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DIRECTORATE-GENERAL FOR AGRICULTURE AND RURAL DEVELOPMENT

Directorate G. Markets and Observatories

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## DRAFT MINUTES

*Meeting of the « FORECAST WORKING GROUP ON "CITRUS FRUIT"  
OF THE CIVIL DIALOGUE GROUP ON "HORTICULTURE, OLIVES AND SPIRITS"*

*Date: 10/11/2017*

Chair: Commission (Mr GONZALEZ GARCIA)

Organisations present: All Organisations were present.

### 1. Approval of the agenda (and of the minutes of previous meeting<sup>1</sup>)

### 2. Nature of the meeting

The meeting was non-public.

### 3. List of points discussed [Name of each point, one by one]

#### Forecast campaign 2017-18

A production of 6.2 million Tonnes of citrus fruit is forecasted in Spain, i.e. 12.3% lower than the 2016-17 campaign. The production of all products is expected to decrease: oranges (-11.1%), mandarins (-18%), lemons (-2.8%), and grapefruit (-24%).

Last winter's heavy rainfall combined with recent heat waves and drought significantly affected production. As regards grapefruit, it is expected an earlier end of the season and possible EU supply problems in April-May 2018. The adverse weather conditions also impacted on product quality, resulting in smaller sizes and early varieties with less juice.

The 2017-18 campaign started with generally favourable prices, i.e. around 20% higher than in 2016-17. However, some experts stated that around 150 000 Ha of oranges and mandarins in Valencia were abandoned due to low profitability.

In Italy, production is forecasted to drop between 5% and 10% compared with 2016-17. Adverse weather and phytosanitary problems have a negative impact on production and sizes. High temperatures recorded in last December and January damaged blossoming. In addition, the

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<sup>1</sup> If not adopted by written procedure (CIRCABC)

prolonged summer heat and drought decreased sizes and triggered phytosanitary problems, in particular outbreaks of Tristeza virus in Sicily.

Certain experts warned about the increase in production costs in Italy, which is partly due to the prolonged irrigation of orchards. It appears that some producers are leaving POs in Spain and Italy because they get better prices selling on their own.

The adverse weather conditions also affected production in Croatia, in particular spring frosts and tornado winds. Good prices are recorded for mandarins, the most important citrus in Croatia.

### **Monitoring of lemon prices in the EU**

An Observatory of Lemon prices has been established in Spain. It monitors weekly prices received by producers, at packing station, and at retail sale. In the last 3 campaigns, consumer prices have broadly reflected producer price trends. The Observatory is considered a useful tool to negotiate prices, to detect market problems and to take appropriate measures.

### **Evolution of citrus consumption in the EU**

Consumption of citrus fruit has generally increased in the EU due to good communication of health claims, innovation (e.g. development of late varieties with better quality), and new ways of consumption (e.g. fresh juice dispenser in shops). The increase in consumption is higher in the new Member States. In the last 12 years, the consumption of lemons in Spain increased by 30%.

### **Production and export campaign in the Northern and Southern Hemispheres**

Production in the main Mediterranean exporting countries recovered in the 2016-17 campaign after the effect of the hot wave in 2015-16. However, heavy rainfall and hot winter affected quality and product availability in certain periods of 2016-17.

The production of small citrus decreased by 3% compared with 2015-16, although the drop became higher in the second half of the season, i.e. from January onwards. Greece, Morocco and Israel increased their production dramatically.

Orange supplies were stable in 2016-17. Whereas early crops in Spain were short, production rebounded at the end of the campaign. There was a substantial growth of EU imports from Egypt and Morocco, in particular of cheap oranges intended for Eastern EU and juice extractors.

The 2016-17 lemon campaign recorded favourable prices and high production levels (+9% compared with 2015-16). Nevertheless, new planting in some countries coupled with more imports from the Southern Hemisphere create some uncertainty for the future. In this vein, certain experts warned that the possible liberalisation of essential lemon oil in the ongoing EU-Mercosur negotiations would have a negative impact on the EU lemon sector.

Global supplies of grapefruit decreased dramatically due to adverse weather in Turkey and the impact of greening in Florida.

### **Conclusions of the Agricultural Markets Task Force**

This high-level advisory group was created to look into the functioning of the food supply chain and ways to improve the position of farmers. The Task Force issued recommendations on market transparency, risk management, futures, use of contracts, unfair trading practices,

producer cooperation and access to finance. In the light of the recommendations, the Commission could come up with legislative proposals shortly.

**4. Conclusions/recommendations/opinions**

**5. Next steps**

**6. Next meeting**

The next meeting is scheduled for autumn 2018 (date to be confirmed).

**7. List of participants - Annex**

*e-signed*  
João ONOFRE

List of participants– Minutes

**FORECAST WORKING GROUP ON "CITRUS FRUIT"**

Date: 10/11/2017

	MEMBER ORGANISATION	NAME OF REPRESENTATIVES
1	PRODUCERS	AVINO MARTINEZ Jenaro
2	PRODUCERS	BORRAS FRANCISCO
3	PRODUCERS	DEJONCKHEERE DOMINIQUE
4	PRODUCERS	FAULI PERPINA BENJAMIN
5	PRODUCERS	KUSTIĆ INES
6	PRODUCERS	VIGO CORRADO
7	TRADERS	GARCIA FERNANDEZ JOSÉ ANTONIO
8	TRADERS	IMBERT ERIC
9	TRADERS	LAUDANI SALVATORE
10	TRADERS	RIDAO ALBA
11	TRADERS	SANFELIU INMACULADA
12		
	<i>TOTAL</i>	