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Citrus

Trade Data

2005

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Report Highlights:

This report supplies trade data and background information on the German grapefruit market. As a consequence of storm damage and citrus canker in the U.S., German imports of U.S. grapefruit have decreased by 14 percent in MY 2004/05 (Oct/Sept).

Includes PSD Changes: No
Includes Trade Matrix: Yes
Annual Report
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For climatic reasons there is no citrus production in Germany. Demand for fresh citrus is met solely by imports. Over 90 percent of German citrus imports originate from Mediterranean countries. Consequently, the volume of German citrus imports depends on the size of the citrus crop and the export availability in Mediterranean countries, rather than on consumer demand. Only grapefruit and lemons are sourced in substantial amounts from countries outside the Mediterranean Sea area.

In general, U.S. exports of fresh citrus to Germany are marginal. They ranged between 11,000 and 21,000 MT in recent marketing years and represent between one to two percent of German citrus imports. Grapefruits make up 99 percent of U.S. fresh citrus exports to Germany. Therefore this report focuses solely on grapefruit.

In Germany, grapefruits are not as popular as other citrus fruits such as oranges, tangerines, or lemons. Oranges are as popular as a source for vitamin C and thus are consumed as a snack or included in fruit salads. In addition, freshly squeezed orange juice enjoys some popularity at brunches, hotel breakfasts, and at home. However, its consumption is much lower than the consumption of prepackaged orange juice. Fresh tangerines are largely associated with the Christmas season in Germany. Canned tangerines are popular ingredients in desserts and certain types of cakes. Lemons are primarily squeezed for their juice and in turn used in salad dressings, desserts, and baking. In addition, lemon juice is also used in "hot lemon"¹ as a cold remedy. To a smaller extent lemons are used as garnish for fish dishes, black tea, and cocktails.

Grapefruits are used in fruit salads, desserts, juices. However, fewer people buy grapefruits compared to other citrus products. In 2004, only 32 percent of German households bought grapefruits versus 80 percent of households that bought oranges and 82 percent that bought tangerines. Consumption of grapefruits does not have the same tradition as other citrus in Germany. Also, oranges and tangerines are often sold in nets or small boxes and priced per kilogram. They are among the cheapest fruits on the German market. The average consumer price in 2004 for tangerines was 1.10 Euro per kg (US\$ 1.30) and 0.90 Euro per kg (US\$ 1.06) for oranges. Grapefruits, in contrast, are primarily sold and priced by piece with an average price translating into 1.60 Euro per kg (US\$ 1.90). With Germany being a very price conscious market, this adds to the higher popularity of oranges and tangerines.

In MY 2003/04 (latest available data) per capita consumption totaled 0.6 kg per year for grapefruits compared to 6.8 kg for oranges, and 3.7 kg for tangerines. In MY 2004/2005 grapefruit comprised of only 5 percent of total citrus imports. This amounted to 55,750 MT down 14 percent compared to the previous marketing year. This large drop is due largely to lower imports from the United States. Storm damage and the bacterial disease citrus canker (*Xanthomonas axonopodis* pv. *citri*) are the main factors behind the lower 2004/05 U.S. crop and reduced shipments.

Consequently, the U.S. lost its position as number one supplier of grapefruits to the German market (by volume) for the first time in 12 years to its main competitor, Turkey. It did, however, retain its position as the number one supplier by value because of its higher import price. German imports from the U.S. totaled 10,324 MT with a value of U.S.\$ 11.2 million compared to 11,542 MT from Turkey with a value of 10.5 million U.S.\$. By volume, the import market share amounted to 19 percent for the U.S., and 21 percent for Turkey. Other major competitors included Israel (18 percent market share), South Africa (13 percent), Spain (9 percent) and Argentina (8 percent).

¹ "Hot lemon" consists of lemon juice, honey or sugar, and hot water.

While U.S. grapefruits are available on the German market year round, 85 percent of them arrive in Germany from November through May. The main varieties imported from the U.S. are "*ruby red*" and "*flame ruby*", with some imports of *dark red*, *ruby star*, *flame star*, and *star ruby*.

EU import tariffs for grapefruits depend on the season. They range between 2.4 percent from May 1 through October 31, and 1.5 percent during the rest of the year.

Forecast

Hurricane Wilma severely damaged the 2005 U.S. crop and citrus canker is still an issue. Therefore, FAS Berlin expects German imports of U.S. grapefruit to fall below the average for the second straight season in MY 2005/06.

Turkey and Israel, the leading Mediterranean grapefruit exporters forecast their exports (to all destinations) to increase by 146 and 3 percent, respectively. For details on export development and forecasts by Mediterranean countries please refer to table 5 in statistical section.

On a mid- to long-term perspective, the U.S. may face increased competition from Israel, because industry sources report that the citrus sector of the Israeli Plant Production and Marketing Board is recommending an increase in grapefruit plantings to its members.

Note: In recent years the U.S. dollar/Euro exchange rate has been as follows:

2001:	US\$ 1	= Euro 1.1165
2002:	US\$ 1	= Euro 1.0575
2003:	US\$ 1	= Euro 0.8840
2004:	US\$ 1	= Euro 0.8051

The current exchange rates (as of November 30, 2005, Handelsblatt) are for:

U.S. dollar/ Euro	US\$ 1	= Euro	0.8485
Euro/U.S. dollar	Euro 1	= U.S. dollar	1.1786

Abbreviations:

CY = Calendar year

Kg = Kilograms, 1kg = 2.2046 pounds

MT = Metric tons = 1000 kg

MY = Marketing year

ZMP = Central German Market and Price Reporting Agency

Statistical Tables

Table 1: German Imports and Exports of Grapefruit

German Imports of Fresh Grapefruit, in MT				
	MY 2003/2004		MY 2004/2005	Import share (percent)
	(Oct/Sep)		(Oct/Sep)	MY 2004/05
USA	16,911	USA	10,324	18.5
TURKEY	12,586	TURKEY	11,542	20.7
ISRAEL	7,937	ISRAEL	9,875	17.7
SOUTH AFRICA	7,128	SOUTH AFRICA	7,257	13.0
ARGENTINA	5,191	SPAIN	4,984	8.9
SPAIN	3,805	ARGENTINA	4,631	8.3
HONDURAS	2,738	HONDURAS	2,104	3.8
MEXICO	2,516	CUBA	1,530	2.7
CUBA	1,273	MEXICO	1,252	2.2
BRAZIL	1,199	CYPRUS	571	1.0
CYPRUS	1,035	SWAZILAND	313	0.6
OTHER	2,700	OTHER	1,367	2.5
TOTAL	64,935	TOTAL	55,750	100.0

German Exports of Fresh Grapefruit, in MT				
	MY 2003/2004		MY 2004/2005	Export share (Percent)
	(Oct/Sep)		(Oct/Sep)	MY 2004/05
USA	0	USA	0	0.0
ITALY	1,229	NETHERLANDS	1,014	20.2
POLAND	866	ITALY	918	18.3
NETHERLANDS	668	FRANCE	748	14.9
AUSTRIA	351	POLAND	662	13.2
FRANCE	332	AUSTRIA	495	9.8
SWEDEN	279	BELGIUM	368	7.3
CZECH REPUBLIC	160	CZECH REPUBLIC	203	4.0
BELGIUM	111	HUNGARY	128	2.5
DENMARK	106	ROMANIA	127	2.5
GREECE	33	SWEDEN	80	1.6
OTHER	83	OTHER	288	5.7
TOTAL	4,218	TOTAL	5,030	100.0

Source: Data from the German Federal Office of Statistics, Wiesbaden

Table 2: Import prices for grapefruits in Germany by month, in U.S.\$ per kg

	U.S. origin		Percent change	Total average		Percent change
	MY 2003/04	MY 2004/05		MY 2003/04	MY 2004/05	
OCTOBER	1.06	1.01	-4.72%	1.00	0.84	-16.00%
NOVEMBER	1.05	1.14	8.57%	0.92	0.95	3.26%
DECEMBER	1.09	1.13	3.67%	0.89	1.03	15.73%
JANUARY	0.96	1.06	10.42%	0.89	1.02	14.61%
FEBRUARY	0.81	1.06	30.86%	0.88	1.04	18.18%
MARCH	0.76	1.12	47.37%	0.80	0.98	22.50%
APRIL	0.77	1.12	45.45%	0.84	1.10	30.95%
MAY	0.83	1.15	38.55%	0.82	1.09	32.93%
JUNE	0.72	1.13	56.94%	0.83	1.05	26.51%
JULY	0.95	1.05	10.53%	0.89	0.97	8.99%
AUGUST	0.92	0.98	6.52%	0.86	0.89	3.49%
SEPTEMBER	0.97	0.99	2.06%	0.81	0.80	-1.23%

Source: Data from the German Federal Office of Statistics, Wiesbaden

Table 3: Percentage of households that bought certain citrus at least once a year

	2003	2004
Tangerines	85 percent	82 percent
Oranges	80 percent	80 percent
Lemons	66 percent	64 percent
Grapefruits	33 percent	32 percent

Source: ZMP based on GfK consumer panel

Table 4: Per capita consumption of fruits² in Germany in kg per person per year

	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04 p
Apples (market)	17.7	20.6	19.1	17.5	17.7	17.8
Bananas	10.3	11.0	12.1	11.1	11.1	11.0
Oranges	5.8	6.1	7.0	6.0	6.5	6.8
Tangerines	3.8	4.1	4.2	3.6	4.2	3.7
Grapes	3.8	4.3	4.0	3.8	3.4	3.6
Pears	2.7	2.8	2.6	2.3	2.6	2.4
Strawberries	2.5	2.7	2.4	2.7	2.3	2.2
Lemons	1.5	1.6	1.6	1.7	1.6	1.6
Cherries	1.1	1.5	1.4	1.2	1.0	1.2
Plums	1.1	1.2	1.1	1.0	1.0	1.1
Grapefruits	0.9	1.1	0.9	0.8	0.7	0.6
other	27.1	32.0	29.6	28.3	28.0	29.2
Total Fresh Fruit	60.6	68.4	66.9	62.5	62.4	63.4

P = provisional

Source: ZMP Bilanz table 11

² Commercially grown fruits including imports, excluding backyard production

Table 5: Grapefruit Exports of Mediterranean Countries, in 1,000 metric tons
ranked by volume of 2005/2006

	2001/02	2002/03	2003/04	2004/05	2005/06*	Percent change	
Total	236	233	246	238	361	+	52
Turkey	112	100	114	87	214	+	146
Israel	69	64	70	88	91	+	3
Spain	27	34	29	33	30	-	9
Cyprus	25	28	28	26	23	-	12
Other	3	7	5	4	3	-	25

Source: Central Market and Price reporting Agency (ZMP) based on figures from Liaison Committee for Mediterranean Citrus Fruit Culture (CLAM)

Table 6: EU import tariff for grapefruits (CN/HS code 0805 4000)

Period	Duty in percent
January 1 – April 30	1.5
May 1 – October 31	2.4
November 1 – December 31	1.5