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Report Name: Citrus Annual

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Post: San Jose

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Report Highlights:

FAS/San José expects orange production to increase approximately 11 percent in marketing year (MY) 2024/25 to 250,000 metric tons. Production in MY 2023/24 was lower than previously expected at 225,000 metric tons as a result of erratic rainfall patterns associated with the El Niño weather phenomenon. According to government sources, citrus greening is affecting most production areas of the country and has caused many small producers to abandon orange production or shift their land to other activities.

ORANGES

Area Planted

FAS/San José expects area planted to remain unchanged in marketing year (MY) 2024/25, as the effects of citrus greening persist and major growers concentrate on improving current area through continued replanting and irrigation investments. Industry sources estimate area planted in MY 2024/25 at 21,000 hectares (ha), including area planted on the Nicaraguan side of the border for processing in Costa Rica. Industry sources estimate the total number of orange trees at 7.4 million.

Table 1. Costa Rican Orange Production

	2022/23	2023/24	2024/25*
Area (ha)	21,000	21,000	21,000
Production (MT)	295,000	225,000	250,000
Yield (MT/ha)	14.0	10.7	11.9

Source: Costa Rican Ministry of Agriculture and Livestock

*FAS estimate based on industry information

Commercial orange production is concentrated in the northern part of Alajuela province (around Los Chiles, Guatuso, and Upala) and in the northern part of Guanacaste province (near the border with Nicaragua in an area known as Santa Cecilia).

Two companies, TicoFrut and Del Oro, control most of the production and practically all processing of oranges in the country. TicoFrut is the largest company in the sector. TicoFrut's plantations are located in the province of Alajuela (near the border with Nicaragua) as well as across the border in Nicaragua. Oranges from the Nicaraguan plantations are trucked across the border in Los Chiles for processing at TicoFrut's plant located in Muelle, San Carlos, about 50 miles to the south of the border. Del Oro's plantations are in Santa Cecilia, Guanacaste (also near the border with Nicaragua). Smaller, independent growers in other regions of the country – including Acosta (near the Central Valley) and Nandayure in Guanacaste – mostly sell to the local fresh market.

Oranges are harvested mainly from January to May, with peak volume of production in March and April.

Figure 1. Map of Costa Rican Growing Areas (circled in blue)



Source: Industry Contacts.

There are some medium and small-sized independent producers in the vicinity of the TicoFruit and Del Oro processing plants. Smaller independent producers predominantly sell into the domestic fresh fruit market, diverting oranges to the processing market in response to short-term price fluctuations. Smaller producers have been exiting orange production altogether as citrus greening disease spreads throughout the country, resulting in higher costs of production, lower yields, and lower (or negative) profits.

Production

FAS/San José forecasts total production to increase 11 percent in MY 2024/25 to 250,000 metric tons (MT) as a result of better weather conditions during 2024 in the main production areas. According to industry sources, abnormal weather patterns have affected production during the last two marketing years. However, the effect of unfavorable weather conditions associated with an El Niño weather system

resulted in much lower rainfall during 2023 in the northern production regions bordering with Nicaragua. In addition to less rainfall, the timing of the rains was not consistent enough to sustain the proper development of the fruits. This was the main cause of lower-than-expected production in MY 2023/24, which resulted in one of the lowest production levels in the last few years. Weather patterns were normal in the first part of 2024, although excessive amounts of rain in November caused widespread flooding in the Pacific side of the country.

Industry sources anticipate greater difficulty securing sufficient labor as well as higher wages for scarce pickers in MY 2024/25 and possibly in subsequent crops. Labor availability was less of a factor in MY 2023/24 because of the smaller-than-expected crop. Producers expect more stable costs of production in MY 2024/25, as the cost of fuel and fertilizer throughout 2024 remained similar or lower than in the previous year. However, the high cost of agrochemicals and the limited availability of molecules to fight citrus greening continue to challenge growers.

Citrus greening disease was first identified in Costa Rica in 2011 and remains a major concern for producers. Citrus greening is now endemic throughout the country's growing areas, increasing costs, decreasing yields, adding uncertainty to future production plans, and limiting growth of production area. The largest farms have been relatively successful in mitigating the effects of the disease by establishing strict controls, including constant farm surveillance and eradication of affected plants. Better capitalized producers use agrochemicals and biological controls (a wasp, *tamarixia radiata*, that feeds on the Asian citrus psyllid) in their preventive measures.

According to industry sources, small- or medium-size growers whose plantations have been affected by the disease are very likely to exit orange production over the medium-term given the high cost of controlling the disease. The disease has reportedly caused smaller producers to reduce or abandon area planted to oranges. Although FAS/San José has not been able to confirm the extent of this trend, Ministry of Agriculture officials have indicated that the situation is critical for many of the remaining small producers in the country. Smaller producers, less capable of investing in agrochemicals and biological controls, have reportedly suffered heavier losses. According to Costa Rican government sources, some producers have been less vigilant in eradicating infected trees, contributing to the spread of the disease.

Within area planted to oranges, farmers have gradually increased the number of trees per hectare by using the "Flying Dragon" pattern, which supports higher tree density, easier farm management, and lower production costs per hectare. This innovation has allowed farmers to significantly increase tree density, moving from 300-450 trees/ha under traditional planting patterns to 800-900 trees/ha with the Flying Dragon. Major growers are expected to continue directing investments toward replanting existing area with new trees and new patterns, rather than increasing area planted. Industry sources expect the pattern renovation process to continue through the early 2030s, gradually driving yields higher over that time.

Trade

Calendar Year (CY) imports of fresh oranges from Nicaragua reached 51,695 MT through September 2024, much lower than the same period in CY 2023 reflecting the lower production throughout the Northern region. In contrast, Costa Rica imported a total of 65,235 MT of fresh oranges from Nicaragua in CY 2023. Imports from Nicaragua have averaged close to 70,000 MT since CY 2017, reflecting the fruition of cross-border investments by Costa Rica's major processors. Growing conditions are favorable in Nicaragua areas bordering Costa Rican orange production area, and land prices and labor costs are substantially lower on the Nicaraguan side of the border.

Table 2. Costa Rica Imports of Fresh Oranges (MT)

Country	2021	2022	2023
Nicaragua	77,623	70,872	65,235
Others	1,548	1,559	1,567
Total	79,171	72,431	66,802

Source: Costa Rican Customs Department

FAS/San José expects total orange juice exports (including both single strength and frozen concentrated orange juice) to increase to 25,000 MT in MY 2024/25, as a result of higher expected production. According to the Costa Rican Trade Promotion Board (PROCOMER), total orange juice exports to all destinations in CY 2023 were 36,792 MT (valued at \$63.8 million), down 11.5 percent from 41,563 MT (valued at \$57.9 million) in CY 2022. Calendar year trade data through September 2024 show total exports reached 19,564 MT (valued at \$38.8 million), down 44 percent in volume and 35 percent lower in value over the same period in CY 2023.

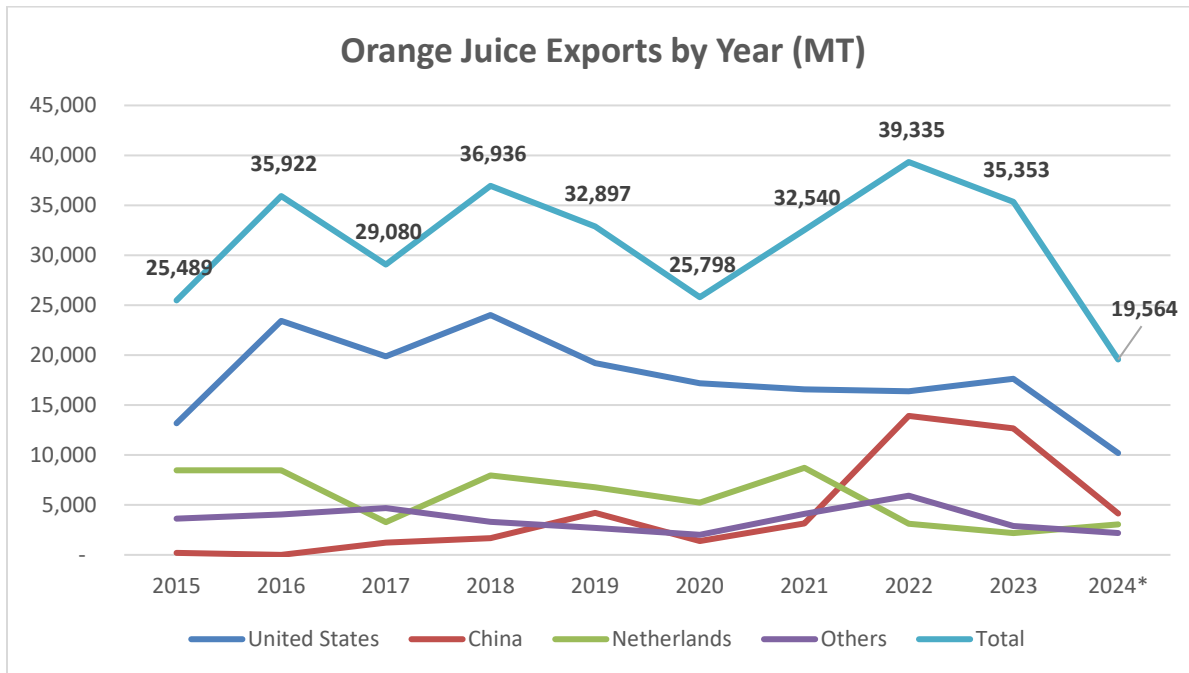
The United States continued to be Costa Rica's leading destination for orange juice exports in CY 2024. Total orange juice exports to the United States through September 2024 were 10,192 MT, 46 percent lower in volume and 41 percent lower in value from the same period in CY 2023. Orange juice exports to China also declined from 12,669 MT in January-September 2023 to 4,148 MT in the CY 2024 January-through-September period.

Table 3. Annual Costa Rica Orange Juice Exports (CY 2023)

Country	Volume (MT)	Value (thousand USD)
United States	18,775	44,957
China	12,669	10,767
Netherlands	2,236	1,482
Panama	988	1,598
Israel	488	353
Others	1,636	4,659
Total	36,792	63,816

Source: Costa Rican Customs Department

Table 4. Costa Rica Orange Juice Exports (CY 2015-2024)



Source: Costa Rican Customs Department

*2024 data is for January-September

Costa Rica exports most of its orange production as frozen concentrated orange juice (FCOJ). The volume of single-strength fresh orange juice exports has declined in recent years and now represents about 10 percent of total export volume. Costa Rican orange juice enters the United States duty free under the Central American-Dominican Republic Free Trade Agreement.

Attachments:

No Attachments