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EU-27

Citrus Semi-annual

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Report Highlights:

The EU orange crop is forecast to reach 5,551,000 MT for MY2011/12. This is a 13 percent decrease from the previous estimate caused by revised official estimates for both Spain and Italy. Tangerine production is expected to be close to 3,127,000 MT in MY2011/12, slightly below last year while lemon production is expected to reach 1,316,000 in MY 2011/12 - an 11 percent increase from the previous year. Grapefruit production is expected to be at last year's level at 104,000 MT in MY 2011/12. Orange juice production is expected to increase by 4 percent in MY 2011/12 to 98,300 MT (Brix 65), in line with higher deliveries of oranges to the industry.

Disclaimer: This report presents the situation for citrus (orange juice, oranges, grapefruits, lemons, tangerines, mandarins and other citrus) in the EU-27. This report contains the views of the authors and does not reflect the official views of the U.S. Department of Agriculture (USDA). The data are not official USDA data.

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Abbreviations used in this report:
CMO Common Market Organization
EC European Commission
EU European Union
FAS Foreign Agricultural Service
FCOJ Frozen Concentrated Orange Juice
GTA Global Trade Atlas

HS Codes: Harmonized System codes for commodity classification used to calculate trade data
Oranges 080510
Tangerines/Mandarins 080520
Lemons 080550
Grapefruit 080540
Orange Juice 200911, 200912, 200919

MS EU Member State(s)
MT Metric ton (1,000 kg)
MY Marketing year
Orange November/October
Tangerine November/October
Lemon November/October
Grapefruit November/October
Other Citrus November/October
Orange Juice November/October
PO Production Organization
PS&D Production, Supply and Demand
TMT Thousand Metric Tons
USD U.S. Dollar

Commodities:
Oranges, Fresh

Production:
EU orange production is concentrated in the Mediterranean region. Oranges are the second largest EU fruit crop after apples, with more than 80 percent of the EU's total production of oranges concentrated in Spain and Italy. The remaining 20 percent is distributed among other Member States (MS), mainly Cyprus, Greece and Portugal. For MY2011/12, an EU-wide orange crop of just over 5.5 million tons is forecast.

Spain

Spain is the largest orange producer within the EU, representing about 50% of total orange production within the Union. The orange production for MY 2011/12 in Spain is projected around 2,645,000 MT; 13 percent below last year's level in what is considered a bad season for the sector. The fall in production is related to the occurrence of frosts in January and February, but mostly, according to local sources, to land abandonment or reconversion to other fruit crops as a consequence of lower prices paid at production (see Annex A).

More and more producers are working to cover the whole marketing year by growing very early and very late varieties. Navelate/Lanelate and Valencia Late varieties are used to boost supply in the late part of the season. Valencia late varieties have brighter color, and are more adequate for juice. However, oranges are grown with the objective of being consumed fresh and oranges of the Navel group are the most appreciated. In Valencia, the area planted to citrus has been diminishing due to urban pressure. Many roads were built that were preceded by expropriation of the lands and some small fields were abandoned. On the other hand in Andalucía the area has been increasing.

Italy

MY 2011/12 Italian orange production is expected to drop by at least 15 percent to about 1.65 MMT, almost 30 percent below previous estimates. According to industry estimates, the crop in Sicily (responsible for about 60 percent of the total cultivated area) has been sharply damaged by a hard frost, the development of the oleocellosis skin injury and bad weather conditions in early spring. Starting in January and February, hard frosts hit the crop. Then, the volcanic ash from the Etna volcano eruption settled on fruits and trees triggering the oleocellosis – a physiological rind disorder of citrus fruit caused by phytotoxic effects of released rind oils. After that, heavy rain, strong wind, and hail storms occurred in early March reportedly destroyed and damaged more than 50 percent of oranges on the trees. Fruit quality has been significantly hampered too, with a low average fruit size. Moreover, orange farmers and distributors experienced many difficulties in January due to a prolonged strike by the Italian truck drivers, which made some retailers refill the missing supply with Spanish oranges. Trade has been negatively affected, accordingly. Italy is expected to increasingly imports oranges from Spain and to reduce its exports.

The MY 2011/12 Italian orange harvest will likely end up earlier. Farmers are also quite concerned about MY 2012/13 harvest due to damages on part of the trees in their citrus groves. In general, MY 2012/13 production will be scarce due to rotational bearing, which creates wide cyclical swings in yields. In fact, MY 2012/13 is a lower quantity year in this cycle.

Despite the short supply, orange prices have slightly decreased from previous MY by almost 0.10-0.12 Euros/kg due to strong competition mainly from Spain and Morocco, small size and lower fruit quality linked to the bad weather conditions and to the volcanic ash effects.

Greece

MY 2011/12 Greek orange production is expected to drop by 9 percent to 910 MMT due to heavy frost during flowering. Peloponnese and Aitoloakarnaia (western Greece) are the main orange-producing areas. "Washington Navel," "Commons," "Valencia," "Navelina," and "Newhall" are the major orange varieties grown in Greece.

Portugal

Portuguese production of oranges in MY 2011/12 is projected at 201,000 MT. This is a 5 percent drop from earlier estimates mainly due to the effect of frost that affected mid-season and late varieties in the Algarve, Portugal's main citrus producing region. The year has been a dry one in Portugal but this is not expected to significantly affect yields as most groves are irrigated and there have been no problems with the supply of water for irrigation. No major phytosanitary problems have been reported.

A 10 year census released in 2011 by the National Institute of Statistics revealed a 22% reduction in the orange commercial production area from 1999 to 2009. Orange trees account for 83% of the country's 17,000 ha of commercial citrus groves. Restructuring of farms has been occurring to try to gain competitiveness through economies of scale. This is seen by a 46% reduction in the number of commercial citrus farms and an increase in the average area from 0.5 to 0.7 ha in the last 10 years. However total commercial citrus area also decreased by 28% in the same time period reflecting remaining competitiveness problems in the sector.

Cyprus

MY 2011/12 Cypriot orange production is expected to increase significantly by 16 percent thanks to mid-November rain that also helped to improve the size of fruit. Famagusta, Limassol, Larnaca, and Paphos districts are the major orange-producing areas. "Navels," "Ovals" (Shamoutis), and "Valencia" are the main orange varieties grown in Cyprus.

Table 1. Major EU Fresh Orange Producers by Volume in MT

Country	MY 2009/10	MY 2010/11	MY 2011/12
Spain	2,669,355	3,026,500	2,645,000
Italy	2,350,000	1,950,000	1,650,000
Greece	969,660	996,000	910,000
Portugal	183,471	193,885	201,590
Cyprus	70,900	97,800	113,900
Total	**6,243,386**	**6,264,185**	**5,520,490**

Source: FAS offices

Consumption:

Consumption of oranges in the EU is expected to remain above 5,000,000 MT for MY 2011/12, a level below last season's. This reflects lower availability in the market and also the effects of the ongoing economic crisis that is hitting particularly the South of Europe. Oranges are Spain's favorite fresh fruit, with over 21 kilos per capita consumed in 2010, representing up to 20 percent of fresh fruit consumption. Oranges are sold all year round due to its high demand by consumers, but in Spain around 80 percent of sales are concentrated in the months of November to May.

Trade:

The EU is a net importer of oranges, with imports largely exceeding exports. Imports into the EU were valued at about US $540 million in MY 2010/11 whereas the value of exports in MY 2010/11 reached US $234 million. Intra-EU trade is very important, considering the volume of oranges produced within the EU. The main customers of the major EU producing countries are other EU Member States.

The major supplier of oranges to the European market is South Africa, which supplies the market from June until October, when the Northern hemisphere harvest starts, followed by Egypt, Morocco, and Argentina. The major EU importers are Germany, France, the Netherlands and the United Kingdom.

Table 2. EU-27 Imports of Oranges by Origin in MT

Country of Origin	MY 2008/09	MY 2009/10	MY 2010/11
South Africa	335,155	413,917	329,456
Egypt	131,498	132,928	97,778
Morocco	90,354	94,011	96,969

Argentina	81,588	87,936	81,929
Uruguay	60,357	70,956	57,672
Turkey	32,826	17,387	10,923
Others	114,709	141,451	113,327
Total Imports	**846,487**	**958,586**	**788,054**

Source: GTA

Table 3. EU-27 Exports of Oranges by Destination in MT

Country of Destination	MY 2008/09	MY 2009/10	MY 2010/11
Switzerland	55,534	58,342	55,466
Serbia	33,666	36,010	43,230
Albania	21,781	21,326	34,668
Russia	14,350	21,625	28,330
Norway	29,959	29,290	28,110
Croatia	22,848	22,423	26,887
Others	63,539	83,091	100,454
Total Exports	**241,677**	**272,107**	**317,145**

Source: GTA

Production, Supply and Demand Data Statistics:
Table 4. Oranges, Fresh Production, Supply and Demand

Oranges, Fresh EU-27	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Nov 2009		Market Year Begin: Nov 2010		Market Year Begin: Nov 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	312,615	312,615	316,904	320,613	218,036	320,813
Area Harvested	288,991	288,991	292,233	296,018	293,439	296,307
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
Total No. Of Trees	0	0	0	0	0	0
Production	6,243	6,244	6,190	6,264	6,355	5,521
Imports	959	959	711	788	700	1,000
Total Supply	7,202	7,203	6,901	7,052	7,055	6,521
Exports	272	272	318	317	320	250
Fresh Dom. Consumption	5,717	5,717	5,373	5,520	5,451	5,003
For Processing	1,213	1,214	1,210	1,215	1,284	1,268
Total Distribution	7,202	7,203	6,901	7,052	7,055	6,521
HECTARES, 1000 TREES, 1000 MT						

Source: FAS offices

Commodities:

Tangerines/Mandarins, Fresh

Production:

Total European tangerine production is expected to be close to 3,127,000 MT in MY2011/12, slightly below last season's level.

Spain

Spain's total tangerine/mandarin production is projected to decrease by close to 3.7 percent to 2,115,900 MT in MY 2011/12. This is, accordingly to official sources, due to lower production of satsuma mandarin (-10.1 percent) and clementine mandarin (-5.3 percent) due to frost and counter-season effects and land abandonment. Production of mandarin hybrids on the other hand are expected to increase by 2.8 percent in relation to last year's crop.

In Andalucía, groves that were planted 5 to 10 years ago are coming into full production. Although this year there seems to be less production of early varieties this should be compensated to an extent by later varieties. Last year was a record production year for mandarins in Spain. In spite of lower domestic production producer prices have been trending below last season's due to lower buying power and pressure from industry and distribution to decrease prices (see Annex B). Logistical problems with harvesting during the November rains created a temporary backlog in the distribution of fruit that affected producer prices.

Italy

MY 2011/12 Italian easy peelers production (83 percent seedless clementines, 17 percent mandarins) is expected to be at about 780,000 MT, 3 percent up from previous year. However, while the clementines production will significantly increase, mandarin production has dropped due to a bad fruit set and to severe weather conditions in early March. Early and late varieties currently grown in the south of Italy are generally less productive and more capital and labor intensive than regular varieties indeed.

Greece

MY 2011/12 (November/October) Greek tangerine production is expected to remain steady. The main producing areas include the prefectures of Igoumenitsa, Arta, Mosologgi, and Thesprotia, located in northern Greece. "Clementine" is the major tangerine variety grown in Greece.

Cyprus

Tangerines represent 39 percent of total citrus production in Cyprus. MY 2011/12 (November/October) Cypriot tangerine production is expected to decrease by 9 percent because of the rotational bearing, which creates wide cyclical swings in yields. Famagusta, Limassol, Larnaca, and Paphos districts are the major tangerine-producing areas. “Mandoras,” “Tangelo,” “Minneolas”, “Nova,” and “Clementines” are the main tangerine varieties grown in Cyprus.

Portugal

Tangerines are the second most important citrus product in Portugal, after oranges. The Algarve is the most representative region with 80% of the total producing area. The production of tangerines expected to be of 32,300 MT in MY 2011/12.

Table 5. Major EU Fresh Tangerine Producers by Volume in MT

Country	MY 2009/10	MY 2010/11	MY 2011/12
Spain	2,000,149	2,196,600	2,115,900
Italy	827,000	758,000	781,000
Greece	110,000	120,000	120,000
Cyprus	82,000	85,400	77,600
Portugal	34,700	34,400	32,300
Total	**3,053,849**	**3,194,400**	**3,126,800**

Source: FAS Offices

Consumption:

Total EU-27 consumption in MY2011/12 is forecast to be close to 2,780,000 MT. Consumption is stabilizing within the EU, particularly within those MS that produce mandarins and tangerines. Per capita consumption in the EU for 2010/11 is calculated at 5.6 kilos.

Trade:

The major suppliers of tangerines to the European market are Morocco, South Africa and Turkey. The major EU importers are the United Kingdom, France, Germany and the Netherlands. Exports to Russia have increased by more than 50 percent to over 90,000 MT in MY2010/11. EU imports of tangerine were valued at US $364 million and EU exports at US $370 million. The EU turned from being a net importer to being a net exporter of tangerines in 2010/11 following a record crop.

Table 6. EU-27 Imports of Tangerines by Origin in MT

Country of Origin	MY 2008/09	MY 2009/10	MY 2010/11
Morocco	80,384	115,546	86,658
South Africa	65,300	65,064	57,171
Turkey	81,106	64,894	49,561
Argentina	46,638	40,157	30,717
Israel	24,787	36,166	28,535
Uruguay	33,828	37,142	23,456

Others	44,560	58,213	61,393
Total Imports	**376,603**	**417,182**	**337,491**

Source: GTA

Table 7. EU-27 Exports of Tangerines by Destination in MT

Country of Destination	MY 2008/09	MY 2009/10	MY 2010/11
Russia	52,194	59,351	91,152
United States	56,932	46,090	62,247
Ukraine	26,280	27,293	54,631
Switzerland	39,445	38,965	37,661
Belarus	21,859	19,073	30,397
Norway	23,576	24,544	23,356
Others	37,948	52,155	65,222
Total Exports	**258,234**	**267,471**	**364,666**

Source: GTA

Production, Supply and Demand Data Statistics:

Table 8. Tangerines/Mandarins, Fresh Production, Supply and Demand

Tangerines/Mandarins, Fresh EU-27	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Nov 2009		Market Year Begin: Nov 2010		Market Year Begin: Nov 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	171,874	171,874	167,740	167,835	165,243	165,161
Area Harvested	155,577	155,572	150,918	152,492	150,105	149,890
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
Total No. Of Trees	0	0	0	0	0	0
Production	3,054	3,054	3,194	3,194	3,135	3,127
Imports	417	417	342	337	350	345
Total Supply	3,471	3,471	3,536	3,531	3,485	3,472
Exports	267	267	369	365	360	365
Fresh Dom. Consumption	2,812	2,812	2,828	2,828	2,804	2,786
For Processing	392	392	339	338	321	321
Total Distribution	3,471	3,471	3,536	3,531	3,485	3,472
HECTARES, 1000 TREES, 1000 MT						

Source: FAS offices

Commodities:

Lemons, Fresh

Production:

At the EU-level, the production of lemon is expected to reach 1,316,000 in MY 2011/12, an 11 percent increase from the previous year.

Spain

In Spain, lemon crop production for MY 2011/12 is - according to official sources - close to 720,000 MT, a 14 percent increase over the previous year. According to local sources, frost felt in early February 2012 did not have much of an impact on this year's production and is not expected to affect next year's campaign.

Lemon production in Spain is concentrated in three regions located in the southern Mediterranean area: Murcia, Valencia and the Provinces of Malaga and Almeria in Andalusia. The dominant varieties in Spain are Verna - a tender and juicy variety with few seeds, representing 30 percent of total production; and Fino which represents 70 percent of total production and is favored by the processing sector. Verna is a summer variety, harvested from May to September, while Fino is a winter variety, harvested from October to April.

Harvest forecasts from the main lemon and grapefruit inter-professional association (AILIMPO) are higher for MY2011/12 at 900,000 MT in Spain. Total production of the Fino variety is projected at 660,000 with the rest being mostly from the Verna variety. As can be seen there continues to be an important disparity between official numbers (published by the Ministry of Agriculture) and the numbers from the main industry body. AILIMPO estimates returns from the Fino variety to be have been particularly low this season (0.05-0.12 Euro/kg) which is reportedly lower than production costs. Producer prices have been higher than last season's (see Annex C) but there is overall great pressure from distribution to decrease prices in the face of the economic crisis in the country.

Italy

MY 2011/12 Italian lemon production is expected to be at about 520,000 MT quite close to the MY 2009/10 harvest, and increasing 7 percent from previous MY. Lemon prices have dropped significantly due to stiff competition from Italy's competitors (Turkey, South American countries and Spain). Therefore, harvesting lemons have become less profitable forcing many farmers (mainly in Sicily) to leave fruits on the trees. Farmers will deliver about 85,000 MT of lemons to the processing industry. Despite lemon consumption being generally steady over the years, experts estimate a 7 percent decrease in MY 2011/12.

Greece

MY 2011/12 (November/October) Greek lemon production is expected to increase significantly due to favorable weather. The main producing areas include the prefectures of Korinthos, Achaia, Piraeus, and Ilias, located in northern Greece. The major lemon variety grown in Greece is "Maglini," whose fruit is strongly aromatic, with a quite sour juice. It has a thin, shiny peel and when fully ripe has a yellow color.

Cyprus

MY 2011/12 (November/October) Cypriot lemon production is expected to increase by 4 percent, thanks to the rainfalls occurred in mid-November that also helped improve the size. Lapithos village is the main lemon-producing area. “Lapithiotiki” (a local variety), “Eureka,” and “Lisbon” are the major lemon varieties grown in Cyprus.

Portugal

Lemons represent 5 percent of Portugal’s citrus crop and production levels are projected slightly below last season’s at around 11,400 MT in MY2011/12.

Table 9. Major EU Fresh Lemons/Limes Producers by Volume in MT

Country	MY 2009/10	MY 2010/11	MY 2011/12
Spain	558,200	630,100	719,700
Italy	545,000	488,000	520,000
Greece	33,205	33,000	45,000
Cyprus	10,800	18,900	19,700
Portugal	12,993	12,765	11,400
Total	**1,147,205**	**1,170,000**	**1,304,400**

Source: FAS Offices

Consumption:
EU-27 consumption is forecast to be above 1,400,000 MT in MY2011/12. As lime production within the EU is minor, consumer demand is met mostly through imports. The Spanish processing industry does not expect a very good campaign for MY 2011/2012 because of high existing stocks of juice and essential oils. This is due to last season having been a record season for processing in Spain and the fact that Argentina increased its summer processing contributing to higher availability lemon based products in the market.

Trade:
The EU is a net importer of lemons, with imports largely exceeding exports. Imports into the EU reached US $440 million in MY 2010/11, while the value of exports in MY 2010/11 was US $75 million. Intra-EU trade is critical to the sector, taking into account the volume of lemons produced in the Mediterranean Member States and the demand in non producer Member States. The main intra-EU importers are Germany, the Netherlands, France, and the United Kingdom.

The major supplier to the European market is Argentina, followed by Turkey, Brazil, and South Africa. Latest trade data show Turkey increasing exports in MY 2011/12, especially to eastern and central countries of the EU. The major EU importers of non-EU lemons are the Netherlands, Germany, France and Italy. The main extra-EU destination for European lemons is Russia.

Table 10. EU-27 Imports of Lemons/Limes by Origin in MT

Country of Origin	MY 2008/09	MY 2009/10	MY 2010/11
Argentina	163,756	182,160	159,022
Turkey	103,880	128,376	113,525
Brazil	53,356	56,774	55,516
South Africa	39,340	45,796	44,460
Mexico	24,421	24,914	27,099
Uruguay	10,098	10,832	8,065
Others	10,314	22,010	10,152
Total Imports	**405,165**	**470,862**	**417,839**

Source: GTA

Table 11. EU-27 Exports of Lemons/Limes by Destination in MT

Country of Destination	MY 2008/09	MY 2009/10	MY 2010/11
Russia	32,035	24,526	21,477
Switzerland	13,866	13,448	14,273
Croatia	7,850	5,444	7,636
Ukraine	6,838	6,211	4,649
Norway	4,127	3,340	3,839
Bosnia & Herzegovina	4,113	2,589	2,463
Others	18,228	11,087	13,777
Total Exports	**87,057**	**66,645**	**68,114**

Source: GTA

Production, Supply and Demand Data Statistics:

Table 12. Lemons, Fresh Production, Supply and Demand

Lemons/Limes, Fresh EU-27	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Nov 2009		Market Year Begin: Nov 2010		Market Year Begin: Nov 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	82,679	82,679	81,890	81,838	80,160	79,166
Area Harvested	75,308	75,308	77,247	79,157	77,090	77,145
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
Total No. Of Trees	0	0	0	0	0	0
Production	1,159	1,160	1,254	1,183	1,320	1,316
Imports	471	471	408	418	400	410
Total Supply	1,630	1,631	1,662	1,601	1,720	1,726
Exports	67	67	68	68	70	80

Fresh Dom. Consumption	1,395	1,395	1,353	1,357	1,350	1,407
For Processing	168	169	241	176	300	239
Total Distribution	1,630	1,631	1,662	1,601	1,720	1,726
HECTARES, 1000 TREES, 1000 MT						

Source: FAS Offices

Commodities:

Grapefruit, Fresh

Production:

Overall EU grapefruit production is projected to reach 111,400 MT in MY 2011/12, a level similar but slightly below the previous year's.

Spain

Grapefruit production is projected to stabilize in Spain at 47,800 MT in MY 2011/12. Spain disputes first place with Cyprus on grapefruit production. Half of Spain's grapefruit production is found in the region of Murcia. The main variety planted is Ruby Red.

Cyprus

MY 2011/12 Cypriot grapefruit production is projected at levels similar to the previous campaigns. "White Marsh Seedless," mostly grown in the Limassol area, is the major grapefruit variety grown in Cyprus. New plantations have been established in the district of Paphos where the Red varieties ("Star Ruby," "Red Blush," and "Rio Red") were introduced to meet the increased market demand.

Greece

MY 2011/12 (November/October) Greek grapefruit production is expected to be slightly above last year's. The prefectures of Corinth and Kavala, the region of Thessaly, and the island of Crete are the major grapefruit-producing areas.

Table 13. Major EU Fresh Grapefruit Producers by Volume in MT

Country	MY 2009/10	MY 2010/11	MY 2011/12
Cyprus	48,000	51,800	49,500
Spain	40,300	48,500	47,800
Italy	7,250	7,500	8,000
Greece	5,800	5,800	6,000
Portugal	200	115	115

Total	101,550	113,715	111,415

Source: FAS Offices

Consumption:

EU-27 consumption of fresh grapefruit is forecast to remain stable at around 431,000 MT in 2011/12. The Spanish industry believes there is the potential for growth in the consumption of grapefruit. This is because official data shows that 84 percent of people do not yet consume grapefruit and 54% associate it with slimming diets.

Trade:

The EU imports grapefruit from third countries, as domestic supply is currently just above 24 percent of demand. Imports for MY 2010/11 were valued at US$ 323 million while exports were slightly above US$ 21 million. The largest importers within the EU are France, the Netherlands, Germany and Belgium. The major sources for imported grapefruit in MY 2010/11 were South Africa, Turkey, China, and Israel. Regarding exports, the main destinations for EU-27 grapefruit are Russia, Switzerland, and Belarus.

Table 14. EU-27 Imports of Grapefruit by Origin in MT

Country of Origin	MY 2008/09	MY 2009/10	MY 2010/11
South Africa	87,072	79,071	90,772
Turkey	73,709	75,622	64,909
United States	79,318	57,889	54,294
China	67,087	73,102	51,336
Israel	62,175	61,276	38,622
Argentina	23,757	9,171	7,956
Others	36,802	32,469	36,013
Total Imports	**429,920**	**388,600**	**343,902**

Source: GTA

Table 15. EU-27 Exports of Grapefruit by Destination in MT

Country of Destination	MY 2008/09	MY 2009/10	MY 2010/11
Russia	9,382	8,387	6,359
Ukraine	1,712	1,606	2,463
Switzerland	2,211	2,393	2,317
Belarus	1,951	2,090	1,996
Croatia	1,371	1,273	1,663
Serbia	1,232	1,432	1,221
Others	3,179	4,395	4,401
Total Exports	**21,038**	**21,576**	**20,420**

Source: GTA

Production, Supply and Demand Data Statistics:

Table 16. Grapefruit, Fresh Production, Supply and Demand

Grapefruit, Fresh EU-27	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Nov 2009		Market Year Begin: Nov 2010		Market Year Begin: Nov 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	2,622	2,319	2,420	2,120	2,202	1,902
Area Harvested	2,071	1,818	2,346	2,096	2,121	1,871
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
Total No. Of Trees	0	0	0	0	0	0
Production	103	95	113	107	114	104
Imports	389	389	355	344	360	365
Total Supply	492	484	468	451	474	469
Exports	22	22	19	20	20	18
Fresh Dom. Consumption	449	442	424	411	428	431
For Processing	21	20	25	20	26	20
Total Distribution	492	484	468	451	474	469
HECTARES, 1000 TREES, 1000 MT						

Source: FAS Offices

Commodities:

Orange Juice

Production:

EU-27 production of orange juice is expected to increase by 4 percent in MY 2011/12 to close to 98,300 MT (Brix 65), in line with higher deliveries of oranges to be processed by industry. The European citrus sector is strongly orientated towards the fresh produce market. Margins are better for fresh fruit intended for fresh consumption for both domestic and export demand. Processing is a buffer for production surpluses and fruit that does not meet commercial standards.

Consumption:

Consumption of orange juice is expected to continue the falling trend reflecting decreasing buying power in the majority of the EU countries. While orange juice is the most popular juice within the EU-27, it competes with other non-alcoholic drinks and juices made from other fruits. The preferred packaging type by European consumers is the carton. The convenience of orange juice is reflected in its better adaptation to modern consumption habits than whole fresh oranges. Another factor affecting consumption is the current economic situation that has led to higher demand for private label juice at the expense of brand labels.

Trade:

In MY 2010/11, total EU imports of orange juice were valued at US$ 1.483 billion with exports worth US$ 132 Million. Imports were lower than in the previous market year. Brazil continues to be the main supplier of orange juice to the EU with around 80 percent of total imports of orange juice to the EU market. Trade data confirms increasing supplies from the United States in MY 2010/2011. EU-27 exports have increased in MY 2010/11 with main export destinations to be Switzerland, Saudi Arabia and Algeria.

Table 17. EU-27 Imports of Orange Juice by Origin in MT (Brix 65)

Country of Origin	MY 2008/09	MY 2009/10	MY 2010/11
Brazil	801,479	682,952	555,434
United States	15,995	27,798	57,000
Israel	8,210	10,391	12,128
Cuba	9,194	12,836	7,087
Argentina	6,183	5,841	6,409
Switzerland	55,388	7,113	545
Others	45,188	49,236	54,937
Total Imports	**941,637**	**796,166**	**693,541**

Source: GTA

Table 18. EU-27 Exports of Orange Juice by Destination in MT (Brix 65)

Country of Destination	MY 2008/09	MY 2009/10	MY 2010/11
Switzerland	5,569	5,877	5,842
Saudi Arabia	2,959	5,365	7,857
Algeria	3,292	4,355	3,192
Norway	4,025	3,089	2,606
Japan	2,446	2,021	2,051
Russia	1,760	1,435	1,496
Others	18,667	23,356	26,235
Total Exports	**38,719**	**45,499**	**49,279**

Source: GTA and FAS estimates

Production, Supply and Demand Data Statistics:

Table 19. Orange Juice Production, Supply and Demand (Brix 65)

Orange Juice EU-27	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Nov 2009		Market Year Begin: Nov 2010		Market Year Begin: Nov 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Deliv. To Processors	1,213,147	1,213,647	1,210,353	1,215,453	1,283,500	1,268,000
Beginning Stocks	15,000	15,000	15,000	15,000	15,000	15,000
Production	94,046	94,084	93,829	94,224	99,500	98,298
Imports	796,166	796,166	705,000	693,541	700,000	680,000
Total Supply	905,212	905,250	813,829	802,765	814,500	793,298
Exports	45,491	45,499	48,776	49,279	50,000	50,000
Domestic Consumption	844,721	844,751	750,053	738,486	749,500	728,298
Ending Stocks	15,000	15,000	15,000	15,000	15,000	15,000
Total Distribution	905,212	905,250	813,829	802,765	814,500	793,298
MT						

Source: FAS Offices

Policy:

A new Common Market Organization (CMO) for fruit and vegetables was reformed in 2007. The policy changes agreed in the context of the CMO reforms for fruit and vegetables were incorporated in the single CMO by Council Regulation 361/2008. The shift from production support to direct aid to producers was designed to improve the competitiveness, market orientation and sustainability of the sector.

The European Commission asserts that the aim of the reformed CMO is to improve the competitiveness and market orientation of the fruit and vegetable sector, reduce income fluctuations resulting from crises, promote consumption – so contributing to improved public health – and enhance environmental safeguards.

Producer Organizations (PO's) are the key elements in the EU's CMO for fruit and vegetables. PO's are legal entities established by producers to market commodities, including citrus fruit. EU subsidies are not paid to individual producers but are channeled through PO's. In order to qualify for EU subsidies, PO's must submit an operational program financed through an operational fund. The EU's financial contribution is paid directly into the PO's operational fund. The calculation of the estimated amount of operational fund is based on the operational program and the value of marketed production.

All the implementing rules have been incorporated in a new Commission Regulation 543/2011 repealing Regulation (EC) No 1580/2007.

Maximum Residue Level for Fruit

Maximum Residue Levels (MRLs) for pesticides, including import tolerances, have been harmonized throughout the EU since September 2008. Regulation 1107/2009 concerning the placing on the market of plant protection products (PPPs) became fully applicable on June 14, 2011 and is setting out the rules for the authorization of plant protection products (PPPs). However, it is still uncertain how this will affect the MRL legislation.

For more information, see at:

http://ec.europa.eu/food/plant/protection/pesticides/index_en.htm

Certification of Plant Products

Plant products need a phytosanitary certificate to be exported to the EU. Phytosanitary certificates issued by an APHIS inspector are required to accompany fruit, vegetable and nut shipments. APHIS issues phytosanitary certificates in accordance with international regulations established by the International Plant Protection Convention of the Food and Agriculture Organization of the United Nations. This standard-setting body coordinates cooperation between nations to control plant and plant product pests and to prevent their spread.

Council Directive 2000/29/EC contains provisions concerning compulsory plant health checks. This includes documentary, identity and physical plant health checks to verify compliance with EU import requirements. More information can be accessed on DG Health & Consumer Protection's website http://ec.europa.eu/food/plant/organisms/imports/inspection_en.htm .

Commission Regulation 1756/2004 provides for plant health checks to be carried out at reduced frequency when this can be justified (list of products recommended for plant health checks at reduced levels updated July 7, 2010).

Tariffs

Imports of fresh fruit and vegetables are subject to the Entry Price System (EPS) which has been in place in its current form since the 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. Produce valued below the entry price are charged a tariff equivalent in addition to the ad valorem duty. The tariff equivalent is graduated for products valued between 92 and 100 percent of the entry price. The ad valorem duty and the full tariff equivalent are levied on imports valued at less than 92 percent of the entry price.

Whether or not the EU will maintain the EPS will be discussed in the context of the Doha Round trade talks. The EPS is not necessarily discriminatory for U.S. exporters. The U.S. tends to sell high quality products, which are usually relatively high priced and do not face any additional duty. Replacing the EPS with fixed tariffs could result in higher ad valorem duties.

Tariff levels for 2012 are published in EU Regulation 1006/2011. For details please refer to: http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:282:0001:0912:EN:PDF

Oranges see page 96
Tangerines see page 96
Lemons see page 96
Grapefruit see page 96
Other Citrus see page 96
Orange Juice see page 165

Marketing:

EU Marketing Standards for Fruits and Vegetables

The Commission implementing Regulation (EU) No 543/2011 of the reform (see paragraph on the reform) provides for a general marketing standard for all fresh fruits and vegetables (repealing Commission Regulation 1221/2008). The specific marketing standards are set out in Part B of Annex I to this Regulation. The specific marketing standards for citrus fruit can be found in Part 2 of that same section (p.71).

Fresh fruit and vegetable imports into the EU are checked for compliance with EU-harmonized marketing standards. These standards apply at all marketing stages and include criteria such as quality, size, labeling, packaging and presentation.

For detailed up-to-date information, please visit: http://useu.usmission.gov/agri/Fruit-Veg.html

Table 20. Citrus PGIs in the EU-27

Country	Name	Products	Scheme
Spain	Citricos valencianos	Oranges, Tangerines and Lemons	PGI
	Clementinas de las Tierras del Ebro;	Clementines	PGI
Italy	Limone Femminello del Gargano	Lemon	PGI
	Limone di Sorrento	Lemon	PGI
	Limone Costa d'Amalfi	Lemon	PGI
	Clementine di Calabria	Clementines	PGI
	Clementine del Golfo di Taranto	Clementines	PGI
	Arancia del Gargano	Orange	PGI
	Arancia Rossa di Sicilia	Orange	PGI
Greece	Tangerines Chiou	Tangerines	PGI
Portugal	Citrinos do Algarve	Oranges, Tangerines	PGI

Trade Shows

Trade shows in Europe offer excellent opportunities for U.S. exporters to meet potential clients or business partners from EU countries and other continents. The most important trade shows related to the fruit and vegetable sectors are:

Fruit Logistica
Berlin, Germany
Frequency: Every year
Web: http://www.fruitlogistica.de

Fruit Logistica is one of the most important trade shows for fresh and dried fruits in Europe. The next show will take place on **February 6-8, 2013.** 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.

Bio Fach
Nuremberg, Germany
Frequency: Every year
Web: http://www.biofach.de

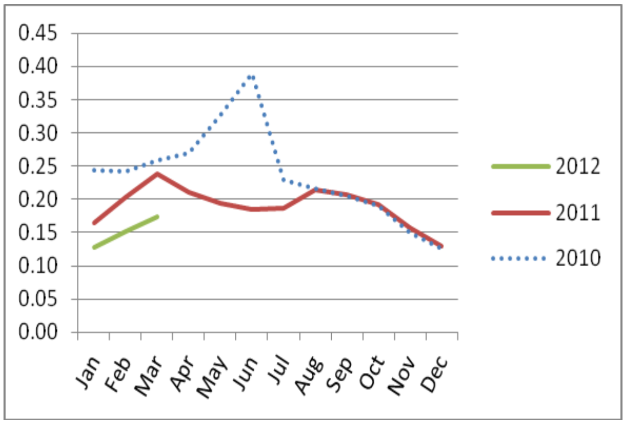
Bio Fach is one of the most important trade shows for organic products in Europe. The next show will take place on **February 13-16, 2013.**

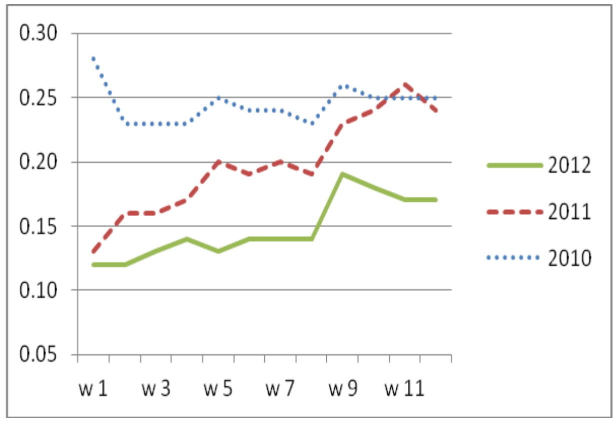
Other Related Reports from FAS EU Offices

Report number	Title	Date released
SP1128	EU-27 – Citrus Annual Report 2011	12/14/2011
GR1112	Greece Citrus Annual 2011	11/25/2011
IT1157	Italian Citrus Fruit Outlook	12/06/2011
CY1113	Cyprus Citrus Annual 2011	11/25/2011

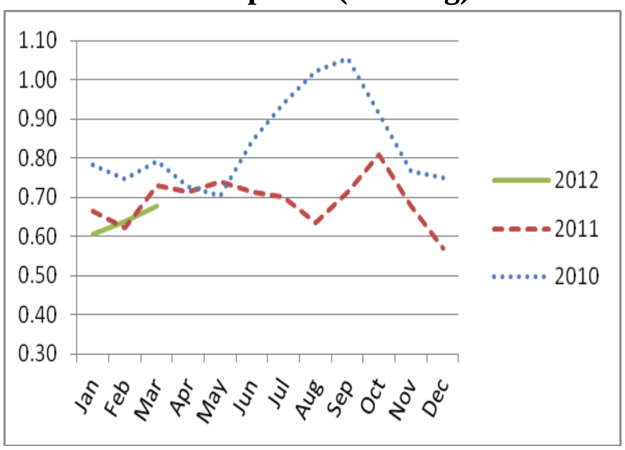
Annex A. Navel Orange Nominal Prices in Spain at different levels of the supply chain

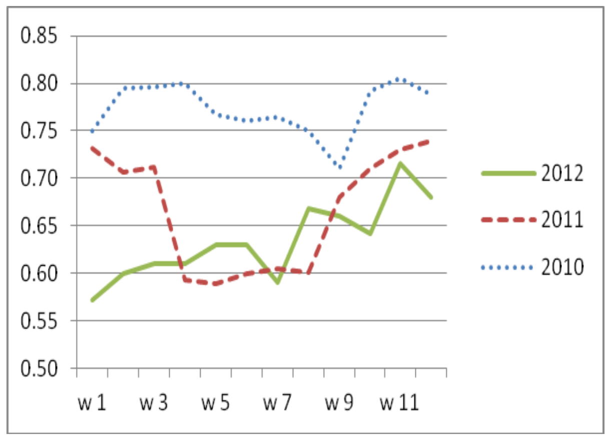
a. **Producer prices (Euro/kg)**



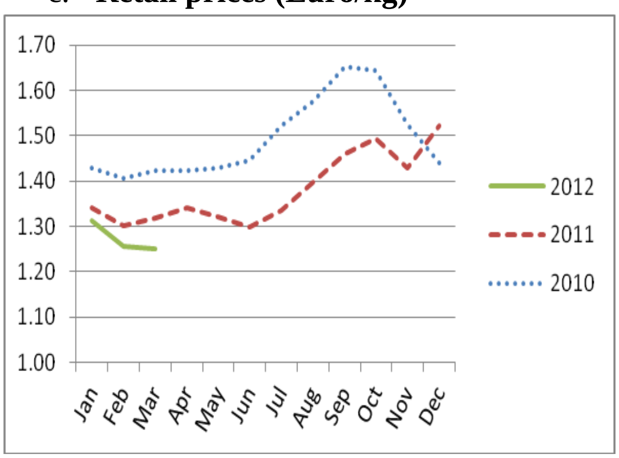


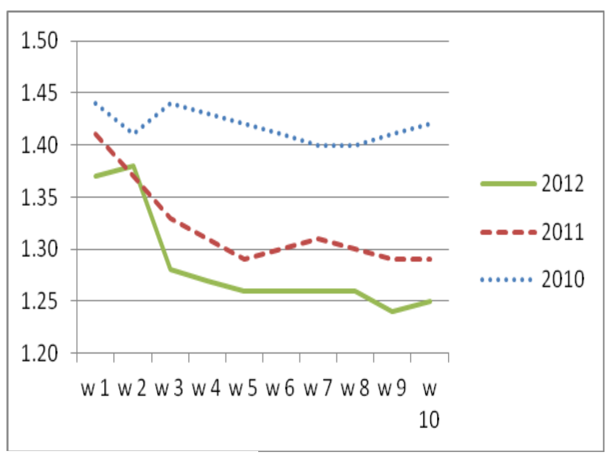
b. **Wholesale prices (Euro/kg)**





c. **Retail prices (Euro/kg)**

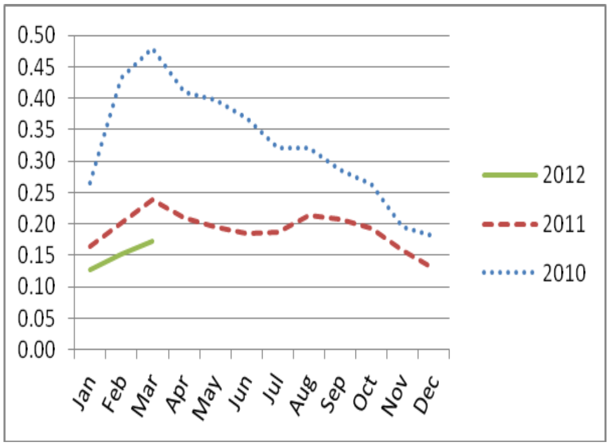


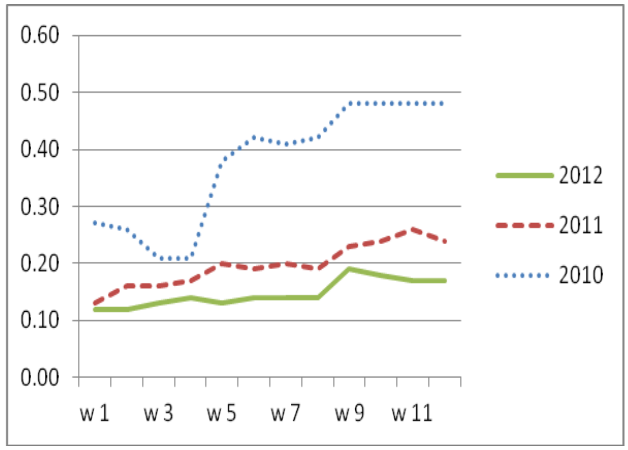


Source: Spanish Ministry of Environment, Rural and Marine Affairs (MAGRAMA) and FAS-Post estimates

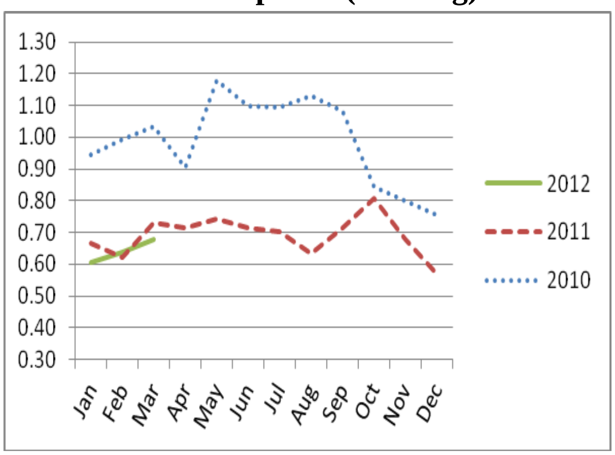
Annex B. Clementine Nominal Prices in Spain at different levels of the supply chain

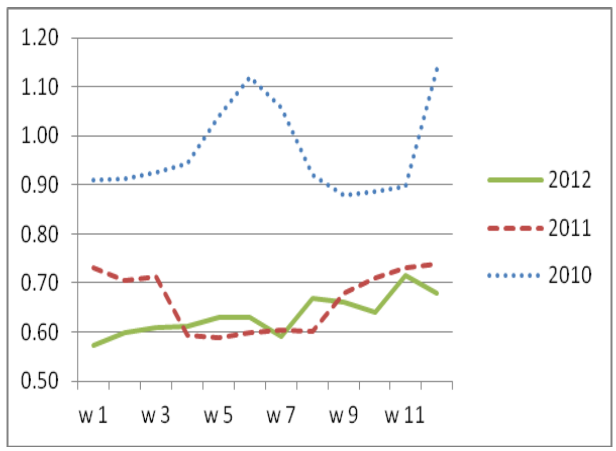
a. **Producer prices (Euro/kg)**



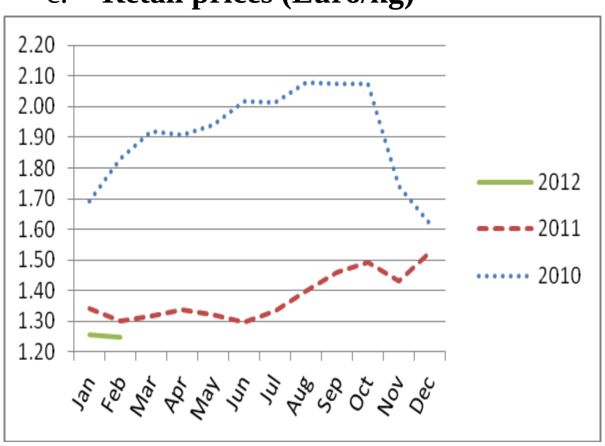


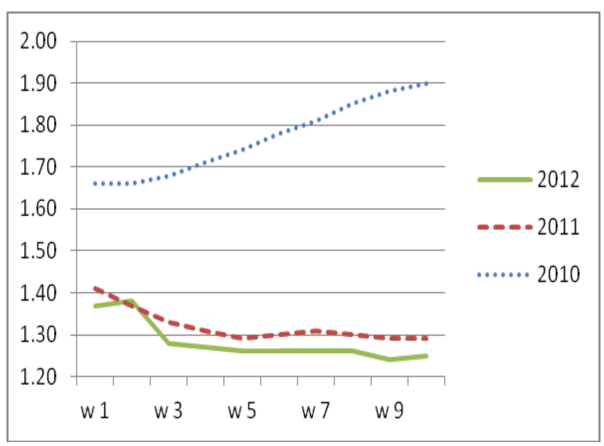
b. **Wholesale prices (Euro/kg)**





c. **Retail prices (Euro/kg)**

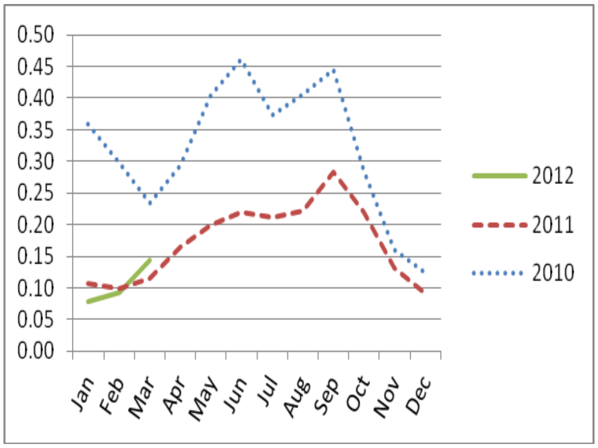


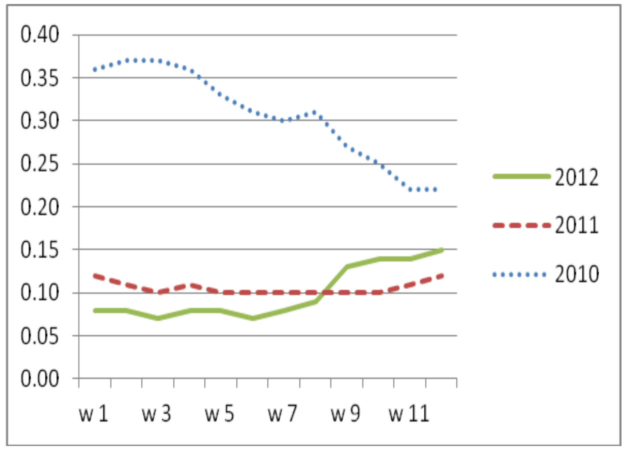


Source: MAGRAMA and FAS-Post estimates

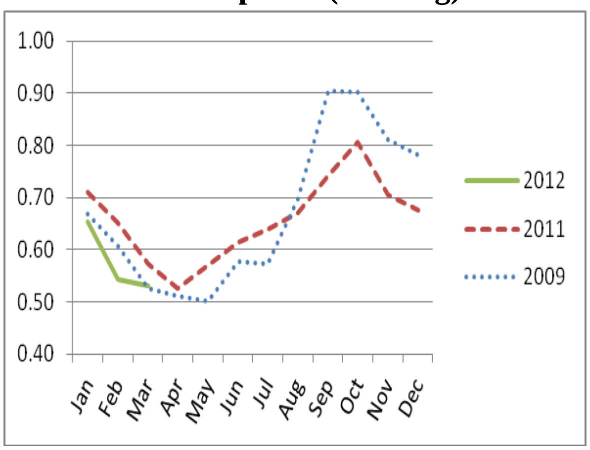
Annex C. Lemon Nominal Prices in Spain at different levels of the supply chain

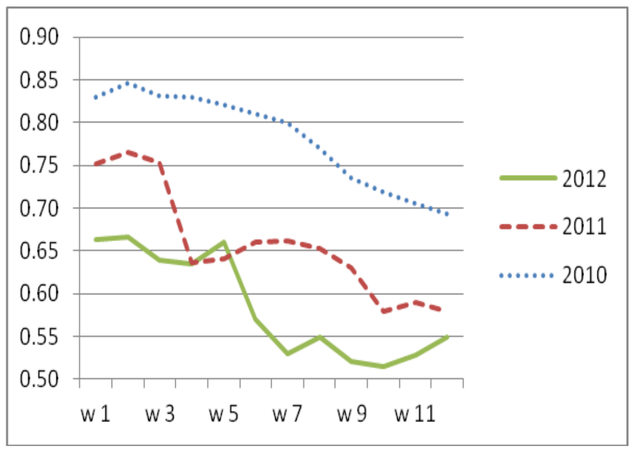
a. Producer prices (Euro/kg)



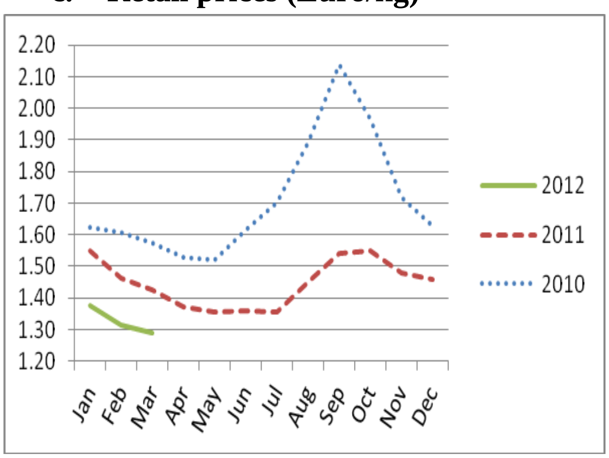


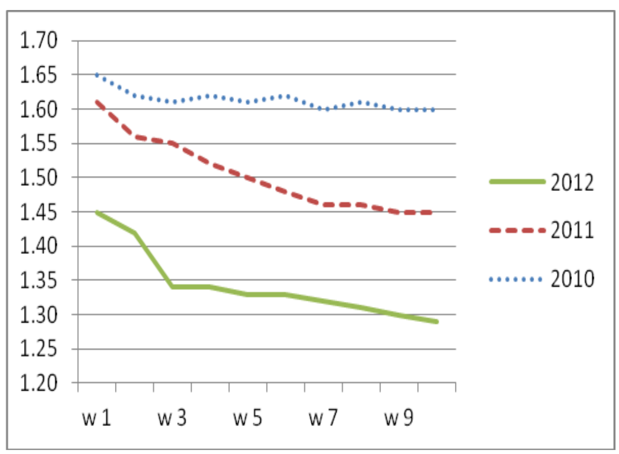
b. Wholesale prices (Euro/kg)





c. Retail prices (Euro/kg)





Source: MAGRAMA and FAS-Post estimates