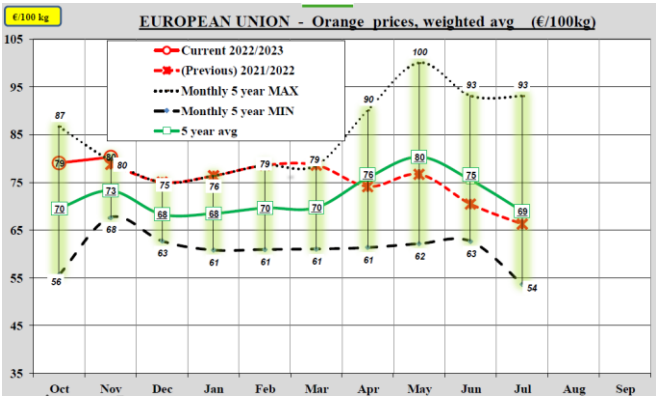
MY 2022/23 orange production in Spain is projected to decline by 20 percent. Orange production in Spain was the citrus crop most severely affected by the poor flowering and fruit setting conditions, as well as dry and unusually warm summer conditions.

In Italy, MY 2022/23 orange production is forecast to decrease slightly from the previous season due to the drought in Sicily that mostly affected blonde and late varieties. Conversely, Greece's MY 2022/23 orange production is expected to increase by approximately 4 percent compared to the previous year due to better yields. The *Valencia* harvest currently is delayed compared to the previous year due to high storage and energy costs.
Portugal's orange production is estimated between 20 and 30 percent below MY 2021/22. The lack of precipitation had a negative impact in orange production volumes and size, especially for the early season varieties, which is leading to lower producer prices.

Area: While farmers in Italy and Greece are shifting from orange production to more profitable permanent crops such as avocados or persimmons, area planted to orange groves in Spain continues to expand.

Prices: According to the EU Citrus Dashboard, MY 2022/23 started off with EU average orange prices that were higher than the last five-year average (see Chart 3) fueled by the lower domestic supply. This situation prices out fruit for processing.

Chart 3. EU Orange Prices (€/ 100 kg) MY 2021/22



Source: DG AGRI Dashboard: Citrus Fruit

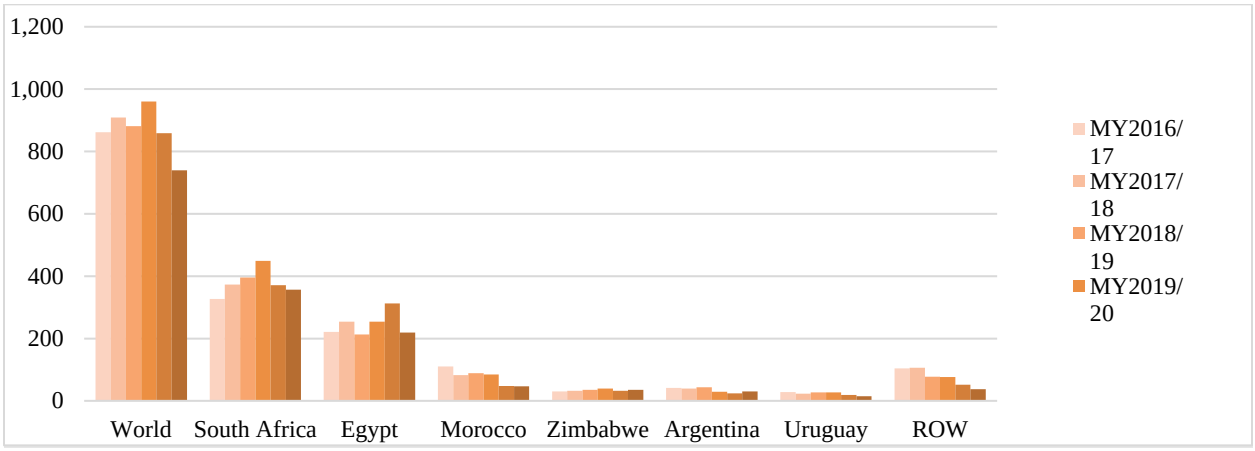
Consumption: In MY 2021/22, fresh orange consumption is expected to decline compared to the previous season, given the EU's shorter crop, the return to more average consumption levels with health-conscious consumers easing their vitamin C demand, and price sensitive consumers switching to cheaper foods. In the EU, approximately 80 percent of EU oranges are consumed fresh. The orange processing sector, which is also projected down in MY 2022/23, plays a key role by cushioning excess supply shocks in the market. For additional information see Orange Juice section below.

Trade: In MY 2022/23, EU imports of oranges are anticipated to decline below previous season levels, despite the significant reduction in EU orange production, in response to the slowdown in internal demand. Even though oranges represent the largest citrus fruit production in the EU,[1] it also has the largest citrus import shortfall. The EU imported on average 870 thousand MT of fresh oranges over the past five years. Main import origin include: South Africa, especially during the off-season, Egypt, Morocco, Zimbabwe, and Argentina, which since May 1, 2021, is again eligible to export fresh lemons and oranges to the EU, after the market was shut due the detection of Citrus Black Spot (CBS) in MY 2019/20.

The EU is the world's leader on fresh orange exports. Main destinations for EU oranges, primarily exported by Spain, the EU's lead producing Member State, include the United Kingdom, Switzerland, Canada, Norway, Serbia, and Middle East countries such as Saudi Arabia.

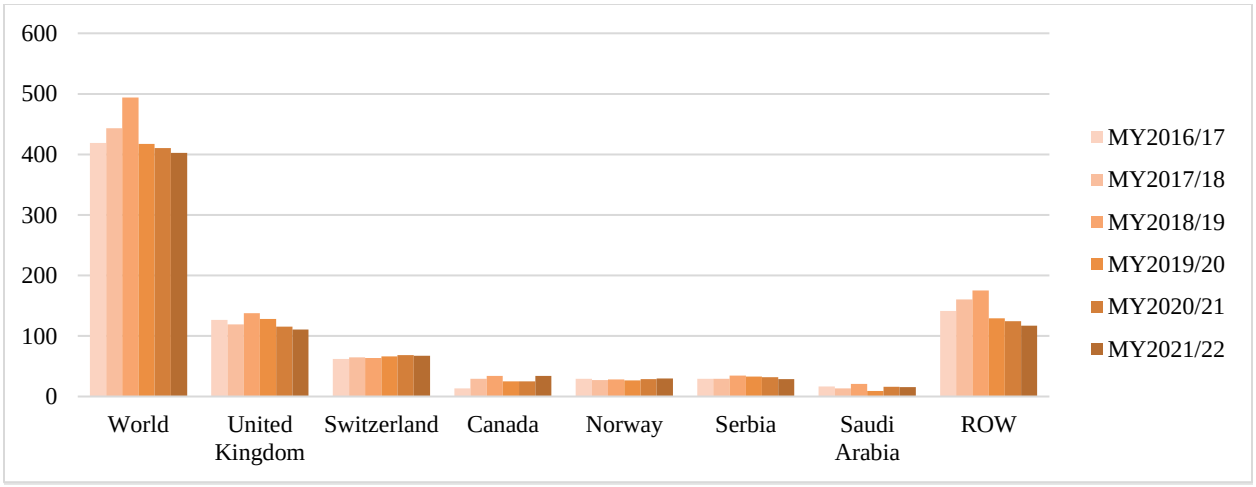
[1] Orange production is the largest citrus category within the EU, accounting for over 55 percent of total citrus production.

Chart 4. MY EU Imports of Oranges by Origin (Thousand MT)



Source: FAS Madrid based on Trade Data Monitor, LLC data.

Chart 5. MY EU Exports of Oranges by Destination (Thousand MT)



Source: FAS Madrid based on Trade Data Monitor, LLC data.

Policy: Since July 14, 2022, EU orange imports from countries affected by False Codling Moth (*Thaumatotibia leucotreta*) are required to undergo a precooling and cold treatment in transit.

For additional information, please consult the Policy section at the end of this report.

Orange Juice

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

Orange Juice	2020/2021		2021/2022		2022/2023	
Market Year Begins	Oct 2020		Oct 2021		Oct 2022	
European Union	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Deliv. To Processors (MT)	996,000	1,029,000	803,000	1,116,000		709,000
Beginning Stocks (MT)	15,000	15,000	15,000	15,000		15,000
Production (MT)	77,212	79,538	62,250	77,522		54,963
Imports (MT)	637,237	637,366	610,000	569,057		570,000
Total Supply (MT)	729,449	731,904	687,250	661,579		639,963
Exports (MT)	132,174	132,127	120,000	111,765		82,000
Domestic Consumption (MT)	582,275	584,777	552,250	534,814		542,963
Ending Stocks (MT)	15,000	15,000	15,000	15,000		15,000
Total Distribution (MT)	729,449	731,904	687,250	661,579		639,963
(MT)						

Not official USDA data.

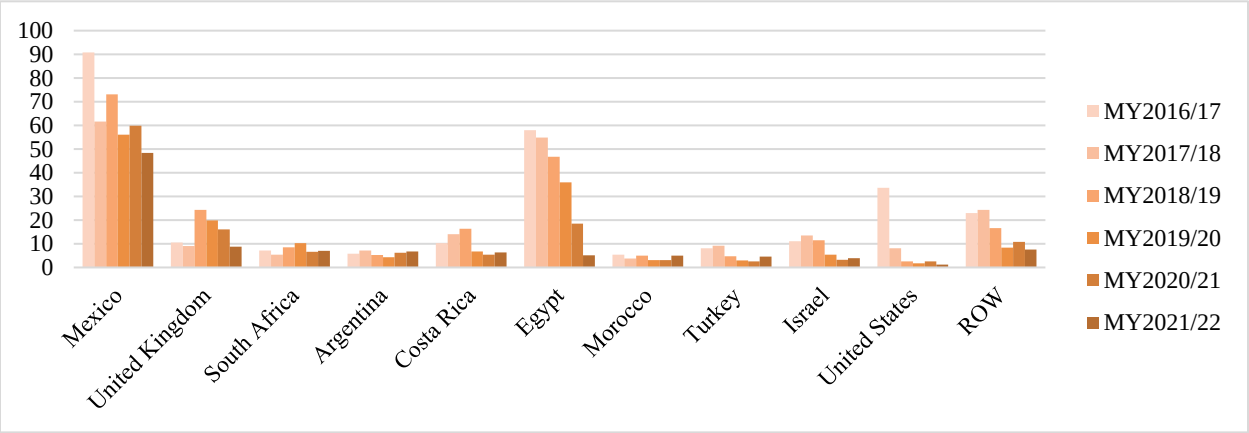
Sources: Trade for MY 2020/21 and 2021/22. Trade Data Monitor, LLC (TDM). All other: FAS EU posts.

Production: EU orange juice production in MY 2022/23 is forecast at 54,963 MT, down from the 77,522 MT estimated for MY 2021/22. The volume of oranges devoted for processing depends on overall orange production levels and the quality and size of the fruit obtained. The EU orange processing industry plays a key role in stabilizing the EU orange balance. Given the anticipated significant decline in the EU's orange production and the good prices that famers receive for fresh oranges, the processing sector is expected to see its feedstock reduced.

Consumption: In MY 2022/23, orange juice consumption is expected to drop marginally, given the tight EU orange juice supply, food inflation, and increased competition by alternative drinks and fruit juices.

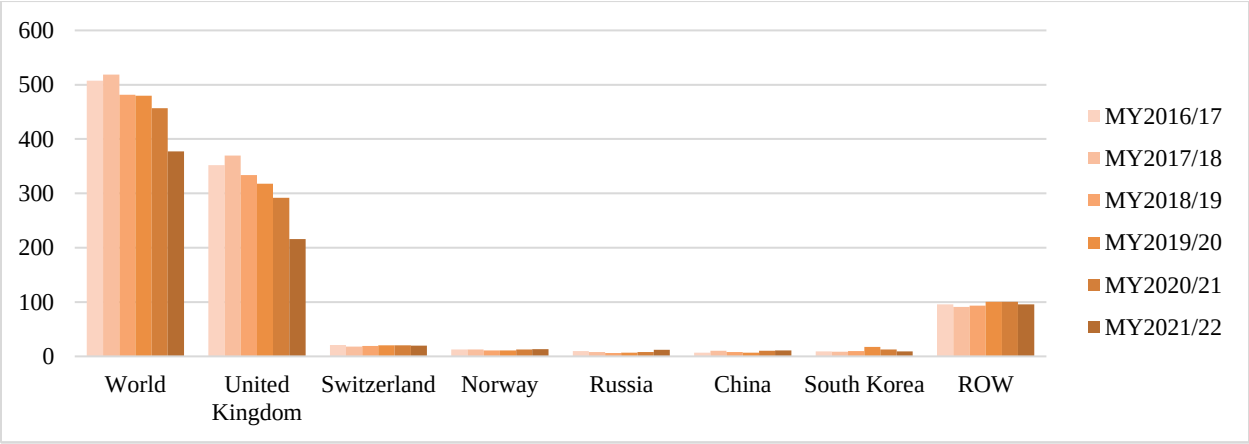
Trade: MY 2022/23 EU orange juice imports, normally dominated by Brazil, which accounts for 90 percent of the EU imports, are expected to partially offset the reduction in domestically produced orange juice, as internal demand is revised marginally down. Other suppliers to the EU include Mexico, the United Kingdom, South Africa, Argentina, and Egypt. Despite the elimination of the EU tariffs on U.S. orange juice in spring 2021, the United States has not managed to recover its pre-2018 export levels to the EU. The United Kingdom is by far the largest destination of EU orange juice. In MY 2022/23, EU orange juice exports are expected to drop slightly in line with the lower EU orange domestic production.

Chart 6. EU Imports of Orange Juice, excluding Brazil, by Origin (Million USD, Brix 65)



Source: FAS Madrid based on Trade Data Monitor, LLC data.

Chart 7. EU Exports of Orange Juice by Destination (Million USD, Brix 65)



Source: FAS Madrid based on Trade Data Monitor, LLC data.

For additional information, please consult the Policy section at the end of this report.

Tangerines/Mandarins

Table 4. Production, Supply, and Distribution

Tangerines/Mandarins, Fresh	2020/2021		2021/2022		2022/2023	
Market Year Begins	Oct 2020		Oct 2021		Oct 2022	
European Union	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (HECTARES)	152,006	152,102	151,576	149,975		150,758
Area Harvested (HECTARES)	140,972	140,575	140,768	136,652		138,576
Bearing Trees (1000 TREES)						
Non-Bearing Trees (1000 TREES)						
Total No. Of Trees (1000 TREES)						
Production (1000 MT)	3,235	3,243	3,162	3,155		3,013
Imports (1000 MT)	422	423	440	432		410
Total Supply (1000 MT)	3,657	3,666	3,602	3,587		3,423
Exports (1000 MT)	350	350	310	322		300
Fresh Dom. Consumption (1000 MT)	3,030	3,051	3,016	3,016		2,990
For Processing (1000 MT)	277	257	276	249		133
Total Distribution (1000 MT)	3,657	3,658	3,602	3,587		3,423
(HECTARES), (1000 TREES), (1000 MT)						

Not official USDA data.

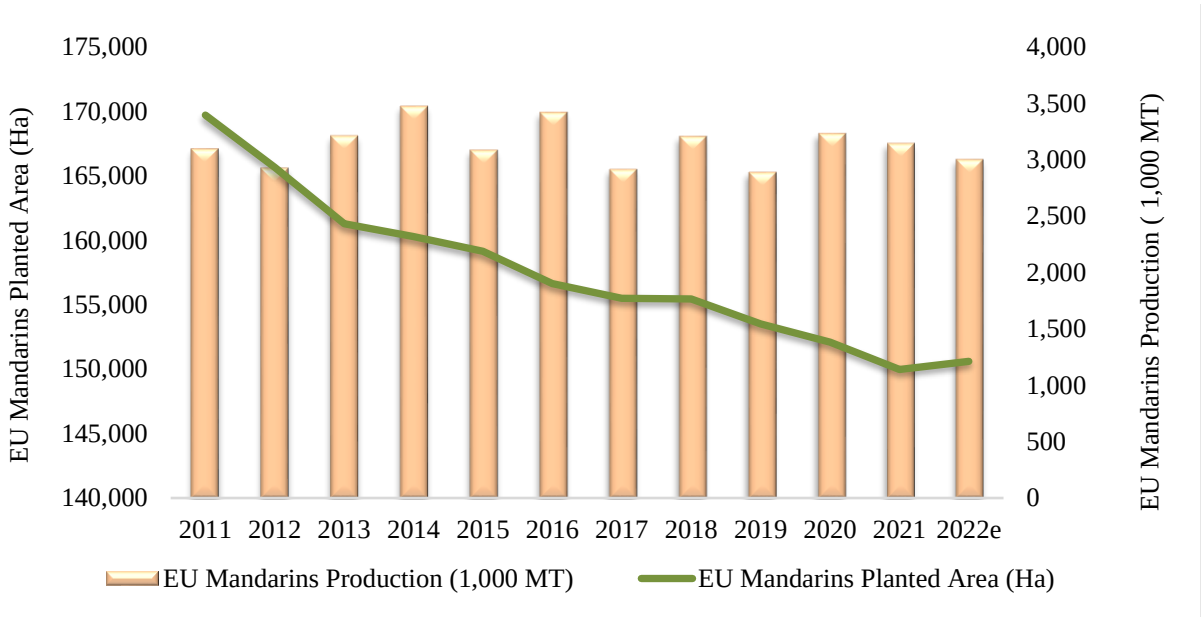
Sources: Trade for MY 2020/21 and 2021/22. Trade Data Monitor, LLC (TDM). All other: FAS EU posts.

EU tangerine and mandarin production in MY 2021/22 is forecast at 3 MMT, down from the 3.15 MMT registered in the previous season. The good output levels obtained in Italy and Greece did not offset production decreases in Spain. Interestingly, MY 2022/23 seem to have put an end to the long-term contraction in area planted to tangerines, primarily driven by the new plantations in Spain.

In Spain, the lack of rain and warm temperatures during summer reduced the country's tangerines and mandarins' production expectations by nearly 10 percent, compared to previous season levels. The late fall heavy rains registered may also have a detrimental effect in Spain, increasing production losses.

Italy's MY 2022/23 tangerine and mandarin production is forecast to remain at similar levels to MY 2021/22, when favorable weather conditions allowed a good tangerine and mandarin crop in Calabria. MY 2022/23 tangerine and mandarin production in Greece is expected to increase compared to the previous season, given the more favorable conditions in which fruit-setting took place.

Chart 8. EU Mandarins Production and Planted Area 2011-2022

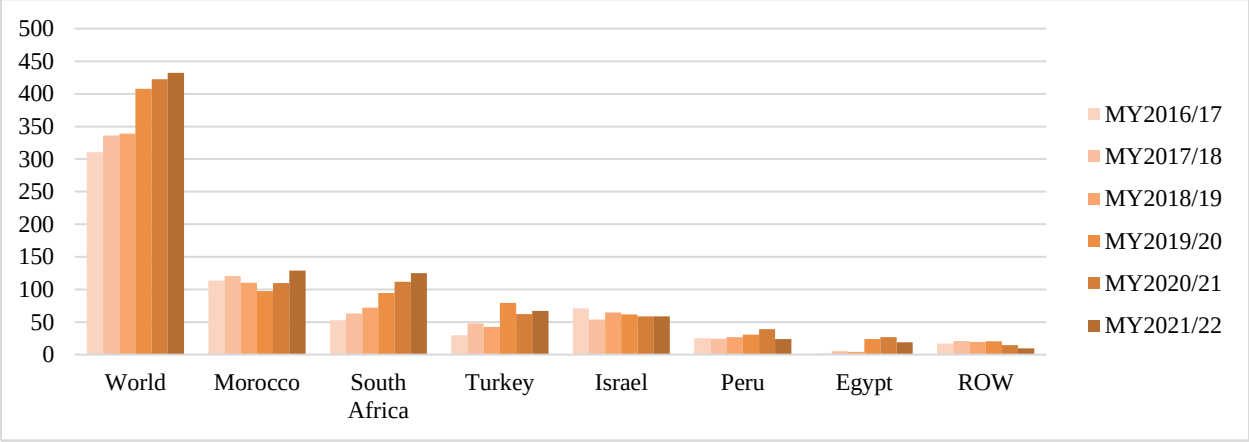


Source: FAS EU posts.

Consumption: EU's tangerine consumption in fresh and for processing purposes is expected to return to average levels in MY 2022/23, after peaking in MY 2020/21 and MY 2021/22, when health-conscious consumers sought natural sources of vitamin C in the aftermath of the COVID-19 outbreak. Also, food prices inflation is another factor behind the somewhat reduced consumption expectations in the EU.

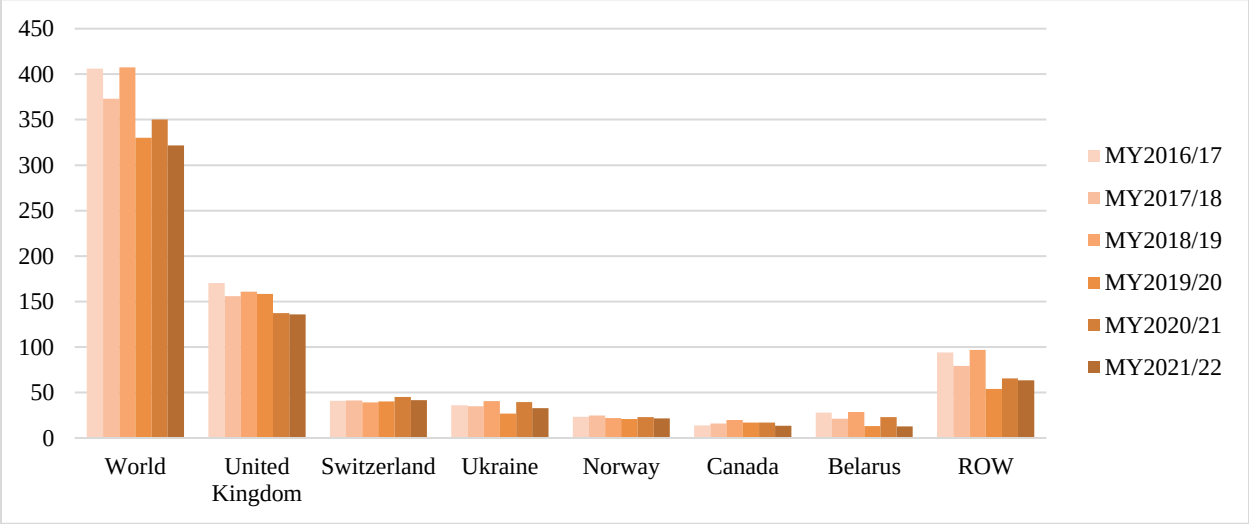
Trade: EU is a net importer of mandarins. In MY 2022/23, tangerine and mandarin imports by the EU are forecast below previous season levels, in line with the reduction anticipated in internal demand. The reduced domestic availability, driven by the shorter Spanish tangerine crop, is projected to limit EU mandarin export potential. MY 2021/22 trade date show the EU's tangerine self-sufficiency rate continues to erode with increased imports and reduction in exports. In MY 2021/22, South Africa, Morocco, Turkey, Israel, and Peru were the leading suppliers to the EU market. In MY 2021/22, the EU's main export market destinations for mandarins included the United Kingdom, Switzerland, Ukraine, Belarus, Norway, and Canada.

Chart 9. MY EU Imports of Mandarins by Origin (Thousand MT)



Source: FAS Madrid based on Trade Data Monitor, LLC data.

Chart 10. MY EU Exports of Mandarins by Destination (Thousand MT) Nov 16



Source: FAS Madrid based on Trade Data Monitor, LLC data.

For additional information, please consult the Policy section at the end of this report.

Lemons/Limes

Table 5. Production, Supply, and Distribution

Lemons/Limes, Fresh	2020/2021		2021/2022		2022/2023	
Market Year Begins	Oct 2020		Oct 2021		Oct 2022	
European Union	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (HECTARES)	82,210	83,978	82,753	86,464		88,631
Area Harvested (HECTARES)	71,239	71,844	71,139	74,201		76,496
Bearing Trees (1000 TREES)						
Non-Bearing Trees (1000 TREES)						
Total No. Of Trees (1000 TREES)						
Production (1000 MT)	1,720	1,731	1,571	1,629		1,567
Imports (1000 MT)	551	551	570	629		560
Total Supply (1000 MT)	2,271	2,282	2,141	2,258		2,127
Exports (1000 MT)	155	155	145	142		140
Fresh Dom. Consumption (1000 MT)	1,724	1,734	1,709	1,741		1,731
For Processing (1000 MT)	392	393	287	375		256
Total Distribution (1000 MT)	2,271	2,282	2,141	2,258		2,127
(HECTARES), (1000 TREES), (1000 MT)						

Not official USDA data.

Sources: Trade for MY 2020/21 and 2021/22. Trade Data Monitor, LLC (TDM). All other: FAS EU posts.

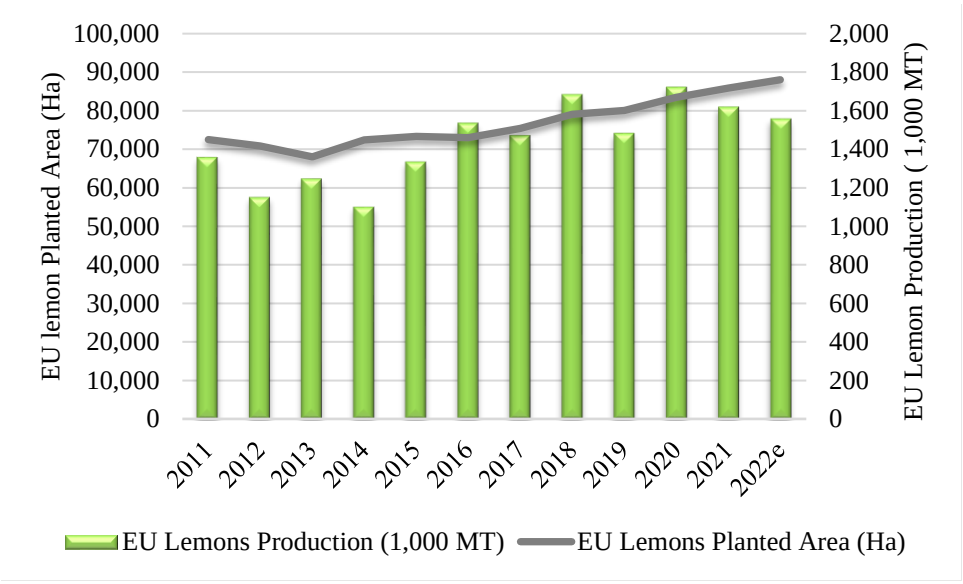
Production: In MY 2022/23, EU lemon production is forecast at just over 1.5 million MT, down from the 1.6 million MT registered in MY 2021/22, driven by the production decline projected for Spain, despite the improved output in Italy and Greece. Nevertheless, the final size of the EU's lemon crop will be determined by harvest conditions and fruit-size development.

Spain and Italy are respectively the first and second largest EU lemon producers accounting for nearly 65 and 30 percent of the EU's total lemon production. Despite the increase in area planted to lemons in Spain, spring rains negatively affected flowering and fruit setting, which combined with the extremely warm and dry summer pushed production down by 10 percent. According to industry sources, lemons, increasingly cultivated under organic practices, developed behind schedule and smaller fruit sizes are anticipated this season. The production decline is expected to be more adverse for *verna* varieties, where the decline could amount to over 20 percent, than for *Primofiori* lemons, where only a 5 percent reduction is anticipated. *Primofiori* and *verna* production varieties represent respectively about 70 and 30 percent of Spain's lemon production.

In MY 2022/23, Italy is expecting a 7.2 percent recovery on lemon production levels, following the flood-affected lemon crop in MY 2021/22. Likewise, Greece's MY 2022/23 lemon production is expected to increase by 2 percent, despite the negative impact of the snowstorm '*Elpida'* in January 2022 in areas of Peloponnese and Attica.

In MY 2021/22 EU lemon production has been revised up, given the combination of a larger than anticipated *verna* lemon crop and increased fruit size in Spain.

Chart 11. EU Lemon Production and Planted Area 2011-2022



Source: FAS EU posts.

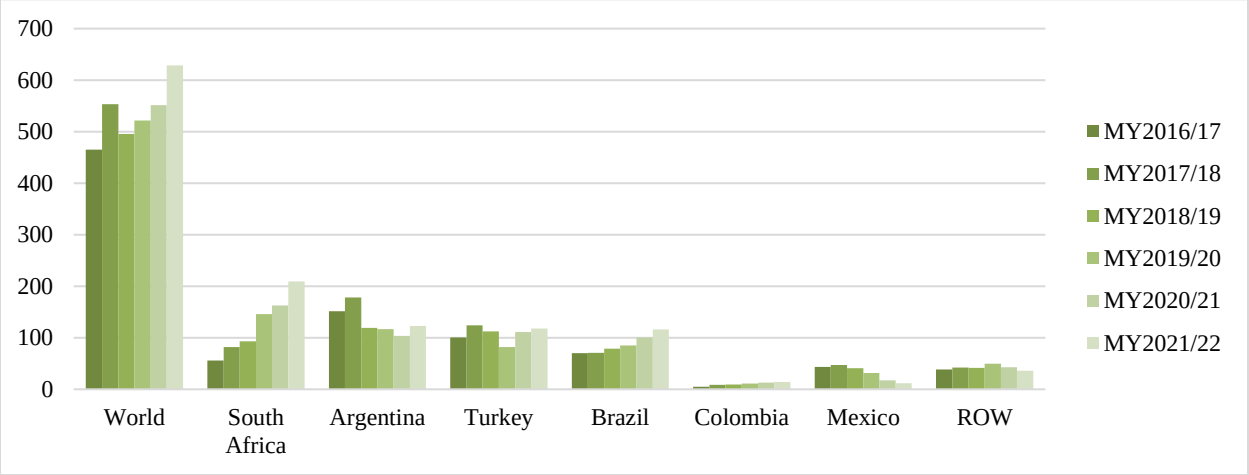
Consumption: EU's lemon production is primarily intended for the fresh market. In MY 2022/23, the reduced domestic production and the ongoing consumer prices increase are expected to reduce EU fresh lemon consumption only marginally. It is the processing sector that is anticipated to absorb most of the reduction of domestic lemons supply in the EU.

Trade: MY 2022/23 EU imports of lemons are expected to curb given the reduction anticipated in internal demand. Moreover, given the early end of the south hemisphere citrus season (South Africa and Argentina) and the shorter supply of Turkish early varieties, EU lemons are expected to dominate the EU market, in particularly during the first half of MY 2022/23, despite the shorter domestic crop.

In MY 2021/22, EU imports of lemons grew significantly to make up for the shorter EU crop and meet the buoyant demand. South Africa, Turkey, Argentina, and Brazil were the leading suppliers to the EU market. In MY 2021/22, lemons from South Africa continued to exceed lemon imports from Argentina, despite the fact that in May 2021, the EU reopened its market to Argentine fresh lemons and oranges after its CBS detection related closure in MY 2019/20.

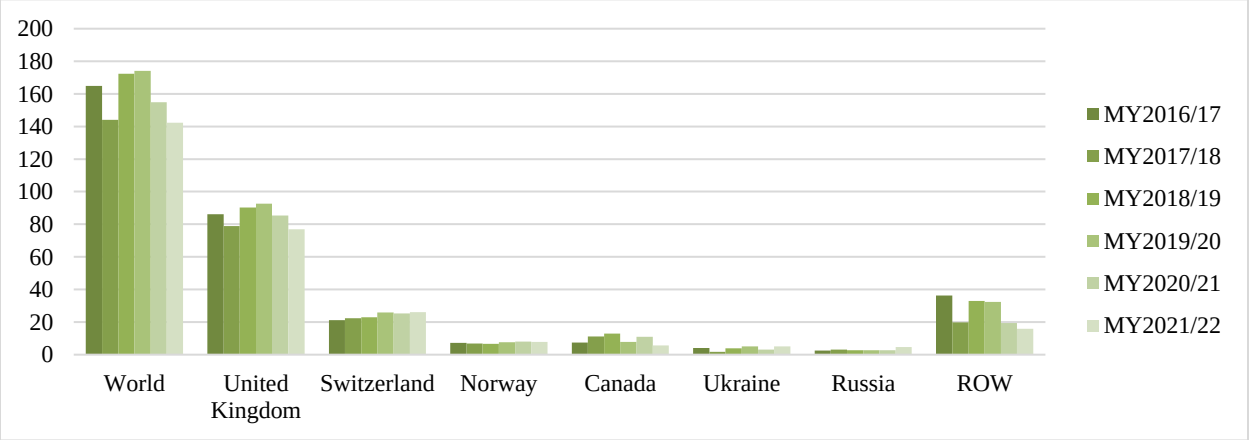
MY 2022/23 EU lemon exports are projected only slightly below previous season levels. In MY 2021/22 the United Kingdom, Switzerland, and Norway remained the main destination for EU lemons, which are shipped primarily from Spain.

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



Source: FAS Madrid based on Trade Data Monitor, LLC data.

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



Source: FAS Madrid based on Trade Data Monitor, LLC data.

For additional information, please consult the Policy section at the end of this report.

Grapefruit

Table 6. Production, Supply, and Distribution

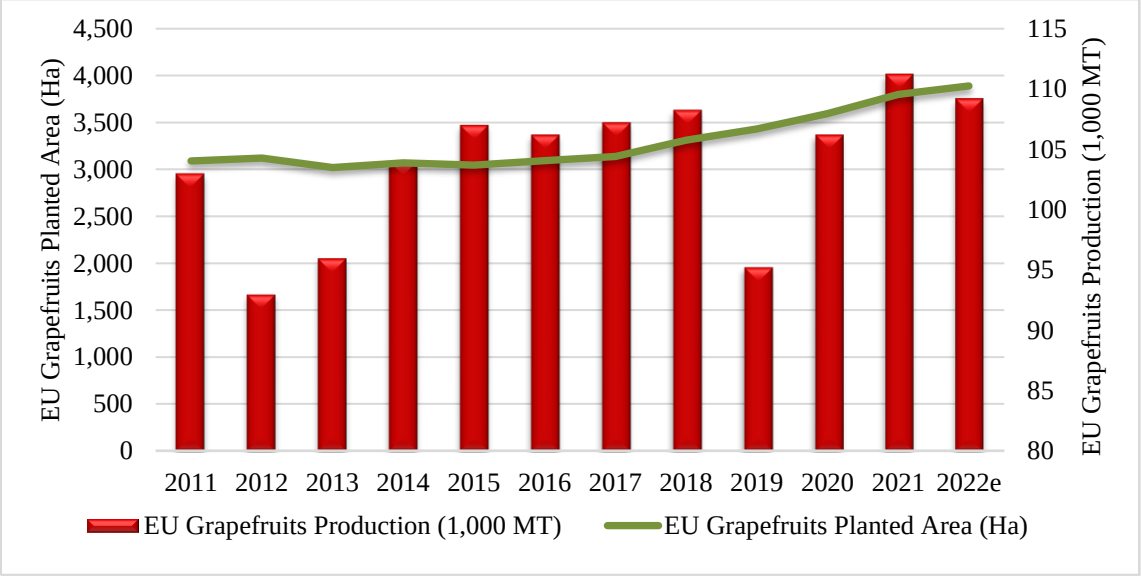
Grapefruit, Fresh	2020/2021		2021/2022		2022/2023	
Market Year Begins	Oct 2020		Oct 2021		Oct 2022	
European Union	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (HECTARES)	3,648	3,598	3,828	3,799		3,892
Area Harvested (HECTARES)	2,846	3,120	2,844	3,191		3,260
Bearing Trees (1000 TREES)						
Non-Bearing Trees (1000 TREES)						
Total No. Of Trees (1000 TREES)						
Production (1000 MT)	105	106	107	111		109
Imports (1000 MT)	295	295	265	223		215
Total Supply (1000 MT)	400	401	372	334		324
Exports (1000 MT)	26	26	22	17		15
Fresh Dom. Consumption (1000 MT)	359	362	334	299		297
For Processing (1000 MT)	15	13	16	18		12
Total Distribution (1000 MT)	400	401	372	334		324
(HECTARES), (1000 TREES), (1000 MT)						

Not official USDA data.

Sources: Trade for MY 2020/21 and 2021/22: Trade Data Monitor, LLC (TDM). All other: FAS EU posts.

Production: MY 2022/23 EU grapefruit production is forecast to decline and amount to 109 thousand MT, largely due to the drought-driven 10 percent production decline reported in Spain, after hitting two consecutive record crops in the previous seasons. Spain is the EU's grapefruit leading producer and accounts for nearly 75 percent of the bloc's production. The improved output expected in Greece is not sufficient to counter the impact of the spring rains hampering grapefruit trees' flowering and fruit setting and the extremely warm summer in Spain.

Chart 14. EU Grapefruit Production and Planted Area 2011-2022



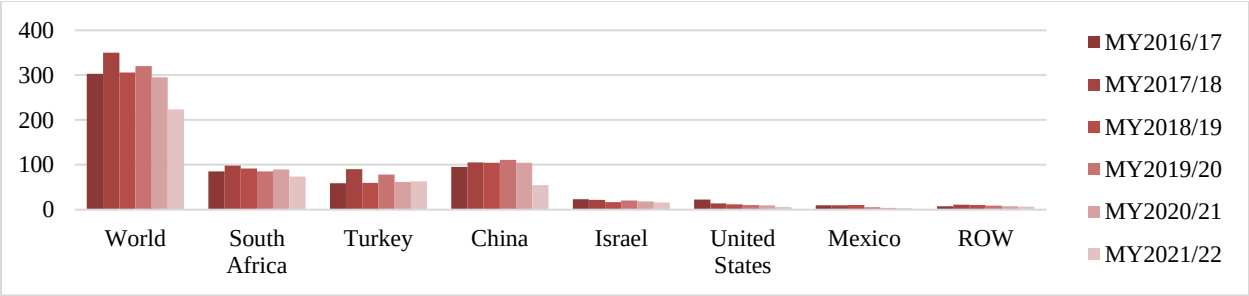
Source: FAS EU posts.

Consumption: In MY 2022/23, EU grapefruit consumption is expected to remain relatively stable as food inflation in Germany and France, the EU's largest grapefruit consuming Member States, is milder than in other EU Member States. Grapefruits in the EU are mainly consumed fresh. Spain and Cyprus, the EU's larger producers of grapefruits, are also the main grapefruit processors in the EU.

Trade: In MY 2022/23, EU imports of grapefruit are expected to decline despite the shorter domestic crop as demand is expected to curb in response to increasing prices. The EU is a net importer of fresh grapefruits, with imports largely exceeding exports. In MY 2021/22, imports of grapefruit declined by 25 percent driven by the steady decline of South Africa's exports to the EU. Despite the suspension of additional EU tariffs since spring 2021, U.S. grapefruit exports to the EU further contracted in MY 2021/22 as Florida's grapefruit production continues shrinking. In MY 2021/22, the largest suppliers to the EU included South Africa, especially in the off-season, followed by Turkey, China, Israel, United States and Mexico.

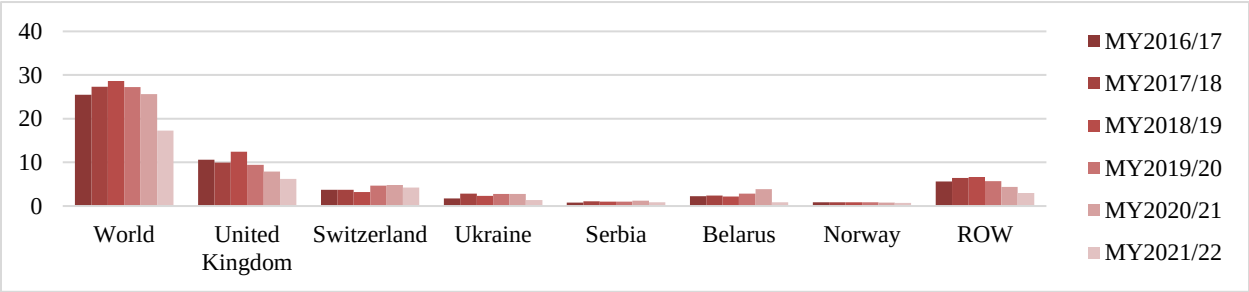
EU grapefruit exports are very small and expected to decline marginally in MY 2022/23, given the tight domestic supply and the logistics constraints they face when exporting to markets such as Ukraine, Belarus, or Russia. Although EU grapefruit exports are very small, they constitute the main destination for Spain's grapefruit production. In MY 2021/22, main destinations of EU grapefruits included the United Kingdom, Switzerland, Belarus, and Ukraine. However, grapefruits exports to Ukraine in MY 2021/22 were nearly halved.

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



Source: FAS Madrid based on Trade Data Monitor, LLC data.

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



Source: FAS Madrid based on Trade Data Monitor, LLC data.

For additional information, please consult the Policy section at the end of this report.

Policy

In 2020 and 2021, EU policymakers were faced with many challenges: the COVID-19 crisis, the Common Agricultural Policy (CAP) reform, the implementation of the Farm to Fork (F2F), and the first full year without the United Kingdom in the EU. Resiliency of the food system has been front and center in policy debates in Brussels for the past two years and these concerns were raised to a higher level following the Russian invasion of Ukraine in February 2022.

EU Policy Response to the War in Ukraine

On March 23, 2022, the European Commission published a Communication on 'Safeguarding food security and reinforcing the resilience of food systems.' This Communication outlines short-term and medium-term actions that the EU will take to enhance global food security and support EU farmers given rising commodity prices and costs for energy and fertilizer inputs due to the war in Ukraine. A total of €500 million is being distributed in national allocations to directly support EU farmers most affected by higher input costs and the closure of export markets. Member States can supplement this support up to 200 percent using national funds. Despite the measures in place, the European fresh produce sector remains concerned about market stability since the focus is on crops and fertilizer availability.

EU Fertilizer Plan

On November 9, 2022, the European Commission published a Communication on the availability and affordability of fertilizers in the EU. The aim of this long-awaited document is to propose solutions to address the significant price increases EU farmers are facing, which grew by 149 percent from September 2021 to September 2022 for nitrogen fertilizers. The Communication proposes using emergency funds from the CAP 2023 agricultural reserve to stabilize agricultural markets and to create a market observatory system for fertilizer prices.

The European Green Deal

On December 11, 2019, the Commission presented its Communication on the European Green Deal. The flagship proposal is a draft European Climate Law that will make the EU's 2050 climate neutrality objective binding across the Union. The Green Deal includes a "Farm to Fork Strategy" and a "Biodiversity Strategy" that aim to support the Green Deal's objectives by fundamentally changing the way agriculture operates and how food is produced for, and provided to, EU consumers. Both strategies were published on May 20, 2020. Key aspects of the two Strategies include: reducing pesticide use, supports to domestic production of plant protein for animal feed, increasing organic production and increasing soil and nature conservation by setting aside a minimum of 10 percent of the existing agricultural area into higher biodiversity landscape features.

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. The full F2F Strategy is available here. The Commission identified these actions to further the Green Deal goals, reduce greenhouse gas emissions and pursue economic growth decoupled from resource use. The F2F Strategy seeks to position the EU's food systems on a more sustainable path. 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 set a goal that 25 percent of agricultural lands should be used for organic farming, up from the current 8 percent. For additional information on Green Deal pesticide use reduction proposals, including improved collection of pesticide use statistics and proposed revision of existing pesticide legislation, see GAIN report: Pesticides Initiatives in the EU Farm to Fork Strategy.

Biodiversity Strategy

The EU 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. The Biodiversity 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.

Common Agricultural Policy Reform

The CAP supports agriculture and rural development throughout the EU with a significant portion of the total EU budget (39 percent). A political agreement was finalized on the CAP 2023-2027 after the "trialogue" negotiations concluded between the European Council, the European Commission, and the European Parliament over the summer 2021. The European Parliament granted final approval on November 23, 2021, and the Council provided final approval on December 2, 2021. The CAP legislative framework is delineated by the Common Market Organization-, the Strategic Plan- and the Horizontal regulations. By these decisions, the future CAP starts on January 1, 2023. Major changes from the previous CAP include a new "delivery model" that de-centralizes funding and a new requirement that EU Member States develop National Strategic Plans (NSPs) in line with Commission priorities, such as the EU Green Deal.

Next Generation EU

Since 2020 an additional €8 billion under the Next Generation EU Recovery Instrument (Next Generation) has been assigned to the European agricultural fund for rural development (EAFRD). The Next Generation EU is a €806.9 billion temporary recovery instrument which aims to help repair the immediate economic and social damage brought about by the coronavirus pandemic.

Certification of Fruit and Vegetables

Fruit and vegetables exported to the EU require a phytosanitary certificate. A USDA/Animal Plant Health Inspection Service inspector issues these certificates. 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 Commission Implementing Regulation (EU) 2019/2072. There is more information available on the DG SANTE website: 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 for certain products when justified, as per Commission Regulation (EC) No 1756/2004 of October 11, 2004. There is more information available on the DG SANTE website: Reduced frequency checks. Note: The Commission has updated the Notification of reduced plant health checks for 68 products for 2022.

Marketing Standards

Fresh fruit and vegetable imports into the EU also must comply with the EU-harmonized marketing standards. These standards apply at all marketing stage 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.

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 approved the non-renewal of the active substance *phosmet* which will likely have an impact for future U.S. exports of citrus to the EU once the MRLs are reviewed. 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	Expiration date	Last day of application for renewal of the active substance
Flucapyroxad	05/31/2025	05/31/2022
Bixafen	05/31/2025	05/31/2022
Pyriofenone	01/31/2025	01/31/2025
Disodium phosphonate	01/31/2026	01/31/2023
Penflufen	05/31/2025	05/31/2022
Sedaxane	05/31/2025	05/31/2022
Benalaxyl-	04/30/2025	04/30/2022
Pyroxsulam	04/30/2025	04/30/2022
Penthiopyrad	05/31/2025	05/31/2022
1,4-Dimethylnaphthalene	06/30/2025	06/30/2022
Pyridalyl	06/30/2025	06/30/2022

Glyphosate

The active substance glyphosate is approved for use at the EU level and was set to expire on December 15, 2022. On December 2, 2022, the Commission extended the approval period for glyphosate by one year to December 15, 2023. The EU's executive adopted Implementing Regulation (EU) 2022/2364, which was published in the Official Journal on December 5 and entered into force seven days after its publication. The decision is a result of the updated timelines announced in May 2022 by the European Food Safety Authority (EFSA) and the European Chemicals Agency (ECHA) for the re-evaluation process of glyphosate as both agencies declared they needed more time. Although the substance is approved at the EU level, some Member States are banning its sale or restricting its use in plant protection products at the national level. Since the EU MRLs for glyphosate remain in place in these Member States, there may be some 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 Uruguay Round. It is a complex tariff system, which 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. The tariff and statistical nomenclature and the Common Custom tariff levels for 2022 are published in Commission Implementing Regulation (EU) 2021/1832. The tariffs for citrus fruit can be found on Part II, Section II, Chapter 8, page 10 for oranges, tangerines, lemons, grapefruit, and other citrus fruit, while the tariff for orange juice can be found on page 173 and 174 depending on frozen or not frozen.

- **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% ad valorem
Minneolas	0805 29 00 21 0805 29 00 29	14,931,000	Feb 1 – April 30	All origins	2% ad valorem
Frozen concentrated Orange Juice	2009 11 99 11 2009 11 99 19	1,500,000	Jan 1 – Dec 31	All origins	13% ad valorem

Additional EU Duties Targeting U.S. Citrus

EU retaliation on U.S. Section 232 Safeguard Measures on EU Steel and Aluminum Temporary Suspension: On June 22, 2018, the EU imposed additional tariffs of 25 percent on orange juice products in retaliation to U. S. safeguard measures on EU steel and aluminum as published in Commission Implementing Regulation (EU) 2018/886. On October 30, 2021, the United States and European Union agreed to end the dispute over U.S. steel and aluminum tariffs. On November 26, 2021, under Commission Implementing Regulation (EU) 2021/2083, the EU suspended tariffs affecting U.S. agricultural products from January 1, 2022, until December 31, 2023.

U.S.-EU WTO Cases on Aircraft Subsidies and Suspension: On November 9, 2020, the European Union announced retaliatory tariffs against U.S. exports following the World Trade Organization's (WTO) ruling that authorized the EU to take such countermeasures due to U.S. subsidies to aircraft maker Boeing. The European Commission published Implementing Regulation (EU) 2020/1646 that outlined the list of products subjected to a 25 percent additional tariff. The Regulation entered into force on November 10, 2020. Fresh Grapefruit was listed in the Regulation and hence subject to the additional tariff.

On June 15, 2021, the European Union and the United States reached an understanding in the large civil aircraft dispute. On July 9, 2021, the European Commission adopted Implementing Regulation 2021/1123 suspending the application of tariffs until July 11, 2026. The two sides also agreed to seek to overcome long-standing differences in order 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 (MERCOSUR) countries of Argentina, Brazil, Paraguay, and Uruguay. The EU Parliament and Commission still must ratify the agreement, but it will eliminate 93 percent of tariffs for MERCOSUR exports to the EU, while offering preferential treatment for the remaining 7 percent. To protect European farmers, 357 Geographical Indicators (GI) will be protected against counterfeit products. 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 Agreements 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/

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.

EU's Decision on Citrus Canker

The new provisions for citrus fruit exported from areas where *Xanthomonas citri* (Citrus canker) exists, 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.

EU's new restrictions on False Codling Moth

The European Union has approved new provisions for citrus exported from areas, such as Sub-Saharan African countries, affected by *Thaumatotibia leucotreta* (False Codling Moth). The Commission Implementing Regulation (EU) 2022/959 of June 16, 2022 amends Annex VII to Commission Implementing Regulation (EU) 2019/2072 as regards to new phytosanitary requirements. The new measure will require a cold treatment to the exports of citrus from the third countries affected by the disease.

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 million per school year of which up to €150 million for fruit and vegetables and up to €100 million 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 2022/2023 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 2022, the European Commission allocated a total of €182.9 million 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 support more directly 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 2022 Promotion Programs for Agricultural Products and Review of the EU Policy on the Promotion of Agricultural Products.

Annex I. Main Citrus Producing Areas by Member State

Member State	Spain	Italy	Greece
Oranges	Comunidad Valenciana and Andalucía	Sicily and Calabria (combined account for approximately 95 percent of total production)	Peloponnese and Etoloakarnania
Tangerines/ Mandarins	Comunidad Valenciana, Cataluña and Andalucía	Calabria, Sicily and Puglia	Prefectures of Igoumenitsa, Arta, Mesologgi, and Thesprotia, and prefecture of Laconia in Peloponnese.
Lemons and Limes	Murcia	Sicily	Prefectures of Achaia, Korinthos, and Laconia, in the Peloponnese and the island of Crete.
Grapefruits	Murcia	Sicily (86 percent of the country's production)	Island of Crete and Greek prefectures of Corinth and Kavala, together with the region of Thessaly

Source: FAS EU posts.

Annex II. Main Citrus Varieties by Member State

Member State	Spain	Italy	Greece
Oranges	*Navelate, Navelina, Valencia late, Salustiana* and *Navel.*	Blood varieties grown in Italy include *Tarocco*, *Moro* and *Sanguinello*. *Naveline* and late varieties such as *Valencia* and *Ovale*, are the leading blond-orange varieties. *Ippolito* and *Meli* cultivars are gaining popularity.	*Washington Navel*, *Commons*, *Skaggs Bonanza*, *Navelina*, *New Hall*, *Lanelate*, and *Valencia*.
Tangerines/Mandarins	*Clementine* is the major tangerine group, new plantings include *Clemenrubi*, *Nova*, *Leanri* and *Oronules.*	*Comune* or *Oroval* and *Monreal* are the leading clementine varieties grown, whereas *Avana* and *Tardivo di Ciaculli* are the main mandarin cultivars.	*Clementine* is the major tangerine group, new plantings include *Nova*, *Page* and *Ortanique* varieties.
Lemons and Limes	Verna and Mesero (or Primofiori)	*Femminello Siracusano*, *Lunario*, *Interdonato*, *Limone di Sorrento*, and *Limone di Procida.*	The major variety grown in Greece is *Maglini*, along with the early varieties *Interdonato* and *Eureka*.
Grapefruits	*Star Ruby* and *Ruby Red*	*Star Ruby* and *Ruby Red*	*Marsh Seedless* and *Star Ruby*.

Source: FAS EU posts.

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:

FRUIT LOGISTICA Berlin, Germany (Interval: yearly) Target Market: Germany/EU/Central & Eastern Europe 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. https://www.fruitlogistica.com/en/	Next Fair: February 8-10, 2023
BIOFACH Nuremberg, Germany (Interval: yearly) Target Market: Germany/Europe The leading European trade show for organic food and non-food products. http://www.biofach.de/en	Next Fair: February 14-17, 2023
FRUIT ATTRACTION Madrid, Spain (Interval: yearly) Target Market: Spain/EU/International Fruit attraction is an international Trade Show for the Fruit and Vegetable Industry sector with more than 1600 exhibitor companies from around the world. https://www.ifema.es/en/fruit-attraction	Next Fair: October 3-5, 2023

Related Reports

Country	Title	Date
EU	EU Citrus Semi-Annual	17/06/2022
EU	EU Citrus Annual	12/23/2021
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