Southern Hemisphere Citrus Trade

Key Drivers 2021

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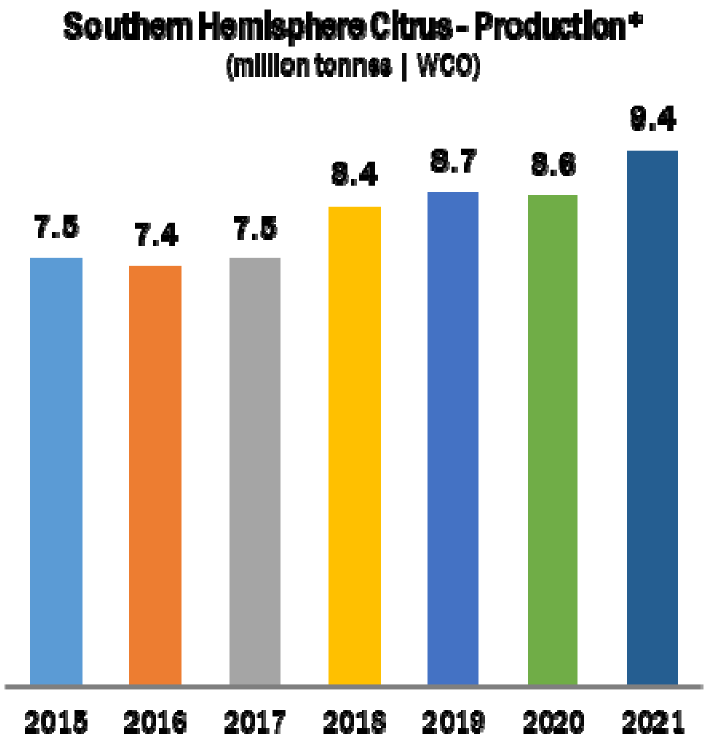
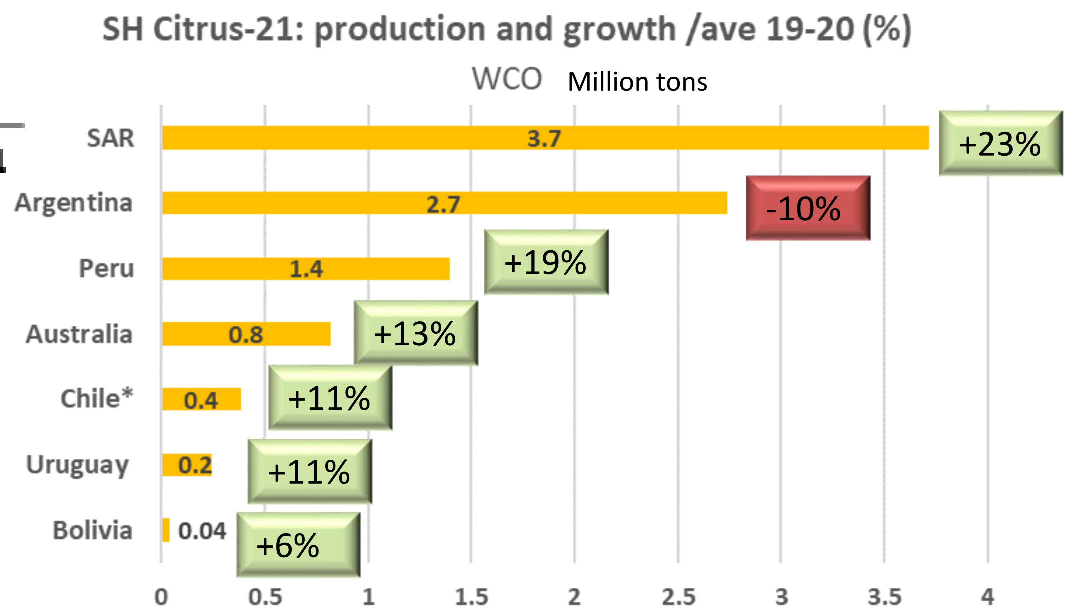
SH Citrus Production: sharp increase and record breaking crop



- **A record breaking 9.4 million tons crop**
  +9% compared to the average 2019-20
  +9% compared to 2020

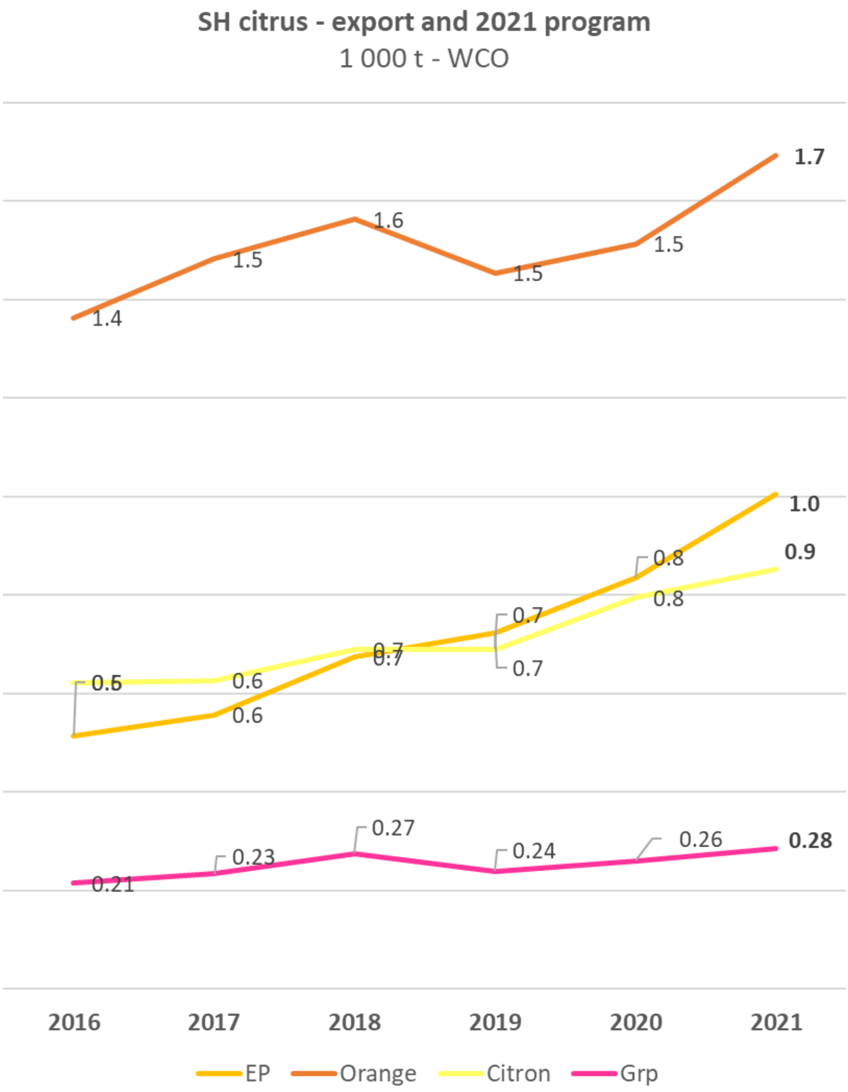
- **A sharp increase of 800 000 t**
  Within the highest increases experienced
  Confirming an acceleration of the growth
  almost +2 million tons since 2017

- **Almost all countries significantly up**



*** Sources WCO**
- "big 4": Oranges/Soft Citrus/Lemon/Grapefruit
- SAR, Peru, Chile (production = export), Argentina, Uruguay, Australia, Bolivia (lemon only)

2021 export program: following the structural trends



- **Lemon / EP: a new sharp increase**

In relation with the sharp **increase of the acreage**

An **acceleration, for EP due to an increasing production growth**

- **An atypical increase for oranges, after years of stability**

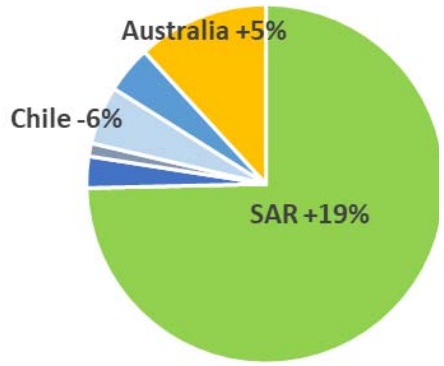
In relation with **market expectations - growing conditions** / no significant move on the acreage side

- **Grapefruit almost flat again**

Pie: market share of the SH trade for each supplier
% in the pie: comparison of the 2021 export program to the average 2019-20
Main suppliers (others below the legend)

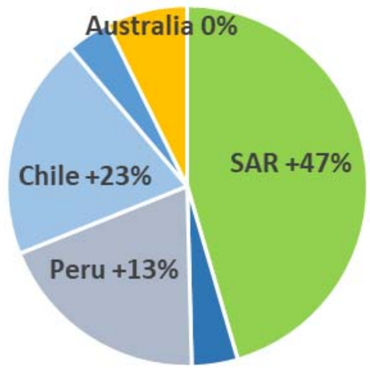
SH export program 2021 in details

SH Orange export 2021
1.7 m t
+14% / av. 19-20
(+12% / 20)



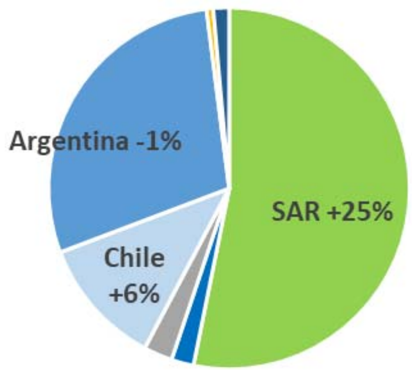
	SAR	Uruguay	Peru	Chile	Argentina	Australia
21 / av 19-20		+33%	+9%		-9%	

SH Soft citrus export 2021
1 m t
+29% / av. 19-20
(+20% / 20)



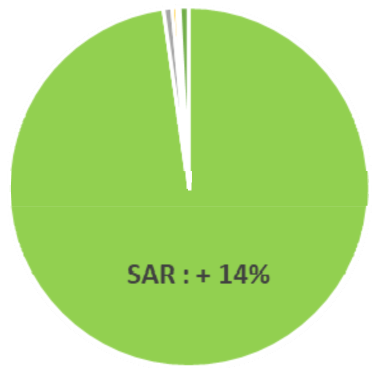
	SAR	Uruguay	Peru	Chile	Argentina	Australia
21 / av 19-20		+76%			+7%	

SH Lemon export 2021
853 000 t
+15% / av. 19-20
(+7% / 20)



	SAR	Uruguay	Peru	Chile	Argentina	Australia	Bolivia
21 / av 18-19		+12%	+41%			+30%	+89%

grapefruit export 2021
285 000 t
+14% / av. 19-20
(+10% / 20)



	SAR	Peru	Chile	Argentina	Australia
21 / av 18-19		+29%	-7%	-21%	+60%

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NH citrus competition: different scenario

- Reminder NH crop – Average to light crop for all citrus families

Leading supplyers - 20/21 production compared to 19/20 and to the 4 Y average

	EP		Orange		Lemon		Grapefruit	
	/19-20	/av. 4 Y	/19-20	/av. 4 Y	/19-20	/av. 4 Y	/19-20	/av. 4 Y
Mediteranean	15%	3%	2%	-6%	-4%	-4%	-12%	-13%
California	5%	-2%	-4%	3%	-7%	5%		
Florida+Texas							-5%	-9%
China	6%	0%	4%	1%				

Source WCO, USDA, NASS

- **Situation in May:**
  - **EP / Grapefruit** – early end of the winter season – **all markets open**
    - Price indication EU27 W18: 18-21 €/15-kg box (+20%/4-year average)
  - **Orange** – Mediterranean crop below the average, especially for late varieties **BUT**
    - Demand quite low in some markets (EP competition)
    - Average crop in Egypt – some good volumes remaining to market, with an acceleration after the end of Ramadan – impact Europe/Asia/Middle East
    - CIRAD price indicator EU27 W18: V.L Spain: 0.95-1.00 €/kg (+5%/4-year average)
      V.L. Egypt: 0.55/0.65 euros/kg (-3%/4-year average)
  - **Lemon: a very competitive market context**
    - Mediterranean crop down, but large crop in Spain (75-80% of the EU27+UK supply): +11%/4-year aver.
    - Prices under heavy pressure
    - CIRAD price indicator EU27 W18: Spain: 0.88 €/kg (-25%/4-year average)

- Competing fruits/Europe – **a very short stone fruits crop – effect of a late spring frost**
  - Big competitors in the shelves, especially in France/Southern Europe
  - “Table” Peaches – Nectarines: official forecast not released
    - France: -30/50% compared to 2020?
    - Spain: -25/30% compared to 2020

  - Apricots – one of the shortest crop on records

	2021	**2020**	2020/2021	2021/ ave. 5yrs
France	*47*	84	-43%	-64%
Spain	*87*	102	-15%	-31%
Italy	*154*	163	-5%	-32%
Greece	*55*	78	-29%	-23%
Total	***344***	**427**	**-20%**	**-40%**

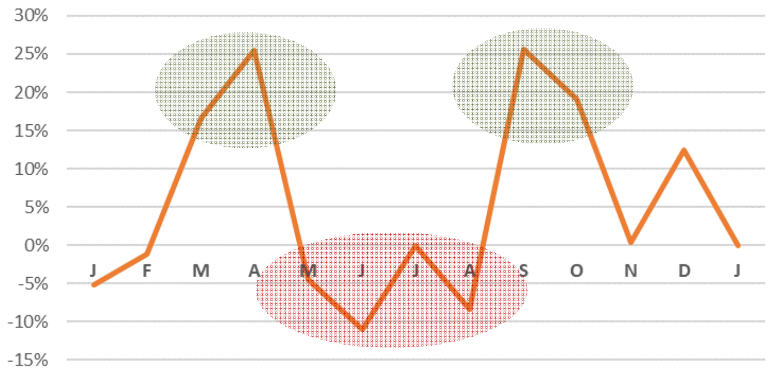
source: Europêch

- Sea freight – **an issue regarding availability / prices**
  - High number of reefer units used to deliver pork meat to China (Afr. Swine fever)
  - Boom of the E-commerce worldwide due to the pandemic
    - Mobilization of reefer units to transport high value dry goods
  - Rush on reefer vessels – very tight market / little units available - prices up
  - Oil price up – but back to the level experienced in 2020 – little influence
    - May 21: 65 US$: +15 US$ compared to December but similar to May 2020

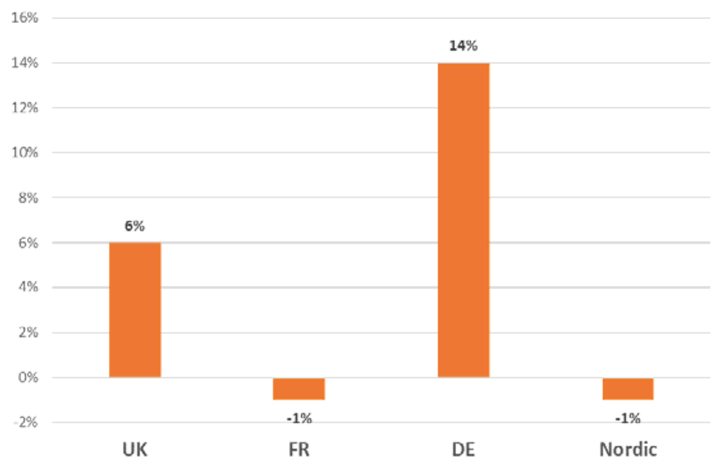
COVID / citrus demand – last news from Europe:

- **COVID effect these last months – EU 27:**

Total citrus consumption - FR + DE + Nordic countries
20 / average 18-19 - Eurostat



Citrus - consumption estimate oct->jan (or feb for FR)
20-21 / aver. 2 last seasons - Eurostat



Summer 2020 season

- A **rise on the leading EU27 markets**… but on the late season
- Consumption **down from May to August** (slight recovery in July)
- Mainly **due to oranges** (in a context of high prices)
- On the contrary, **lemon significantly up** on all markets (around +20%)

These last months… Winter season 2020/21

- A **very different pattern** by markets
  - Germany/UK still up
  - France/Nordic countries back to the average
- **Orange down in France and in the Nordic countries** (-7/9%), but **still up in Germany and the UK** (+5/7%)
- **Lemon still up** (from 5 to +20%), apart in the UK

US Citrus market appears to run also slower than in 2020
IRI Consumption panel - 4 W ending April 18 – 2021 - volumes

Orange: -33% // Tangerine -2% // Lemon/lime -10/11%

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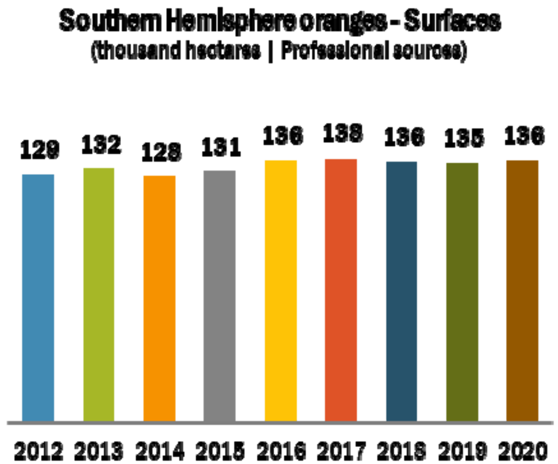
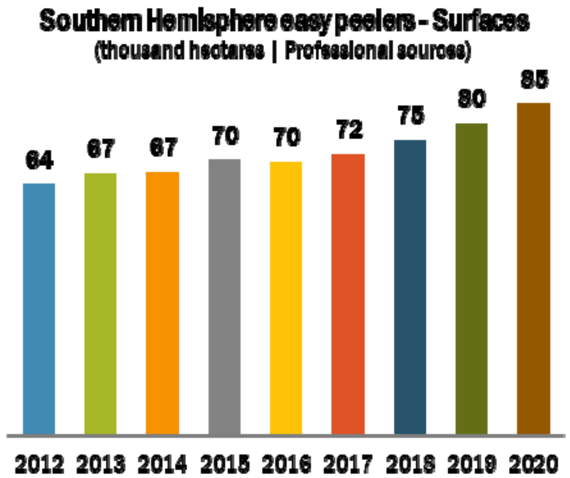
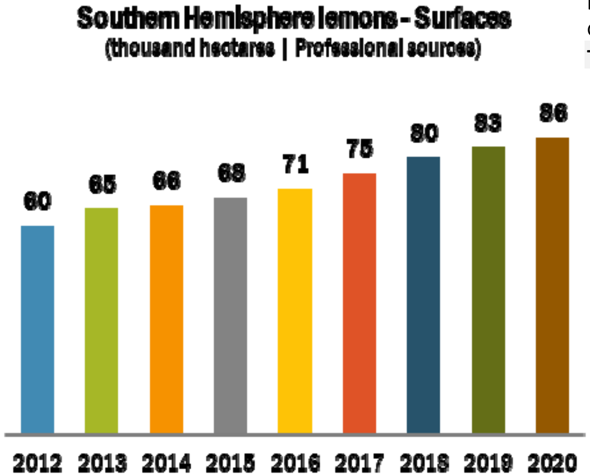
The SH orchard is still growing fast

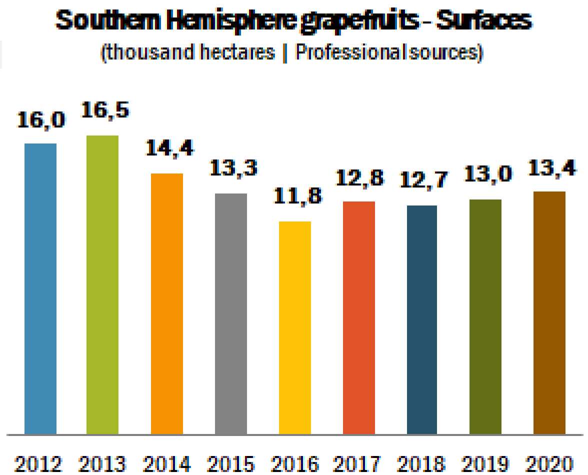
- Orange and grapefruit still almost flat
- No slow down for EP and lemon – EP even increase further





	W. Orchard 2020 - 1000 ha	Growth / Year (average last 5Y) %	1 000 ha	
Oranges	136.3	0.8%	1,107	=↘
Soft Citrus	84.7	3%	2,866	↗
Lemon	85.8	5%	3,469	=
Grapefruit	13.4	0.1%	13	=↗
Total	**320.1**	**3%**	**7,098**	↗





- World orchard (sources): SAR (CGA), Uruguay (MGAP), Peru (Procitrus-new data->2019 – orange included), Chile (ODEPA) - Argentina (Federcitrus->2017 / EEAOC-USDA-Prof. Sources 2018-2019-2020)

To sum up:

- A **record breaking export potential** for all citrus families apart grapefruit
  Impact of the sea freight situation on the volumes exported… and on prices?

- **COVID impact:**
- **The positive ones on demand do not have to be overestimated**
  - the "rush for citrus" appears to be over (or slower) in some markets (France/Nordic countries/USA)
  - last year positive effect mainly on the late summer market, apart for lemon

- **The negative ones? Asia still down in 2021?**

- **Mixed picture regarding competing products**
- **Short stone fruits crop** – positive impact especially in Southern Europe
- **NH citrus competition** low for grapefruit/EP, but **higher than last year for orange and especially lemon in Europe**

- On the mid term: **further growth expected for lemon and EP in the coming years**
- planting rythm remains very high, and continue to accelerate for EP

Need of a close monitoring for these two products - help of the members regarding acreage data needed!