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EU-28

Citrus Annual

2014

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Report Highlights:
MY 2014/15 (November/October) EU-28 citrus production is forecast at approximately 11 MMT, a slight decrease of 3.2 percent from the previous campaign, mainly because of the lower orange production expected in Spain, Italy, and Greece. MY 2014/15 EU-28 tangerine production is also forecast to slightly decrease from the previous year, because of the reduced volumes expected in Italy. However, MY 2014/15 EU-28 lemon production is forecast to rise by 16 percent at 1.5 MMT, thanks to the increased volumes expected in Spain, Italy, and Cyprus. On May 27, 2014, the Plant Health Standing Committee of the European Commission decided to increase the control measures on South African citrus exports to the EU, resulting in decreased orange imports from South Africa (- 11 percent) in MY 2013/14, compared to the previous campaign. MY 2013/14 EU-28 tangerine and orange exports to Russia declined by 35 and 19 percent, respectively compared to MY 2012/13, as a consequence of the Russian ban since August 7, 2014.

Disclaimer: This report presents the outlook for citrus production, trade, consumption, and stocks for the EU-28. Unless stated otherwise, data in this report are based on the views of Foreign Agricultural Service analysts in the EU-28 and are not official USDA data.

This report would not have been possible without the valuable contributions from the following Foreign Service analysts:

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

MY Marketing year:

Oranges	November/October
Tangerines	November/October
Lemons	November/October
Grapefruits	November/October
Orange Juice	November/October

Abbreviations used in this report:

CAP	Common Agricultural Policy
CMO	Common Market Organization
EC	European Commission
EU	European Union
FAS	Foreign Agricultural Service
FCOJ	Frozen Concentrated Orange Juice
GTA	Global Trade Atlas
MS	EU Member State
MT	Metric ton (1,000 kg)
MMT	Million Metric Tons
PS&D	Production, Supply and Demand
USD	U.S. Dollar

Oranges

Table 1: Production, Supply, and Demand (MT)

Oranges, Fresh European Union	2012/2013		2013/2014		2014/2015	
	Market Year Begin: Oct 2012		Market Year Begin: Oct 2013		Market Year Begin: Oct 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	295,555	295,555	296,660	302,891		303,078
Area Harvested	273,708	273,708	274,475	284,742		283,002
Production	5,888	5,890	6,075	6,712		6,207
Imports	882	888	880	821		826
Total Supply	6,770	6,778	6,955	7,533		7,033
Exports	322	322	320	346		333
Fresh Dom. Consumption	5,379	5,387	5,261	5,757		5,386
For Processing	1,069	1,069	1,374	1,430		1,314
Total Distribution	6,770	6,778	6,955	7,533		7,033
HECTARES, 1000 MT						

Source: FAS Offices

Production

EU-28 orange production is concentrated in the Mediterranean area. Spain and Italy account for approximately 80 percent of the EU-28 orange production. The remaining 20 percent is distributed among other EU Member States, mainly Greece, Portugal, and Cyprus. MY 2014/15 (November/October) EU-28 orange production is forecast at 6.2 MMT, a decrease of 7.5 percent compared to the previous campaign, because of the lower production expected in Spain, Italy, and Greece.

According to the latest data from the Spanish Ministry of Agriculture, Environment, and Food (MAGRAMA), **Spain**'s MY 2014/15 orange production is forecast at approximately 3.3 MMT, a decrease of 8.5 percent compared to the previous campaign, as the high temperatures registered in April and May negatively affected the flowering and fruiting. Fruit quality is expected to be good. The main Spanish orange-producing areas are the Regions of Valencia, Andalusia, and Murcia. Valencia and Andalusia account for approximately 90 percent of Spain's orange production. Spanish producers try to cover the whole marketing year by growing both *early* and *late* varieties to extend the fruit availability.

Italy's MY 2014/15 orange production is forecast to be lower than the previous campaign. *Blonde* varieties are forecast to register a 10 percent decrease (15-20 percent in Sicily in the *early* areas), while *Blood* oranges are forecast to drop 30 percent, especially the *late* varieties. Overall, fruit quality is expected to be good. 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 chief orange varieties grown in Italy.

Greece's MY 2014/15 orange production is forecast to decrease by approximately 12 percent compared to the previous year, because of the heavy rainfall occurred in May and June. 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's MY 2014/15 orange production is forecast to increase by 5.3 percent compared to MY 2013/14 with good calibers and qualities.

Cyprus's MY 2014/15 orange production is forecast to increase by 15.6 percent from the previous year.

Table 2: EU-28 Fresh Oranges Production by Country and Year (MT)

Country	MY 2012/13	MY 2013/14	MY 2014/15
Spain	2,942,300	3,641,200	3,331,200
Italy	1,730,000	1,800,000	1,700,000
Greece	930,000	970,000	850,000
Portugal	206,000	208,000	219,000
Cyprus	82,100	92,400	106,800
Total Production	**5,890,400**	**6,711,600**	**6,207,000**

Source: FAS offices

Consumption

EU-28 oranges are mainly consumed fresh. MY 2014/15 EU-28 fresh orange consumption is forecast at 5.4 MMT, a decrease of 6.4 percent compared to the previous campaign, driven by the decreased production in Spain, Italy, and Greece. Lower volumes are also forecast to be sent to the industry (1.3 MMT compared to 1.4 MMT in MY 2013/14). **Spain**'s MY 2014/15 fresh orange consumption is forecast at 1.1 MMT, while 800,000 MT are expected to be processed. Spain's per capita orange consumption is estimated at approximately 20 kg. In Spain, most oranges are consumed fresh, especially *Navelina* and *Navelate* varieties. *Valencia Late* varieties are predominantly used in processing. **Italy**'s MY 2014/15 fresh orange consumption is forecast at approximately 1.5 MMT, while 308,000 MT are expected to be sent to the industry. Italian *Blood* varieties (*Tarocco*, *Moro*, and *Sanguinello*) are used mainly for fresh consumption. Italian *Late* varieties (*Ovale* and *Valencia*) are destined to both fresh market and processing industry. **Greece**'s MY 2014/15 fresh orange consumption is forecast at 330,000 MT, while 170,000 MT are expected to be processed. **Portugal** and **Cyprus**'s MY 2014/15 fresh orange consumption is forecast to grow driven by the increased production.

Trade

The EU-28 is a net importer of oranges. During MY 2013/14, the EU-28 imported 821,040 MT of oranges, valued at $634.6 million. South Africa (379,012 MT) and Egypt (180,562 MT) confirmed to be the leading suppliers to the EU-28 market, followed by Morocco (66,975 MT), Argentina (41,738 MT), and Uruguay (38,724 MT). On May 27, 2014, the Plant Health Standing Committee of the European Commission decided to increase the control measures on South African citrus exports to the EU, resulting in decreased orange imports from South Africa (- 11 percent) in MY 2013/14, compared to the previous campaign. During MY 2013/14, the EU-28 exported 346,501 MT of oranges (valued at $271 million), mainly to Switzerland (57,195 MT) and Serbia (42,756 MT), followed by Russia (29,203 MT), Norway (26,766 MT), Algeria (24,896 MT), and Canada (21,577 MT). MY 2013/14 EU-28 orange exports to Russia registered a decline of 19 percent compared to MY 2012/13 as a consequence of the Russian ban since August 7, 2014.

Table 3: EU-28 main orange import partners (MT)

Country of Origin	MY 2011/12	MY 2012/13	MY 2013/14
South Africa	397,800	435,824	379,012
Egypt	141,471	179,139	180,562
Morocco	38,610	49,939	66,975
Argentina	48,557	49,528	41,738
Uruguay	83,151	48,771	38,724
Others	111,414	124,882	114,029
Total Imports	**821,003**	**888,083**	**821,040**

Source: Global Trade Atlas (GTA).

Table 4: EU-28 main orange export partners (MT)

Country of Destination	MY 2011/12	MY 2012/13	MY 2013/14
Switzerland	57,136	62,595	57,195
Serbia	34,788	42,398	42,756
Russia	33,412	36,098	29,203
Norway	28,973	31,160	26,766
Algeria	19,517	25,916	24,896
Others	108,248	123,564	165,685
Total Exports	**282,074**	**321,731**	**346,501**

Source: GTA

Orange Juice

Table 5: Production, Supply, and Demand (Brix 65)

Orange Juice European Union	2012/2013	2013/2014	2014/2015
	Market Year Begin: Oct 2012	Market Year Begin: Oct 2013	Market Year Begin: Oct 2014

	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Deliv. To Processors	1,068,800	1,068,800	1,373,500	1,430,300		1,313,820
Beginning Stocks	15,000	15,000	15,000	15,000		15,000
Production	82,856	82,856	105,000	110,880		101,850
Imports	724,894	687,207	690,000	1,051,191		1,059,000
Total Supply	822,750	785,063	810,000	1,177,071		1,175,850
Exports	48,832	55,442	50,000	59,186		57,000
Domestic Consumption	758,918	714,621	745,000	1,102,885		1,103,850
Ending Stocks	15,000	15,000	15,000	15,000		15,000
Total Distribution	822,750	785,063	810,000	1,177,071		1,175,850
MT						

Source: FAS Offices

Production

MY 2014/15 EU-28 orange juice production is forecast at 101,850 MT, a decrease of 8 percent compared to the previous year as fewer oranges are expected to be processed. 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.

Consumption

While orange juice is the most popular juice within the EU-28, it competes with other non-alcoholic drinks and juices made from other fruits. Despite the reduction on the purchasing power and the competition of other drinks, MY 2014/15 EU-28 orange juice consumption is forecast to be stable. The convenience of orange juice is reflected in its better adaptation to modern consumption habits than whole fresh oranges. In terms of packaging, the carton retains its dominance across Europe.

Trade

During MY 2013/14, the EU-28 imported 1,051,191 MT of orange juice, valued at approximately $2.2 billion. Brazil confirmed to be the leading supplier to the EU-28 market, representing 87 percent of total imports. Follow the United States, Mexico, and Switzerland. In MY 2013/14, the EU-28 exported 59,186 MT of orange juice, valued at $146 million, with Saudi Arabia and Switzerland being the leading destinations.

Table 6: EU-28 Imports of Orange Juice by Origin in MT (Brix 65)

Country of Origin	MY 2011/12	MY 2012/13	MY 2013/14
Brazil	600,264	582,226	915,541
United States	21,193	11,633	52,377
Mexico	24,724	32,145	28,052

Switzerland	1,065	13,702	16,769
Others	48,056	47,501	38,452
Total Imports	**695,302**	**687,207**	**1,051,191**

Source: GTA

Table 7: EU-28 Exports of Orange Juice by Destination in MT (Brix 65)

Country of Destination	MY 2011/12	MY 2012/13	MY 2013/14
Saudi Arabia	7,522	5,777	7,198
Switzerland	5,820	6,170	5,606
Norway	2,223	2,381	2,523
Others	41,121	41,114	43,859
Total Exports	**56,686**	**55,442**	**59,186**

Source: GTA

Tangerines/Mandarins

Table 8: Production, Supply, and Demand (MT)

Tangerines/Mandarins, Fresh European Union	2012/2013		2013/2014		2014/2015	
	Market Year Begin: Oct 2012		Market Year Begin: Oct 2013		Market Year Begin: Oct 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	165,653	165,653	166,757	166,744		166,791
Area Harvested	151,909	151,909	152,366	154,432		154,100
Production	2,930	2,928	3,065	3,192		3,103
Imports	317	318	370	367		372
Total Supply	3,247	3,246	3,435	3,559		3,475
Exports	404	398	350	350		324
Fresh Dom. Consumption	2,496	2,501	2,730	2,880		2,837
For Processing	347	347	355	329		284
Withdrawal From Market						30
Total Distribution	3,247	3,246	3,435	3,559		3,475
HECTARES, 1000 MT						

Source: FAS Offices

Production

MY 2014/15 EU-28 tangerine production is forecast to slightly decrease from the previous year, because of the reduced volumes expected in Italy.

According to the latest data from the Spanish Ministry of Agriculture, Environment, and Food (MAGRAMA), **Spain**'s MY 2014/15 tangerine production is forecast to stay flat at 2.1 MMT. Grades are expected to be normal so as color. Spain's main tangerine-producing areas are the Regions of Valencia, Andalusia, and Catalonia. New *early* and *late* varieties continue being developed to extend the fruit availability.

Italy's tangerine production consists of over 80 percent seedless clementines and nearly 20 percent mandarins. Italy's MY 2014/15 tangerine production is forecast to decrease by approximately 10 percent compared to the previous campaign. Italy's MY 2014/15 clementine production is forecast to decrease by approximately 10 percent (600,000 MT compared to 668,000 MT in 2013/14), so as mandarin production (110,000 MT compared to 121,000 MT in 2013/14). Quality is expected to be better than the past year for both clementines and mandarins. Calabria, Sicily, and Apulia are the 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 Italy. *Avana* and *Tardivo di Ciaculli* are the main mandarin varieties.

Greece's MY 2014/15 tangerine production is forecast to remain flat. 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's MY 2014/15 tangerine production is forecast to increase by 9.2 percent from the previous year.

Portugal's MY 2014/15 tangerine production is forecast to increase by 11.4 percent, with normal calibers and quality. The Region of Algarve accounts for 80 percent of the total producing area.

Table 9: EU-28 Fresh Tangerines Production by Country and Year (MT)

Country	MY 2012/13	MY 2013/14	MY 2014/15
Spain	1,871,300	2,138,600	2,117,100
Italy	792,000	789,000	710,000
Greece	134,000	148,000	148,000
Cyprus	95,400	81,100	88,600
Portugal	35,000	35,000	39,000
Total Production	**2,927,700**	**3,191,700**	**3,102,700**

Source: FAS Offices

Consumption

EU-28 tangerines are mainly consumed fresh. MY 2014/15 EU-28 fresh tangerine consumption is forecast to stay flat. **Spain**'s MY 2014/15 fresh tangerine consumption is expected to remain steady. **Italy**'s MY 2014/15 fresh tangerine consumption is forecast to slightly decrease from MY 2013/14 driven by the decreased production. Italians consume large quantities of clementines and mandarins during winter holidays when the bulk of production hits the market. In **Greece**, *Clementines* are consumed mainly along the west coast and cover early and late season demand, both domestically and abroad. **Cyprus** and **Portugal**'s MY 2014/15 fresh tangerine consumption is forecast to grow driven by the increased production.

Trade

During MY 2013/14, the EU-28 imported 367,078 MT of tangerines, valued at $459 million. Morocco (104,445 MT) and South Africa (84,046 MT) confirmed to be the leading suppliers to the EU-28 market, followed by Peru (47,021 MT), Turkey (46,805 MT), and Israel (41,377 MT). Imports from Morocco registered an increase of 63 percent compared to the previous campaign. During MY 2013/14, the EU-28 exported 349,717 MT of tangerines, mainly to Russia (67,444 MT), Ukraine (51,473 MT), Switzerland (41,352 MT), and the United States (40,568 MT). However, MY 2013/14 EU-28 tangerine exports to Russia registered a decline of 35 percent compared to MY 2012/13 as a consequence of the Russian ban since August 7, 2014. MY 2014/15 EU-28 tangerine exports are forecast to decrease as a result of the Russian ban. Moreover, approximately 30,300 MT of produce are forecast to be compensated by the EU intervention programs (see Policy Section). Approximately 18,000 MT of the *Mandora* variety and 500 MT of the *Nova* one are expected to be withdrawn from the Cypriot market. Moreover, approximately 11,800 MT of tangerines have been withdrawn in Spain, of which 7,000 MT in the Valencia Region.

Table 10: EU-28 main tangerines import partners (MT)

Country of Origin	MY 2011/12	MY 2012/13	MY 2013/14
Morocco	79,362	64,303	104,445
South Africa	70,030	80,862	84,046
Peru	48,536	44,138	47,021
Turkey	44,558	37,695	46,805
Israel	42,652	40,633	41,377
Uruguay	19,479	15,427	16,730
Argentina	24,025	15,874	12,077
United States	3,700	4,791	4,838
Others	8,500	14,213	9,739
Total Imports	**340,842**	**317,936**	**367,078**

Source: GTA

Table 11: EU-28 main tangerines export partners (MT)

Country of Destination	MY 2011/12	MY 2012/13	MY 2013/14
Russia	107,928	104,031	67,444
Ukraine	55,670	57,737	51,473
Switzerland	40,387	38,913	41,352
United States	45,459	49,338	40,568
Belarus	25,496	34,902	33,960
Norway	24,079	24,618	25,132
Serbia	20,335	20,509	19,646
Others	72,431	67,964	70,142
Total Exports	**391,785**	**398,012**	**349,717**

Source: GTA

Lemons

Table 12: Production, Supply, and Demand (MT)

Lemons/Limes, Fresh European Union	2012/2013		2013/2014		2014/2015	
	Market Year Begin: Oct 2012		Market Year Begin: Oct 2013		Market Year Begin: Oct 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	71,387	71,387	70,794	72,492		75,507
Area Harvested	65,423	65,423	66,228	66,222		68,351
Production	1,117	1,178	1,265	1,316		1,528
Imports	422	426	440	376		326
Total Supply	1,599	1,604	1,705	1,692		1,854
Exports	77	77	90	101		107
Fresh Dom. Consumption	1,332	1,337	1,375	1,280		1,426
For Processing	190	190	240	311		321
Total Distribution	1,599	1,604	1,705	1,692		1,854
HECTARES, 1000 MT						

Source: FAS Offices

Production

MY 2014/15 EU-28 lemon production is forecast to rise by 16 percent at 1.5 MMT, thanks to the increased volumes expected in Spain, Italy, and Cyprus.

According to the latest data from the Spanish Ministry of Agriculture, Environment, and Food (MAGRAMA), **Spain**'s MY 2014/15 lemon production is forecast at 965,900, an increase of 18 percent compared to the previous year. The Spanish lemon season started approximately two weeks earlier than usual, because of the mild summer temperatures. Fruit quality is forecast to be satisfactory, so as calibers. Lemon production is concentrated in the regions of Murcia and Valencia, and the Provinces of Malaga and Almeria in Andalusia. *Fino* and *Verna* are the leading lemon varieties grown in Spain, accounting for 70 and 30 percent of the total production, respectively. The *Fino* variety is predominantly used in processing.

Italy's MY 2014/15 lemon production is forecast to significantly increase by 14 percent. Quality is expected to be excellent. Sicily produces more than 86 percent of Italy's lemons. *Femminello Commune* (*F. Zagara Bianca*, F.*Siracusano, F. S.Teresa*), *Monachello,* and *Interdonato* are the main lemon varieties grown in Italy.

Greece's MY 2014/15 lemon production is forecast to remain steady. The main lemon-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's MY 2014/15 lemon production is expected to surge 44 percent.

Portugal's MY 2014/15 lemon production is forecast to stay flat, with normal calibers and quality.

Table 13: EU-28 Fresh Lemons/Limes Production by Country and Year (MT)

Country	MY 2012/13	MY 2013/14	MY 2014/15
Spain	683,600	818,500	965,900
Italy	411,000	412,000	470,000
Greece	55,500	55,500	55,000
Cyprus	14,800	16,600	23,900
Portugal	13,000	13,000	13,000
Total Production	**1,177,900**	**1,315,600**	**1,527,800**

Source: FAS Offices

Consumption

EU-28 lemons are mainly consumed fresh. MY 2014/15 EU-28 fresh lemon consumption is forecast at 1.4 MMT, an increase of 11 percent compared to the previous campaign, driven by the higher production. EU-28 per capita lemon consumption stands at 2.7 kg. Greece has become increasingly reliant on imported lemon juice to meet consumer demand for soft drinks. The yield for lemon juice is 15-17 Kg of fresh lemons to produce 1 Kg of lemon juice, depending on the quality of the fruit.

Trade

The EU-28 is a net importer of lemons. During MY 2013/14, the EU-28 imported 375,965 MT of lemons, valued at $556.4 million. Argentina (104,713 MT), Turkey (99,386 MT), and Brazil (74,619 MT) confirmed to be the leading suppliers to the EU-28 market, followed by South Africa (36,044 MT) and Mexico (34,585 MT). During MY 2013/14, the EU-28 exported 100,683 MT of lemons (valued at $131 million), mainly to Russia (27,760 MT), Switzerland (16,372 MT), Belarus (9,001 MT), and Canada (8,039 MT). Spain, the leading EU lemon producer, exported 618,067 MT of lemons in MY 2013/14, of which 91 percent was sent to other EU Member States. According to Ailimpo, the Spanish Interprofessional Association for Lemon and Grapefruit, the Russian ban should not affect the early part of the season, since lemon exports to Russia generally get underway in March and sales there only represent approximately 3 percent of Spain's export volume. However, in September 2014, Ailimpo asked Brussels to include lemons in the list of products covered by compensation schemes "to give a positive signal to growers that aid is available should problems arise, and to avoid buyers exploiting the ban by introducing speculative pricing".

Table 14: EU-28 main lemons/limes import partners (MT)

Country of Origin	MY 2011/12	MY 2012/13	MY 2013/14
Argentina	182,417	188,039	104,713
Turkey	95,566	86,159	99,386
Brazil	62,179	60,903	74,619

South Africa	41,729	25,704	36,044
Mexico	35,200	42,708	34,585
Others	22,404	22,339	26,618
Total Imports	**439,495**	**425,852**	**375,965**

Source: GTA

Table 15: EU-28 main lemons/limes export partners (MT)

Country of Destination	MY 2011/12	MY 2012/13	MY 2013/14
Russia	32,451	22,650	27,760
Switzerland	14,987	15,589	16,372
Belarus	3,391	4,639	9,001
Canada	3,712	1,597	8,039
Ukraine	11,506	7,407	7,617
Norway	4,394	5,068	5,649
Serbia	3,220	2,921	4,806
Others	18,153	16,880	21,439
Total Exports	**91,814**	**76,751**	**100,683**

Source: GTA

Grapefruit

Table 16: Production, Supply, and Demand (MT)

Grapefruit, Fresh European Union	2012/2013		2013/2014		2014/2015	
	Market Year Begin: Oct 2012		Market Year Begin: Oct 2013		Market Year Begin: Oct 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	2,720	2,720	2,735	2,747		2,747
Area Harvested	2,531	2,531	2,624	2,586		2,616
Production	110	109	120	113		131
Imports	336	337	350	364		357
Total Supply	446	446	470	477		488
Exports	20	21	20	19		23
Fresh Dom. Consumption	408	407	429	432		436
For Processing	18	18	21	26		29
Total Distribution	446	446	470	477		488
HECTARES, 1000 MT						

Source: FAS Offices

Production

MY 2014/15 EU-28 grapefruit production is forecast to reach 131,000 MT, a growth of 16 percent compared to MY 2013/14, thanks to the significant production increase projected in **Spain**. Spain's leading grapefruit-producing areas include the Regions of Murcia, Andalusia, and Valencia, representing 60, 25, and 12 percent of total production, respectively. *Ruby Red* is the main grapefruit variety planted in Spain.

Cyprus's MY 2014/15 grapefruit production is forecast to slightly increase by 2.5 percent. *White Marsh Seedless*, mostly grown in the Limassol area, is the leading Cypriot grapefruit variety. New plantations have been established in the district of Paphos where the *Red* varieties (*Star Ruby*, *Red Blush*, and *Rio Red*) have been introduced to meet the increased market demand.

Italy's MY 2014/15 grapefruit production is forecast to decrease by 6.7 percent.

Greece's MY 2014/15 grapefruit production is forecast to stay flat. Greek's prefectures of Corinth and Kavala, the region of Thessaly, and the island of Crete are the major grapefruit-producing areas.

Table 17: EU-28 Fresh Grapefruit Production by Country and Year (MT)

Country	MY 2012/13	MY 2013/14	MY 2014/15
Spain	56,600	54,200	72,000
Cyprus	39,300	44,900	46,000
Italy	7,500	7,500	7,000
Greece	6,000	6,000	6,000
Portugal	0	0	0
Total Production	**109,400**	**112,600**	**131,000**

Source: FAS Offices

Consumption

EU-28 grapefruits are mainly consumed fresh. MY 2014/15 EU-28 fresh grapefruit consumption is forecast to remain stable at approximately 436,000 MT.

Trade

The EU-28 is a net importer of grapefruits. During MY 2013/14, the EU-28 imported 363,881 MT of grapefruits, valued at $322.5 million. China (91,363 MT), Turkey (88,222 MT), and South Africa (83,764 MT) were the leading suppliers to the EU-28 market, followed by the United States (41,847 MT) and Israel (40,928 MT). Imports from the United States were valued at $46 million. During MY

2013/14, the EU-28 exported 19,460 MT of grapefruits (valued at $20 million), mainly to Russia (5,549 MT), Belarus (4,357 MT), Switzerland (2,802 MT), and Ukraine (1,965 MT).

Table 18: EU-28 main grapefruit import partners (MT)

Country of Origin	MY 2011/12	MY 2012/13	MY 2013/14
China	68,837	71,983	91,363
Turkey	84,902	50,522	88,222
South Africa	75,541	104,732	83,764
United States	44,806	40,370	41,847
Israel	51,889	41,737	40,928
Others	30,052	27,973	17,757
Total Imports	**356,027**	**337,317**	**363,881**

Source: GTA

Table 19: EU-28 main grapefruit export partners (MT)

Country of Destination	MY 2011/12	MY 2012/13	MY 2013/14
Russia	6,471	5,919	5,549
Belarus	2,175	3,403	4,357
Switzerland	1,911	2,401	2,802
Ukraine	1,876	3,734	1,965
Norway	837	784	864
Serbia	695	1,123	808
Others	3,555	3,705	3,115
Total Exports	**17,520**	**21,069**	**19,460**

Source: GTA

EU Policy

The first part of the following policy section focuses on the new single Common Market Organization (CMO), which is part of the first pillar of the Common Agricultural Policy (CAP) and any other policy related issues that are relevant to the citrus fruit sector. The second part explains the EU measures that were taken in response to the Russian embargo, while the third part refers to the ban of South African citrus imports in the EU.

1. *The New Common Agriculture Policy (CAP) Reform*

The single Common Market Organization (CMO) provides a framework for market measures under the CAP, which is outlined in Regulation (EU) No 1308/2013, and entered into force on January 1, 2014. The CAP 2020 reform consists of four basic regulations, supplemented by delegated acts. Commission Delegated Regulation (EU) No 499/2014, which entered into force on May 16, 2014, amended the implementing rules for the fresh and processed fruit and vegetables sectors (Commission implementing Regulation (EU) No 543/2011).

These market measures aim to:

a) Create a more competitive and market-oriented sector

Producer Organizations (POs) are still the key elements in the EU's CMO for fruit and vegetables. POs are legal entities established by producers to market commodities, including citrus fruit. EU subsidies are not paid to individual producers but are channeled through POs. In order to qualify for EU subsidies, a PO must submit an operational program financed through an operational fund. The EU's financial contribution is paid directly into each PO's operational fund. The calculation of the estimated amount of the operational fund is based on the operational program and the value of the marketed production. As of January 20, 2014, operational programs are approved under the Regulation (EU) No 1308/2013. Commission Delegated Regulation 499/2014 introduced new elements regarding the operational programs and clarified the criteria with which the POs must comply in order to be eligible for EU funding. It also introduced a sanction mechanism in the case of non-compliance.

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. 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. The specific marketing standards are set out in Part B of Annex I to this Regulation: for citrus fruit can be found in Part 2 of that same section (p. 111).

b) Diminish crisis-related fluctuations in producers' income

To achieve this objective, EU funding is offered under the operational programs for:

- Product withdrawal
- Green harvesting/non-harvesting;
- Promotion/communication tools;
- Training measures;
- Harvest insurance;
- Assistance to secure bank loans, and support for administrative costs associated with setting up mutual funds.

National authorities must determine, in their national strategies, which of these instruments can be funded in their countries. POs may take out loans on commercial terms to finance crisis prevention and management measures. The repayment of the capital and the interest on those loans may be eligible for financial assistance under the operational programs of POs.

c) Encourage increased consumption of fruit and vegetables in the EU

The European "School Fruit Scheme" (SFS) originated as a measure to combat child obesity and includes three elements: free distribution of fruit and vegetables in schools, information campaigns on healthy eating habits, and monitoring and evaluation. The EU funds, to be matched by national and private funds, for the 2014/15 SFS has increased from $115 million (€90 m) to $191 million (€150 m), which was agreed in the context of the CAP 2020 reform and allocated to the participating Member States (MS). For the first time, these funds will also be used to accompany educational measures, such as school gardens and nutritional lectures.

On January 30, 2014, the Commission presented a proposal to bring the SFS and the "School Milk Scheme" together under a joint framework. Further discussions with the EU Parliament and Council are ongoing with a view to adopt the file in early 2015. The reformed "school scheme" is expected to take effect in 2016. For more information: http://ec.europa.eu/agriculture/school-scheme/legislative-proposal/index_en.htm

The sector may 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. The promotion budget will increase gradually from $76 million (€60 m) to $255 million (€200 m) annually until 2020. National co-funding will no longer be needed and EU associations will be able to apply directly for a program.

d) Increase the use of environmentally friendly cultivation and production techniques

At least 10 percent of operational program funding must be spent on environmental actions that go beyond mandatory environmental standards. MS with recognized POs must draw up a National Framework for Environmental Action (NEF) as part of their "national strategy for sustainable operational program." The NEF must contain a non-exhaustive list of environmental actions and the conditions applicable to them in the MS concerned.

For information on the CAP after 2014, please see: http://ec.europa.eu/agriculture/cap-post-2013/index_en.htm

2. Certification of Fruit Shipments

Plant products need a phytosanitary certificate to be exported to the EU. Phytosanitary certificates issued by a USDA/Animal Plant Health Inspection Service (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 and prevent the spread of plant and plant product pests.

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 and 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 justified. The list of products recommended for plant health checks at reduced levels was issued on September 30, 2014. On an annual basis, the Commission monitors imports of fruit and vegetables to determine how to adjust the frequency of testing consignments.

3. Maximum Residue Levels for Fruit

Maximum Residue Levels (MRLs) for pesticides, including import tolerances, have been harmonized throughout the EU since September 2008. As a marketing tool, some retail chains in the EU adopt private standards that exceed EU regulations by requiring their suppliers to adhere to stricter company policies that limit the maximum residues to 30, 50, or 70 percent of the respective EU MRL. Please find the link to the EU MRL database, as well as to the USDA MRL database for MRLs worldwide.

4. Tariffs

EU 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.

Commission Delegated Regulation (EU) No 499/2014 has introduced provisions on the entry price system, which aligns the clearance of goods that are subject to the entry price to the Custom Code.

These provisions, applicable since October 1, 2014, introduced a flat rate, which is the standard import value, to clear customs when products are sold on consignment.

Tariff levels for 2015 are published in Commission Implementing Regulation 1101/2014. The tariffs for citrus fruit remain unchanged compared to the levels of 2014 and can be found on page 96 for oranges, tangerines, lemons, grapefruit and other citrus fruit, while the tariff for orange juice can be found on page 163.

The United States tends to sell high quality products at higher prices, which typically do not face additional duties.

I. Russian ban on agricultural products

On August 7, 2014, the Russian government implemented a ban for one year on a range of agricultural and food products, including citrus fruit, from the United States, the European Union (EU), Canada, Australia, and Norway, in response to U.S. and EU sanctions over Russian actions in Ukraine. This ban has a significant effect for agricultural markets in Europe, as Russia is the EU's second largest market for food and drinks, purchasing 28 percent of EU fruit exports and 21.5 percent of EU vegetable exports in 2011.

The CMO rules (see Regulation 1308/2013 in part I) provide various market management tools to stabilize markets. In addition, the Commission is also empowered under the reformed CAP to take "exceptional measures" in case of market disruption.

As such, the Commission introduced specific market support measures for the first time for citrus fruit, including oranges, mandarins, and clementines on September 29, 2014. Regulation 1031/2014 provided a new program of $208.5 million (€165 million) to withdraw surplus volumes from the market for four product categories and will run until the end of the year. The annex to this regulation lists the specific volumes for 13 MS that are eligible for EU intervention support. The five MS exporting citrus fruit are Spain, Cyprus, Greece, Croatia, and Italy.

The four product groups are apples and pears (total 181,800 tons); citrus fruit: oranges, mandarins, clementine (total 96,090 tons); other vegetables: carrots, cucumbers, peppers, tomatoes (48,300 tons); other fruits: kiwi, plums and table grapes (total 76,895 tons).

Table 20: Maximum Volume of Citrus Fruit Eligible for EU Intervention Support

(Tons)	Oranges, clementines and mandarins
Belgium	0
Germany	0
Greece	10 750
Spain	58 600
France	0
Croatia	7 900
Italy	2 620
Cyprus	16 220
Lithuania	0
Hungary	0
Netherlands	0
Poland	0
Portugal	0

In addition, each of the 28 MS are entitled to 3,000 tons for supplementary withdrawals for the products listed in this program, plus cauliflowers, cabbages and mushrooms, allowing some flexibility as MS are allowed to prioritize certain products.

These rules for temporary support measures are granted to POs in the fruit and vegetables sector, as well as to producers who are not members of such organizations and cover withdrawal, non-harvesting and green harvesting operations. MS would allocate the quantities, referred to in the table above, between POs and non-member producers following the first come, first served system. However, MS may decide to set up a different system for the allocation of quantities, if this is based on objective and non-discriminatory criteria. Then MS may take into account the extent of the effects of the Russian import ban on the producers concerned.

More information on the Commission's response to the Russian ban can be found here:
http://ec.europa.eu/agriculture/russian-import-ban/index_en.htm

II. South African Citrus Checks

On July 3, 2014, a Commission Implementing Decision was published setting out the rules for tighter checks on South African citrus fruit imports to prevent the spread of Citrus Black Spot (CBS). This is a highly contagious fungal disease found in several imports last year, but is currently absent in the EU. While harmless to humans, citrus black spot reduces both harvest quality and quantity. The Commission banned South African imports from areas hit by the fungus in November last year but the move was largely symbolic as it came at the end of the import season. Citrus fruit producing countries such as Spain and Italy rejected the initial Commission plans and requested stronger measures to guarantee the security of their citrus producers.

According to these new measures, citrus fruit imports from South Africa are subject to more stringent criteria: pre and post-harvest chemical treatments would be registered, as well as packing houses and there would be on-site official inspections at citrus orchards. A sample of at least 600 pieces of each type of citrus fruit per 30 tons would need to be taken by the South African authorities. All fruit showing symptoms would be tested and no distinction would be made between citrus fruits for fresh consumption and citrus fruits for processing. In case of five recurring interceptions of citrus fruit contaminated with CBS, these measures will be further strengthened and additional restrictions may be imposed.

As a result, on September 8, 2014, South Africa voluntarily suspended citrus exports to the European Union (EU) as a precaution not to reach the five CBS incidents that could have resulted in the EU further strengthening the citrus import measures. South Africa has indicated that these measures are unscientific and directed at prohibiting South African citrus exports to the EU. The South African citrus industry has been continuously engaging the EU to address the CBS issue. One of the industry proposals is that the EU should not impose a blanket import restrictions to the entire EU, but should impose stricter regulations for imports into citrus growing areas of the EU such as Spain and Italy. The South African government and key industry stakeholders have been quoted in the media stating that the EU measures on CBS were driven by protectionist rather than plant health concerns, and directed at prohibiting South African citrus exports to the EU. The South African Minister of Trade and Industry has indicated through the media that South Africa will be lodging a formal dispute to the World Trade Organization (WTO) against the EU. Source: GAIN report - South Africa voluntarily suspends citrus exports to the EU.

RELATED REPORTS FROM EU POSTS

Report Title	Date Released
Italy Citrus Semi-Annual 2014	09/03/2014
Greece Citrus Semi-Annual 2014	08/22/2014
EU-28 Citrus Semi-Annual 2014	06/20/2014
Greece Citrus Annual 2013	12/17/2013
Italy Citrus Annual 2013	12/17/2013
EU-28 Citrus Annual 2013	12/11/2013
Italy Citrus Semi-Annual 2013	10/02/2013
Greece Citrus Semi-Annual 2013	10/02/2013
EU-28 Citrus Semi-Annual 2013	06/12/2013

The above reports can also be accessed through the FAS website
http://www.fas.usda.gov/scriptsw/attacherep/default.asp