CIRAD Market News Service

Synthesis of the 2018-19 season in the EU28
Market trends

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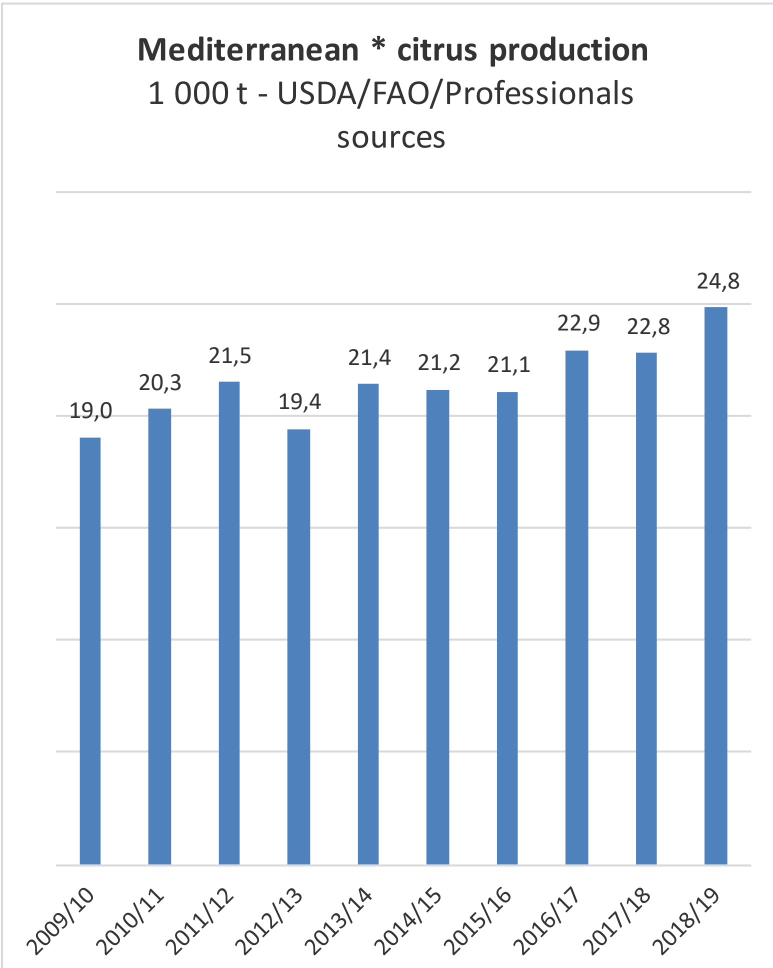
A record breaking Mediterranean crop

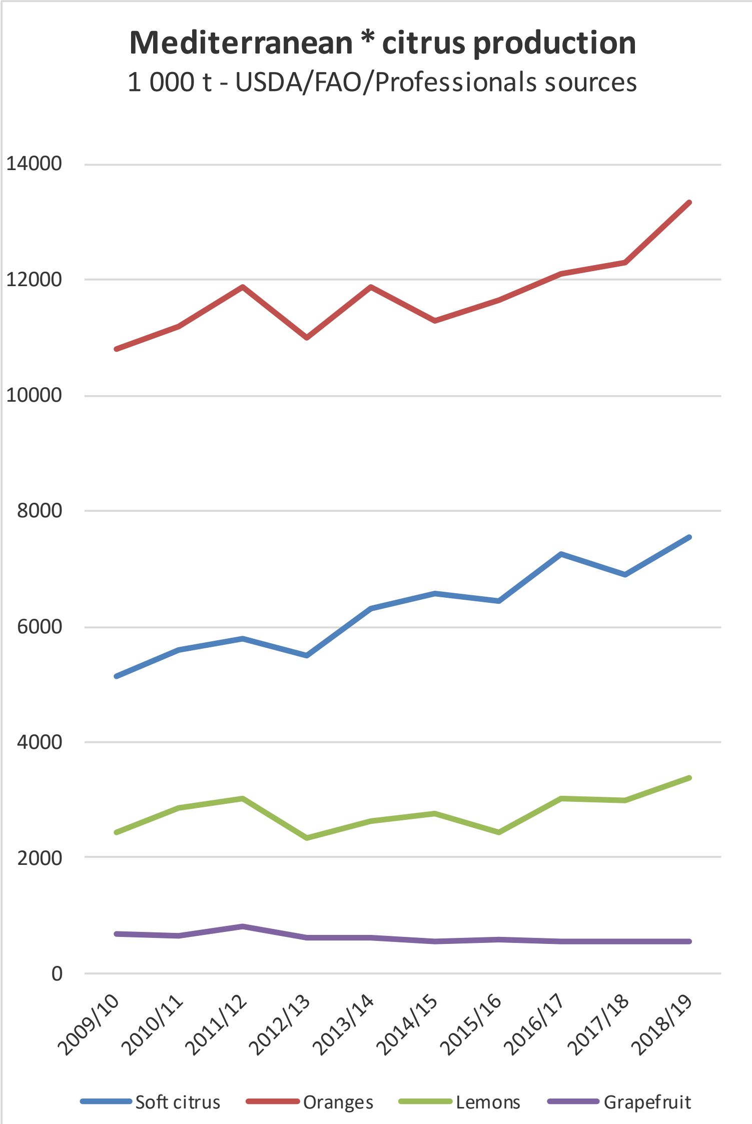


- A record breaking crop close to 25 millions tons
  - Total Mediterranean production around 28 millions tons
  - Around 20% of the world production

- an acceleration of the growth rate for 3 seasons

Mediterranean = Spain, Turkey, Egypt, Italy, Morocco, Greece,Tunisia, Israel, Cyprus

All citrus families at the top



	2018/19	/2017/18	/X4 ans
Soft citrus	7 533	9%	11%
Oranges	13 328	10%	17%
Lemons	3 384	13%	21%
Grapefruits	542	-1%	-3%
Total	**24 787**	**9%**	**13%**

- A very large crop for all citrus families, apart grapefruit
- An increase of the growth rate, especially for oranges and lemon

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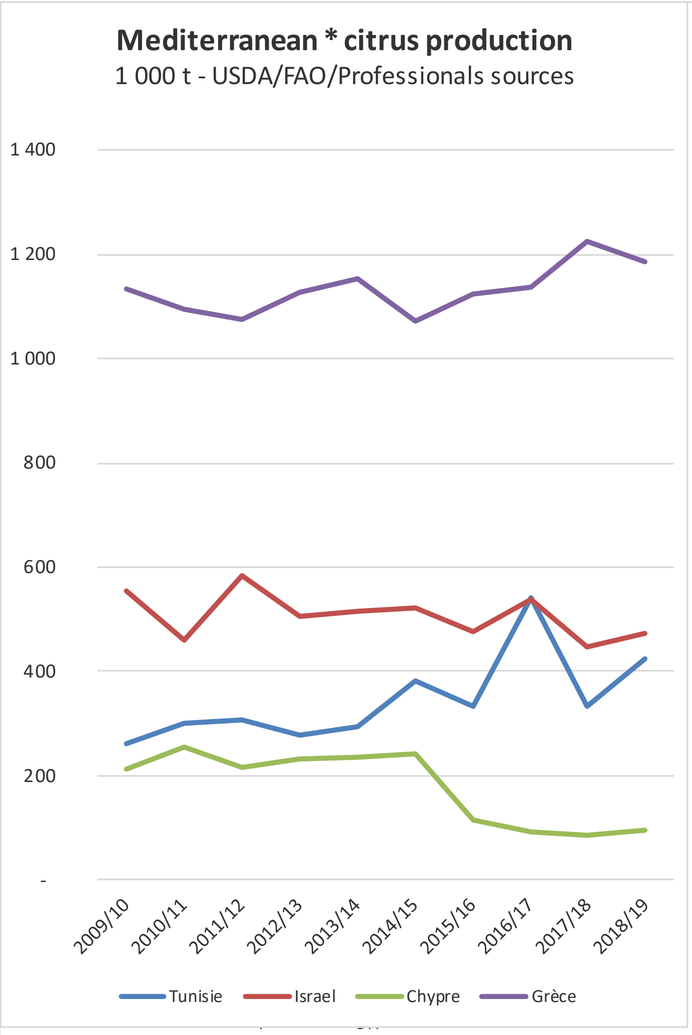
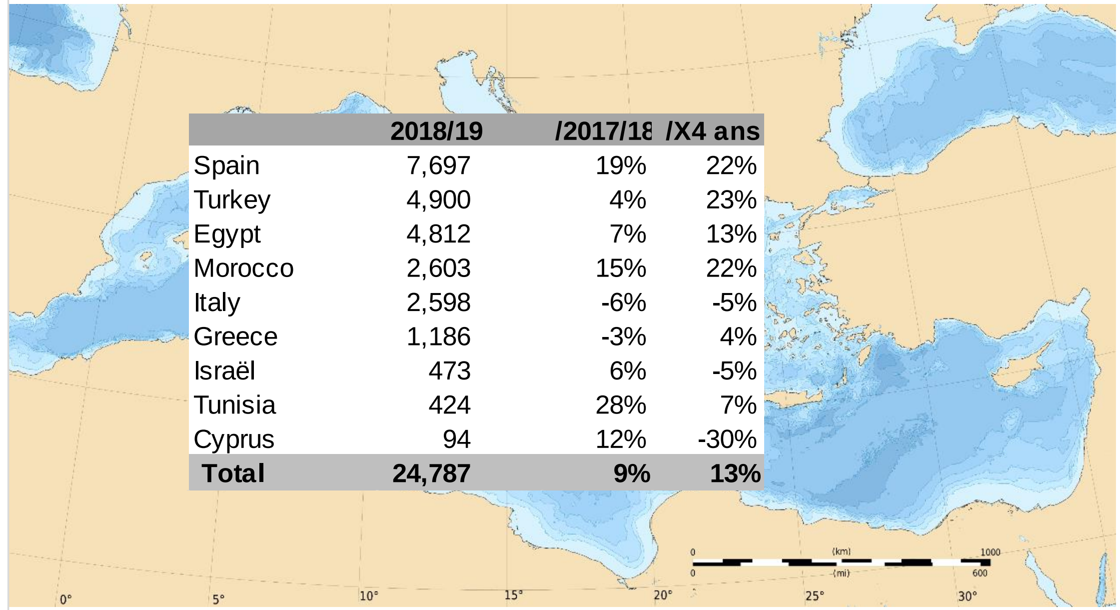
All citrus families at the top

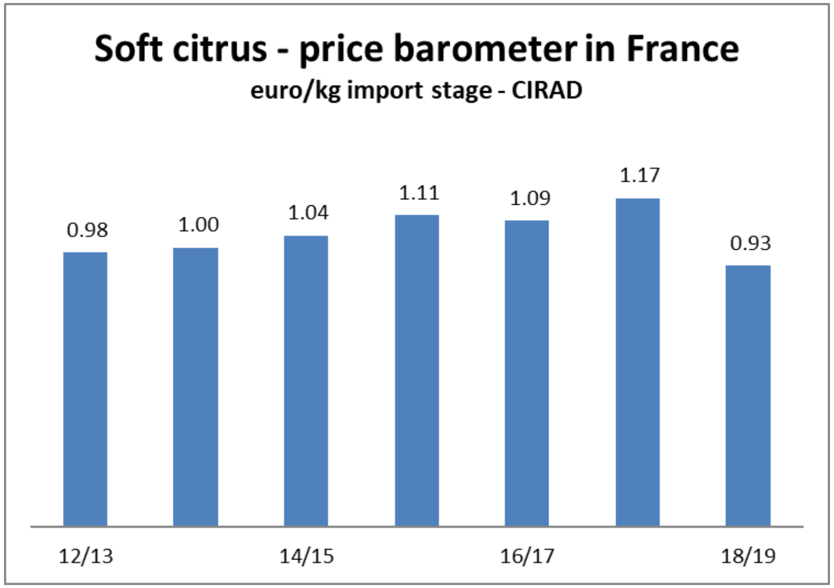




	2018/19	/2017/18	/X4 ans
Spain	7,697	19%	22%
Turkey	4,900	4%	23%
Egypt	4,812	7%	13%
Morocco	2,603	15%	22%
Italy	2,598	-6%	-5%
Greece	1,186	-3%	4%
Israël	473	6%	-5%
Tunisia	424	28%	7%
Cyprus	94	12%	-30%
Total	**24,787**	**9%**	**13%**

- A very large crop for the “big 3” and Morocco
- On the contrary, volumes tending slightly down in Italy and Israel
- A fast growing production in Turkey, Egypt and Morocco

Soft citrus: in one word – a disaster

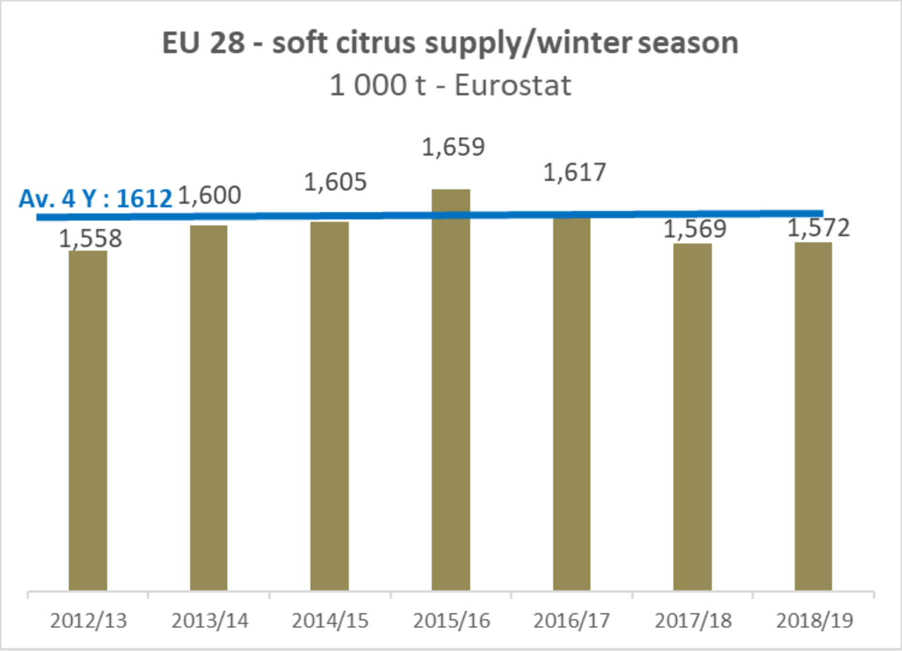


- A record low price …

-21% / 2017-18
-16% / 4-season average

- … in spite of regular volume sold

0% / 2017-18
-2% / 4-season average



- External issues:

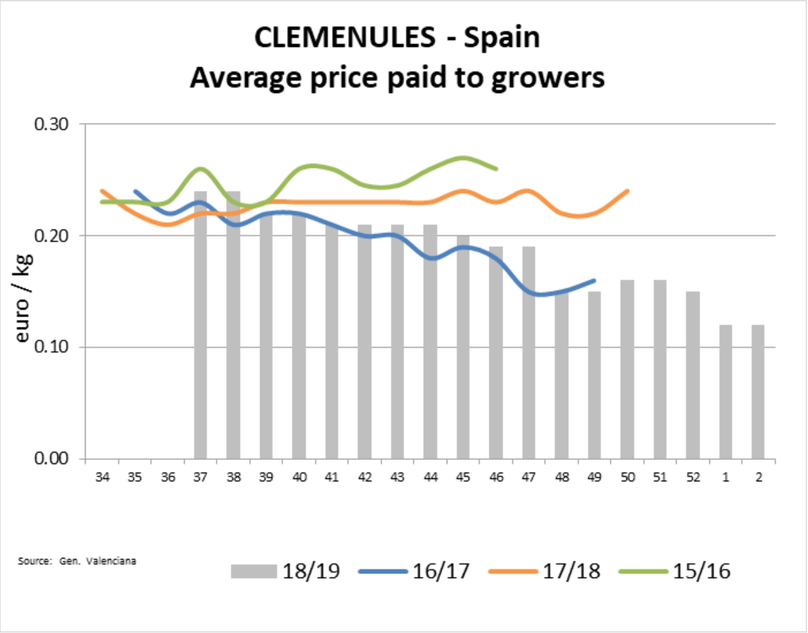
  - Weather conditions at the beginning of the season
    Lots/frequent rains in Spain from mid October to mid November (>200 mm)
    High temperatures in October

=**>low demand/disruption of supply/quality issues/late development of the season**

  - “Yellow vest crisis” in France
    Roads / supermarket platforms / supermarkets blocking

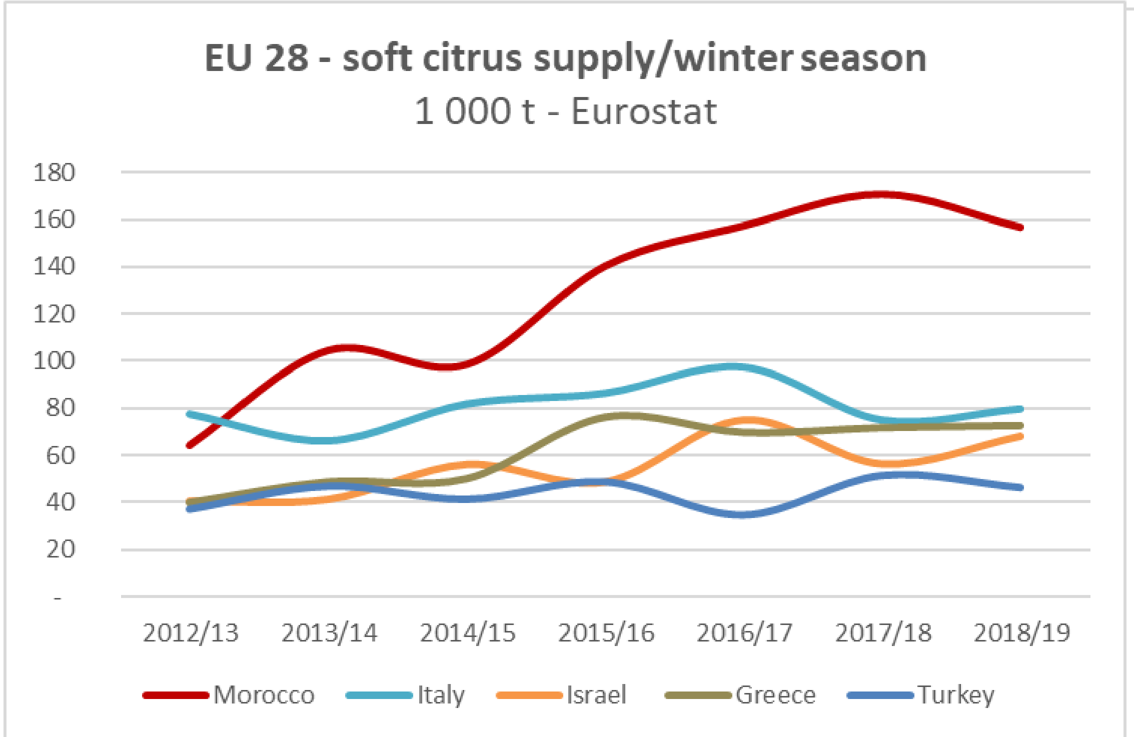
=>Logistic issues, affecting not only France but also the other markets (lorries transiting through France)

- High pressure at the production stage / small sizes / lack of color



Soft citrus: No big move on the suppliers side

- **Spain** : no recovery of the exports in spite of a large production
- **Morocco** : stop of the increase trend

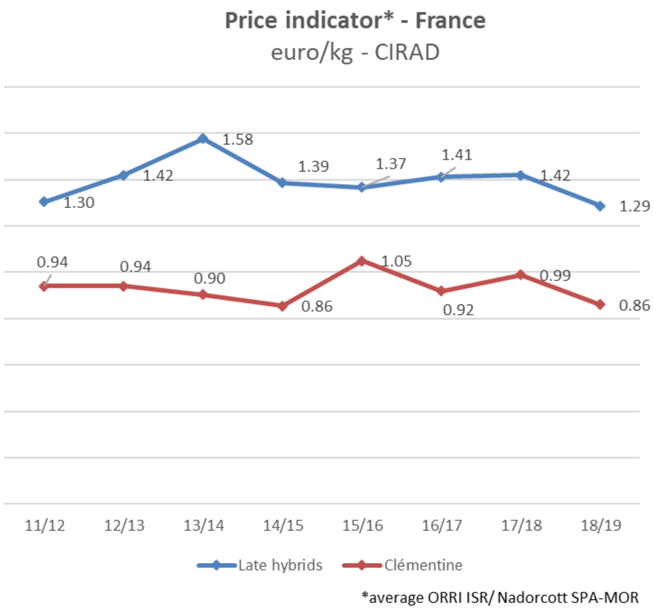


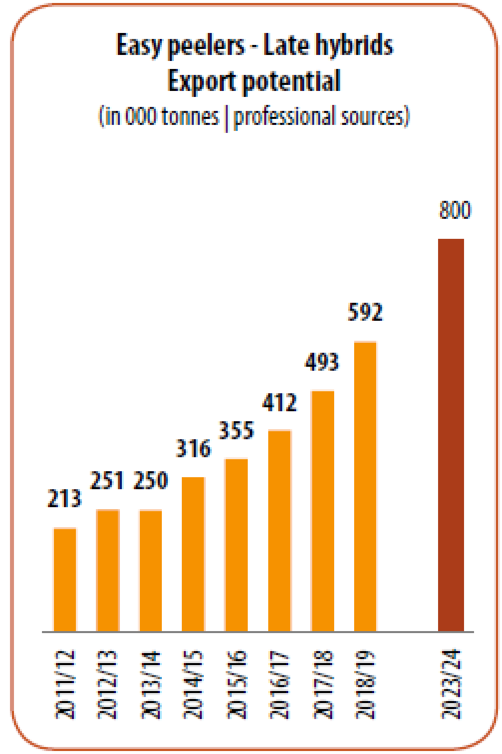
EU28 Soft Citrus imports - 1000 t - Eurostat

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Total N.H.	**1,613**	**1,558**	**1,600**	**1,605**	**1,659**	**1,617**	**1,569**	**1,572**
Spain	1,306	1,284	1,277	1,250	1,234	1,161	1,111	1,124
Morocco	81	64	104	98	140	157	171	157
Italy	91	78	66	82	86	98	75	80
Israel	43	41	41	56	49	75	56	68
Greece	32	40	49	50	76	70	72	73
Turkey	46	37	47	41	49	34	51	46
Portugal	5	5	5	12	18	13	20	16
Autres	10	9	10	8	7	8	12	9

A worrying trend !

- Record low prices for both clementine AND Late hybrids





Challenge for the profitability of the industry

Easy peelers – Late hybrids – Main EU-28 supplier countries

	Varieties	Areas	Long-term export potential	Observations
Morocco	Nadorcott	7 560 ha (2017)	260 000-270 000 t	Cultivation area stabilised
Spain	Nadorcott	5 370 ha (2017)	200 000-210 000 t	Cultivation area stabilised
	Orri	1 960 ha (2017)	70 000-80 000 t	Cultivation area stabilised
	Tango	3 000-3 500 ha	120 000-140 000 t	Cultivation area still expanding
Israel	Orri	5 000 ha (2018)	120 000-125 000 t	Cultivation area stabilised
Total			**770 000-825 000 t**	

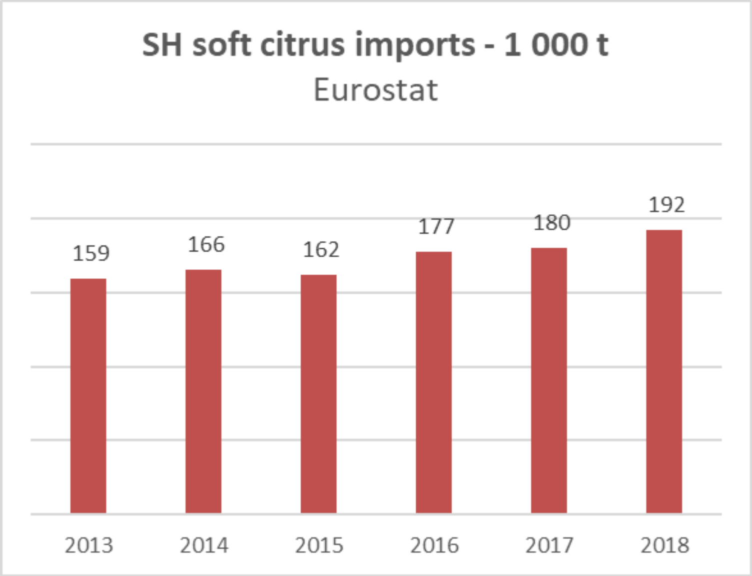
Easy peelers –Late hybrids – Other major cultivation areas

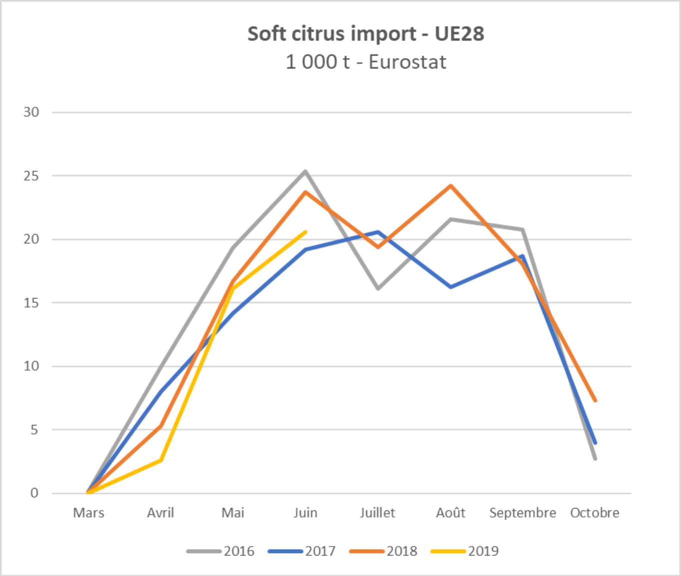
	Varieties	Areas	Potentiel export à terme	Observations
Turkey	Tango	1 000 ha (2018)	40 000 t	Cultivation area expanding - Part marketed in the EU
	W. Murcott	7 000-10 000 ha	230 000-330 000 t	Cultivation area expanding - Not marketable in the EU
Egypt	Tango	500 ha	20 000 t	Cultivation area expanding - Target markets mainly non-EU

Professional sources

A worrying trend !

- A slightly increasing SH competition on the early market



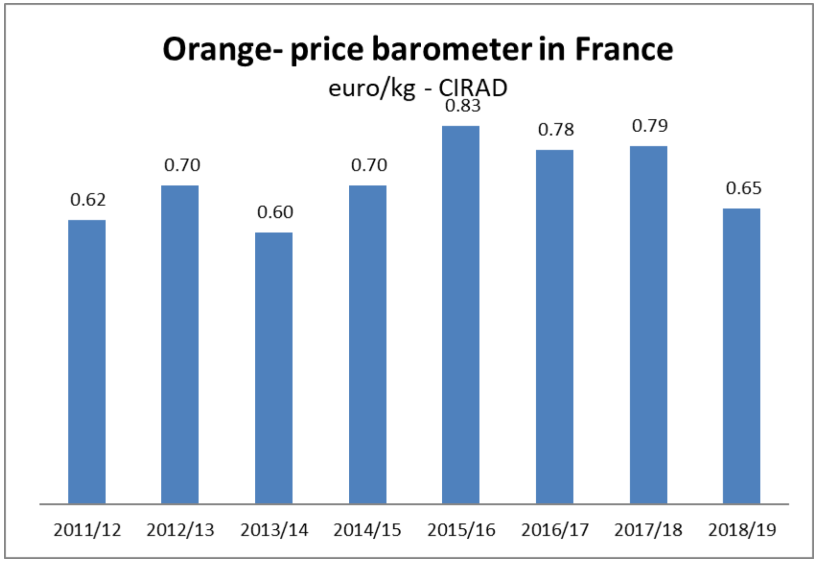


SAR : export projection 2022 ≈ 30 millions boxes

=> +10 million boxes/2019 (150 000 t) partly dedicated to the EU 28 (Asia/Middle East/South America

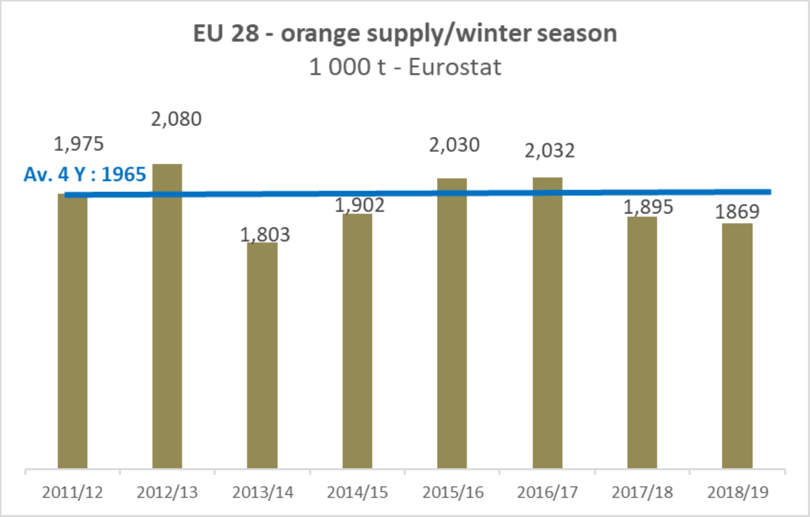
Peru : quick development of the orchard also

Orange: one of the worst season ever



- The lowest price recorded since 2013/14

-17% / 2017-18
-16% / 4-season average

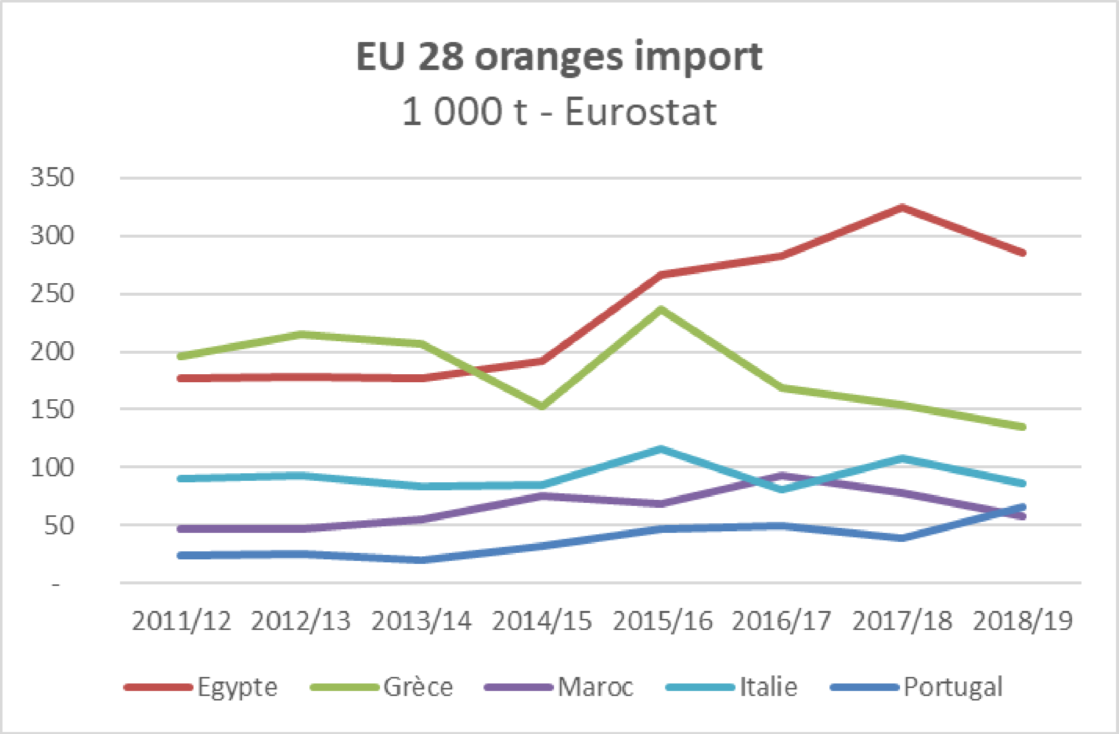


- Less volumes sold in spite of a large Mediterranean production

-1% / 2017-18
-5% / 4-season average

Oranges : No big move on the suppliers side

- **Spain** : a very slight recovery of the exports in spite of a large production
- **Egypt** : stop of the increase trend
- **Portugal** : still slightly gaining ground



EU oranges imports - t - Eurostat

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Total NH	**1,975,193**	**2,080,343**	**1,803,093**	**1,902,452**	**2,030,351**	**2,032,262**	**1,895,043**	**1,869,000**
Espagne	1,382,095	1,464,457	1,210,809	1,323,336	1,233,704	1,297,293	1,138,728	1,200,403
Egypte	176,339	178,600	177,304	192,069	265,830	283,013	325,055	285,926
Grèce	196,100	214,532	206,232	152,492	236,559	168,650	154,438	135,078
Maroc	46,570	46,628	54,944	75,392	68,153	92,537	78,388	58,404
Italie	89,942	93,565	83,294	84,196	115,493	81,111	108,528	86,216
Portugal	24,291	25,708	20,447	32,012	47,559	49,844	38,994	66,361
autres	59,858	56,854	50,064	42,955	63,054	59,814	50,912	36,613

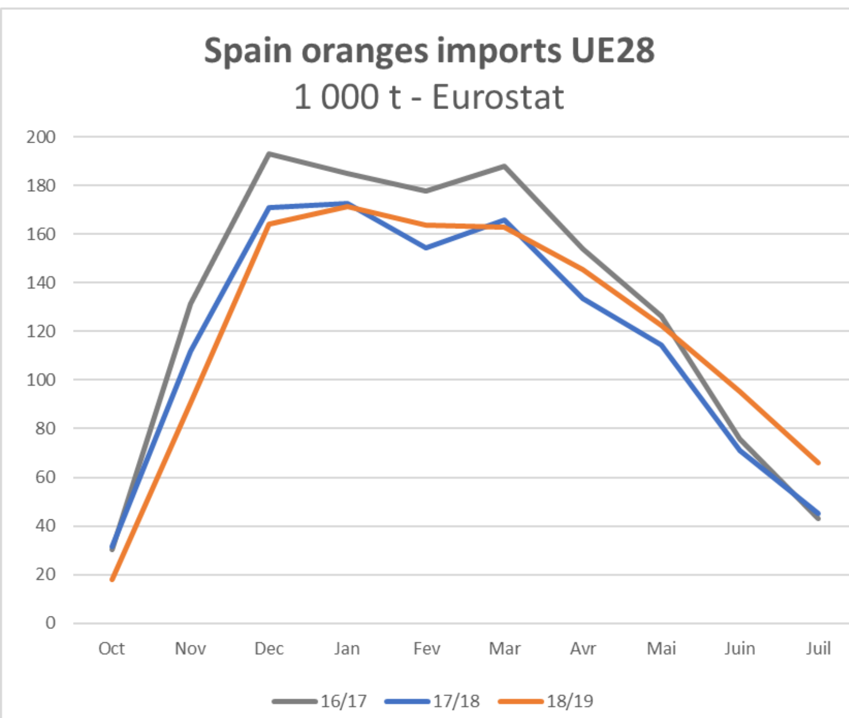
Orange: Mediterranean orange losing ground at the beginning of the season

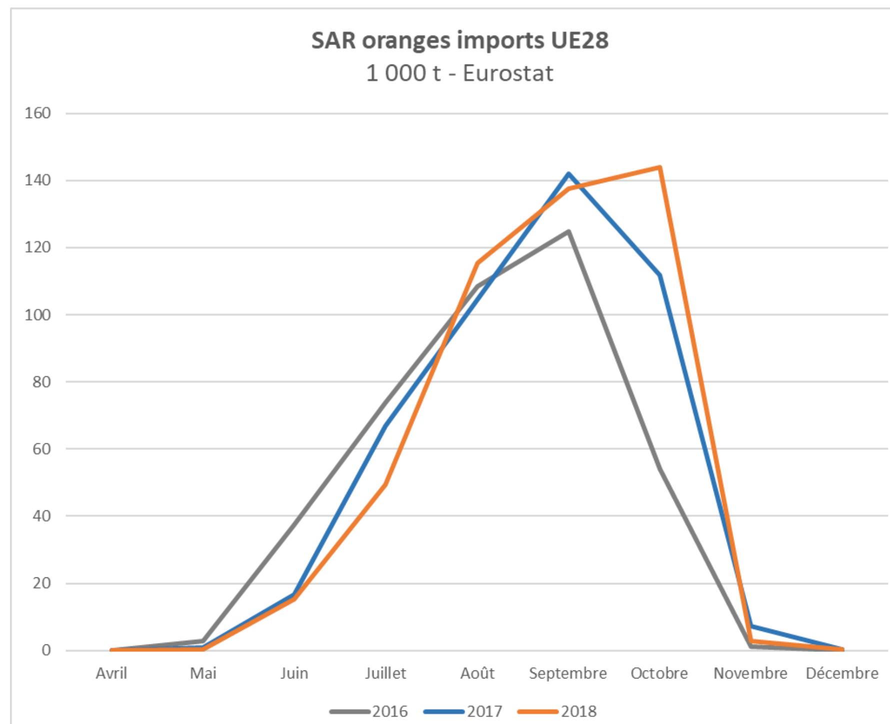
- **A later market calendar for Spain…and less volume sold:**
  Comparison 2018-2016
  Oct-Nov: ≈ -60 000 t
  Jun-Aug: : ≈ +35 000 t

- **External issues:**
Maturity delayed
Rainy weather from mid October to mid November
- **An increasing SAR Competition, with an attractive organoleptic profile**

SAR imports September to end of season :
2016 : 180 000 t
2018 : 284 400 t
⇒≈ + 100 000 t

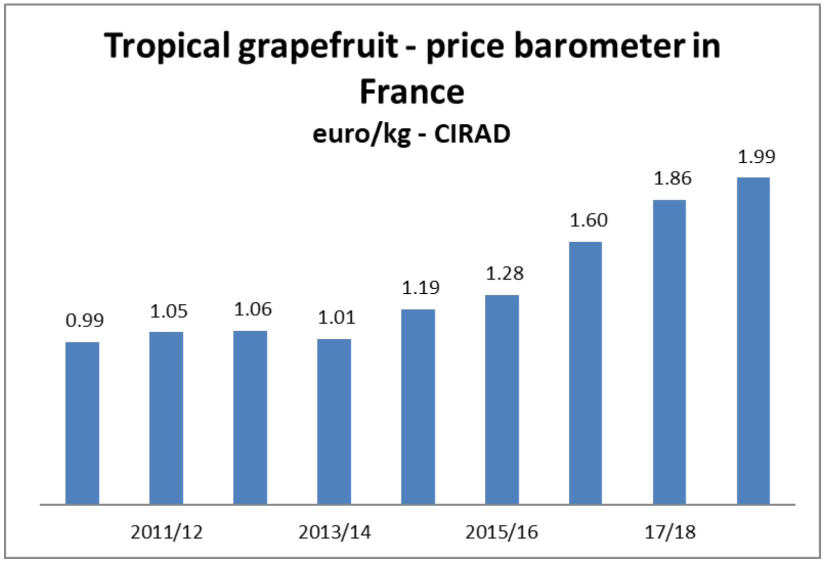
SAR Valencia export potential 2022 : 65 millions boxes
+330 000 t / 2019

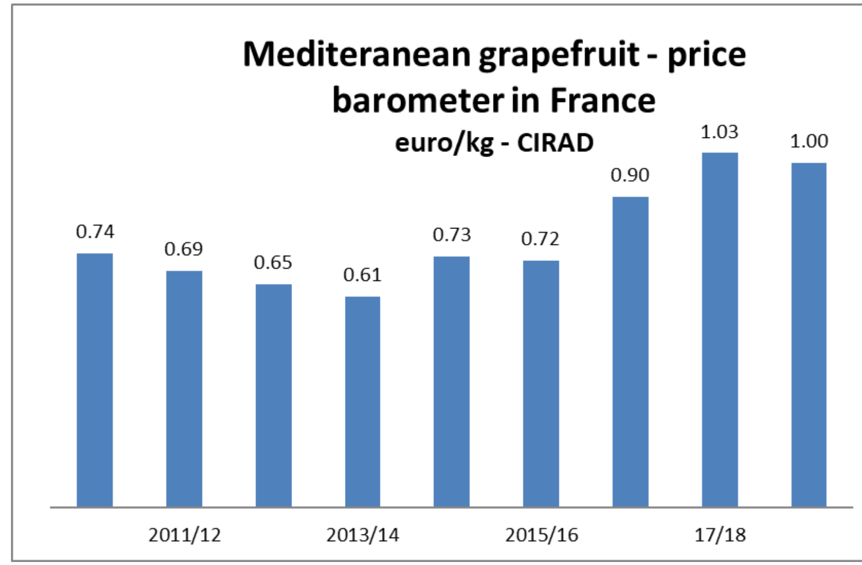




Grapefruit: better and better...price wise...

- A new season of record/very good prices in France!

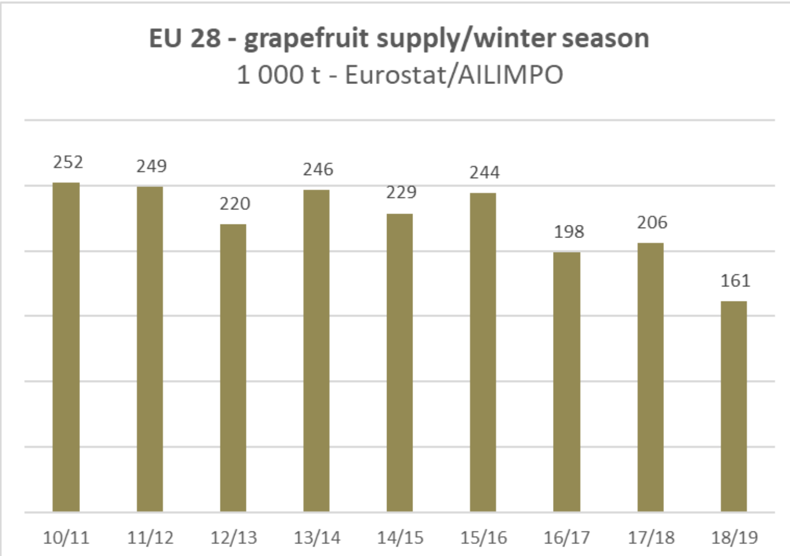




+7% / 2017-18
+34% / 4-season average

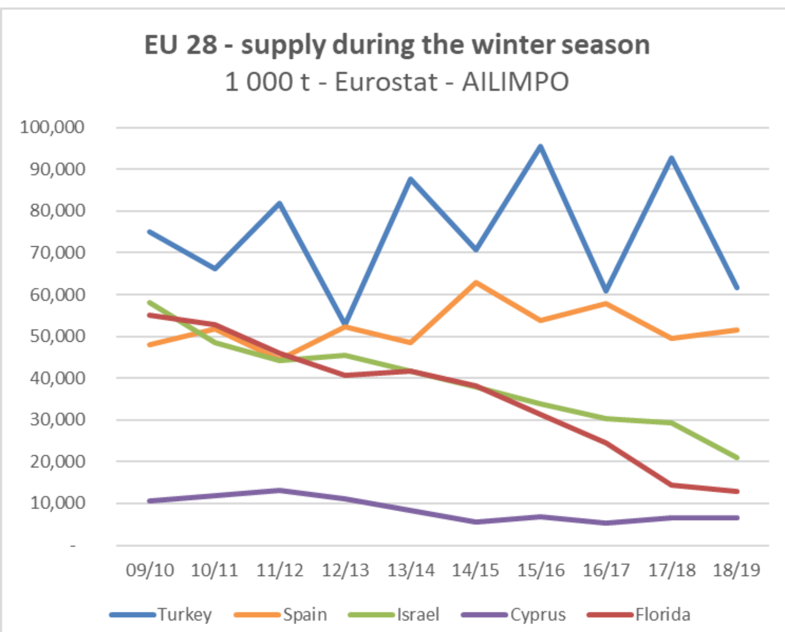
-3% / 2017-18
+18% / 4-season average

Grapefruit: More Fruit from the Mediteranean, less from Florida



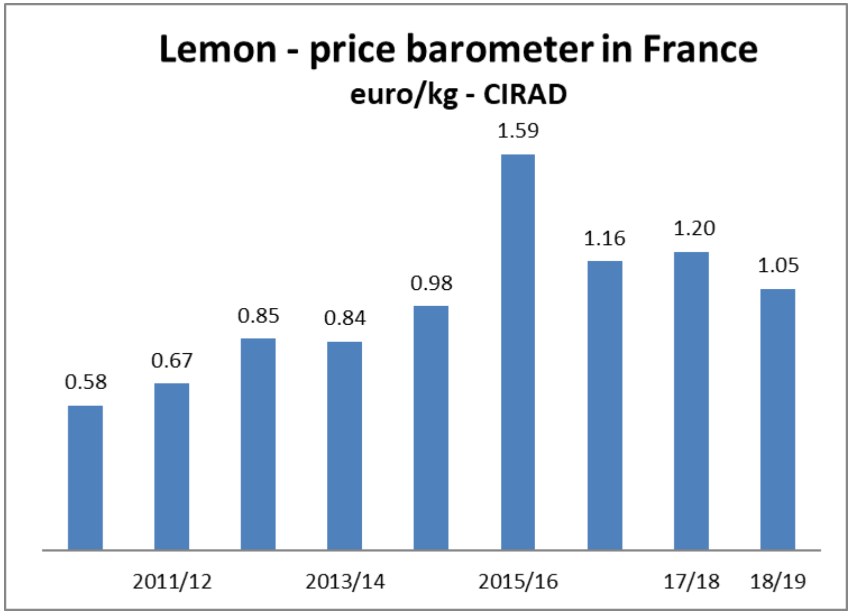
- Supply shrinking further and further

  -22% / 17-18 -26% / 4Y average



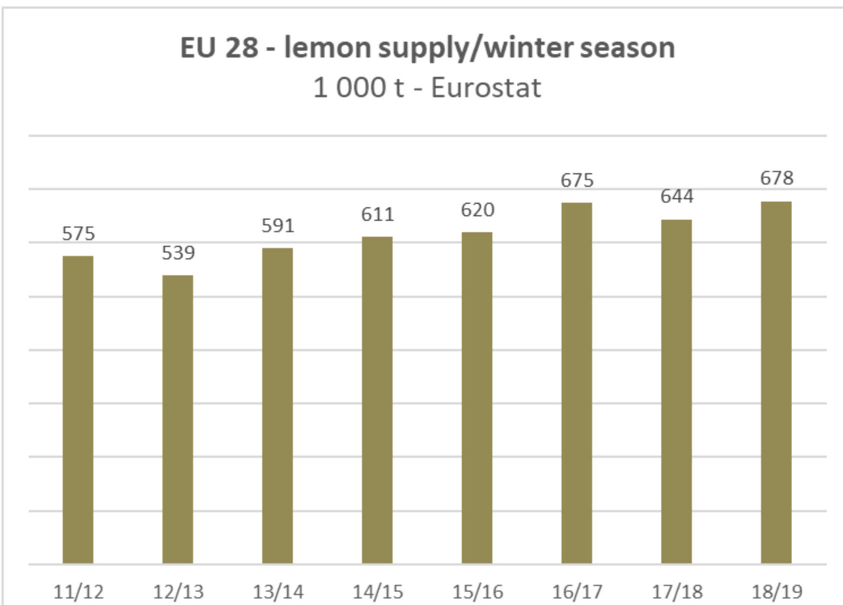
- No big changes in the supply pattern:
  - **Turkey/Spain** : almost stable, with big up/down movement for Turkey (orchard stabilized in Spain-seems to be the same also in Turkey)
  - **Israel:** decreasing in the EU 28, due to punctual problem and greater export to the Asian markets – new planting this year (around 450 ha)
  - **United states** : Tending to stabilize – production tending to stabilize in Florida / development of the Texas exports

Lemon: a difficult season



- A difficult season, but not within the worst

-13% / 2018-19
-15% / 4 - season average

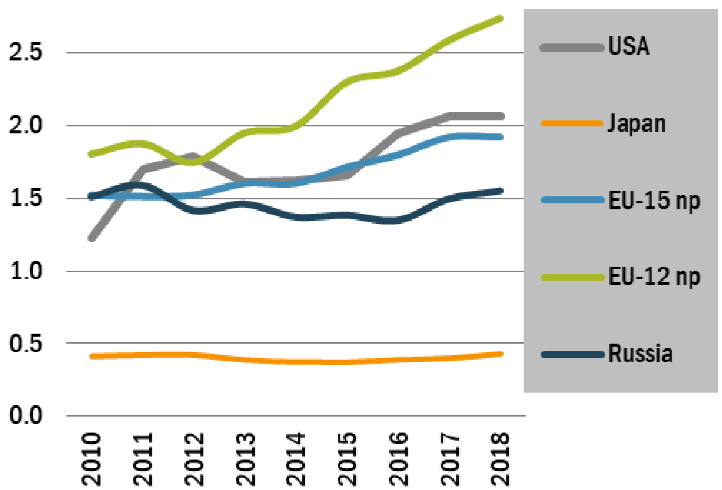


- A stabilization of the Mediterranean lemon sales, after a long period of increase ?

+5% / 2018-19
+6%/ 4-season average

A changing consumption trend?

Lemon - Evolution of consumption in the leading markets
(in kg/capita / sources: Customs, Trade map, professionals)



- Slow consumption increase? Partly due to production issue?

EU28 – large volumes available from Spain during the second semester, but moderate to low during the first semester

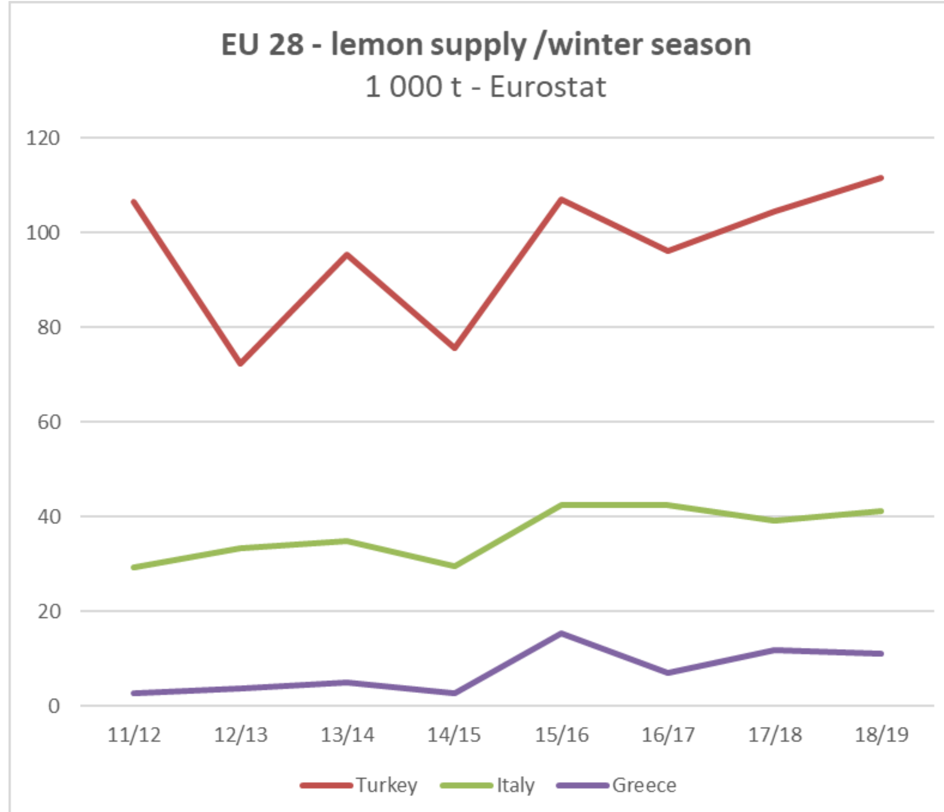
USA – Same situation with the California crop

- Partly confirmed by the first data available for 2019

First semester :
- Western EU 28 : +2%
- Eastern EU 28 : -1%

Lemon : Turkey gaining ground

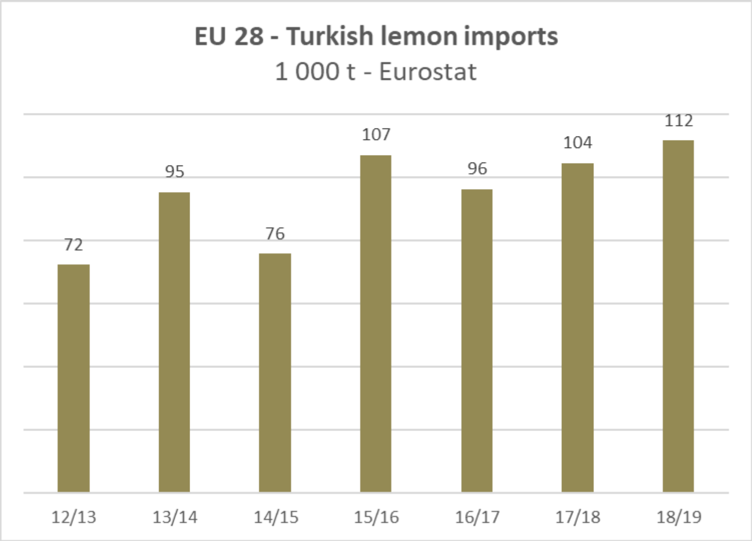
- **Spain** : almost stable these last two seasons
- **Turkey :** recovering /gaining ground
- **Italy/Greece :** almost stable



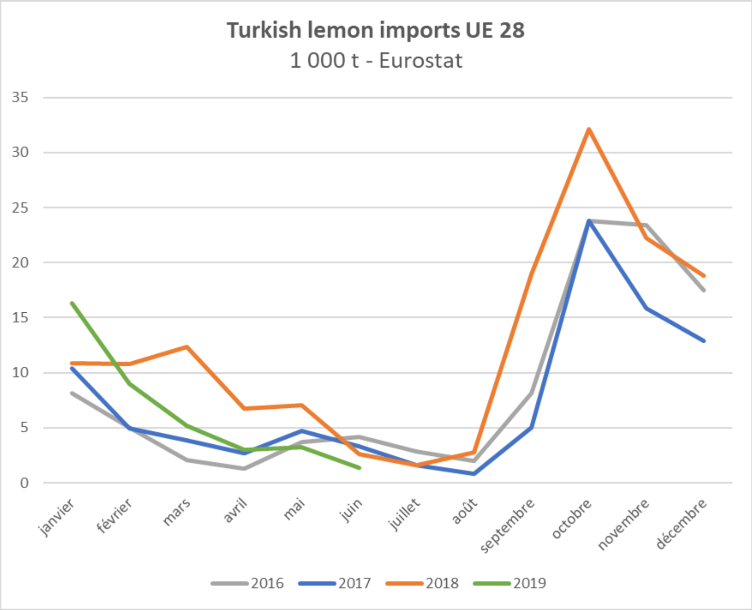
EU28 lemons imports - 1000 t - Eurostat

	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19
Total	**574,652**	**538,895**	**590,562**	**610,622**	**619,789**	**674,596**	**644,096**	**677,763**
Spain	432,293	426,860	452,051	500,692	447,968	523,012	482,909	508,178
Turkey	106,512	72,299	95,305	75,684	107,077	96,219	104,490	111,563
Italy	29,210	33,377	34,955	29,539	42,406	42,497	39,107	41,172
Greece	2,624	3,658	4,951	2,792	15,319	7,140	11,950	10,986
Egypte	572	236	810	166	1,023	2,825	3,676	4,397
Chypre	2,169	1,883	1,121	635	1,205	1,292	770	517
Maroc	970	192	693	443	1,886	748	612.5	559.3
Autres	302	390	677	671	2,905	864	581	390

Turkish lemon import

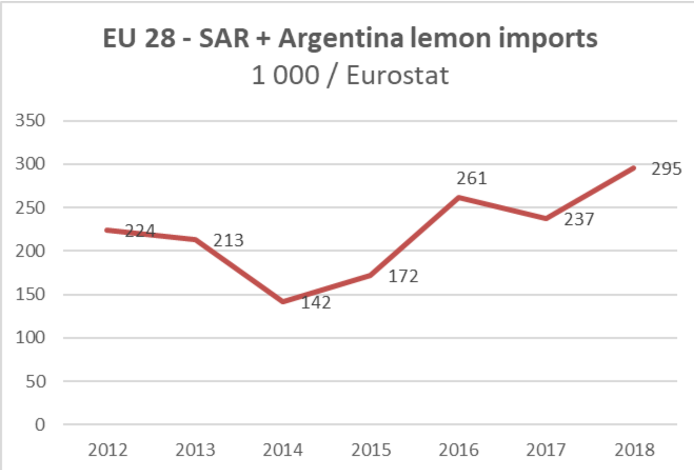


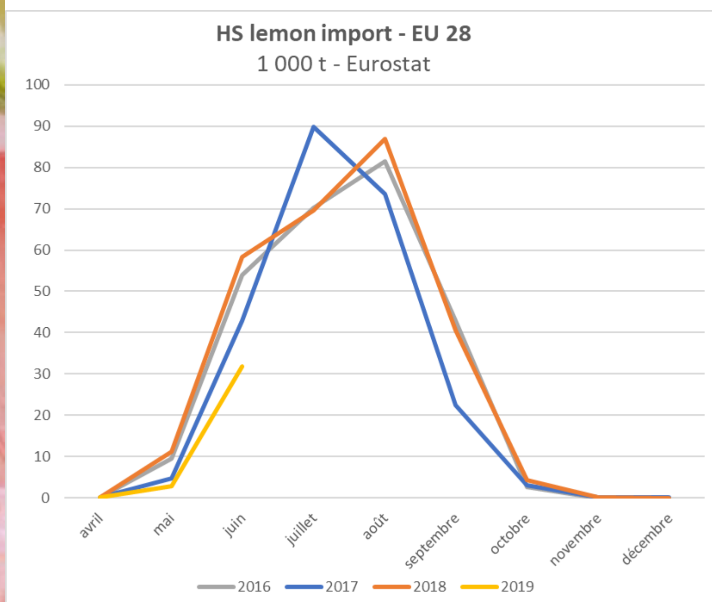
- Gaining ground



- Focus on the early months of the season (Interdonato) and the first trimester

More fruits from the SH players?





- True…for the moment…
  - Increasing imports in the EU 28

    X2 between 2014 and 2018
  - Export potential :

    South Africa 2022: 35 millions boxes (+200 000t)

    Argentina 2022 : +200 000 t ? (4500 ha planted 14-17)

- …but maybe not in the future…
  - Market window shrinking at the beginning of the season
  - A fast developing production in the Mediterranean

Spanish/Turkish “wall” and fight for market share between SAR and Argentina?

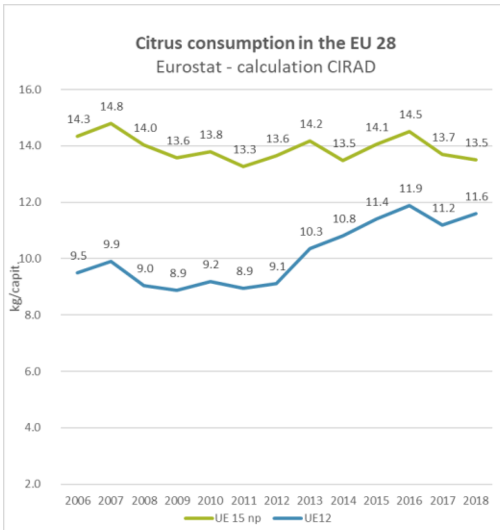
2019 season : HS lemon import dropping of around 20% in spite of a higher production / Argentina losing ground to SAR.

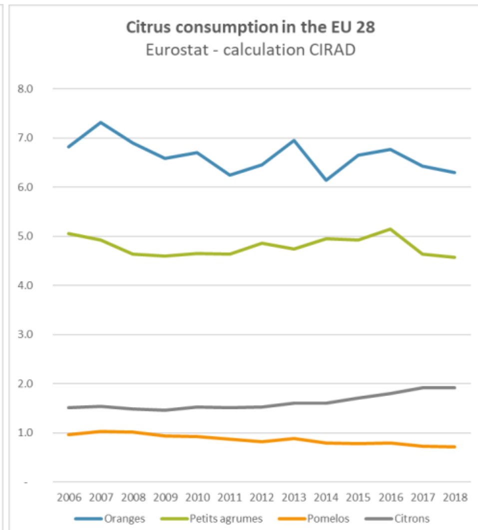
Synthesis

- A bad to very bad season price wise, apart for grapefruit

- Mediterranean sales static to decreasing, apart for lemon, in spite of a very large production and low prices:

  – Consumption tending down, especially for oranges





- A market calendar moving towards a later beginning of the season, and a later end

  – External factors – climate
  – SH competition (oranges, and at a lower extend soft citrus and lemon)

Forecast 2019-20

Mediterranean countries

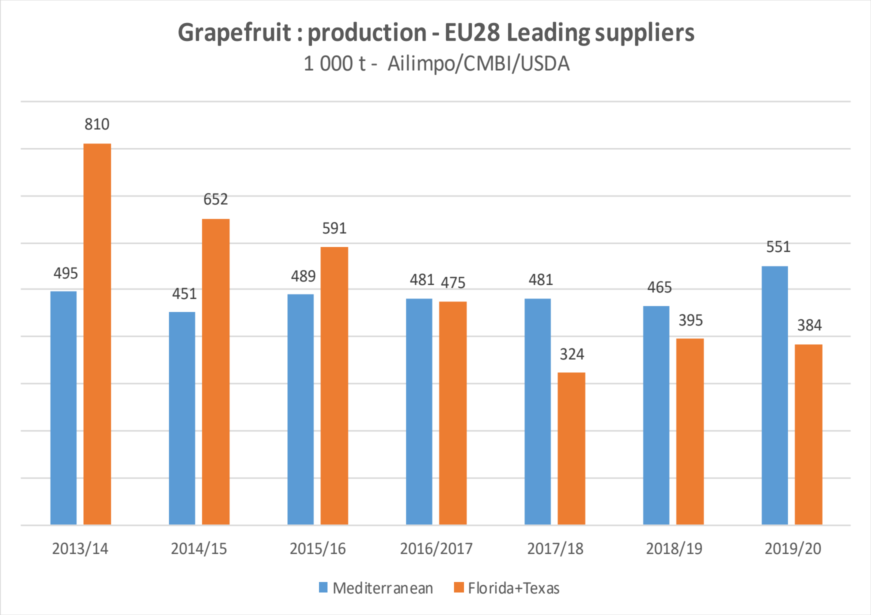
Grapefruit: A rising Mediterranean crop

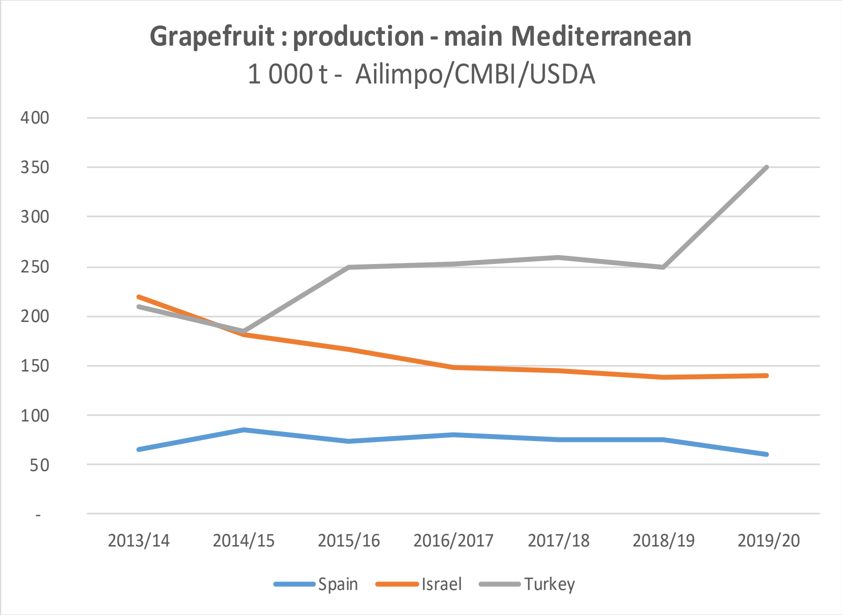
Mediterranean Grapefruit -Production Forecast 2019-20			
1 000t	**2019-20**	**Comparison**	
1000t		18/19	/ 4yrs average
Turkey*	350	40%	38%
Israël	140	1%	-6%
Spain	61	-26%	-21%
Italy	5	0%	-22%
Total	**556**	**15%**	**-11%**

Sources: Ailimpo, MarocCitrus, ISTAT, USDA,*professional

Tropical Grapefruit -Production Forecast 2019-20			
1 000t	**2019-20**	**Comparison**	
1000t		18/19	/ 4yrs average
Florida	177	2%	11%
Texas	207	-7%	-32%
Total	**384**	**-5%**	**-21%**

- Increasing Turkish crop (On-year-crop)
- Israel steady and increasingly targeting Asia
- Decresasing crop in Spain.
- Stable Floridian production , but small grades. Rise of Texas (50% of EU's tropical grapefruits imports)



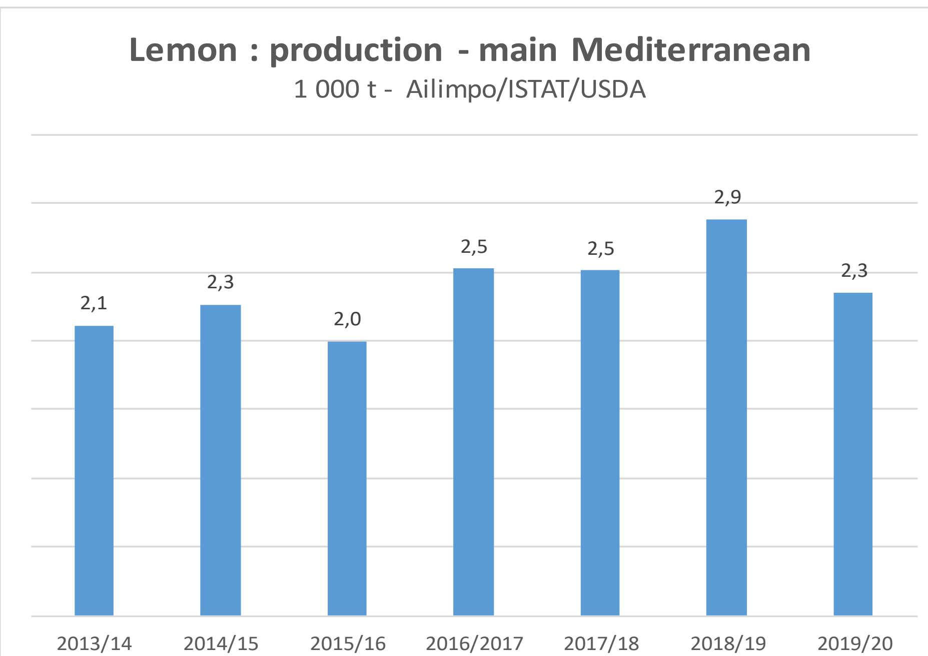


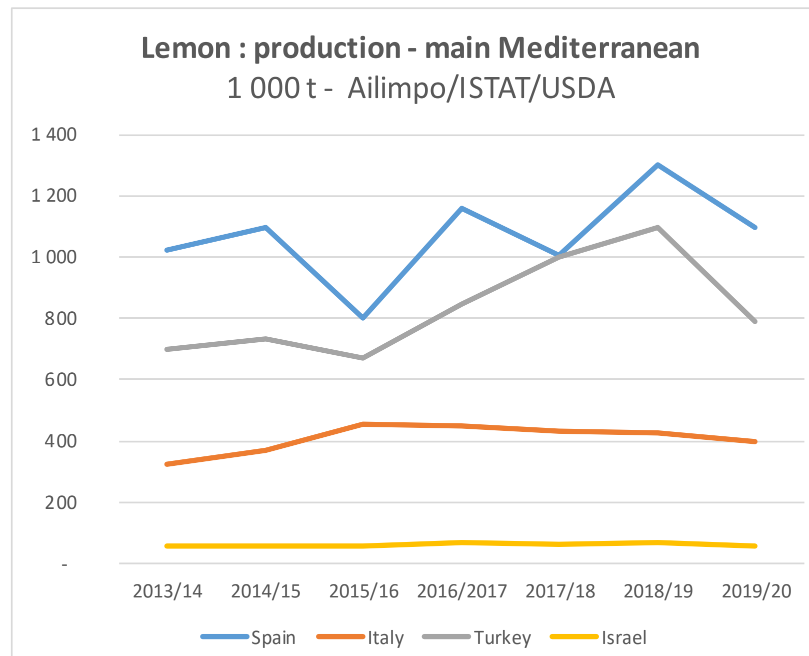
Lemon: Receding Mediterranean crop

Mediterranean Lemon -Production Forecast 2019-20			
1 000t	**2019-20**	**Comparison**	
1000t		18/19	/ 4yrs average
Spain	1 100	-15%	3%
Turkey*	792	-28%	-12%
Italy	400	-6%	-9%
Israel	55	-19%	-15%
Total	**2 347**	**-19%**	**-5%**

Sources, GVA, Junta Andalusia, Maroc Citrus, Istat, USDA
*professional

- Spanish crop close to average (but shortfall due to off year crop especially in Verna)
- Limited crop from Turkey and Italy



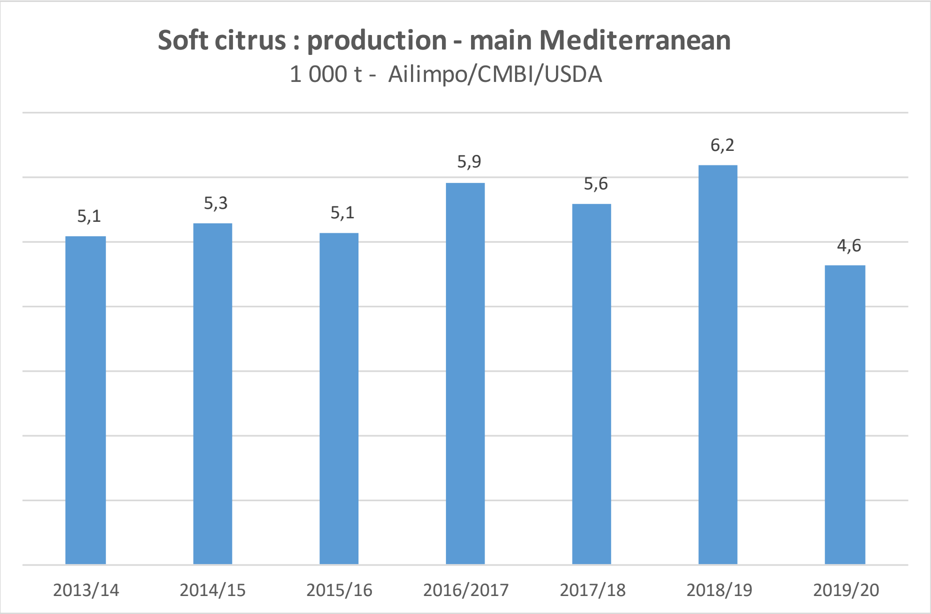


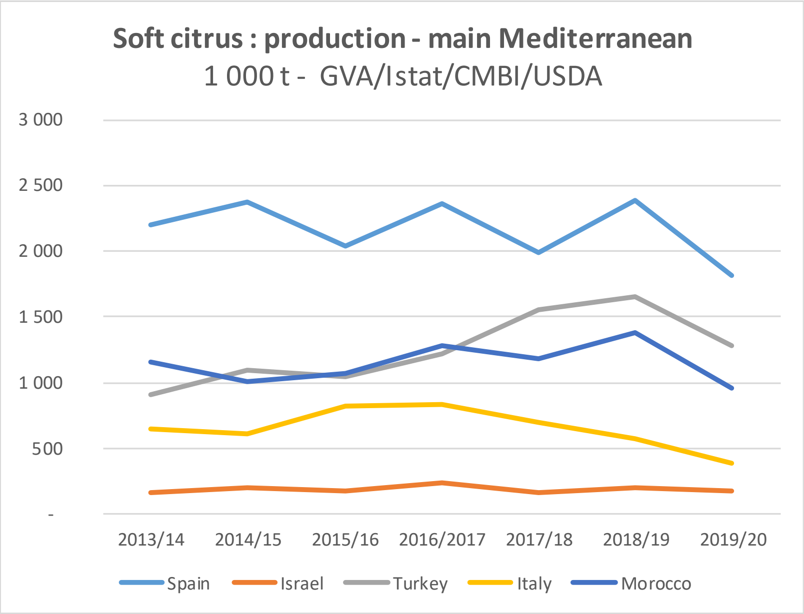
Soft citrus: a major shortfall

Mediterranean Soft Citrus -Production Forecast 2019-20			
1 000t	**2019-20**		**Comp**
1000t		18/19	/ 4yrs average
Spain	1 822	-24%	-17%
Turkey*	1 287	-22%	-6%
Morocco	963	-30%	-21%
Italy	390	-32%	-47%
Israel	170	-14%	-13%
Total	**4 462**	**-25%**	**-17%**

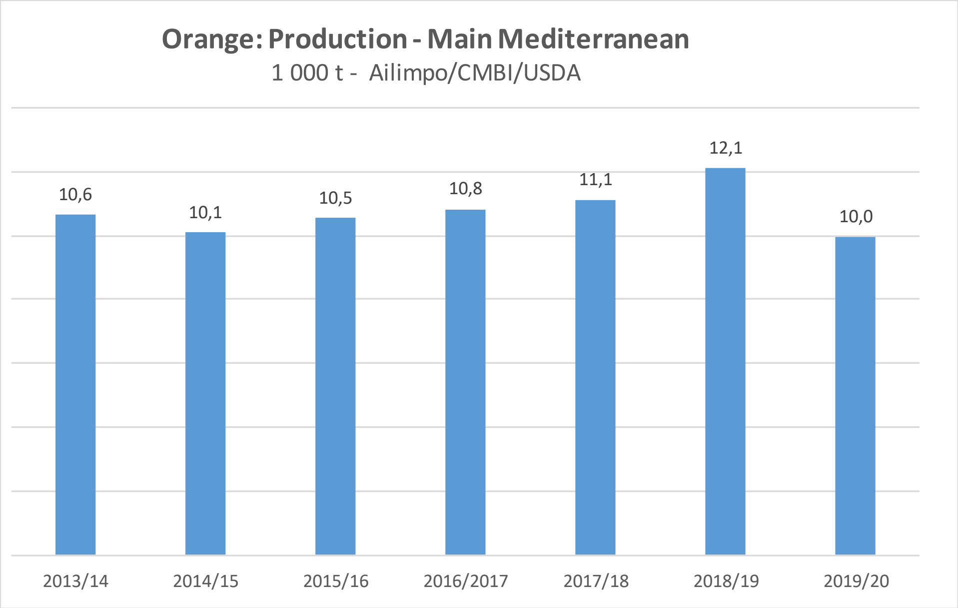
Sources, GVA, Junta Andalusia, Maroc Citrus, Istat, USDA, **professional*

- Shortfall in production for Spain and Morocco (especially on mid-season varieties)
- Development of the late hybrids segment (young orchards rising)





Oranges: An off year crop



- One of the most smallest Spanish crop in the last decade
- Egyptian crop moderately receding
- Dropping crop in Morroco (emphasise by last summer's heat waves)
- Rising crop in Israel

Mediterranean Orange -Production Forecast 2019-20			
1 000t	**2019-20**	**Comparison**	
1000t		18/19	/ 4yrs average
Spain	3 313	-16%	-5%
Egypt*	3 078	-10%	-1%
Turkey*	1 330	-30%	-29%
Italy	1 280	-20%	-17%
Morocco	828	-30%	-20%
Total	**9 957**	-18%	**-11%**

Sources, GVA, Junta Andalusia, Maroc Citrus, Istat, USDA,*professional