

Citruses

2019-20 campaign forecast

Some light relief

by **Eric Imbert**, CIRAD
eric.imbert@cirad.fr

The Mediterranean is set for a light citruses season in 2019-20. This should enable the vast majority of growers, weakened by a 2018-19 campaign catastrophic in economic terms, to return to profitability. However, the medium-term production trends are still upward, while consumption in the European Union is flat.



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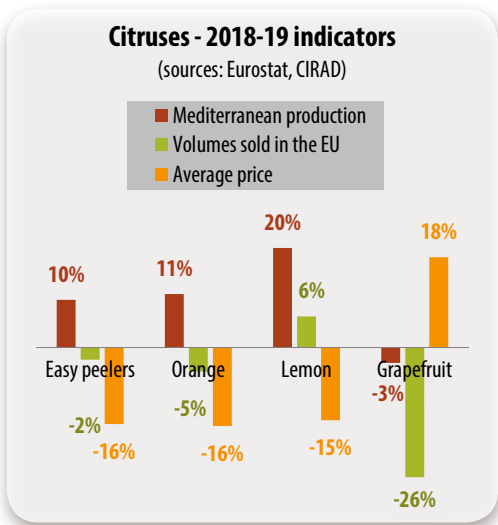
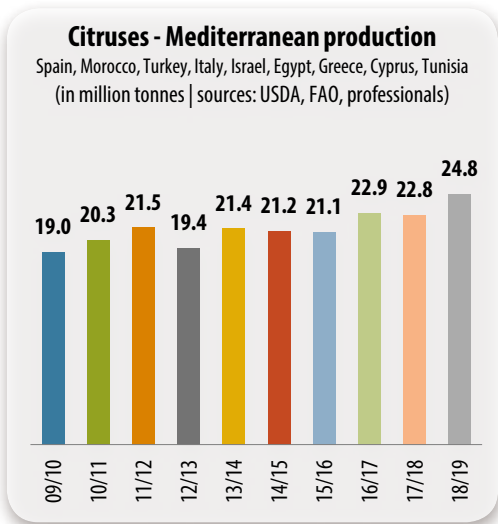
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Citruses – Mediterranean – Production

in 000 tonnes	2018-19	compared to	
		2017-18	4-year average
Easy peelers	7 530	+ 9 %	+ 10 %
Orange	13 330	+ 8 %	+ 11 %
Lemon	3 380	+ 13 %	+ 20 %
Grapefruit	540	- 1 %	- 3 %
Total	24 780	+ 9 %	+ 11 %

Professional sources

Citruses – EU-28 – Volume marketed in winter season

in 000 tonnes	2018-19	compared to	
		2017-18	4-year average
Easy peelers	1 572	0 %	- 2 %
Orange	1 869	- 1 %	- 5 %
Lemon	678	+ 5 %	+ 6 %
Grapefruit	161	- 22 %	- 26 %
Total	4 280	- 1 %	- 3 %

Source: Eurostat

Citruses – EU-28 – Import price in winter season

in euro/kg	2018-19	compared to	
		2017-18	4-year average
Easy peelers	0.93	- 21 %	- 16 %
Orange	0.65	- 17 %	- 16 %
Lemon	1.05	- 13 %	- 15 %
Tropical grapefruit	1.99	+ 7 %	+ 34 %
Mediterranean grapefruit	1.00	- 3 %	+ 18 %

Source: CIRAD

2018-19 a historically heavy and disastrous season

The 2018-19 season will remain etched in the memories of Mediterranean citrus growers. For Spanish growers, it was “the worst campaign ever seen in economic terms”, in the words of a good many of them. Things were no better for their Moroccan counterparts, who were left lamenting losses of nearly 200 million euros, according to Maroc Citrus, for an estimated overall turnover for the industry of 800 million euros. Production pressure was higher than ever, with the main Mediterranean citrus growing players registering historic levels, due not only to excellent climate conditions during the cropping cycle, but also to big cultivation area expansions in countries such as Egypt, Morocco and Turkey. According to our estimate, the Mediterranean harvest set a record level of nearly 27 million tonnes, i.e. approximately 20 % of global volumes, confirming a distinct acceleration in production growth rate over recent seasons.

External factors contributing to the rout

There were also some external factors complicating this heavily laden and therefore already high-risk season. The campaign started behind schedule, due to the generalised late maturity and a structural trend of increased competition from the Southern Hemisphere at the beginning of the season, especially for the orange. So precious trading weeks were lost. Thereafter, the weather was highly unfavourable during the first part of the campaign, with heavy rains in the Western Mediterranean, followed by abnormally high temperatures, which had a negative impact on both demand and quality. In addition, the social unrest in France (yellow vest movement) had repercussions on trade both in France and across the European Union, through logistical disruption to the fruits transiting via the country.



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Prices at rock bottom, despite below-average market volumes

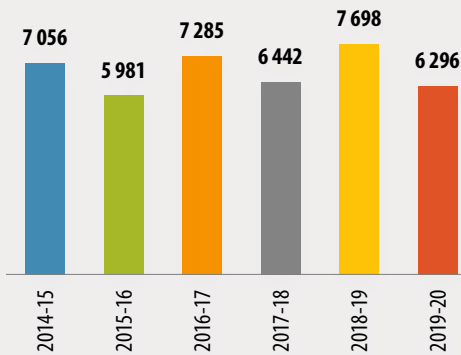
In this context our market price barometers registered levels ranging from historically low to well below average across all citrus families, with no turnover compensation through volumes. Customs figures show that volumes placed on the EU-28 market by Mediterranean origins were somewhat below average, despite the enormous production pressure and the appealing prices. This trend confirms an increasing decline in consumption in recent seasons (see inset) - in short, a complete disaster for an already greatly weakened sector. It is a really good thing that the 2019-20 season is auguring better.

Spain One of the smallest harvests for the past decades

After a historic 8-million tonnes harvest at the least, Spanish growers should see one of the leanest campaigns in recent years, in terms of volume. The expected 6.3 million tonnes represents an 18 % downturn from last campaign, with a level approximately 8 % below the four-year average. To clarify, 2019-20 looks like being the smallest campaign of the decade after 2015-16. It is mainly the effect of an alternate bearing swing which explains this big downturn; the “cold drop” over the Levant in mid-September, and which hit the Alicante zone hard, in the end apparently had only fairly limited consequences for citrus. The shortfall from average levels varied between varietal groups, ranging from wide for easy peelers and the grapefruit (- 17 % and - 21 % respectively) to significant for the orange (- 5 %). Despite being distinctly down on last season, lemon production will remain near average. Seasonal varieties appear to have been harder hit than late varieties for oranges and easy peelers, unlike the lemon. All the production regions exhibited a fall in volumes from 2018-19, though to varying degrees. There is a very big downturn in the Valencian Community, with a shortfall of nearly one million tonnes and a harvest 18 % below average. It is smaller in the other provinces, where the harvest remains above average: + 2 % in Murcia, where expanding lemon surface areas are helping mitigate the fall, and + 8 % in Andalusia, where easy peeler production is actually greater than in 2018-19 thanks to recent planting of early clementines and late hybrids. The good sizing level, considerably up on 2018-19, should help mitigate the fall in export potential. Yet again this season maturity is approximately ten days behind schedule for a typical campaign.

Citruses - Spain - Harvest

Valencian Community, Andalusia, Murcia
(in 000 tonnes | sources: GVA, AILIMPO, Junta Andalusia)



Citruses – Spain – Harvest by citrus family (Valencian Community, Andalusia, Murcia)

in 000 tonnes	2019-20	compared to	
		2018-19	2015-2019 average
Easy peelers	1 822	- 24 %	- 17 %
Orange	3 313	- 16 %	- 6 %
Lemon	1 100	- 15 %	+ 3 %
Grapefruit	61	- 26 %	- 21 %
Total	6 296	- 18 %	- 8 %

Sources: GVA, AILIMPO, Junta Andalusia

Citruses – Spain – Harvest by region

in 000 tonnes	2019-20	compared to	
		2018-19	2015-2019 average
Andalusia	2 180	- 6 %	+ 4 %
Murcia	873	- 12 %	+ 2 %
Valencian Com.	2 911	- 25 %	- 18 %

Sources: GVA, AILIMPO, Junta Andalusia

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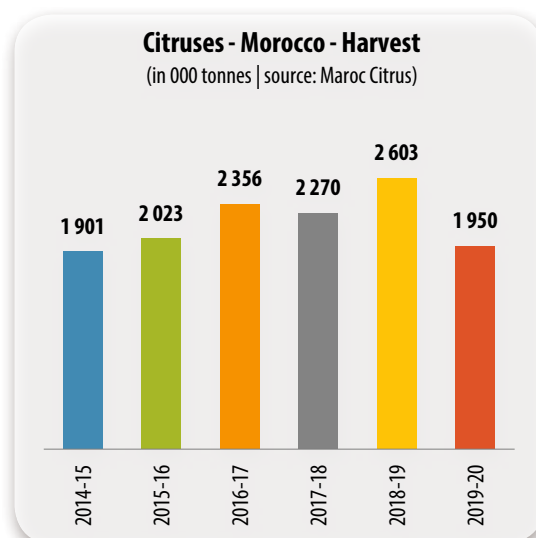
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Morocco

Alternate bearing and major heatwaves

Morocco is even worse off than Spain, with production collapsing by 25 % from the previous season (16 % below average). This movement is especially significant since it marks a sudden break with the structural growth in volumes due to large-scale planting carried out since 2008 under the “Maroc Vert” plan (approximately 36 000 ha planted, taking the Moroccan cultivation area to 128 000 ha). The 2019-20 season is exhibiting the disastrous after-effects of the previous one. The alternate bearing effects are very marked, with a large part of the 2018-19 harvest lost and left on the trees for lack of outlets. In addition, the lack of funds has led to major under-investment in the orchards, which have therefore been less productive. Finally, several heatwaves hit most of the country’s production zones from May to September, with the south particularly hard hit. Hence while all the regions have seen their production fall, there were massive disparities. Souss in particular, an essential zone for the clementine, was quite simply slammed with a fall of approximately 50 % from last season, while the figure was around 20 % in the other regions. Sizing was average at the beginning of the season, though this could still be made good. Just as in Spain, maturity is eight to ten days behind schedule.



Citruses – Morocco – Harvest

in 000 tonnes	2019-20	compared to	
		2018-19	2015-2019 average
Easy peelers	900	- 35 %	- 27 %
Orange	700	- 41 %	- 33 %
Total	1 600	- 37 %	- 29 %

Source: Maroc Citrus



Italy

Harvest even more limited than in 2018-19

Already below average in 2018-19, Italian production is set to be particularly limited in 2019-20. With an expected 2.1 million tonnes, the harvest, 25 % below average, is one of the smallest ever registered. The weather has been particularly unfavourable (strong winds in flowering period, etc.). Furthermore, the structural problems facing the industry are continuing to shrink surface areas in production and hamper competitiveness. Sanitary problems have had a major impact, especially in Sicily, on the lemon orchards (mal secco) and orange orchards (tristeza, with more than 40 000 ha hit by highly virulent strains). The fall in production has affected all varietal groups to varying degrees, with easy peelers the hardest hit.

Citruses – Italy – Harvest

in 000 tonnes	2019-20	compared to	
		2018-19	2015-2019 average
Easy peelers	390	- 32 %	- 47 %
Orange	1 280	- 20 %	- 17 %
Lemon	400	- 6 %	- 9 %
Total	2 070	- 20 %	- 21 %

Source: ISTAT

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Citruses – Turkey – Harvest

in 000 tonnes	2019-20	compared to	
		2018-19	2015-2019 average
Easy peelers	1 300	- 21 %	- 5 %
Orange	1 330	- 30 %	- 29 %
Lemon	800	- 27 %	- 12 %
Grapefruit	300	+ 20 %	+ 18 %
Total	3 730	- 22 %	+ 130 %

Estimate after professional sources

Turkey Cyclical downturn

Turkey, the number two exporter in the Mediterranean with volumes approaching 2 million tonnes during the record 2017-18 campaign, will also see its production subside considerably, to a below-average level (approximately - 10 % to - 15 % according to professional sources). This fall is apparently attributable to a spring heatwave, affecting most citrus families, 20 to 30 % down on last season for the Satsuma, orange and lama lemon. Seemingly only the grapefruit has been spared, thanks to an alternate bearing upswing. This practically generalised fall goes against the planting trends. Surface areas are continuing to expand for both the lemon and easy peelers. The extent of the progress is hard to quantify, for lack of reliable surveying data (as a guide, the USDA estimates the rise at 4 000 ha for easy peelers and 5 000 ha for the lemon, over the period from 2015-16 to 2018-19).

Egypt Another temporary fall

Egyptian exports, which rose by a million tonnes in the space of ten years, should also be down in 2019-20. There are no official provisional figures. However, production of the orange, by far the main citrus family grown in the country, is down on 2018-19 according to professional sources. The alternate bearing effect, after a record 2018-19 season, and a heatwave in May apparently explain this downturn. Fruit sizing is reportedly considerably bigger than in 2018-19. The fall expected this season is purely cyclical, since the citrus industry is making rapid progress. The country's competitiveness, already very strong thanks to the very low prices of water and labour, was boosted by the devaluation of late 2016. Furthermore, the authorities have made a massive effort to open up new markets, especially in Asia (more than 400 000 t of exports to these destinations in 2018-19, with more than half to China). The expansion rate of the cultivation area (and indeed its exact extent) is very difficult to identify in the absence of reliable land registry data. It would seem to lie within a wide range of between 3 000 ha (plant production capacity of the country's four big nurseries) and 7 000-10 000 ha (USDA estimate). The main varieties planted are still Navel and above all Valencia, the earliest and latest varieties not generally providing good results in terms of quality or yield for climate reasons. Development is concentrated in the Nubaria/Wadi El Natrun zone (west of Cairo) and Ismaïlia (Al Salheya/Ismaïlia Canal, to the east of Cairo), with the traditional Delta zone becoming marginalised because of urbanisation.





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Israel

An average campaign

Israel seems to be more fortunate than most other Mediterranean producer countries, practically all affected by production shortfalls varying in scale. With just over 500 000 t expected, the 2019-20 harvest is set to be close to the average. This is practically a pleasant surprise for Israeli growers, given the alternate bearing downswing and a heatwave, which hit the country in May, though in the end had limited consequences. The good precipitation levels registered in 2018-19 may have played a part (nearly 700 mm in the Tel Aviv region, i.e. nearly 300 mm more than the previous two seasons, leading to fears of a severe drought returning). So the export season is set to be average in terms of volumes for the country's two big export specialities: so volumes on the international market should be fairly stable for Orri and regain a higher level than in 2018-19 for the grapefruit. The good price levels expected in the European Union should help protect the EC market share, in the context of a strong shekel benefitting local sales and the great attraction of the Asian markets (Japan, China, South Korea) and US market, to which exports are increasing.



Citruses – Israel – Harvest

in 000 tonnes	2019-20	compared to	
		2018-19	2015-2019 average
Easy peelers	170	- 14 %	- 13 %
Grapefruit	145	+ 4 %	- 3 %
Total	315	- 6 %	- 8 %

Source: CMBI

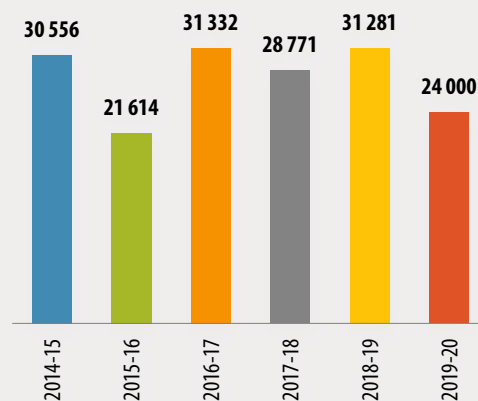
Corsica

Evolution mirroring that of the leading producers

Corsican clementine shipments, relatively stable and close to approximately 30 000 t for the past three campaigns, should also see a big slump (from - 20 to - 25 %). This significant fall is due to the difficult weather: frost during the flowering period, followed by two heatwaves during fruit-setting, and then during the fruit bulking phase. This fall does not reflect the considerable expansion in recent years, although the cultivation area remains limited overall (approximately 1 560 ha in 2018, i.e. 200 ha more than in 2014).

Citruses - Corsica - Clementine shipments

(in tonnes | source: CEBFL)



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Uncertainties over certain key markets

While the production pressure appears much lighter than in 2018-19, the opening up of certain markets is raising questions. The introduction by the USA of a customs tariff of 25 % on certain products from the European Union, including citruses, should not play a significant role. Spain, which is practically the only EU exporter working with the USA, shipped less than 10 000 t to this market in 2018-19 (practically exclusively easy peelers). The volumes shipped by Italy or Portugal are marginal (less than one hundred tonnes in total in 2018-19). The threat due to Brexit is much more serious, particularly for Spain. The UK is the number three market for Iberian exporters, which ship approximately 250 000 t of citruses there every season. The only certainty, at the time of going to press, is that customs duty exemption will last for another year at least. So the constraint for this campaign should be logistical, with the reintroduction of inspection procedures risking extended delivery times, which poses something of a problem to perishable products. Another indirect effect, possibly a major one too, is how the pound sterling will evolve, i.e. the possible loss of appeal of the British market, which could result in a need to switch to the EC markets. The scenario of another fall is possible, but many economists believe that the movement has already been largely anticipated by the financial market.

Citruses – EU-28 – Exports to the United States

in tonnes	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Spain	88 435	73 004	55 075	40 603	39 820	29 933
Orange	-	-	185	-	27	731
Easy peelers	86 284	65 622	48 835	33 402	30 797	17 759
Lemon	2 150	7 383	6 055	7 202	8 996	11 444
Cyprus	-	-	-	-	-	-
Italy	376	395	271	367	374	203
Portugal	-	-	-	-	-	-
Total	88 811	73 399	55 346	40 970	40 194	30 136

Source: Eurostat

Two big sanitary news items

One is excellent news: the European Commission has finally decided to mobilise against greening. The budget, worth 8.2 million euros and more than 80 % financed by the EU under an H2020 project dubbed "Pre-HLB", will be used to conduct three types of action: preventing the introduction of bacteriosis into the EC, setting up a rapid detection system of any introduction, and conducting research actions aimed at combating the disease.

Conversely, the other news item is very bad, with the discovery of an initial outbreak of citrus black spot disease in the Mediterranean. The contaminated zone is situated in north-east Tunisia (Nabeul Governorate), and reportedly extends over approximately 2 000 ha (Menzel Bou Zelfa/ Beni Khaled zone, renowned for its Maltese oranges). The disease was apparently introduced via contaminated plant material that had been fraudulently imported, and spread rapidly following the floods which affected the zone in 2018. Tunisia has implemented emergency management measures. Citrus black spot is regarded as a quarantine disease on numerous markets. It is not currently on the list of priority quarantine diseases in the European Union (entailing drastic measures upstream, stricter inspections and possible import bans). EFSA takes the view that the risk of contamination by carrier fruits without their leaves and stalks is "moderately plausible, with medium uncertainty".

Preservation of added value, a more central issue than ever

We must not delude ourselves. The fall in production expected this season is temporary. Mediterranean production trends are clear, and major volume increases should be expected, especially for the orange, easy peelers and lemon (see FruiTrop 261); meanwhile the 2017 and 2018 consumption trends were rather poor. The issue of preservation of added value, already central in recent years, appears more relevant than ever. The development of market segments associated with production techniques based on agro-ecology is clearly a strategic line, matching strong expectations from society. Many growers, of all sizes, are currently developing this. Promotion work is also a central line. As such, the initiative launched by ALLIMPO for the Spanish lemon is particularly interesting. It shows that a well-structured inter-professional association with a well-constructed project can access substantial budgets (more than 6 million euros over 3 years, financed by the EU). This makes it an example to follow! ■

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Easy peelers A major shortfall, particularly in the mid-season!

The 2019-20 campaign should help revive most of the Mediterranean producer countries, after a disastrous 2018-19 season. Volumes available are set to be distinctly below average, particularly for seasonal clementines.

Spain, which dominates Mediterranean production and controls more than 70 % of the EC market supply during the winter season, is registering one of the lowest production levels since the early 2000s for this varietal group (17 % below the four-year average). The very big fall in the Valencian Community harvest (down by nearly 500 000 t on the previous season!) is barely mitigated by Andalusia's surge. The mid-season varieties have been particularly affected, including the standard bearer of Spanish citrus growing, the Nules clementine, which on its own represents more than 45 % of total easy peeler production (falling by nearly 40 % accord-

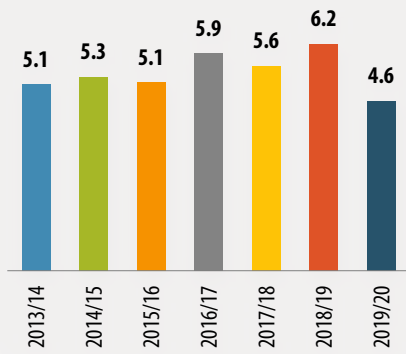
ing to trade union figures, in the absence of official estimates). Conversely, there should not really be a shortfall in the harvest of other varieties. The early clementines had an average supply. Volumes of late hybrids, whose young cultivation area is entering its prime, should be somewhat greater than in 2018-19. The sizing, of a mainly satisfactory level, should help mitigate the export shortfall. The situation in Morocco is fairly similar. Production is also registering a major shortfall of approximately 30 %, varying greatly between zones and varieties. The clementine has been particularly affected, especially in the main production region, namely Sous. Conversely, just as in Spain, the production level of late hybrids, represented by Nadorcott in this country, should be good, and up on last season. Sizing is at present only average for most varieties, though this could still be made good. Israel, which is continuing to play a significant role at the end of the season, should have an average potential for Orri. The appeal of the EC market, under-supplied this season, should temporarily limit the trend of shipment diversification to the USA and Asia. The top-up Italian clementines supply should be limited. Similarly, clementine shipments from Corsica to France will be below-average.

So the scenario is set to be rather positive as regards price. True, consumption trends are fairly poor on the EC market. After a succession of years on the increase, probably due to the extended campaigns enabled by the late hybrids, intake volumes per capita were down in 2017. This trend was confirmed in 2018, despite production returning to a much higher level (400-500 g/capita lost in 2 years compared to the period 2014-2016 on the big markets in the western EU-28). However, there is a major production shortfall. The supply was fairly close to normal at the beginning of the season. The look of the market changed in early November, with the heavyweight varieties kicking off their campaign with a big shortfall (Spanish Nules clementine). The top-up origins will not be able to offset the shortage, with production of Fine and then Nour clementines from Morocco, clementines from Italy and even Corsican clementines well below average. There will be a general under-supply to Europe, with the Turkish satsuma shortfall making itself felt on the East European markets, and more particularly in Russia. So prices should be very high in November and December. The clementine campaigns will finish early, enabling late hybrids to be placed in advance. For these varieties, volumes available will be greater than last year (bigger Nadorcott production in Spain and Morocco, Orri production practically stable in both Israel and Spain). Nonetheless, prices should also remain very high given the excellent market context, and an extended trading period because of the early start ■



Easy peelers - Mediterranean - Production

(in million tonnes | sources: AILIMPO, CMBI, USDA)



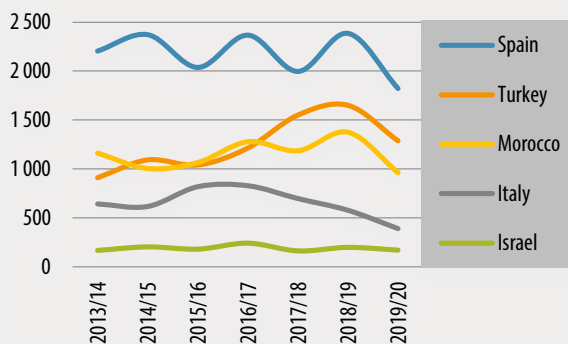
Easy peelers – Mediterranean – 2019-20 production forecast

in 000 tonnes	2019-20	compared to	
		2018-19	4-year average
Spain	1 822	- 24 %	- 17 %
Turkey	1 287	- 22 %	- 6 %
Morocco	900	- 35 %	- 27 %
Italy	390	- 32 %	- 47 %
Israel	170	- 14 %	- 13 %
Total	4 569	- 25 %	- 17 %

Sources: GVA, Junta Andalucia, Maroc Citrus, Istat, USDA, CMBI

Easy peelers - Mediterranean - Production

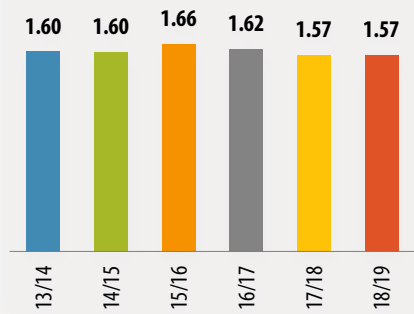
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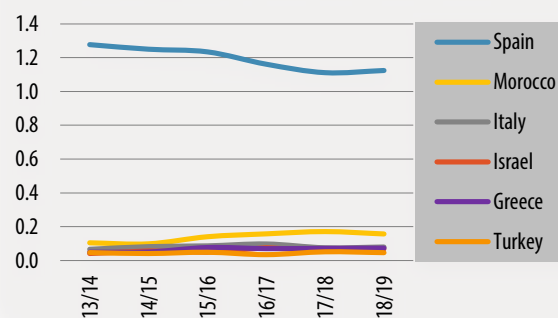
Easy peelers - EU-28 Winter season supply

(in million tonnes | source: Eurostat)



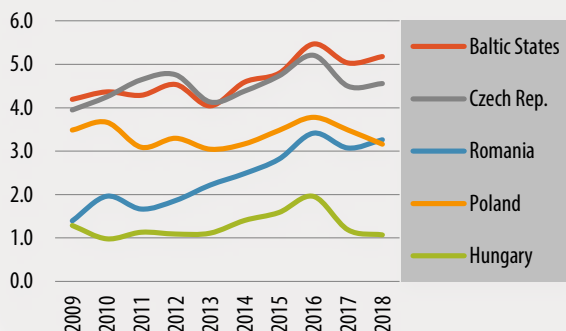
Easy peelers - EU-28 Winter season supply

Main suppliers (in million tonnes | source: Eurostat)



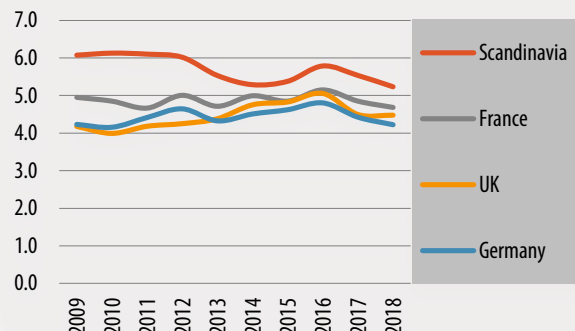
Easy peelers - Evolution of consumption on leading East European markets

(in kg/capita / sources: Customs, Trade map, professionals)



Easy peelers - Evolution of consumption on leading West European markets

(in kg/capita / sources: Customs, Trade map, professionals)



Lemon

Shortfall, but during the second part of the season

The lemon supply to the EC market promises to be much lighter than in 2018-19. Nonetheless, it is set to be close to average, unlike the other citrus families, which have a much more pronounced downturn. After a rather heavy first part to the campaign, an increasing shortfall will appear from December.

Spain, which controls three-quarters of the EU supply during the winter season, has a production of approximately 1.1 million tonnes. This is a much lower level than in 2018-19 (- 15 %), though it remains near-average (+ 3 %). The supply pressure will ease off. The Primofiore harvest is has maintained a good overall level (- 8 % on 2018-19, but 8 % above average), though a shortfall will appear at certain periods. The supply will go from abundant at the start of the season to considerably below average thereafter. The shortfall will be even more marked with the transition to Verna, production of which is 8 % below average. The Spanish competitors which top up the supply to the EC market all have a distinct production shortfall. The Turkish harvest is set to be limited (estimated at between 10 and 15 % below average). Unlike Spain, the first part of the campaign was very light (massive fall in Interdonato production). There will be a considerable shortfall, though less marked with the transition to Lama in November. The poor political context between Turkey and Saudi Arabia, an important market for the Turkish lemon (approximately 60 000 t per season, i.e. 10 to 15 % of total exports), could lead to some volumes being transferred onto the EC market. Italy, another top-up supplier, is no better off. There is a significant shortfall (10 % below average), with climate conditions hitting

hard. The organic lemon harvest is particularly limited, with mal secco tough to manage with this mode of production.

Growers should be much more focused on the fresh market than last season. The derivatives market is much less attractive. Argentinean 400 GPL concentrated juice was trading at approximately 2 400 USD/t in late October, i.e. 800 USD less than in 2018. A similar observation can be made for lemon essential oil. Prices, which saw a big drop at the beginning of the year in anticipation of a bumper Argentinean harvest, stabilised at approximately 26 euros/kg this summer, their lowest level for ten years.

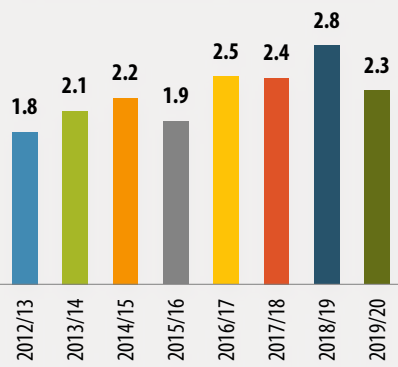
As regards consumption, the spectacular success seen in the EU between 2012 and 2017 (+ 400 g/capita gain!) has given way to stagnation. Intake volumes stood still in 2018 in Western Europe, with France and Germany actually slipping slightly. Only the eastern part has continued to grow, albeit at a much lower rate than in previous years. Is this a temporary trend, or the sign of a longer-term slowdown? It is hard to say. In any event, the launch in 2020 at the initiative of AILIMPO of a Spanish lemon promotion campaign, granted a budget of more than 6 million euros provided by the EU, has come at just the right time, when production is seeing major growth (see FruiTrop 261).

Prices, around low-average at the start of the season, should take an upturn at the end of the year, with a widening shortfall appearing in the Spanish supply. Rates should be high during the latter part of the season, given the paucity of the Verna supply ■



Lemon - Mediterranean - Production

(in million tonnes | sources: AILIMPO, Istat, USDA)



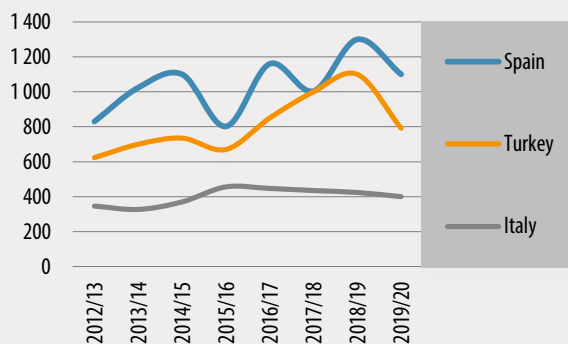
Lemon – Mediterranean – 2019-20 production forecast

in 000 tonnes	2019-20	compared to	
		2018-19	4-year average
Spain	1 100	- 15 %	+ 3 %
Turkey	792	- 28 %	- 12 %
Italy	400	- 6 %	- 9 %
Total	2 292	- 18 %	- 4 %

Sources: AILIMPO, Istat, USDA, professionals

Lemon - Mediterranean - Production

(in 000 tonnes | sources: AILIMPO, Istat, USDA)

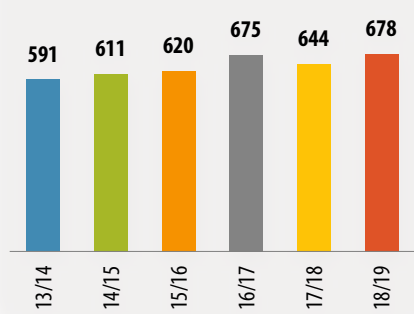


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Lemon - EU-28

Winter season supply

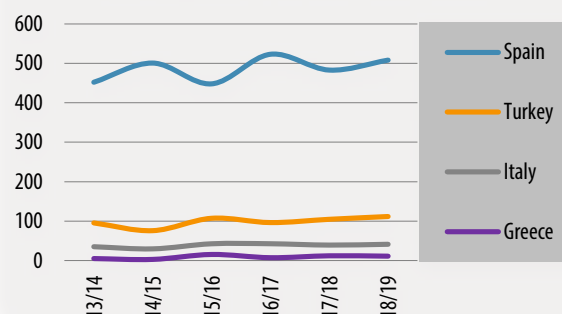
(in 000 tonnes | source: Eurostat)



Lemon - EU-28

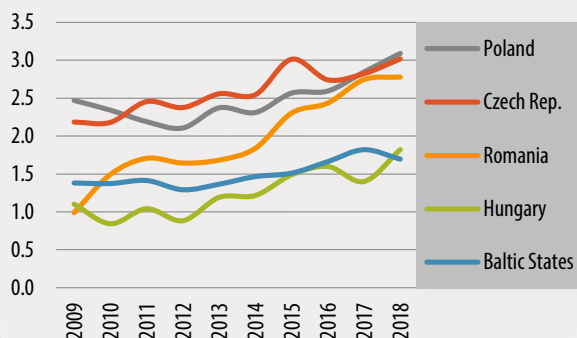
Winter season supply

Main suppliers (in 000 tonnes | source: Eurostat)



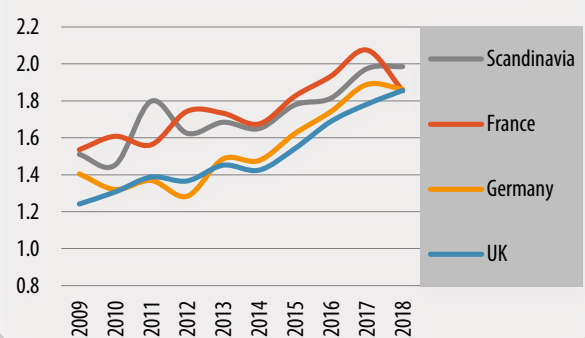
Lemon - Evolution of consumption on leading East European markets

(in kg/capita / sources: Customs, Trade map, professionals)



Lemon - Evolution of consumption on leading West European markets

(in kg/capita / sources: Customs, Trade map, professionals)



Grapefruit

Turkey resurgent

The grapefruit is bucking the trend of the other citrus families: the Mediterranean harvest is set to be bigger than in 2018-19, with Turkish production back to high levels. Tropical grapefruit volumes should be similar to 2018-19.

The cultivation area in Turkey, the Mediterranean leader for this crop and the main supplier to the EC market, is stagnant. However, yet again this season, there will be a very marked alternate bearing upswing, which should take the harvest to a very high level, after a very light 2018-19 season. Conversely, the harvest level should see change little in Israel, remaining near average. However, volumes aimed at the export sector should be greater than in 2018-19, with growers having favoured the processing sector last season in the face of a difficult fresh market in the first part of the season, and high rates for concentrate. They should return to a near-average level. Nonetheless, the diversification trend on the Asian markets should continue (nearly 20 000 t exported to Japan, China and South Korea in 2018-19, i.e. just over one third of total shipments). Production should take an upturn in the coming years, following the minor replanting

movement that started in 2018-19 (approximately 500 ha planted, often replacing unprofitable easy peelers). In Spain the grapefruit is one of the scarcest citruses this season, along with easy peelers. The production potential, estimated at approximately 60 000 t, is the lowest for ten years, more than 20 % below average. The production capacity is not to blame (surface areas relatively stable, at approximately 2 000 ha), but the climate conditions have been highly unfavourable.

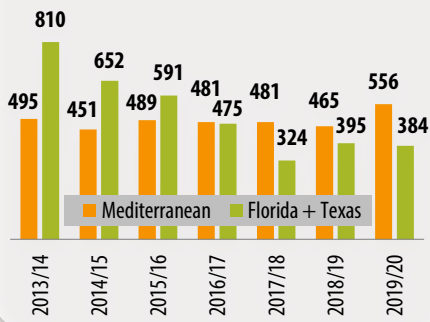
Tropical grapefruit availability should be similar to 2018-19. In Florida, the near-stability of production predicted for 2019-20 is good news, interrupting the seemingly well-established trend of collapse. Maturity, considerably earlier than last year, is registering a very good level in this early part of the season. Conversely, sizing remains similar to 2018-19, i.e. around low-average. Texas too should be taken into account. Exports from this State to the EU-28 were of a level practically similar to Florida in 2018-19. The harvest should be slightly bigger than in 2018-19, due to a cold spell in March, though it will nonetheless remain above average ■



Grapefruit - EU-28

Main suppliers production

(in 000 tonnes | sources: AILIMPO, CMBI, USDA)



Grapefruit – Mediterranean – 2019-20 production forecast

in 000 tonnes	2019-20	compared to	
		2018-19	4-year average
Turkey*	300	+ 20 %	+ 18 %
Israel	145	+ 4 %	- 3 %
Spain	61	- 26 %	- 21 %
Total	506	+ 10 %	+ 7 %

Sources: AILIMPO, Maroc Citrus, Istat, USDA, *professionals

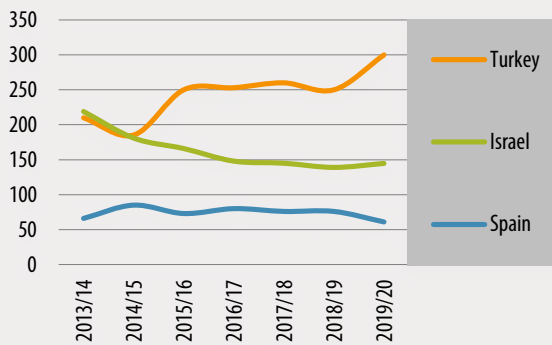
Tropical grapefruit – 2019-20 production forecast

in 000 tonnes	2019-20	compared to	
		2018-19	4-year average
Florida	177	+ 2 %	+ 11 %
Texas	207	- 7 %	- 32 %
Total	384	- 5 %	- 21 %

Source: USDA

Grapefruit - Mediterranean - Production

(in 000 tonnes | sources: AILIMPO, CMBI, USDA)

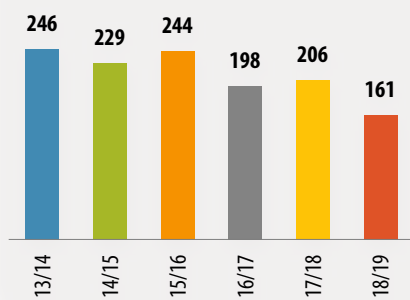


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Grapefruit - EU-28

Winter season supply

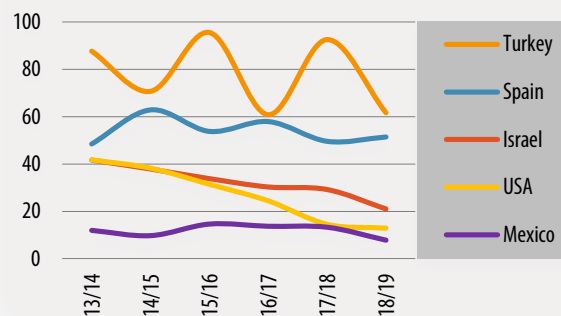
(in 000 tonnes | source: Eurostat)



Grapefruit - EU-28

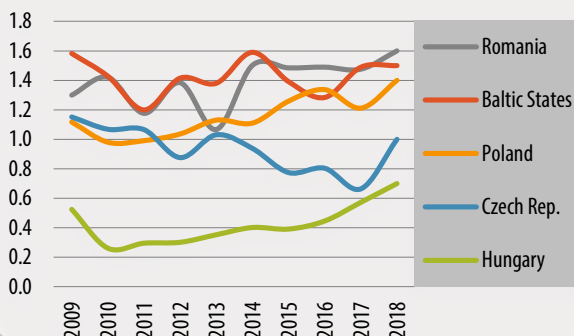
Winter season supply

Main suppliers (in 000 tonnes | source: Eurostat)



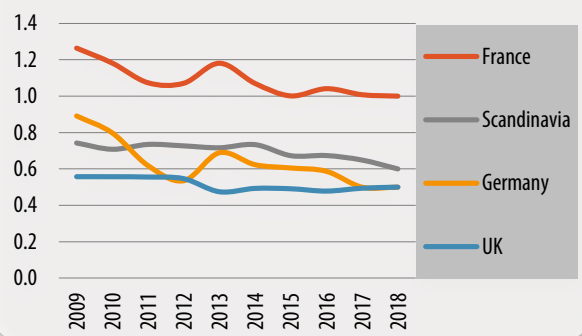
Grapefruit - Evolution of consumption on leading East European markets

(in kg/capita / sources: Customs, Trade map, professionals)



Grapefruit - Evolution of consumption on leading West European markets

(in kg/capita / sources: Customs, Trade map, professionals)



Orange

A considerable shortfall, and not just in Spain

The supply shortfall to the EC orange market is set to be less marked than for easy peelers, though very considerable nonetheless. Spanish production is registering a below-average level, while the top-up origins have limited harvests.



The leading supplier Spain, which on its own controls two-thirds of the EC supply, has a considerably smaller harvest than in 2018-19, 5 % below average. There will be an especially considerable shortfall for the early-season varieties (especially Naveline). For the late varieties, the significant planting carried out over the past decade will have a buffering effect. The young late and super late Navel orchards (Powell, Chislett, Barnfield, etc.) are continuing to enter their prime: more than 2 million trees planted between 2006-07 and 2011-12 in the Valencian Community alone. The very recently planted Valencia like will start to enter production (more than 2 million trees planted between 2014-15 and 2017-18 in the Valencian Community alone too). The top-up origins also have a smaller production than in 2018-19. This appears to be the case for Egypt, which in recent years has asserted itself as a key entry-level orange supplier to the EU-28, and currently represents approximately 15 % of the total market supply. Production is seemingly down, although this needs to be qualified due to lack of accurate surveying of the orchards. This is probably a temporary dip, given the very strong growth dynamic of the cultivation area. There should be an even more marked shortfall in the other Mediterranean producer countries. The harvest should be particularly limited in Italy, because of the impact of tristeza in Sicily and very poor climate conditions during flowering.

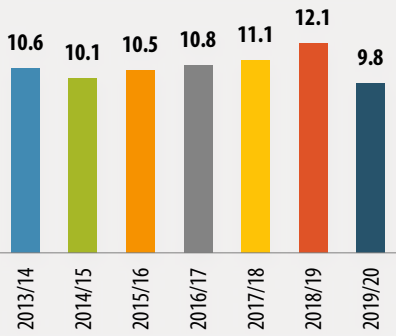
Growers should concentrate on the fresh market, with concentrated juice rates seeing big falls (see next article). The news is mainly bad as regards consumption on the EC market. In 2018, for the second consecutive year, intake volumes in the western EU fell (- 100 g/capita from 2017, after a fall of 400 g between 2016 and 2017). So the slight uptick seen in 2015 and 2016 will end up being a mere flash in the pan. In Eastern Europe, consumption made up some lost ground in 2018 (+ 100 g on 2017), though it maintained a level 300 g less than its nominal tempo from 2013-2016.

Prices should maintain a high level during the first part of the season. The switch to Lanelate, and then to the super late varieties, could cause a dip, with the Spanish orange supply returning to a higher level. However, the probable early start to the campaigns for these varieties, and the consequent extended trading calendar, given the Naveline shortfall should buffer the downward movement.

There should be a significant fall for Navel, with current purchase prices from the growers distinctly higher than in 2018-19. It is still too soon to have a clear idea about Valencia ■

Orange - Mediterranean - Production

(in million tonnes | sources: GVA, Junta Andalucia, Maroc Citrus, Istat, USDA, CMBI, professionals)



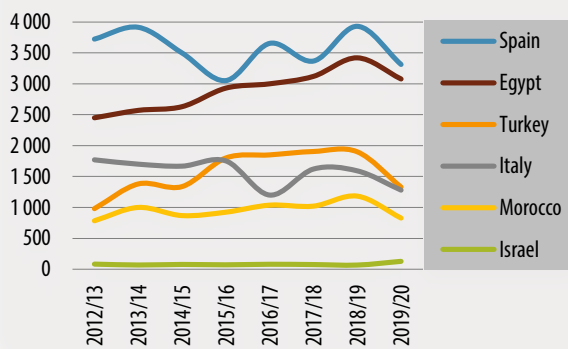
Orange – Mediterranean – 2019-20 production forecast

in 000 tonnes	2019-20	compared to	
		2018-19	4-year average
Spain	3 313	- 16 %	- 5 %
Egypt*	3 078	- 10 %	- 1 %
Turkey*	1 330	- 30 %	- 29 %
Italy	1 280	- 20 %	- 17 %
Morocco	700	- 41 %	- 33 %
Israel	128	+ 88 %	+ 72 %
Total	9 829	- 18 %	- 11 %

Sources: GVA, Junta Andalucia, Maroc Citrus, Istat, USDA, *professionals

Orange - Mediterranean - Production

(in 000 tonnes | sources: GVA, Istat, CMBI, USDA)

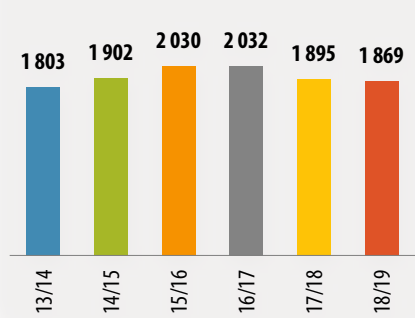


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Orange - EU-28

Winter season supply

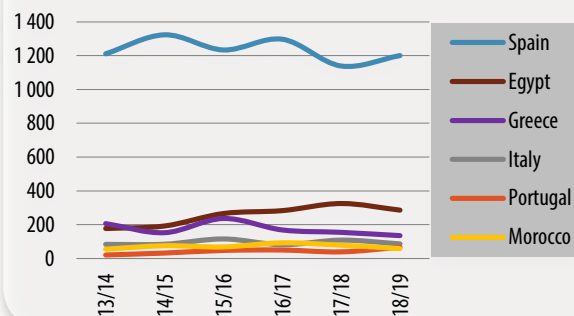
(in 000 tonnes | source: Eurostat)



Orange - EU-28

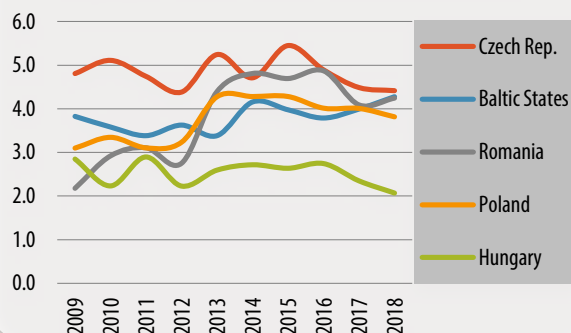
Winter season supply

Main suppliers (in 000 tonnes | source: Eurostat)



Orange - Evolution of consumption on leading East European markets

(in kg/capita / sources: Customs, Comtrade, professionals)



Orange - Evolution of consumption on leading West European markets

(in kg/capita / sources: Customs, Comtrade, professionals)

