THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY

Voluntary _ Public

Date: 11/9/2017

GAIN Report Number: IT1769

Italy

Post: Rome

Citrus Annual 2017

Report Categories:

Citrus

Approved By:

Fred Giles

Prepared By:

Ornella Bettini

Report Highlights:

Italy's marketing year (MY) 2017/18 orange and tangerine productions are preliminarily forecast to drop by 10 and 5 percent, respectively, compared to MY 2015/16 due to the summer drought that affected the Italian peninsula. However, beneficial rains that occurred at the end of September in the main producing regions helped mitigate the drought effects, while guaranteeing a high quality product. Calibers are expected to be medium. Italy's MY 2017/18 lemon production is forecast to remain flat.

ITALY

I. ORANGES

Table 1: Area (Hectares), Supply and Distribution (Metric Tons)

Oranges	2015	2016	2017
	Estimates 2015/2016	**Estimates 2016/2017**	**Forecast 2017/2018**
	Post Data	**Post Data**	**Post Data**
Area Planted	85,993	85,570	83,254
Area Harvested	84,407	84,675	81,682
Production	1,753,000	1,915,000	1,725,000
Imports	145,733	215,000	220,000
Total Supply	**1,898,733**	**2,130,000**	**1,945,000**
Exports	143,796	110,431	110,000
Fresh Dom. Consumption	1,442,903	1,678,699	1,527,950
For Processing	312,034	340,870	307,050
Total Distribution	**1,898,733**	**2,130,000**	**1,945,000**

Sources: Italian industry; ISTAT (Italian Institute of Statistics); GTA (Global Trade Atlas)

PRODUCTION

Italy is the second largest European orange producer after Spain. Sicily and Calabria are the main orange-producing areas, accounting for 59 and 22 percent of total production, respectively. *Tarocco*, *Moro*, *Sanguinello*, *Naveline*, and *Valencia* are the leading orange varieties grown in the country. Moreover, *Ippolito* and *Meli* cultivars are gaining popularity. Italy's marketing year (MY) 2017/18 orange campaign is forecast to be exceptional from a quality standpoint, despite a 10 percent production reduction due to the summer drought that affected the Italian peninsula. However, beneficial rains that occurred at the end of September in the main producing regions helped mitigate the drought effects. Calibers are expected to be medium.

Italy's MY 2016/17 orange production recovered from MY 2015/16 thanks to rainfall in September and October 2016 that proved particularly beneficial for fruit calibers and quality that is reported to be excellent. Furthermore, the introduction of new varieties and rootstocks of great quality enabled Italy to extend the production calendar.

CONSUMPTION

Most oranges are consumed fresh. Blood varieties (*Tarocco*, *Moro*, and *Sanguinello*) are used primarily for fresh consumption. Late varieties (*Ovale* and *Valencia*) are destined to both processing and fresh markets.

TRADE

Italy's MY 2015/16 orange imports (145,733 MT) went down by 33 percent from the previous campaign, mainly due to reduced volumes from Spain (-51 percent), the leading supplier, accounting for approximately 48 percent of total imports. Italy's MY 2015/16 orange exports (143,796 MT) increased by 18 percent from MY 2014/15, mainly due to increased volumes to Germany (+27 percent), Switzerland (+11 percent), Austria (+23 percent), and France (+43 percent), accounting for approximately 28, 13, 11, and 11 percent of total exports, respectively.

Table 2: Italy's leading orange imports

Partner Country	Unit	Quantity			% Share			% Change
		2014	2015	2016	2014	2015	2016	2016/2015
World	T	156,805	218,370	145,733	100.00	100.00	100.00	- 33.26
Spain	T	95,794	143,455	69,588	61.09	65.69	47.75	- 51.49
South Africa	T	33,787	38,628	33,733	21.55	17.69	23.15	- 12.67
Germany	T	4,395	7,519	9,884	2.80	3.44	6.78	31.45
Egypt	T	3,808	10,308	7,789	2.43	4.72	5.34	- 24.44
Greece	T	6,925	4,294	7,074	4.42	1.97	4.85	64.72
Netherlands	T	2,188	4,513	5,720	1.40	2.07	3.93	26.75
Argentina	T	3,094	1,561	3,783	1.97	0.71	2.60	142.37
Uruguay	T	3,000	2,357	3,247	1.91	1.08	2.23	37.75
France	T	1,759	2,485	956	1.12	1.14	0.66	- 61.54
Cyprus	T	159	612	797	0.10	0.28	0.55	30.34

Source: GTA

Table 3: Italy's leading orange exports

Partner Country	Unit	Quantity			% Share			% Change
		2014	2015	2016	2014	2015	2016	2016/2015
World	T	120,026	121,262	143,796	100.00	100.00	100.00	18.58
Germany	T	36,145			30.11	26.16	27.98	26.84

			31,721	40,235				
Switzerland	T	17,302	17,344	19,254	14.42	14.30	13.39	11.01
Austria	T	13,010	13,067	16,091	10.84	10.78	11.19	23.14
France	T	11,011	10,998	15,755	9.17	9.07	10.96	43.25
Poland	T	3,861	4,001	7,068	3.22	3.30	4.92	76.63
Sweden	T	4,305	4,427	5,940	3.59	3.65	4.13	34.18
Slovenia	T	4,615	4,320	4,929	3.85	3.56	3.43	14.11
Croatia	T	2,578	2,807	3,998	2.15	2.32	2.78	42.42
Czech Republic	T	1,235	2,572	3,958	1.03	2.12	2.75	53.88
Denmark	T	2,375	2,587	3,798	1.98	2.13	2.64	46.83

Source: GTA

II. ORANGE JUICE

Table 4: Production and Processing (MT)

Orange Juice	2015	2016	2017
	Estimates 2015/2016	Estimates 2016/2017	Forecast 2017/2018
	Post Data	Post Data	Post Data
Delivered to Processors	312,034	340,870	307,050
Production	21,842	23,861	21,493

Sources: Italian industry

Italy is forecast to process approximately 307,050 MT of oranges in MY 2017/18 and produce 21,493 MT of concentrate. The total volume of oranges channeled to processing depends on crop quality and quantity of oranges destined for the fresh market, both domestic and foreign.

III. TANGERINES

Table 5: Area (Hectares), Supply and Distribution (Metric Tons)

	2015	2016	2017

Tangerines	Estimates 2015/2016	Estimates 2016/2017	Forecast 2017/2018
	Post Data	Post Data	Post Data
Area Planted	35,365	34,630	35,389
Area Harvested	34,945	34,149	34,390
Production	818,000	829,000	787,550
Imports	83,342	81,942	83,400
Total Supply	**901,342**	**910,942**	**870,950**
Exports	84,402	94,137	84,000
Fresh Dom. Consumption	759,680	758,775	731,822
For Processing	57,260	58,030	55,128
Total Distribution	**901,342**	**910,942**	**870,950**

Sources: Italian industry; ISTAT; GTA

PRODUCTION

Italy's tangerine production consists of over 80 percent seedless clementines and nearly 20 percent mandarins. Calabria, Sicily, and Apulia are Italy's main tangerine-producing areas, accounting for 50, 23, and 14 percent of total production, respectively. *Comune* or *Oroval* and *Monreal* are the leading clementine varieties grown in the country. *Avana* and *Tardivo di Ciaculli* are the chief mandarin cultivars. Italy's MY 2017/18 tangerine production is preliminarily forecast to decrease by 5 percent compared to the previous campaign due to the summer drought that affected the Italian peninsula. However, beneficial rains that occurred at the end of September in the main producing regions helped mitigate the drought effects, while guaranteeing a high quality product. Calibers are expected to be medium.

Italy's MY 2016/17 tangerine production went slightly up, 1.3 percent more than MY 2015/16 thanks to rainfall in September and October 2016 that proved particularly beneficial for fruit calibers and quality that is reported to be excellent. Clementine production increased by 1.8 percent (682,000 MT compared to 670,000 MT in MY 2015/16), while mandarin production remained flat (147,000 MT compared to 148,000 MT in MY 2015/16).

CONSUMPTION

Most tangerines are consumed fresh. Italians consume large quantities of clementines and mandarins during winter holidays when the bulk of production hits the market.

TRADE

Italy's MY 2015/16 tangerine imports (83,342 MT) went down by 15 percent from the previous campaign, mainly due to reduced volumes from Spain (-15 percent), the leading supplier, accounting for 83 percent of total imports. In MY 2015/16, Italy exported approximately 84,402 MT of tangerines, 4 percent lower than MY 2014/15, mainly due to reduced quantities to Poland (-3 percent) and Romania (-

42 percent), the leading destinations for Italian tangerines, accounting for 17 and 7 percent of total exports, respectively.

Table 6: Italy's leading tangerine imports

Partner Country	Unit	Quantity			% Share			% Change
		2014	2015	2016	2014	2015	2016	2016/2015
World	T	79,740	98,280	83,342	100.00	100.00	100.00	- 15.20
Spain	T	68,290	81,603	69,386	85.64	83.03	83.25	- 14.97
France	T	4,415	6,672	5,381	5.54	6.79	6.46	- 19.35
Germany	T	1,483	3,503	2,970	1.86	3.56	3.56	- 15.20
Israel	T	1,676	2,139	1,794	2.10	2.18	2.15	- 16.16
Cyprus	T	2,048	1,838	1,646	2.57	1.87	1.98	- 10.45
Uruguay	T	620	375	479	0.78	0.38	0.57	27.84
Netherlands	T	346	525	415	0.43	0.53	0.50	- 21.11
Peru	T	-	23	275	0.00	0.02	0.33	1114.15
South Africa	T	137	118	256	0.17	0.12	0.31	117.53
Morocco	T	142	577	191	0.18	0.59	0.23	- 66.96

Source: GTA

Table 7: Italy's leading tangerine exports

Partner Country	Unit	Quantity			% Share			% Change
		2014	2015	2016	2014	2015	2016	2016/2015
World	T	76,358	88,334	84,402	100.00	100.00	100.00	- 4.45
Poland	T	10,808	14,859	14,354	14.15	16.82	17.01	- 3.40
Germany	T	5,497	8,446	8,564	7.20	9.56	10.15	1.39

Slovenia	T	7,028	6,840	8,371	9.20	7.74	9.92	22.39
France	T	3,065	4,471	6,654	4.01	5.06	7.88	48.82
Hungary	T	5,963	6,015	6,156	7.81	6.81	7.29	2.34
Austria	T	6,480	4,491	5,855	8.49	5.08	6.94	30.37
Romania	T	7,659	9,689	5,634	10.03	10.97	6.68	- 41.85
Slovakia	T	3,583	4,920	5,610	4.69	5.57	6.65	14.02
Lithuania	T	3,567	4,763	3,588	4.67	5.39	4.25	- 24.67
Latvia	T	772	1,301	2,865	1.01	1.47	3.39	120.30

Source: GTA

IV. LEMONS

Table 8: Area (Hectares), Supply and Distribution (Metric Tons)

Lemons	2015	2016	2017
	Estimates 2015/2016	Estimates 2016/2017	Forecast 2017/2018
	Post Data	Post Data	Post Data
Area Planted	25,985	25,604	24,842
Area Harvested	21,188	22,647	21,576
Production	456,000	448,000	447,650
Imports	110,712	125,000	125,400
Total Supply	**566,712**	**573,000**	**573,050**
Exports	45,500	45,300	45,200
Fresh Dom. Consumption	439,132	447,060	447,273
For Processing	82,080	80,640	80,577
Total Distribution	**566,712**	**573,000**	**573,050**

Sources: Italian industry; ISTAT; GTA

PRODUCTION

Italy is the second largest European lemon producer after Spain. Sicily is the main lemon-producing area, accounting for 86 percent of domestic production. *Femminello Siracusano, Lunario, Interdonato,* *Limone di Sorrento,* and *Limone di Procida* are the leading lemon varieties grown in the country. Italy's MY 2017/18 lemon production is forecast to remain flat.

CONSUMPTION

Italy's lemon production is mostly destined for the fresh market.

TRADE

Italy's MY 2015/16 lemon imports totaled 110,712 MT, 11 percent lower than MY 2014/15, mainly due to reduced volumes from Spain (-44 percent), the leading supplier, accounting for 37 percent of total imports. Italy's MY 2015/16 lemon exports (45,500 MT) went up by 16 percent from the previous campaign, mainly due to increased volumes to Germany (+25 percent), Austria (+29 percent), and France (+67 percent), the leading destinations for Italian lemons, accounting for 32, 16, and 10 percent of total exports, respectively.

Table 9: Italy's leading lemon imports

Partner Country	Unit	Quantity			% Share			% Change
		2014	2015	2016	2014	2015	2016	2016/2015
World	T	90,148	124,225	110,712	100.00	100.00	100.00	- 10.88
Spain	T	49,011	73,818	41,171	54.37	59.42	37.19	- 44.23
Argentina	T	18,965	26,479	31,987	21.04	21.32	28.89	20.80
Netherlands	T	4,756	5,230	8,838	5.28	4.21	7.98	69.01
South Africa	T	5,356	4,822	7,905	5.94	3.88	7.14	63.91
Turkey	T	4,335	2,293	6,312	4.81	1.85	5.70	175.28
Germany	T	2,524	3,954	3,102	2.80	3.18	2.80	- 21.56
Uruguay	T	1,860	2,382	1,993	2.06	1.92	1.80	- 16.35
Chile	T	808	854	1,802	0.90	0.69	1.63	111.06
France	T	1,121	1,851	1,594	1.24	1.49	1.44	- 13.91
Tunisia	T	60	13	1,405	0.07	0.01	1.27	∞

Source: GTA

Table 10: Italy's leading lemon exports

Partner Country	Unit	Quantity			% Share			% Change
		2014	2015	2016	2014	2015	2016	2016/2015
World	T	44,733	39,298	45,500	100.00	100.00	100.00	15.78
Germany	T	15,664	11,669	14,640	35.02	29.69	32.18	25.46
Austria	T	4,730	5,749	7,425	10.57	14.63	16.32	29.14
France	T	2,659	2,733	4,572	5.94	6.96	10.05	67.26
United Kingdom	T	1,426	1,373	2,675	3.19	3.49	5.88	94.83
Slovenia	T	2,734	2,197	2,510	6.11	5.59	5.52	14.25
Switzerland	T	1,113	1,170	1,750	2.49	2.98	3.85	49.54
Hungary	T	1,672	1,238	1,724	3.74	3.15	3.79	39.28
Denmark	T	914	1,071	1,664	2.04	2.73	3.66	55.30
Croatia	T	1,365	1,735	1,392	3.05	4.42	3.06	- 19.77
Greece	T	4,918	4,511	1,087	10.99	11.48	2.39	- 75.89

Source: GTA

V. GRAPEFRUITS

Table 11: Area (Hectares), Supply and Distribution (Metric Tons)

Grapefruits	2015	2016	2017
	Estimates 2015/2016	Estimates 2016/2017	Forecast 2017/2018
	Post Data	Post Data	Post Data
Area Planted	269	271	271
Area Harvested	269	271	271
Production	4,700	4,900	4,860
Imports	30,105	30,850	30,855
Total Supply	**34,805**	**35,750**	**35,715**
Exports	2,592	2,830	2,825
Fresh Dom. Consumption	32,213	32,920	32,890
For Processing	0	0	0
Total Distribution	**34,805**	**35,750**	**35,715**

Sources: Italian industry; ISTAT; GTA

PRODUCTION

Italy's MY 2017/18 grapefruit production is forecast to remain flat.

TRADE

MY 2015/16 grapefruit imports reached 30,105 MT, mainly from South Africa, Turkey and Cyprus, accounting for 28, 18, and 11 percent of total imports, respectively. In MY 2015/16, Italy exported 2,592 MT of grapefruits, mainly to the Netherlands and France.

Table 12: Italy's leading grapefruit imports

Partner Country	Unit	Quantity			% Share			% Change 2016/2015
		2014	2015	2016	2014	2015	2016	
World	T	28,554	29,991	30,105	100.00	100.00	100.00	0.38
South Africa	T	10,280	11,614	8,462	36.00	38.73	28.11	- 27.14
Turkey	T	4,541	3,370	5,551	15.90	11.24	18.44	64.70
Cyprus	T	3,584	2,800	3,401	12.55	9.34	11.30	21.46
Israel	T	4,033	4,444	3,110	14.12	14.82	10.33	- 30.00
Spain	T				6.50	11.76	10.15	- 13.36

		1,855	3,528	3,057				
Netherlands	T	1,258	1,706	2,868	4.41	5.69	9.53	68.09
China	T	1,674	921	1,996	5.86	3.07	6.63	116.65
France	T	468	836	609	1.64	2.79	2.02	- 27.21
Mexico	T	21	103	423	0.07	0.34	1.41	310.03
Slovenia	T	63	105	222	0.22	0.35	0.74	111.89

Source: GTA

Table 13: Italy's leading grapefruit exports

Partner Country	Unit	Quantity			% Share			% Change
		2014	2015	2016	2014	2015	2016	2016/2015
World	T	3,257	2,762	2,592	100.00	100.00	100.00	- 6.13
Netherlands	T	536	282	555	16.45	10.21	21.42	96.86
France	T	365	394	398	11.21	14.28	15.34	0.79
Slovenia	T	629	436	346	19.32	15.81	13.36	- 20.62
Croatia	T	410	336	290	12.60	12.16	11.20	- 13.55
United Kingdom	T	64	25	167	1.98	0.92	6.43	557.29
Germany	T	232	154	164	7.14	5.59	6.32	6.09
Hungary	T	162	145	123	4.99	5.25	4.76	- 14.83
Spain	T	42	173	108	1.30	6.25	4.18	- 37.15
Austria	T	150	87	85	4.62	3.16	3.28	- 2.37
Greece	T	42	163	69	1.29	5.90	2.66	- 57.73

Source: GTA

Abbreviations and definitions used in this report

Ha hectare; 1 ha = 2.471 acres
MT Metric ton = 1,000 kg

MY Marketing year
Oranges, Tangerines, Lemons, Grapefruit, Orange Juice: October/September

Harmonized System (HS) Codes:
Oranges: 080510

Tangerines: 080520, 080521,080522,080529
Lemons: 080550
Grapefruit: 080540
Orange juice: 200911, 200912, 200919