Forecast – winter season 22/23 - EU27+UK market

Major shortage expected due to a very short Mediterranean crop !

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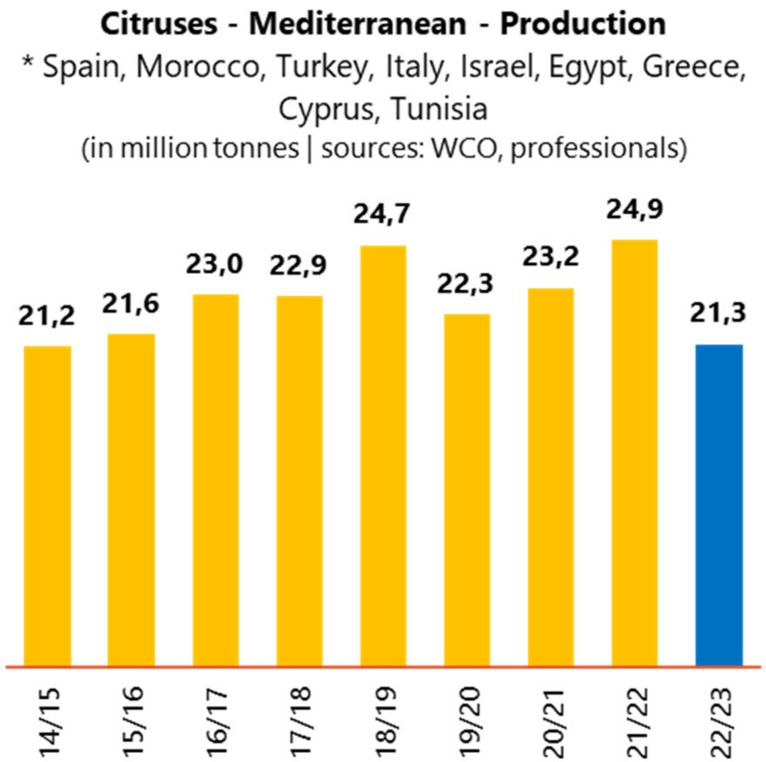
World Citrus Organisation

One of the shortest crops of these last seasons



- 21.3 mt – the shortest crop since 14/15

  -15%/ 21-22 // -11% average last for seasons

- The effects of climate change are here !

  Climatic issues affecting leading export countries

  A very wet spring and a very hot summer in Spain
  Drought…again …in Morocco
  Hot spell in Italy
  A cold snap in Turkey in March

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

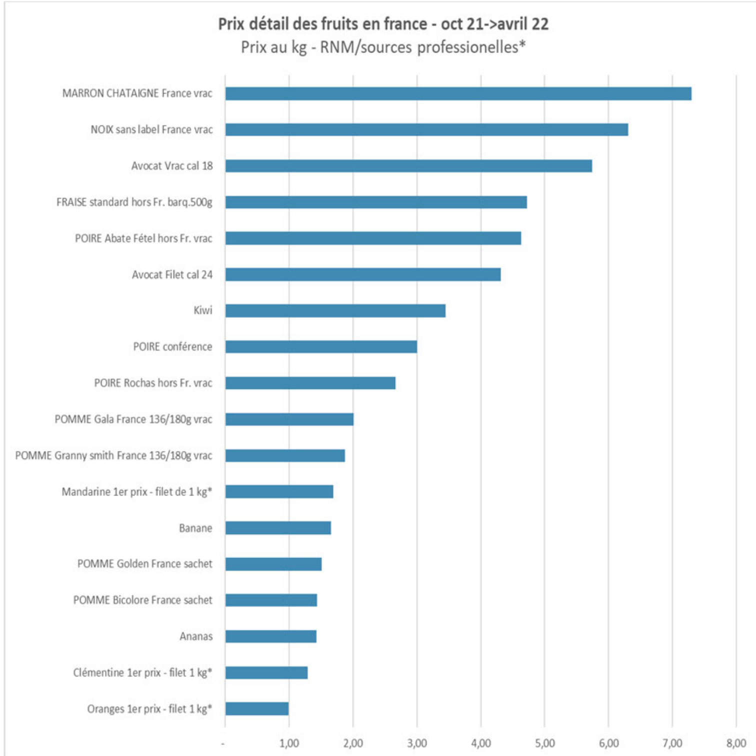
Market context : key points

- **Effects of inflation on citrus consumption** ?

-Inflation back to a very high level all over Europe

- In October, on a yearly basis : from 6,2% in France to 11,1 % in the UK (7,3% in Spain and 10,4% in Germany)

-Citrus consumption **could be affected, but citrus should remain also within the cheapest fresh fruit options !**
Competing fruits :
European apple crop≈21/22 (+6%aver.)
Banana : more expensive than in 21/22

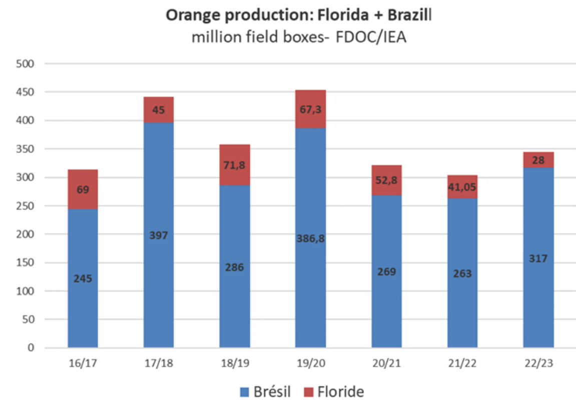


- Processing: a good option this season?

-It depends….

Orange: Cumulated crop Florida + Brazil significantly up compared to 21/22 but only back to an average level (-4% / 4 Y average) // Brazilian stocks at their lowest level since 17/18
=>**prices up at 2300 US$/t** CIF Rotterdam in October (+300 us$ in one year)

Lemon: Strong crop in Argentina in 2022 => prices at 1300 US$/t for the 400 GPL (-700 US$ in one year)
lowest level of the last 10 years



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- **Russian-Ukrainian crisis : a big threat?**

  -A major concern : 20% of the Mediterranean citrus exports directed to those two countries
  Turkey : 550 000 t (50% of the global exports) / Egypt 300 000 t (20%) / Morocco 200 000 t (25%)

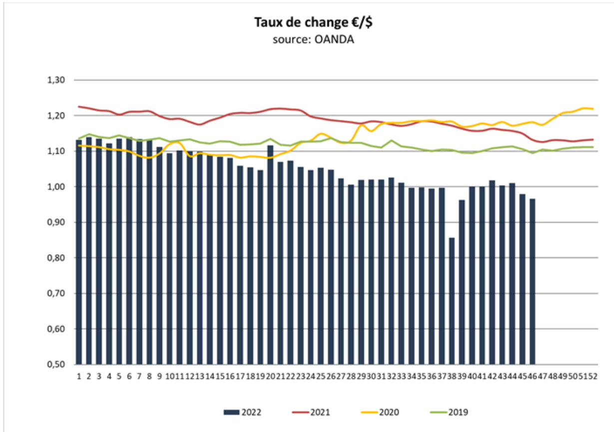
  -Food not part of the sanction but shipping and payment more complicated

  -Consumption of imported fruits seems to continue to perform well – Retail prices are back to quite normal levels with the measures taken by the national bank to protect the Ruble
  Banana imports : January->October 22 : +3% / 2021

  -Exporters quite optimistic about maintaining decent volumes during the winter season

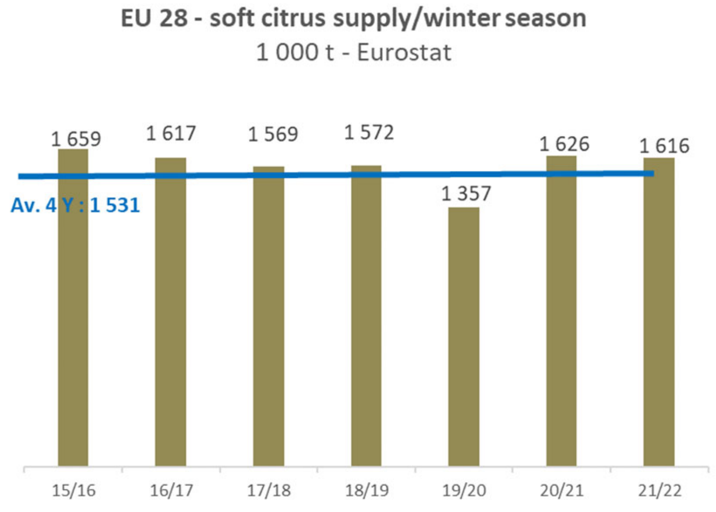
- **Weak Euro/strong Dollar: less fruit to the EU27 market?**

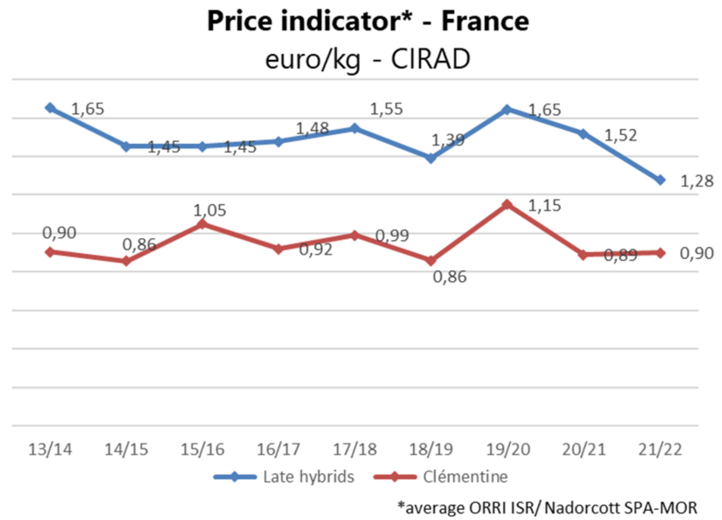
  - The Euro has lost 15% to the US$ in one year
  - Makes sense to send more to the dollarized markets …depending on the cost of freight



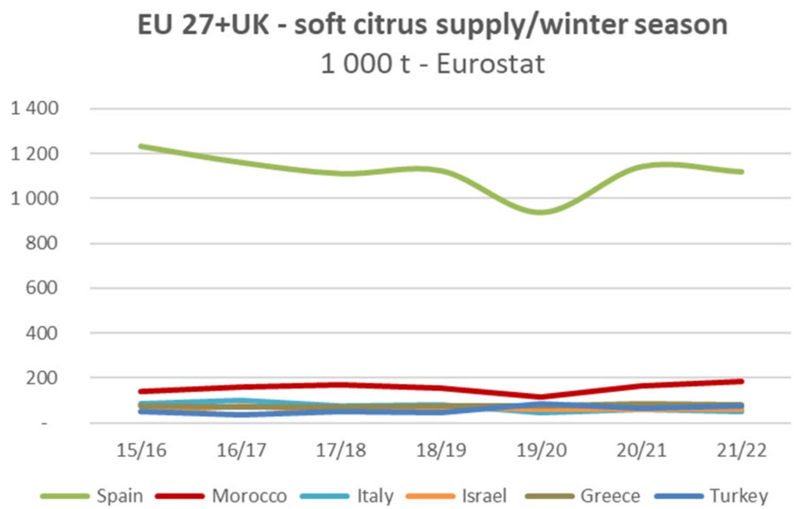
Easy Peelers : EU 27 + UK market in 21/22 in a snapshot

- **Volumes unchanged … but prices again within the poorest of the decade in spite of increasing costs (especially for late hybrids)**





- **Little changes regarding suppliers**



-Spain : by far the leader (70%) but slightly loosing ground
(around 100 000 t lost since 15/16)

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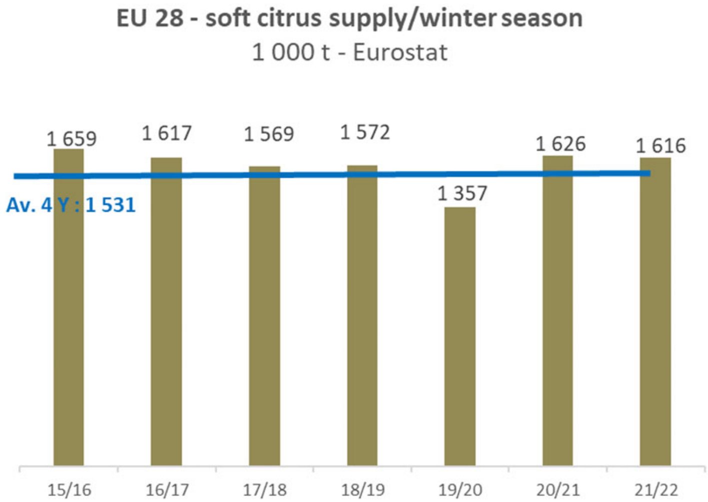

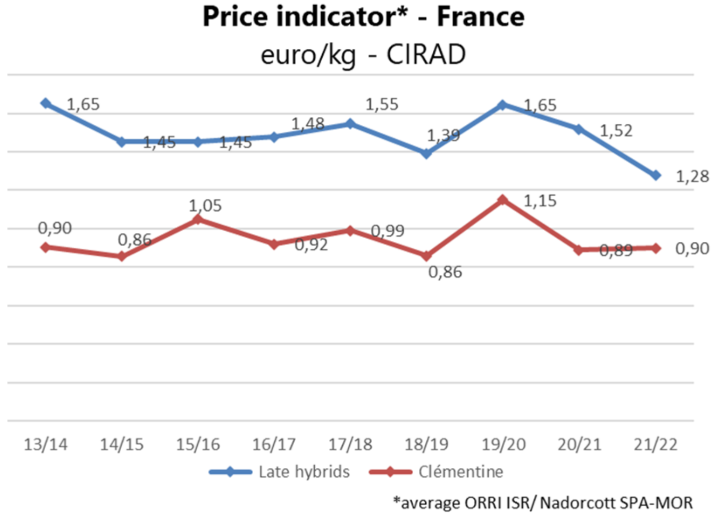

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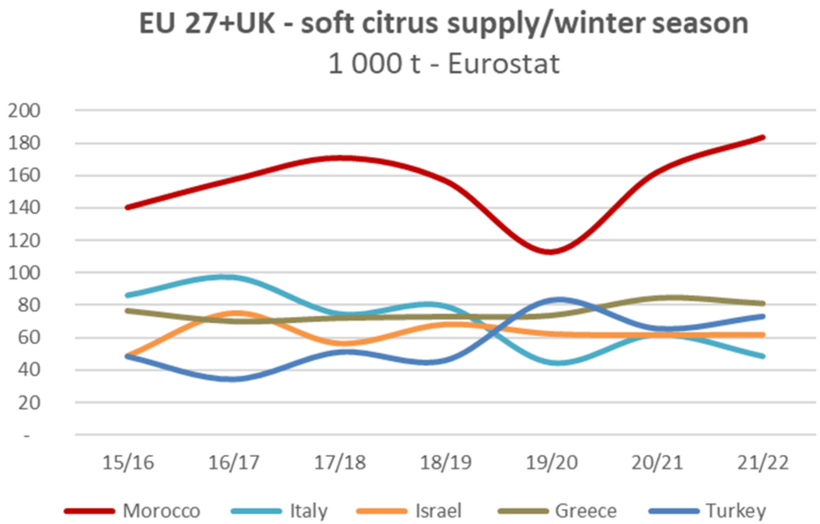


-Spain : by far the leader (70%) but slightly loosing ground
(around 100 000 t lost since 15/16)

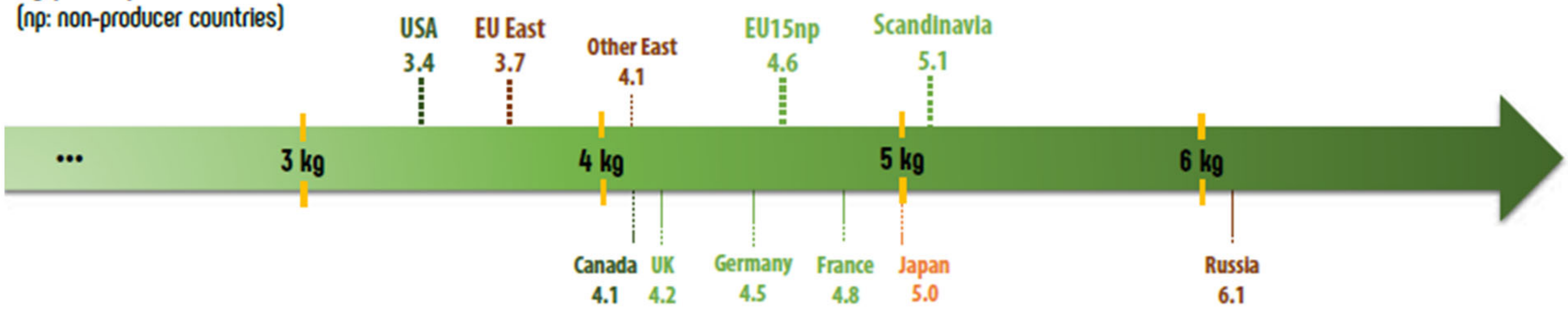
-Morocco : second market player and slightly increasing
(around +40 000 t since 15/16)

-No big move for the others
Only 20% of the supply all together
Italy slightly down and Egypt emerging (20/30 000 t)

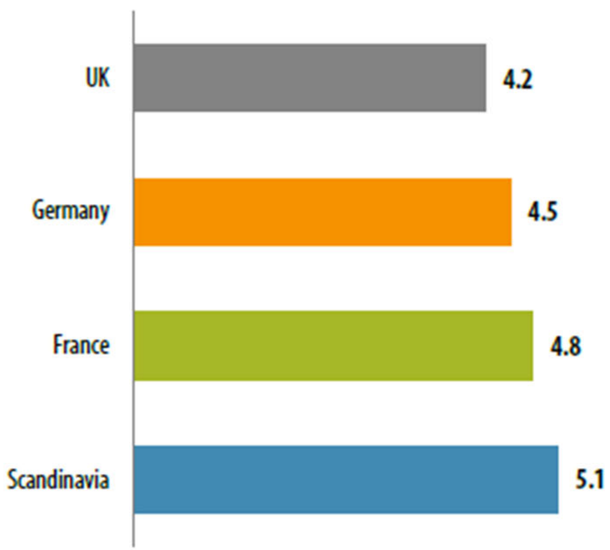
EU 27 + UK EP market in 21/22 in a snapshot

- **EU 27 + UK still within the leaders…even if far below Russia. USA still under consuming.**

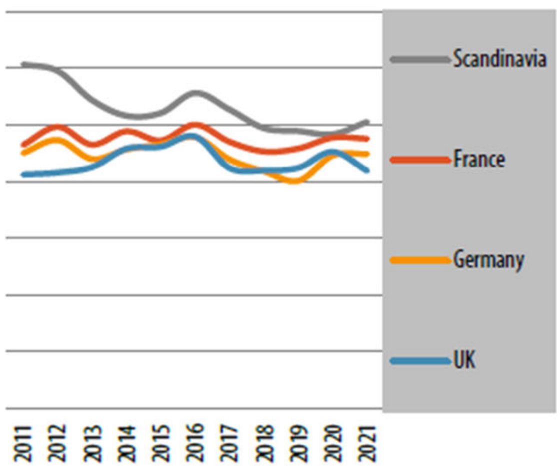
Easy peelers – Consumption in main markets in 2021
kg per capita
(np: non-producer countries)



Easy peelers - EU27+UK - Consumption per capita in 2021
(in kg per capita | sources: Customs, Trademap, Eurostat)



Easy peelers - Evolution of consumption in West European leading markets
(in kg/capita | sources: Customs, Trademap, professionals)



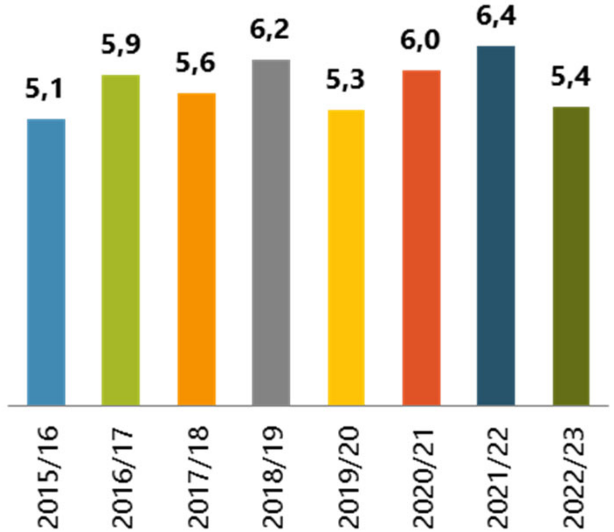
Slight improvement in 20-21 for the all the leading markets…**excepted the UK**

Easy peelers: a very significant shortage

Mediterranean Soft Citrus -Production Forecast 2022-23			
	2022-23	Comp	
1000t		21-22	/ 4yrs average
Spain	1 954	-10%	-10%
Turkey	1 497	-18%	-7%
Morocco	927	-30%	-21%
Italy	657	-20%	-7%
Israel	154	-3%	-15%
Greece	166	8%	-2%
Total	**5 355**	**-17%**	**-11%**

Sources: WCO

Easy peelers - Mediterranean - Production
(in million tonnes | sources: WCO,)



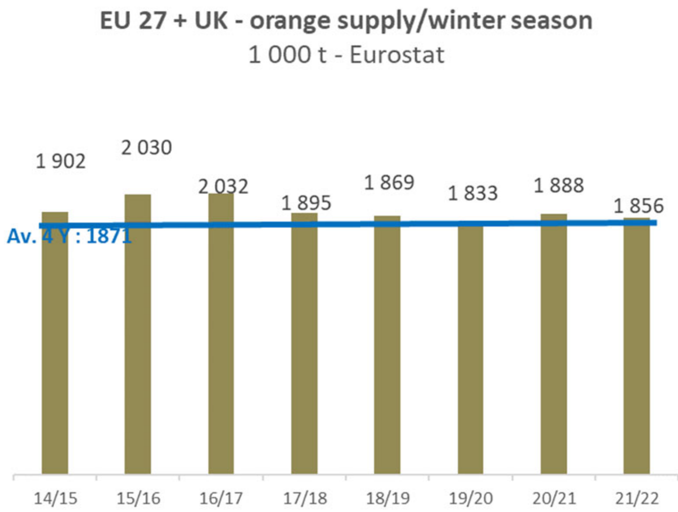
One of the shortest crop of the decade

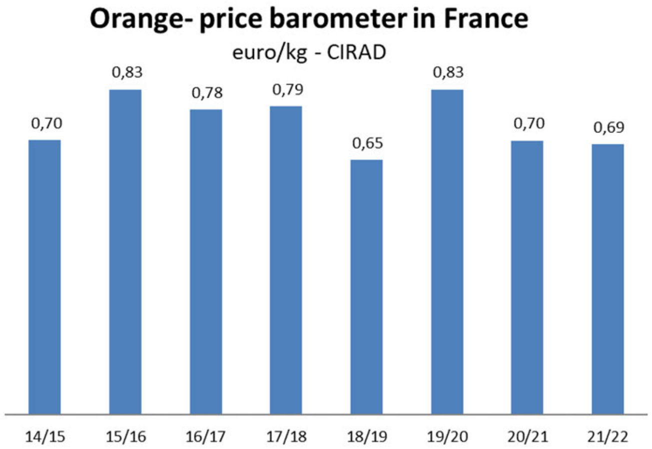
- **All the top Mediterranean producers significantly down (-7 to -21%)**
- **Strong consequences on the EU27+UK supply**
  - Spain + Morocco = 80% of the winter supply
- **Shortage more marked for clementines than late hybrids**
  - **Nules clementine: -17% / aver**. Even less than in 21/22 !
  - **Late hybrids** (Nadorcott ESP/MOR + Orri ISR)
    - Preliminary estimate : -24% / 21-22 but **-2% / Aver**
    - Shortage cushioned by the young orchards.

- Key questions :
  - **“Health” of the Russian market ?** 900 000 t of EP imported during the winter season ….
  - **Sizing? Quality for the rest of the season ????**
    Temperatures too high in all the producing countries
    Keeping quality already poor for some clementine batches

EU 27 + UK orange market in 21/22 in a snapshot

- **Volumes unchanged … but prices again within the poorest of the decade in spite of increasing costs : ↘interest for fresh oranges ↘ market window to SH**





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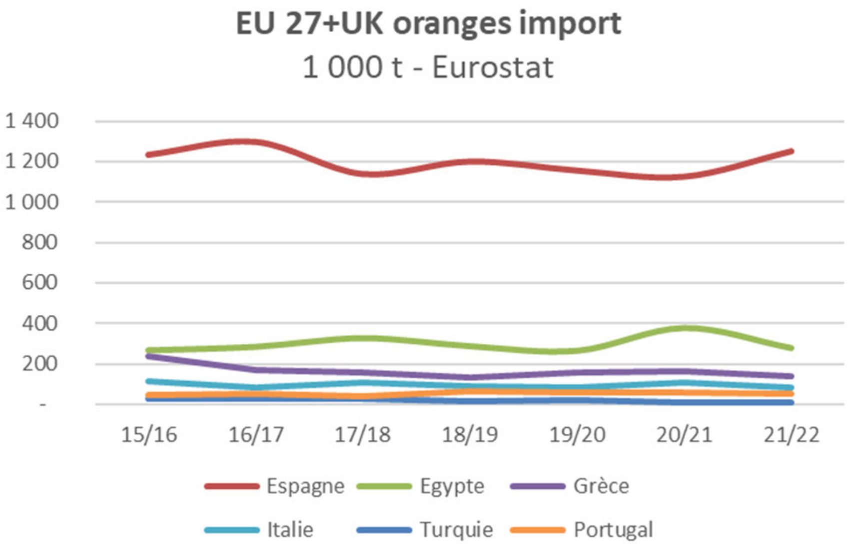

- Spain : around 2/3 of the market

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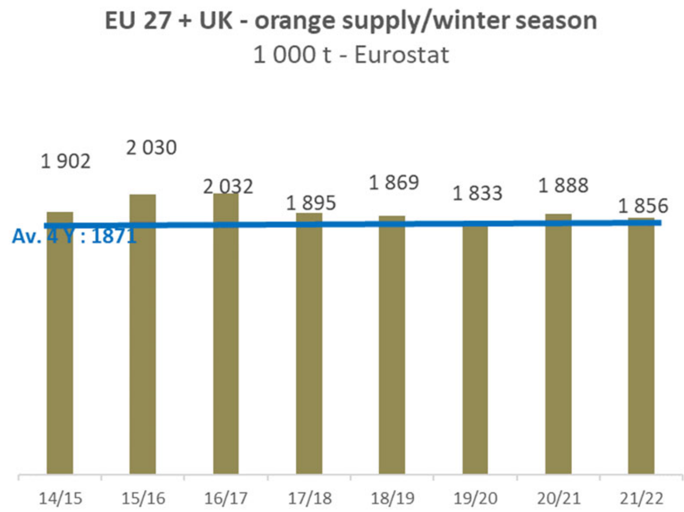

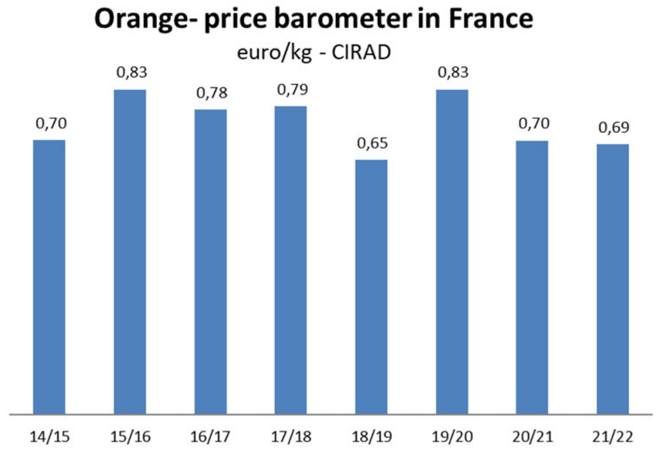

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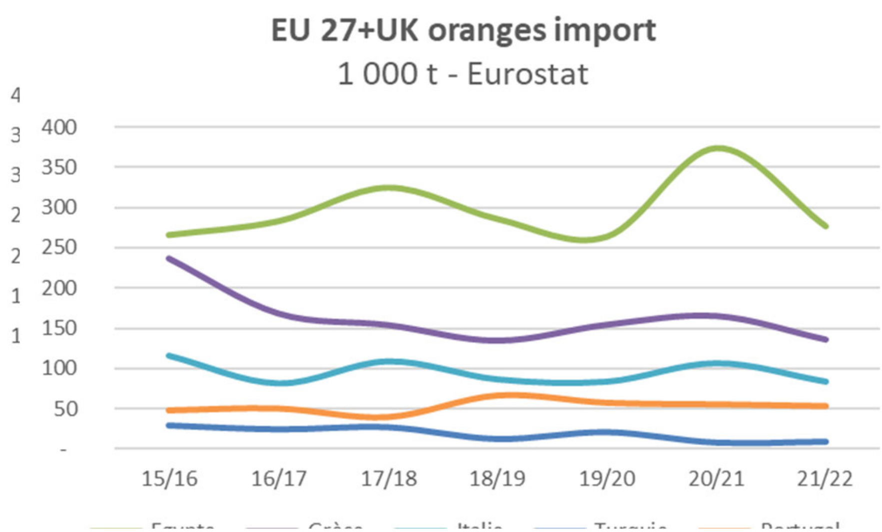

- Spain : around 2/3 of the market
- Egypt tending up with 15/20%
- 15/20% for the rest of the players - no big changes

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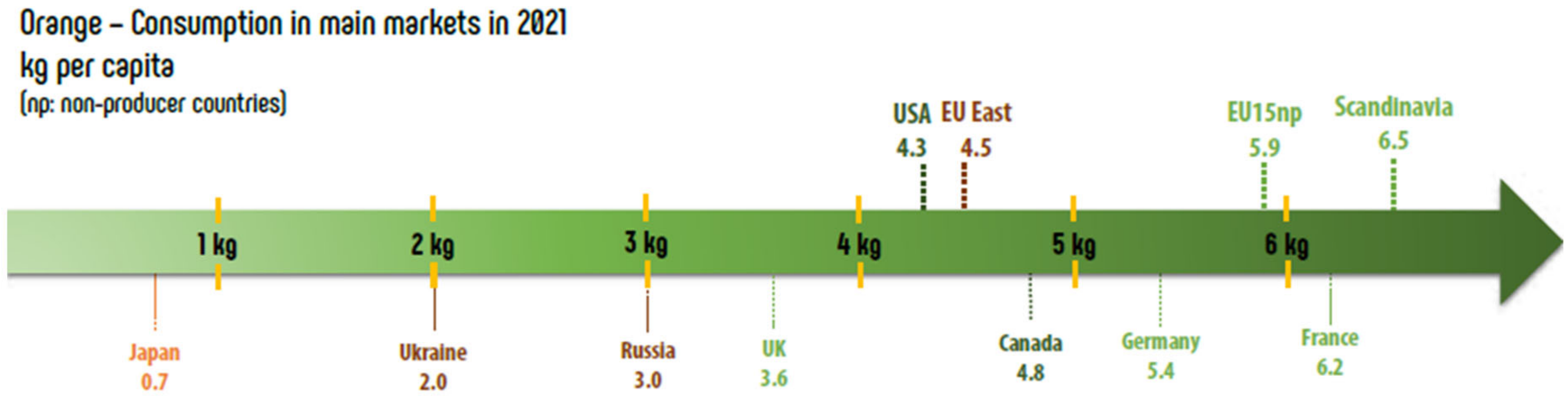
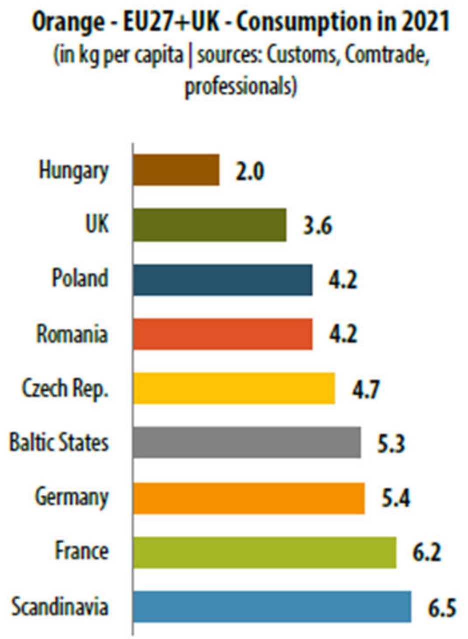
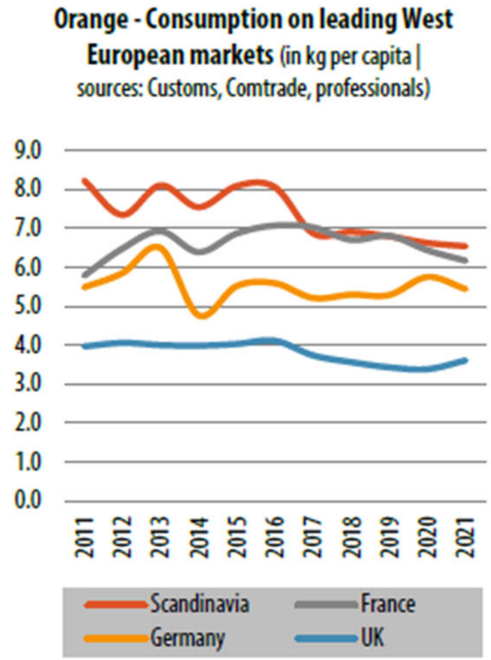
EU 27 + UK orange market in 21/22 in a snapshot

- **Consumption remains “high” in the EU 27 + UK …even if decreasing**
- **North America below…and the Eastern part of Europe even more**







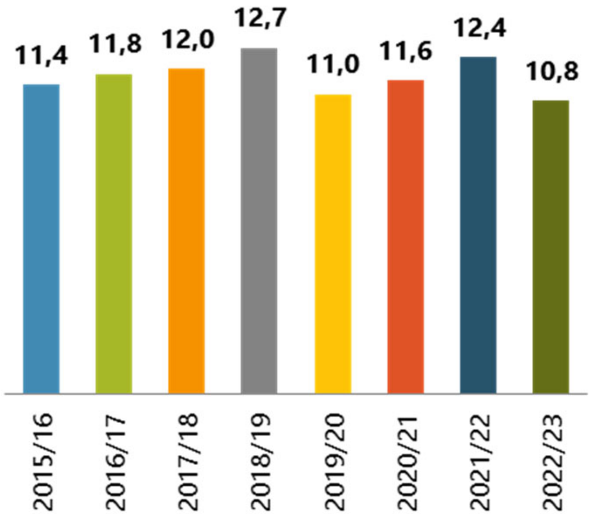
- Scandinavia and France tending down
- Germany resisting better and the UK as well…but on a much lower basis
- The Eastern part of the EU27 still low

Oranges: THE lowest crop of the decade !

Mediterranean Orange -Production Forecast 2022-23			
1 000t		Comparison	
	2022-23	21/22	/ 4yrs average
Spain	3 011	-20%	-17%
Egypte	3 516	16%	14%
Italy	1 328	-25%	-17%
Turkey	1 197	-31%	-29%
Greece	962	12%	8%
Maroc	783	-36%	-25%
Total	**10 797**	-13%	-10%

Sources: WCO, professional estimate

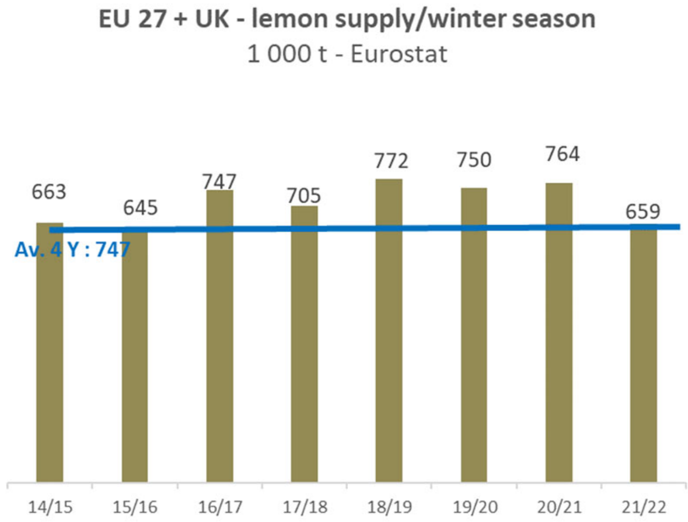
Orange - Mediterranean - Production
(in million tonnes | sources: WCO, prof. estimate)

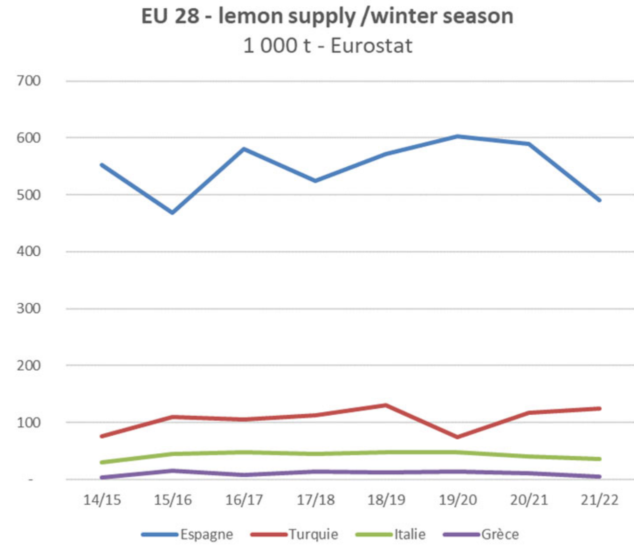


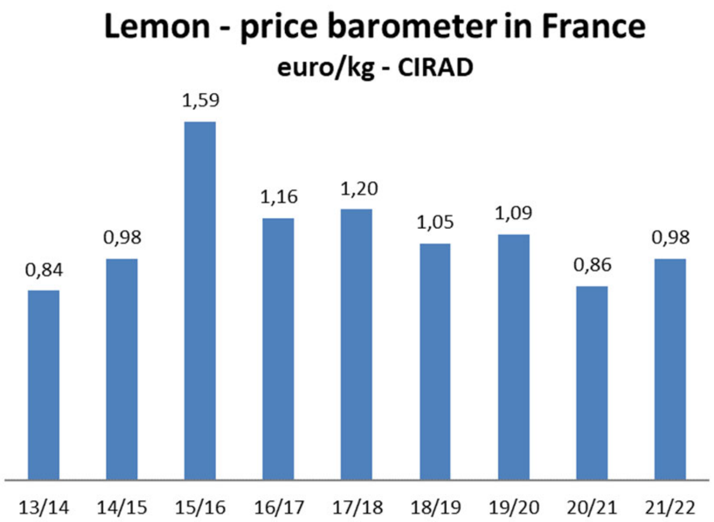
- Mediterranean production: **the shortest crop of the decade !**
  - 3 out of 5 producers of the "million +" family heavily down
    - Spain included – the shortest crop since 2009/10 2/3 of the EU 27+UK market
- **EU 27 + UK Supply going decrescendo**
  - Spain :
    - Andalucia : -20/30% for all varieties
    - Co. Valenciana : -6% for Naveline/Navel // -15% Late
- **Sizing? Quality for the rest of the season ????**
  Temperatures too high in all the producing countries
  Keeping quality already poor for some clementine batches

EU 27 + UK lemon market in 21/22 in a snapshot

- **A decrease in supply – shorter Spanish crop and market window narrower due to HS citrus competition / no big change regarding the suppliers**



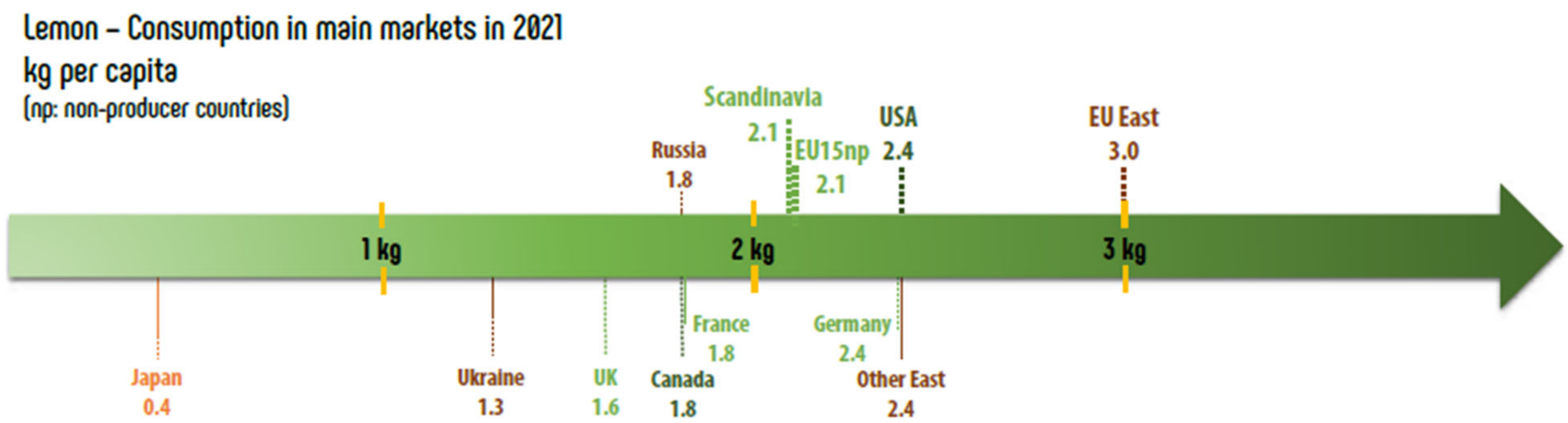


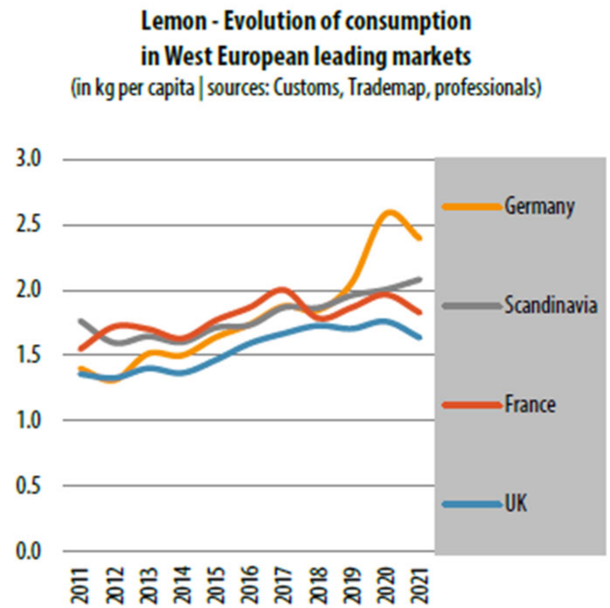


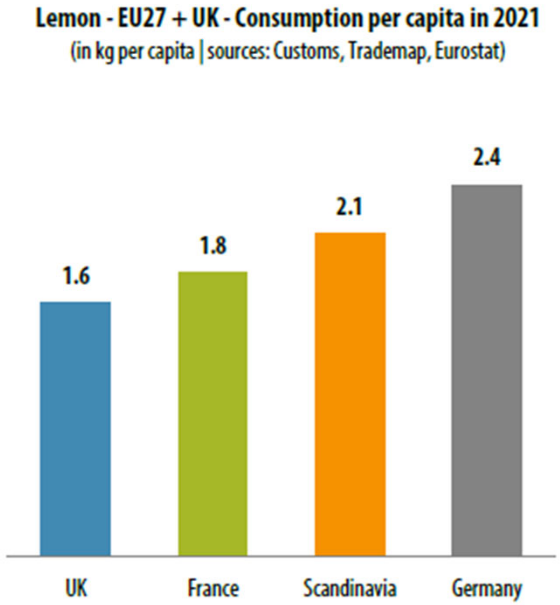
- **A price recovery, but the level has remained far below the average**

EU 27 + UK lemon market in 21/22 in a snapshot

- **The Eastern part of the EU 27 is leading, USA is following (but with also 2,1 kg/capita of lime!) and the EU 27 + UK comes in third position.**







- A nice growing trend these last years on all the “big” markets…
- …but a slow down in 2021 after this COVID boost

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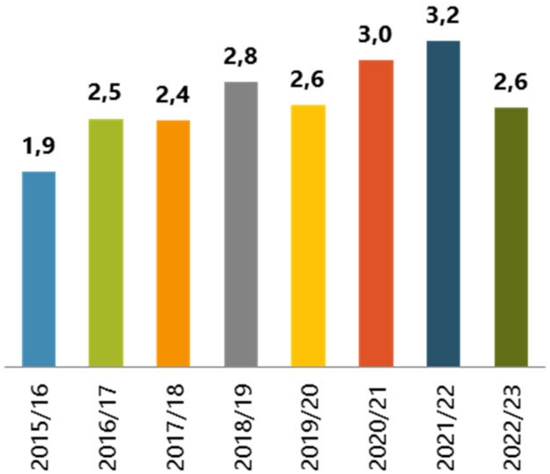
Lemon: a significant and atypical decrease

Mediterranean Lemon -Production Forecast 2022-23			
1 000t	2022-23	Comparison	
		21/22	/ 4yrs average
Spain	1 090	-10%	-14%
Italy	431	-8%	-5%
Turkey	1 047	-32%	-13%
Total	**2 568**	**-20%**	**-12%**

Sources: WCO, professional estimate

Lemon - Mediterranean - Production

(in million tonnes | sources: WCO, CLAM, prof. estimate)



- **Leading producers: -12%**

  All **the supplier countries down**, and the leading **exporting countries heavily down**

  - **Spain : shortage especially strong 2nd part**
    - first part of the season (Primo) -9%/aver.
    - Second part of the season (Verna) -25%/aver
  - **Turkey : -13% / early varieties very affected**

- Decline in production possibly slightly cushioned by **less fruit to the processing**

- **Larger market window** for winter suppliers
  - End of the summer season back to the second half of October

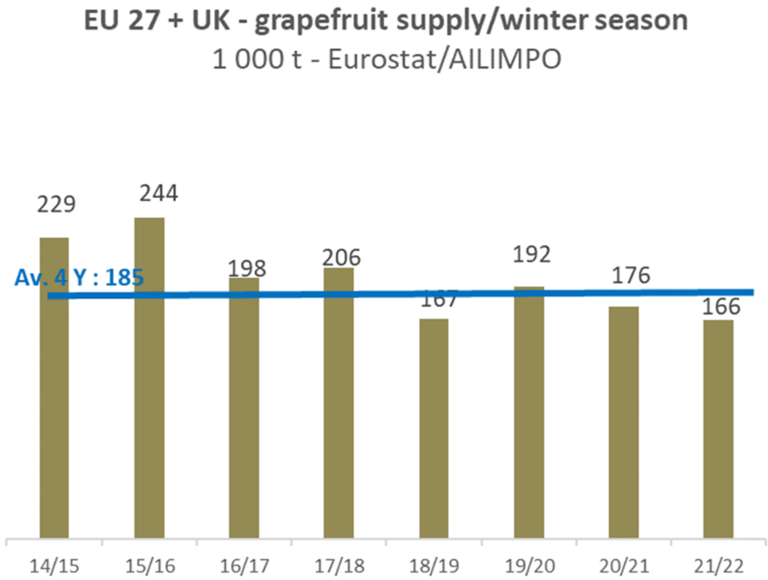
- **Atypical crop**

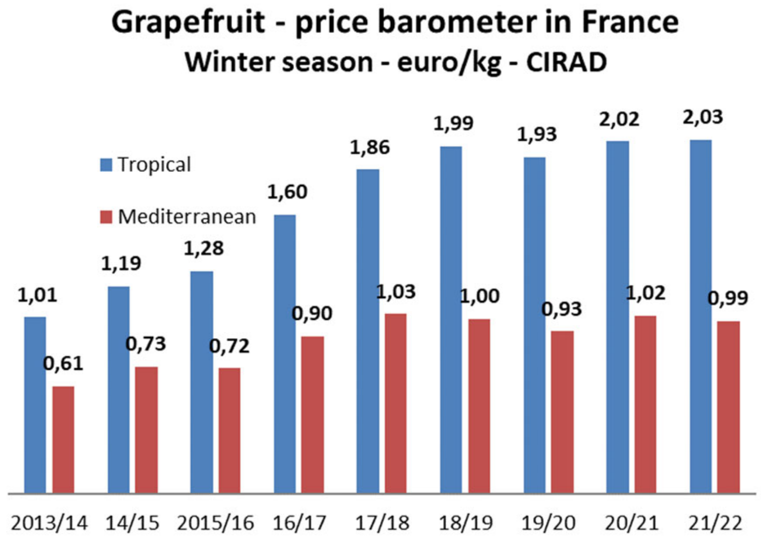
  Huge increase of the orchards in Spain/Turkey…that will bear fruits

  - 2015->2021: Spain +12 000ha / Turkey +20 000 ha (?)

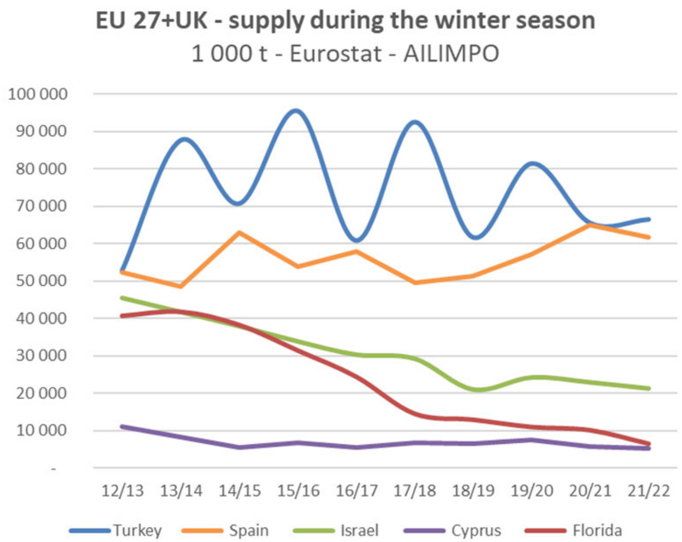
EU 27 + UK grapefruit market in 21/22 in a snapshot

- **Volumes shrinking further and further, and prices stabilizing**





- **A fast changing panorama upstream !**

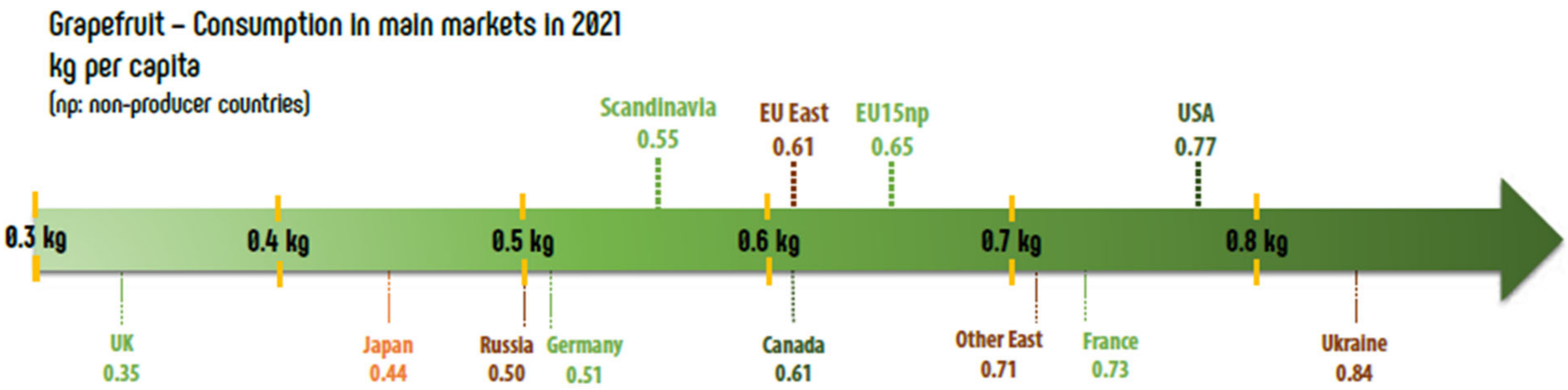


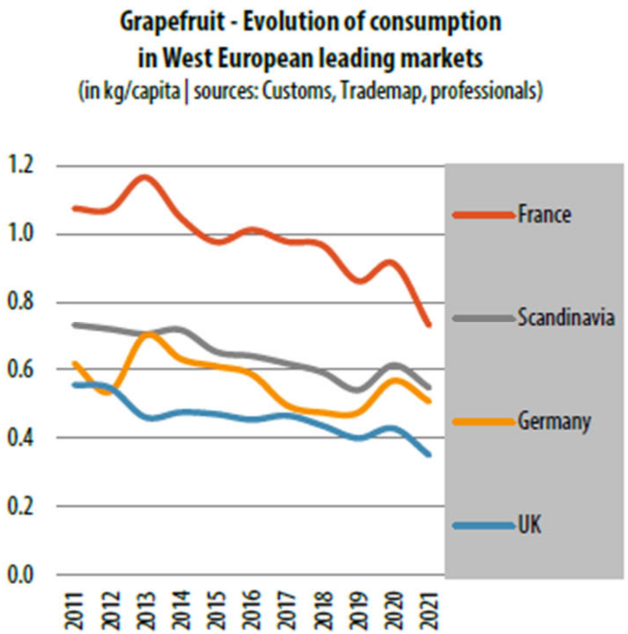
- **Med grapefruit: Spain gaining market** share to Israel (going far east!) and at a lower extent Turkey

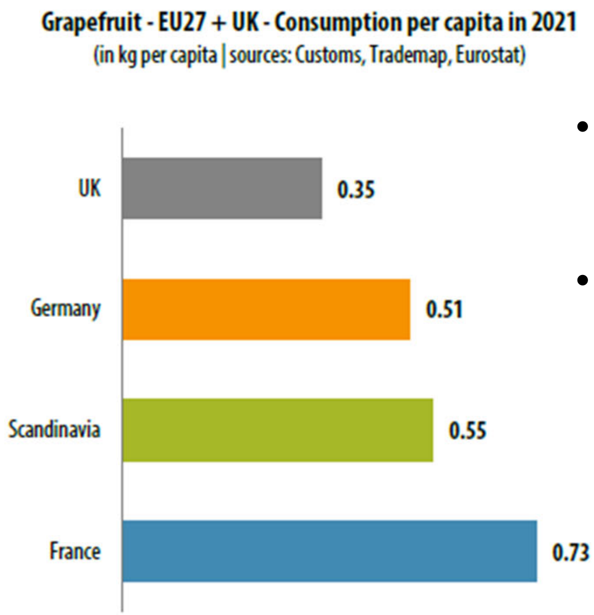
- **Tropical grapefruit….just disappearing**

EU 27 + UK grapefruit market in 21/22 in a snapshot

- **East Europe and the USA within the leaders, and a wide range of level in the EU 27 + UK**







- **France still leading**, but strongly affected by the disappearance of Florida
- **All the other big markets** far below…and back to a decrease after the 2020 COVID boost

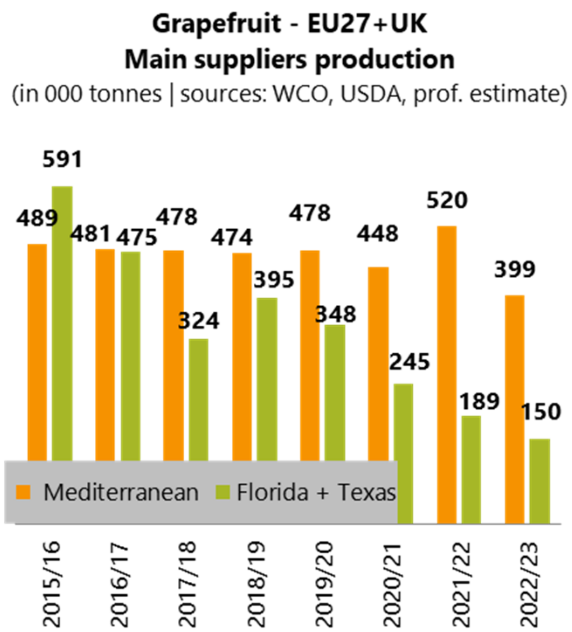
Grapefruit: THE lowest crop of the decade also !

Mediterranean Grapefruit -Production Forecast 2022-23			
1 000t	**2022-23**	**Comparison**	
1000t		21/22	/ 4yrs average
Turkey*	160	-36%	-35%
Israël	163	-12%	11%
Spain	76	-11%	-12%
Total	**399**	-23%	-17%

Sources: WCO, CLAM, professional estimate

Tropical Grapefruit -Production Forecast 2021-22			
1 000t	**2022-23**	**Comparison**	
1000t		21/22	/ 4yrs average
Florida	77	-39%	-52%
Texas	73	18%	-46%
Total	**150**	**-21%**	-49%

Sources: WCO, professional estimate, USDA



- A **very short Mediterranean crop**
  - **Israel remains with good volumes**, even if lower than last season
  - **2 of the 3 leaders significantly down** (shortest crop of the last 5 seasons in Spain and of the last 8 seasons in Turkey)
- **Tropical grapefruit…this is the end?**
  - Florida : the shortest crop EVER!
    - Greening + Hurricane IAN
  - Texas : a partial recovery only – the effects of winter 21 frost are still there

  => Very limited volumes expected in Europe
- A **very open market at the beginning of the season**
  - Early end of the SAR season
  - Almost no volumes from Mexico (4/6 000 t S->N)
- But a very **bad consumption context** …

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To sum up !

- The **shortest Mediterranean crop since 14/15**
  - All citrus families affected
  - Crop especially for clementines, late oranges, late lemon and grapefruit

- **Very significant consequences on the EU27+UK supply**
  - Key suppliers affected - Spain, Morocco

- Key questions:
  - **Health of the Russian Russian market**
  - **Consumption ?** : need to increase the price at the producer stage (low crop, sharply rising costs)…and two digits inflation in some countries

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Thanks for your attention !

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