Synthesis of the 2017-18 season in the EU28
Market trends

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Slightly less supply and a mixed weather scenario

- An average Mediterranean crop, slightly lower than in 2016-17
  - Spain, the supply leader (60-75% of the EU28 supply) frankly down for oranges/soft citrus

Citrus crop - leading Med. exporters
1000 t - Various (plenty…) sources

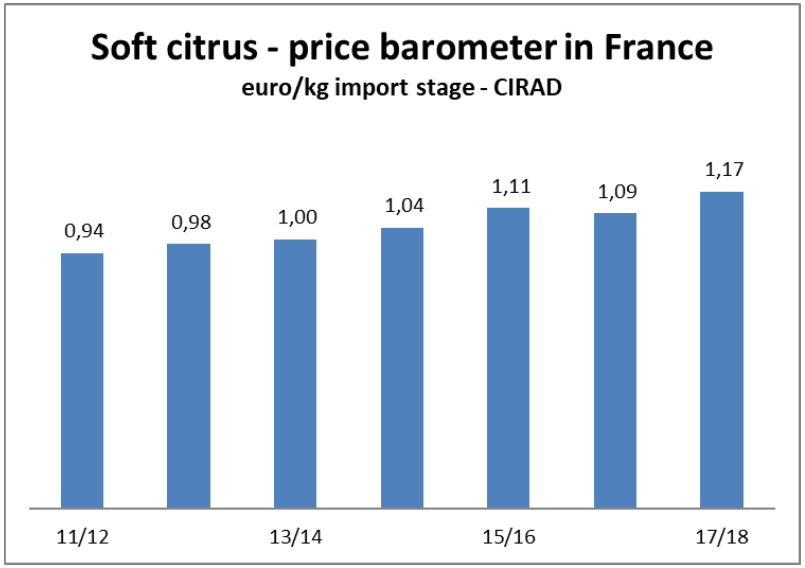
	2017-18	/2016-17	/aver. 4 Y
Israel	448	-17%	-13%
Spain	6 250	-14%	-9%
Italy	2 761	11%	2%
Morocco	2 270	-3%	7%
Egypt	4 100	5%	8%
Turkey	4 158	4%	16%
total	**19 986**	-3%	2%

Citrus crop - leading Med. exporters
1000 t - profesional sources - USDA

	2017-18	/2016-17	/aver. 4 Y
Soft Citrus	5 127	-13%	-9%
Oranges	12 169	1%	4%
Lemons	2 639	-9%	-1%
Grapefruits	525	18%	1%

- A mixed weather scenario:
  - **A cool autumn** - low consumption/quality issues during the first part of the season
  - **A cold winter** (especially February/March) - back to a better consumption rhythm

Soft citrus: a very satisfactory season thanks to a moderate supply

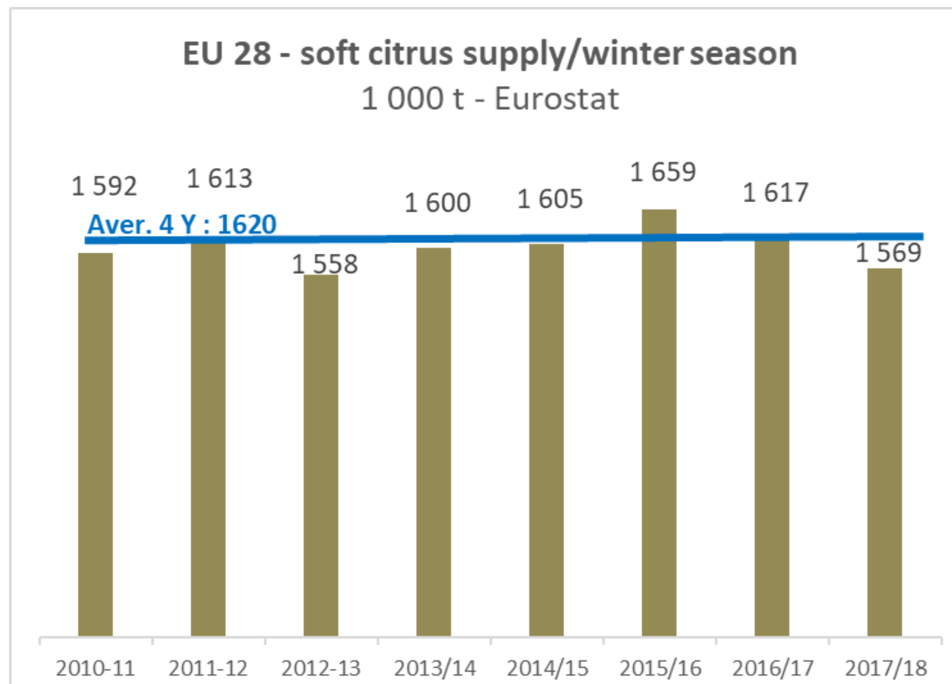


- A record breaking price…

+7% / 2016-17
+11% / 4-season average

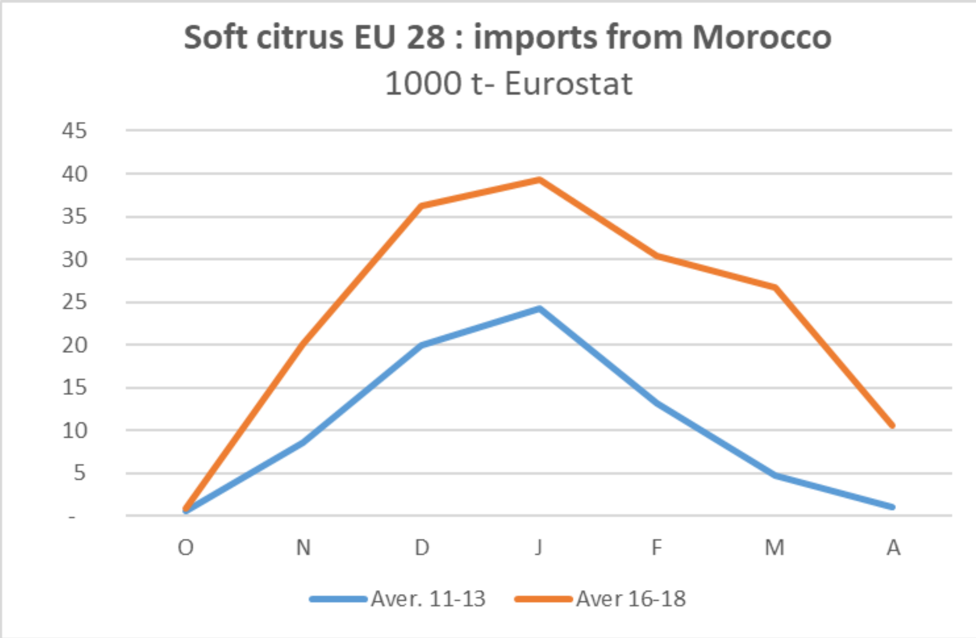
- … mainly due to a lower supply

-3% / 2016-17
-3% / 4-season average



Soft citrus: Spain down, and Morocco coming back

- A slightly lower global supply
  - Spain, main driver of the global decrease
    70% of the global supply
    Low crop of mid-season clementines (Nules)
  - Climatic issues in Israel
    Orchard stable but still not mature
    Gap in the development of the Or production
  - Morocco still gaining ground in the EU28
    More than 170 000 t in 2017-18
    +100 000 t in 5 years
    Late hybrids + clementines

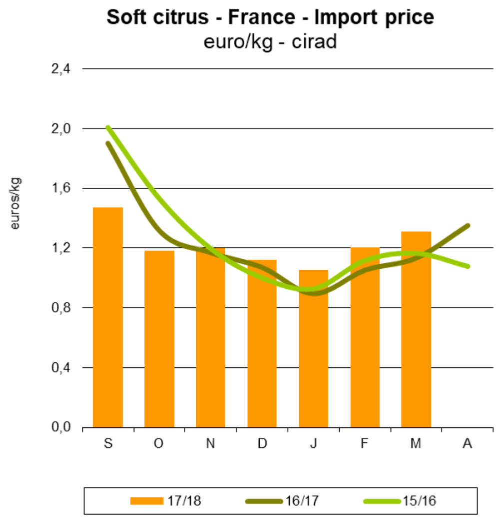


EU28 Soft Citrus imports - 1000 t - Eurostat

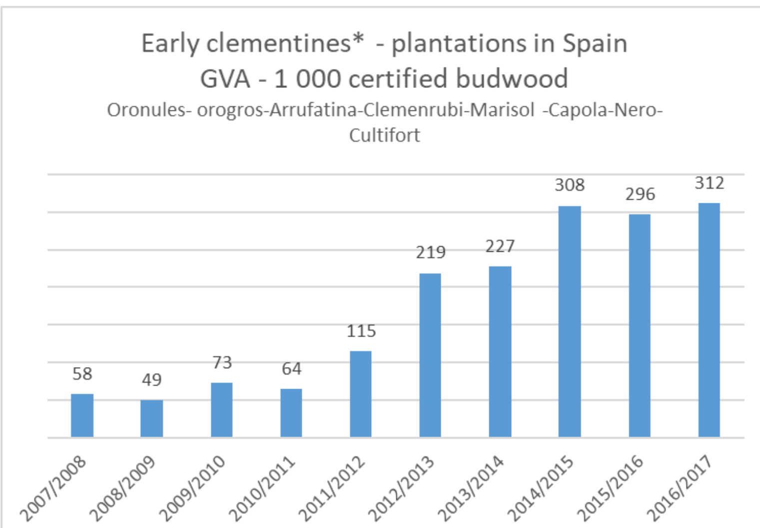
	2010/2011	2011/2012	2012/2013	2013/14	2014/15	2015/16	2016/17	2017/18
Total N.H.	**1 592**	**1 613**	**1 558**	**1 600**	**1 605**	**1 659**	**1 617**	**1 569**
Spain	1 296	1 306	1 284	1 277	1 250	1 234	1 161	1 111
Morocco	91	81	64	104	98	140	157	171
Italy	75	91	78	66	82	86	98	75
Israel	29	43	41	41	56	49	75	56
Greece	36	32	40	49	50	76	70	72
Turkey	50	46	37	47	41	49	34	51
Portugal	3	5	5	5	12	18	13	20
Autres	13	10	9	10	8	7	8	12

A slow start… again!

- A difficult beginning – once again
  - Prices below the average till mid-November in spite of a lower production
  - Market recovering in November and becoming very satisfactory during the last part of the season



- A questioning repetition of slow start these last seasons



A bad consumption context very often
“Indian summer” / high temperatures

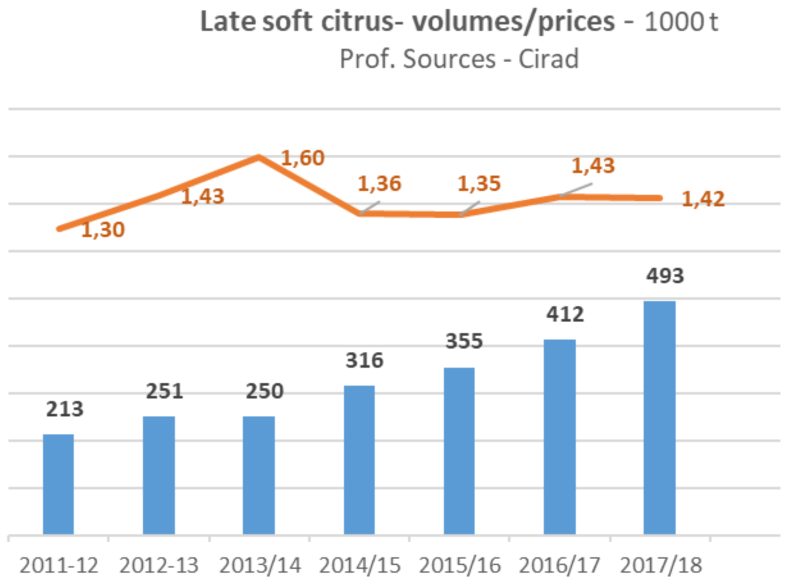
Developing volumes of the Southern Hemisphere, of high quality standard (Or, Nadorcot,…)
Further development expected
South Africa: +9 000 ha in 5 years, mainly of late hybrids
Development also in Argentina, Uruguay, Peru

Planting of Early clementines going on in the Mediterranean
Spain, Morocco

=>controlling the development of the “early clementines”

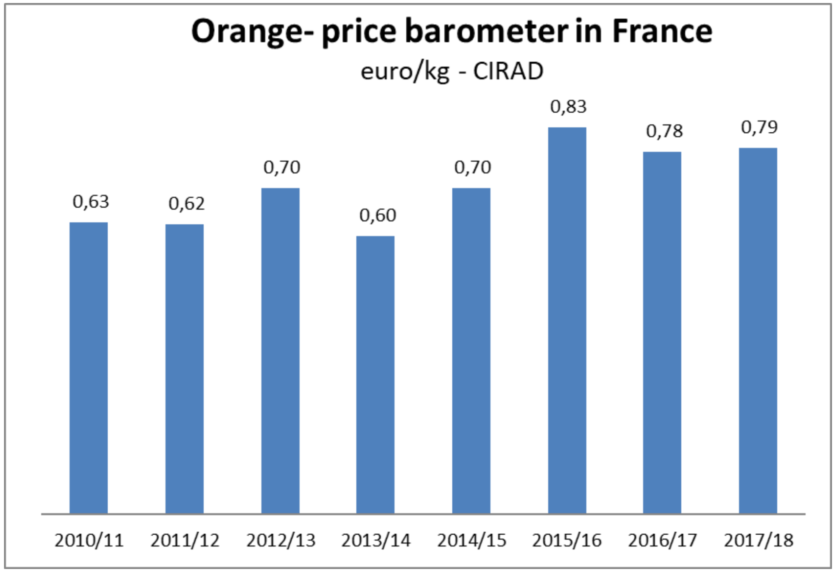
Good results – again – on the late market

- An increasing pressure on the late market, but with good prices



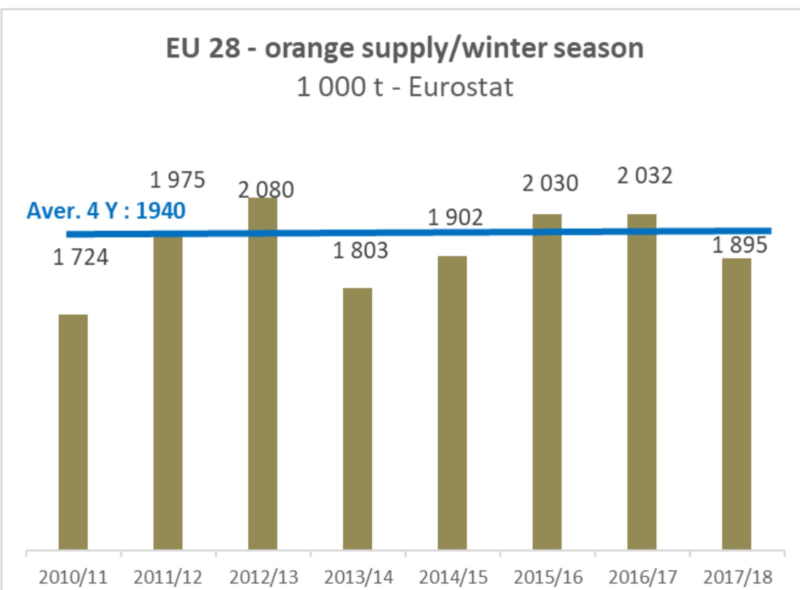
Evolution of the prices on the key period in the future?

Orange: a pretty good season... but!



- A pretty good season…

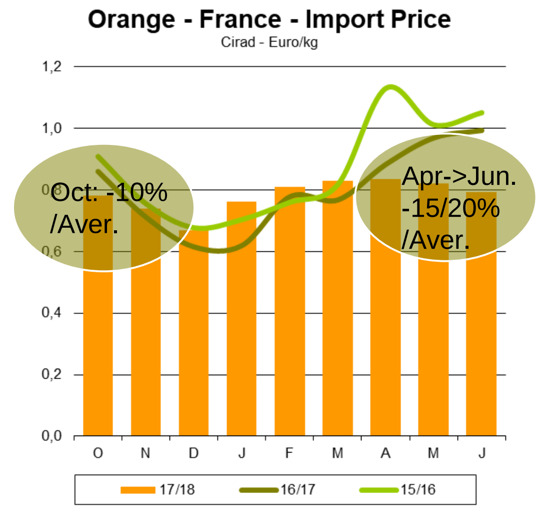
+1% / 2016-17
+8% / 4-season average



- But that could have been better according to supply
  – Similar or even better prices than the last two seasons with a significantly higher supply

-3% / 2016-17
-3% / 4-season average

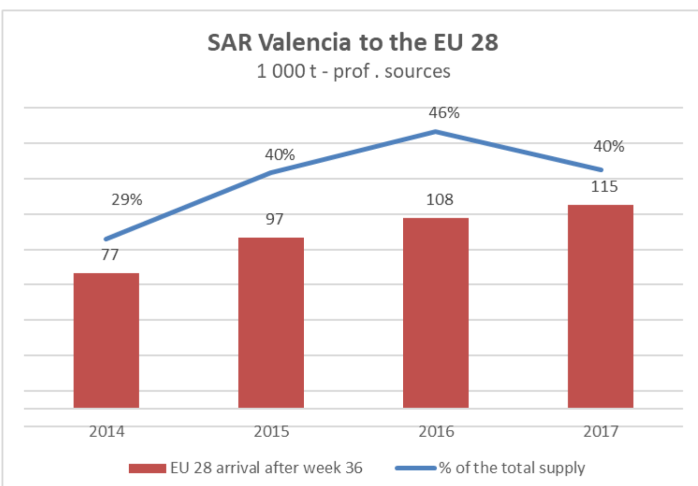
Orange: more pressure at the beginning and at the end

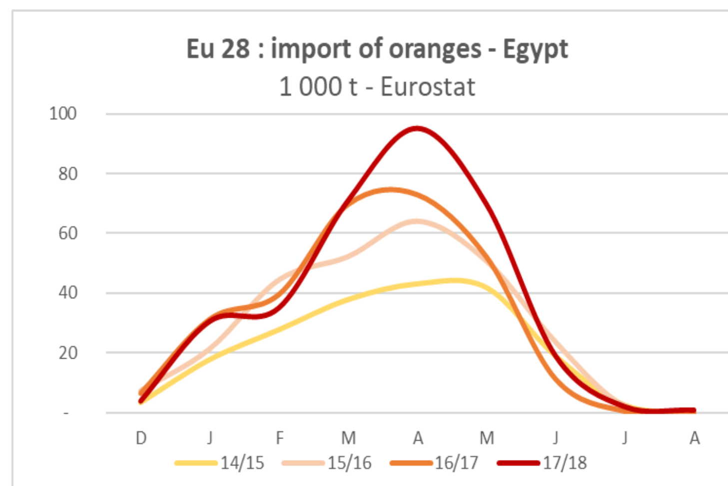


Prices above the average from November to March, but…

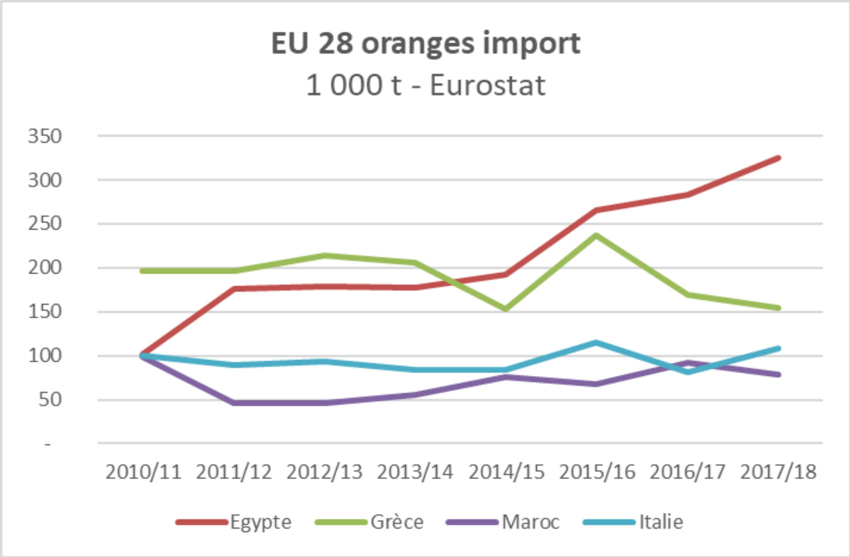
More pressure from South African Valencia
Souther Hemisphere oranges global volumes almost stable (550/600 000 t) but season tending to be later

More pressure from Egyptian Navel
Egypt gaining more and more ground, especially during the late season – a key period for profitability

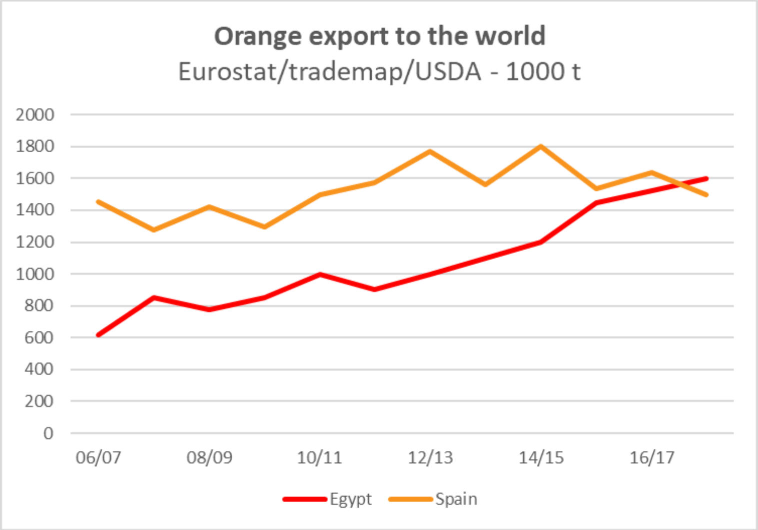




Egypt becoming a key player in the EU28



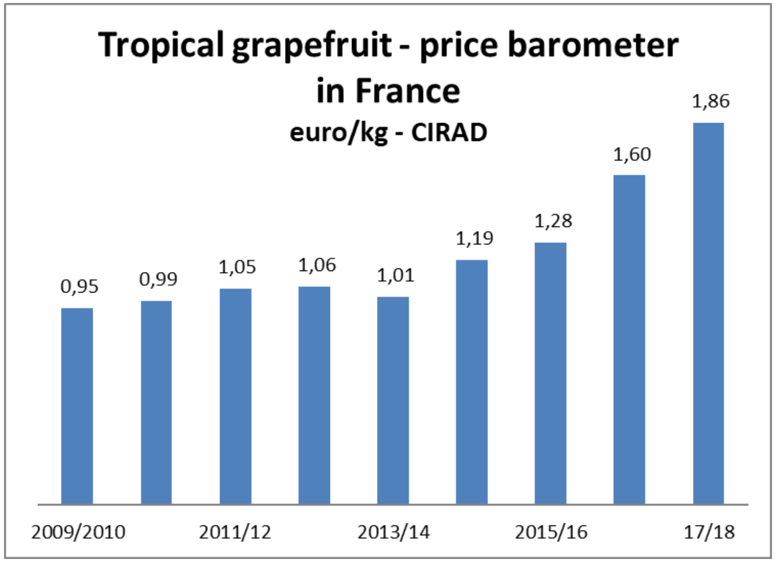
- Spain still by far the first EU28 supplier, but losing market share
  - From 70% of the market in 2012-13 to 60% in 2017-18
- Egypt taking off since 2014-15
  - +130 000 t to the EU28 in a 3 year time up to 325 000 t in 2017-18

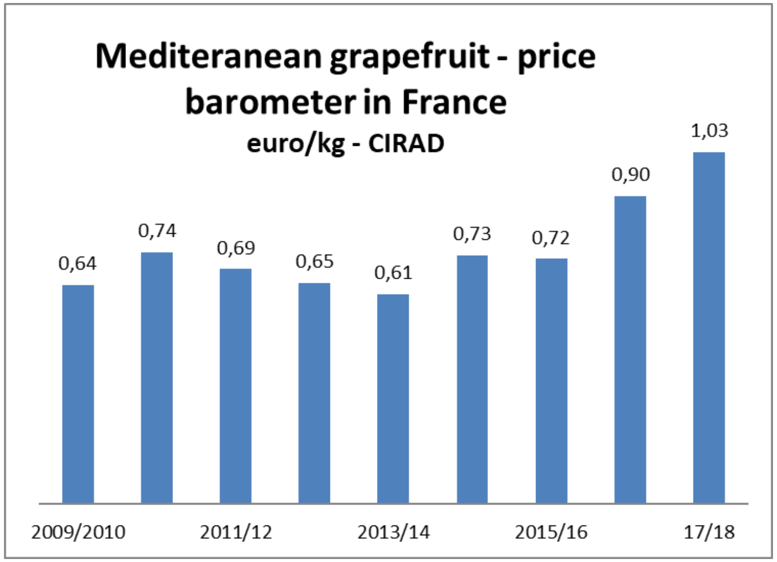


- Egypt becoming the world No.1 orange exporter with Spain
  - High competitiveness (cheap water/work force), enhanced by the recent devaluation of the lira
  - Orange orchard developing quickly:
    - +20 000 ha these last four years to 155 000 ha (USDA)
  - Exports soaring from 1.0 Mt in 2012-13 to 1.6 Mt in 2017-18
  - Key markets: Russia (430/450 000 t), Arab. Peninsula (>350 000 t), EU28 (325 000 t), Asia (>150 000 t and 100 000 t for China alone)

Grapefruit: better and better… price wise…

- A new season of record prices in France!

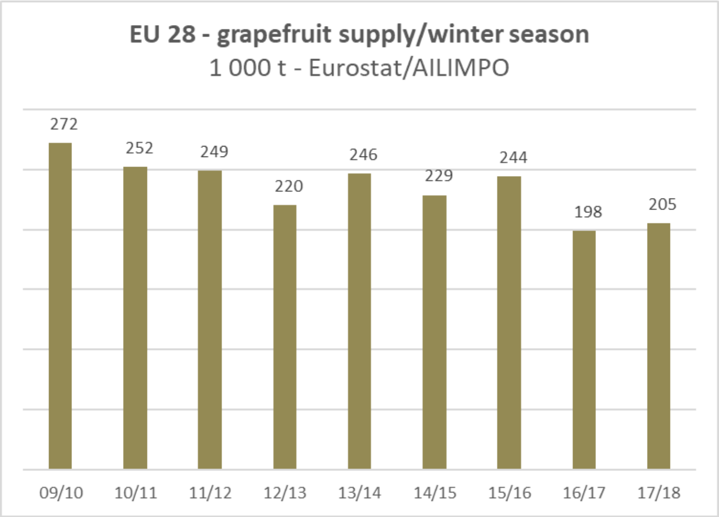




+16% / 2016-17
+46% / 4-season average

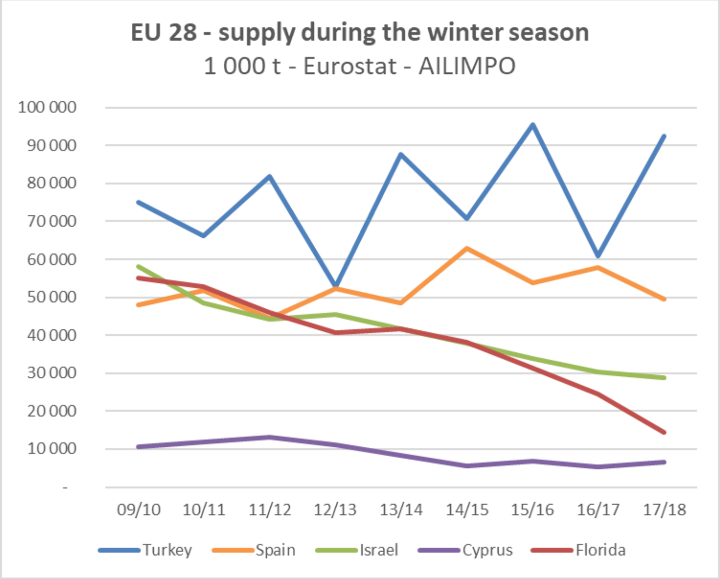
+14% / 2016-17
+39% / 4-season average

Grapefruit: more fruits from the Mediterranean, less from Florida



- A slight recovery after the 2016-17 gap

  +3%/2016-17 but still -10%/4-year average



- **Florida:** greening + hurricane Irma

  Decrease in production punctually sharper than the former seasons because of heavy losses due to Irma (4.7 M field boxes / -60%/4-year average)

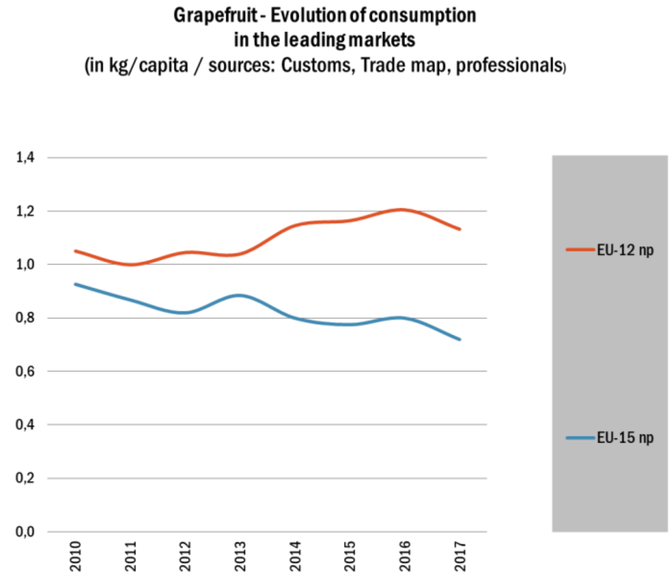
- **Israel:** looking for added value in Asia
  - Production steady (around 150 000 t)
  - More and more volumes sent outside East/West Europe (Asia: 36% of the turnover in 2017 against 8% in 2013)

- **Turkey**: back to a "normal crop"

  Total exports 190 000 t / +50%/2016-17 and +18%/4-year average

- **Spain**: volumes almost steady

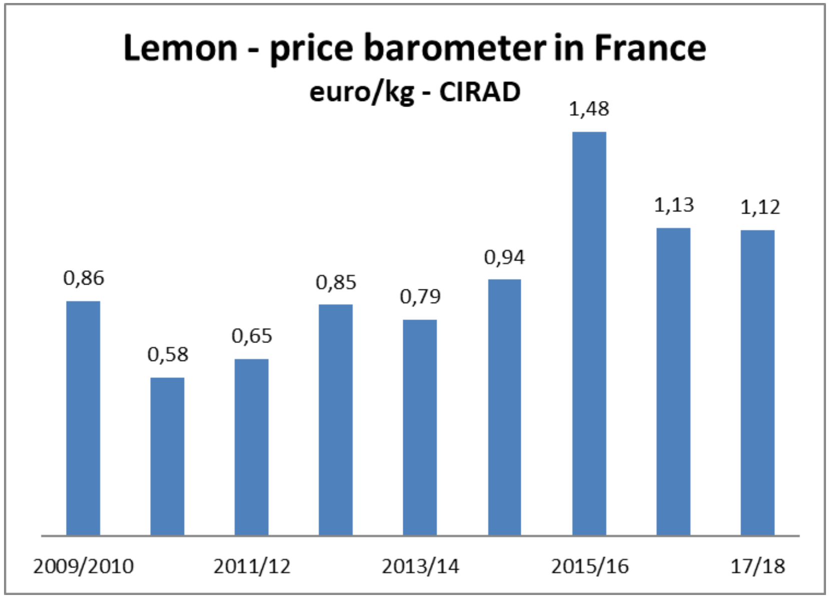
Grapefruit: more and more a low end product



- More and more a low end product, mainly consumed in the countries with the lowest income

=> Premium quality grapefruit from the Mediterranean to re-launch the market?

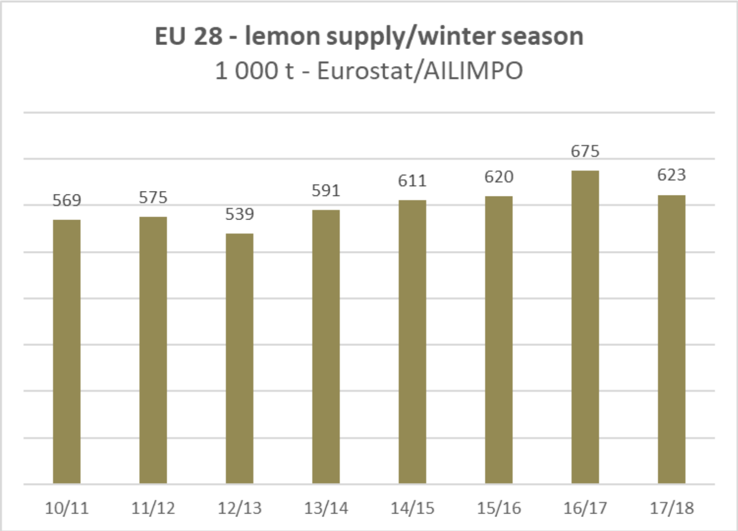
Lemon: another good season



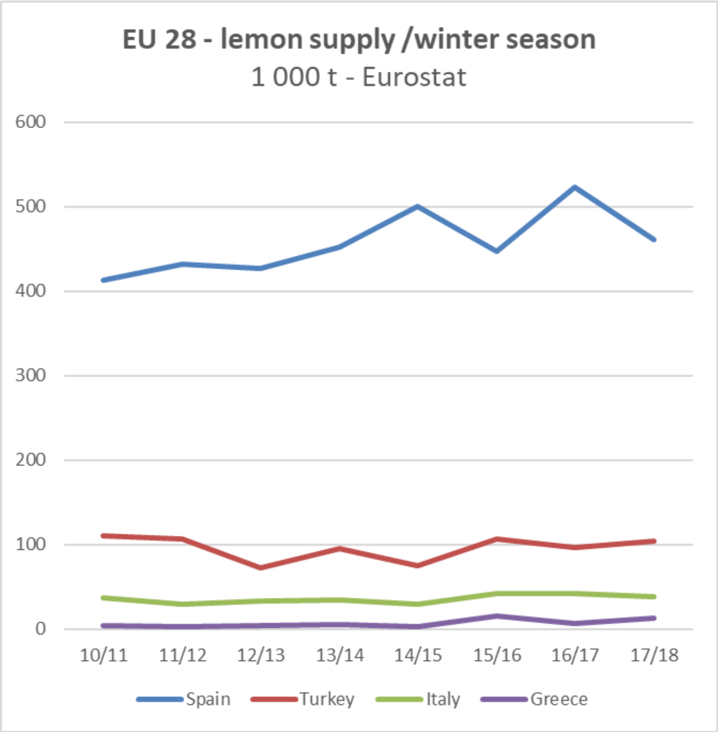
- Almost stable and prices above average

-1% / 2016-17
+3% / 4-season average

- A supply gap, mainly due to Spain



-8% / 2016-17
0%/ 4-season average



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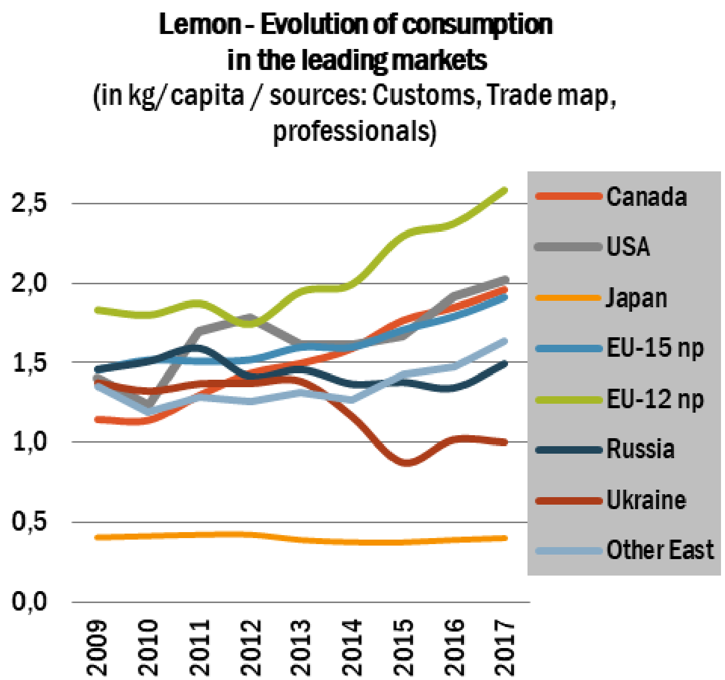
Lemon: fastly growing!



- The fastest growing citrus!
  - +100 000 t by year since 2014

- Consumption up almost everywhere, especially in Western Europe and the Middle East
  - +100 000 t by year since 2014
  - Almost all markets up, apart Russia and Ukraine
  - Big jump in Western Europe (+170 000 t/2013), North America (+75 000 t) and the Middle East (+135 000 t)

Lemon

Prospects for 2022-23: 1.3 million tonnes more

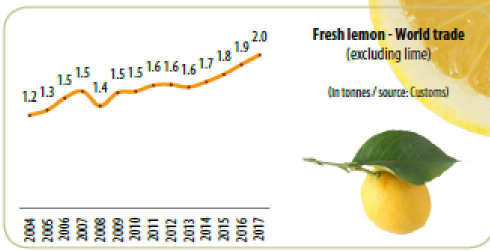
Lemon – Production and prospect

in 000 tonnes	2014-15 to 2017-18 average	2023-24 projection	Additional production at 5 years	Observations
Spain	1 000	1 500	500	• + 4 million trees from 2011 to 2018 • Replanting = 20 % / New planting = 80 % / Yield = 40 t/ha
Italy	430	570	140	• + 1 million tries from 2015 to 2018 • Replanting = 20 % / New planting = 80 % / Yield = 40 t/ha
Turkey	700	800	100	• Hypothesis: production growing at the rate of exports (+ 3 % per year)
California	810	790	- 20	• - 100 ha per year / Yield = 37 t/ha
Total N. Hemis.	**2 940**	**3 660**	**720**	
South Africa	350	710	360	• 6 000 ha from 2014 to 2017 / Yield = 60 t/ha
Argentina	1 600	1 800	200	• 4 500 ha from 2014 to 2017 / Yield = 45 t/ha
Total H. Hemis.	**1 950**	**2 510**	**560**	
Total	**4 890**	**6 170**	**1 280**	

Sources: CGA, Ailimpo, Federcitrus, USDA, professionals

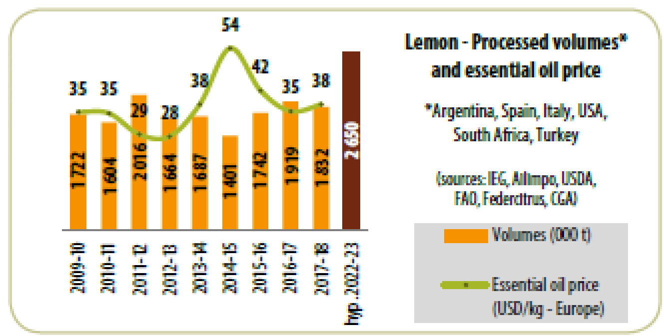
World fresh lemon market : + 500 000 tonnes

Hypothesis: continuation of the trend (+ 100 000 t per year)



Remaining volumes: + 800 000 tonnes

Consequences on the by-products market? about 40 % more volumes



Lemon – Processed volumes

in 000 tonnes	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	Sources
United States	381	290	178	269	174	265	189	163	189	USDA
Spain	142	304	277	142	237	304	108	283	211	Ailimpo
Turkey	15	23	21	42	20	50	57	48	45	FAO
Italy	80	110	100	66	85	77	150	150	150	USDA and professionals
Total N. Hemisphere	618	727	576	519	516	696	504	644	595	
Argentina	1 050	813	1 361	1 086	1 099	603	1 140	1 209	1 110	Federcitrus
South Africa	54	64	79	59	72	102	98	66	127	CGA
Total S. Hemisphere	1 104	877	1 440	1 145	1 171	705	1 238	1 275	1 237	
Total	**1 722**	**1 604**	**2 016**	**1 664**	**1 687**	**1 401**	**1 742**	**1 919**	**1 832**	