

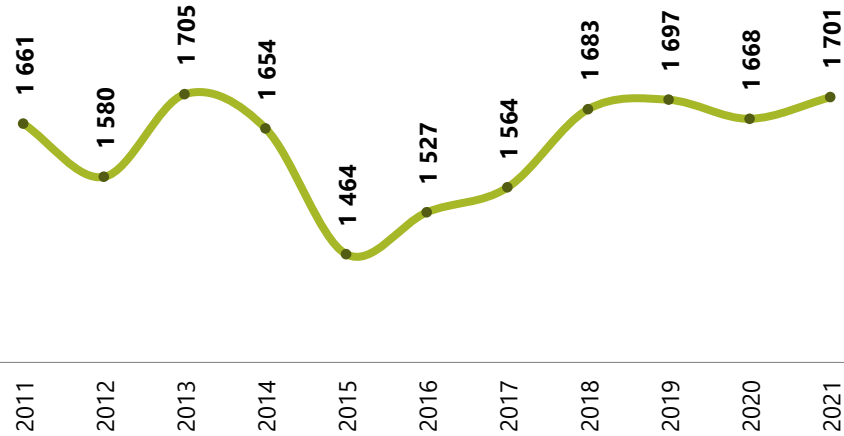
Citrus Market Trends Russia & Ukraine Focus



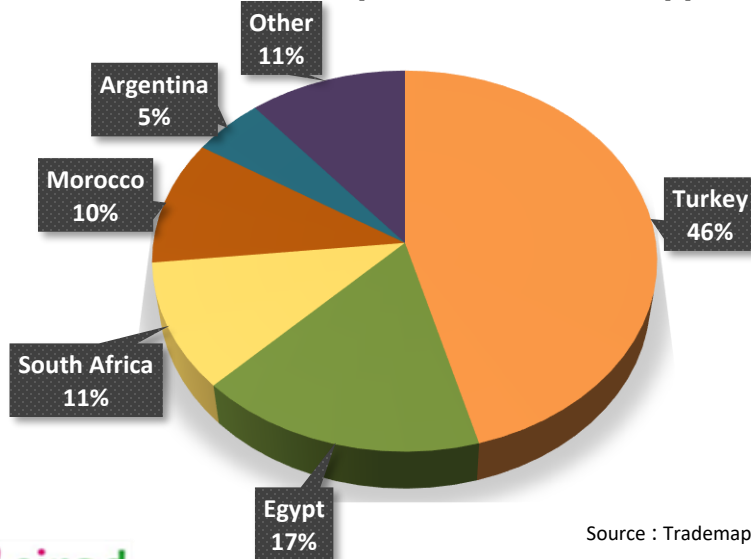
Anselme CLERON – Eric Imbert
CIRAD - PERSYST
Market News Service
Editor of FRUITROP Magazine
eric.imbert@cirad.fr

Focus – Russia Citrus Market Overview

RUSSIA - Citrus Imports
(in 000 | Source : Trademap)



RUSSIA - Citrus Imports 2021 -Main Suppliers

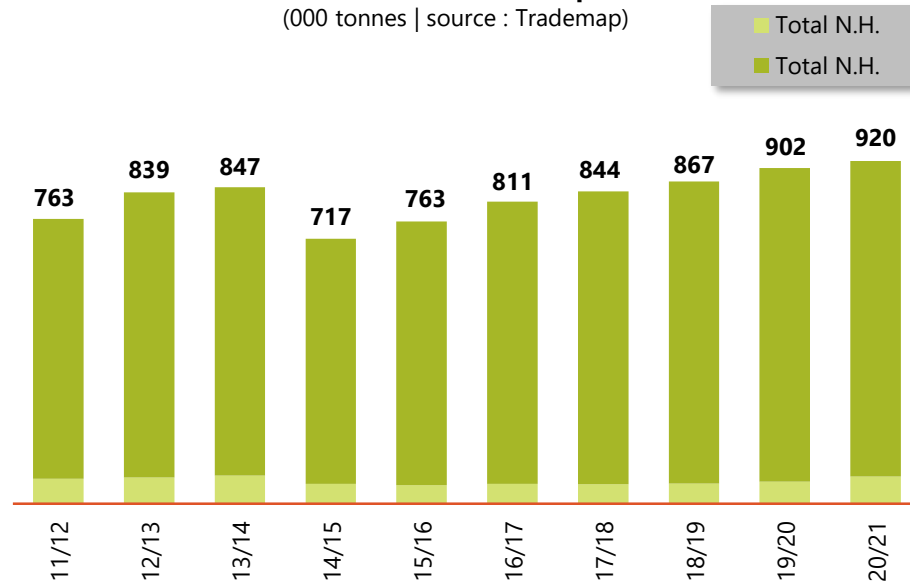


Source : Trademap

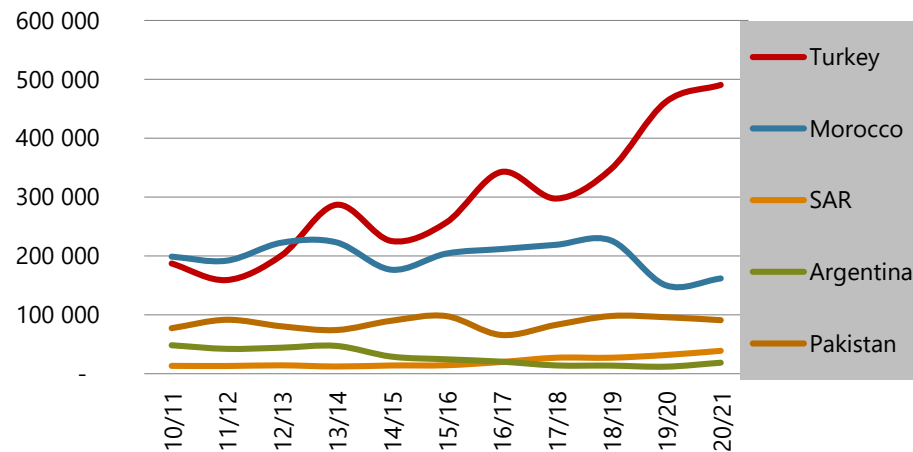
- A 1.7 million tons market in 2021
- A constant growth since 2015 (+240 000 tons in 5 years)
- Suppliers mainly from the Northern Hemisphere (79% of total supply in 2021)
 - Turkey's first trading partner (40% of total citrus exports | 780 000 tons in 2021)
 - Egypt and Morocco dedicating between 20% and 30% of their citrus exports to Russia
- Destination no less important for SH suppliers :
 - Argentina's second largest trading partner (19% of total citrus exports | 75 000 tons in 2021)
 - SAR sending 7% to 10% of it's total exports annually (189 000 tons in 2021)

Focus – Russia Soft-citrus Market

Soft-Citrus -RUSSIA - Imports
(000 tonnes | source : Trademap)



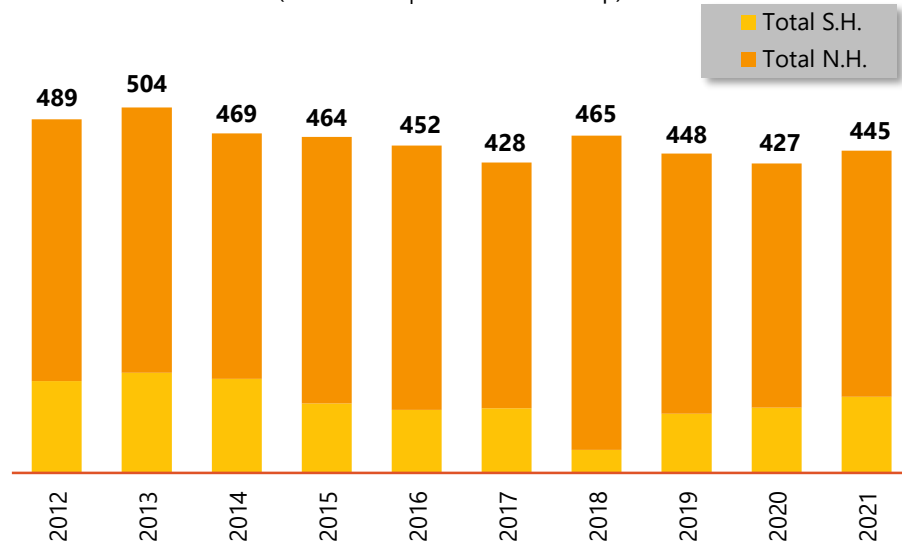
RUSSIA - Evolution of Soft Citrus imports from leading suppliers
(in tonnes | sources: Comtrade,)



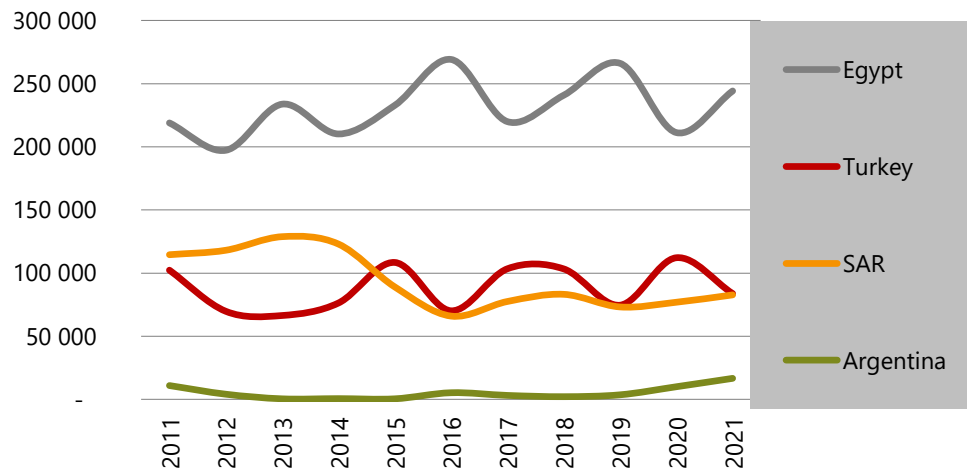
- 920 000 tons imported in 2021
- Constant progress since 2014-15 : +200 000 in the last 7 seasons
- Soft Citrus imports dominated by NH suppliers (92%)
 - Strong development of Turkish imports (490 000 t in 2021 | +35%/ 4 season's average)
 - Erosion of Moroccan supply since 2018/19 (162 000 t in 2021 | -20%/4 season's average)
- Secondary destination for SH suppliers (8%)
 - 7% of total SAR soft citrus exports in 2021 (40 000 t) Steady progression in the last 4 years (+44%/ 4 year's average)
 - 38% of total Argentina soft citrus exports in 2021 (18 000 t) Also progressing gradually (+22%/ 4 year's average)

Focus – Russia Orange market

Orange - RUSSIA - Imports
(000 tonnes | source : Trademap)



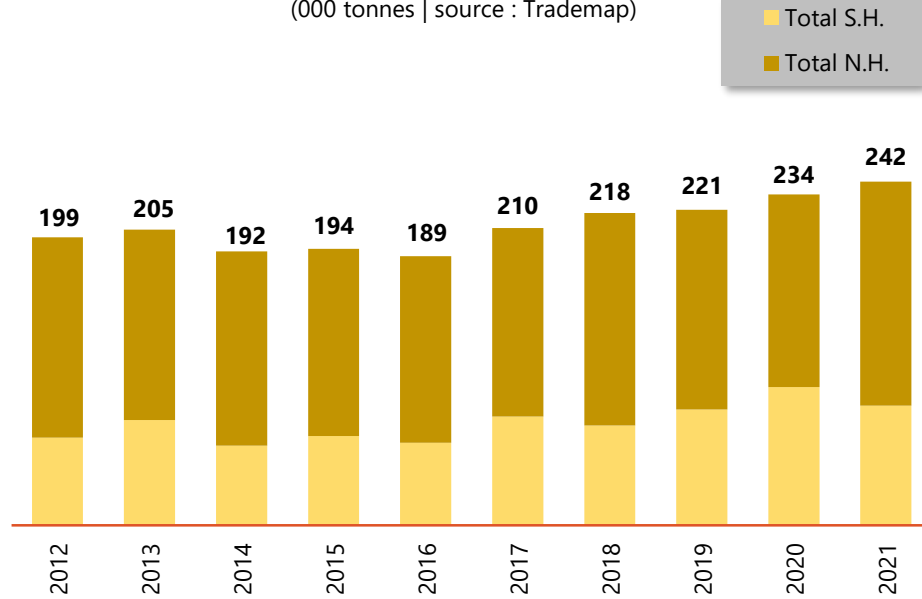
RUSSIA - Evolution of orange imports from leading suppliers
(in tonnes | sources: Comtrade,)



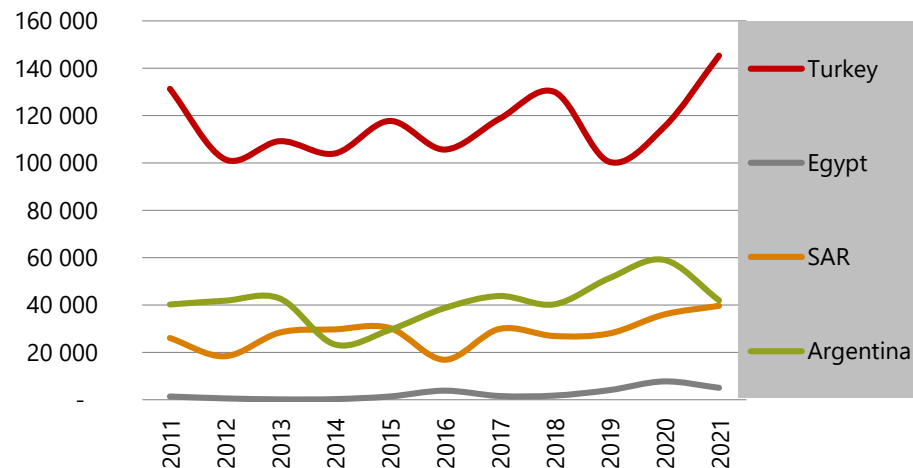
- 445 000 tons imported in 2021
- A slow decline over the last ten years:
- 44 000 tonnes since 2012
- NH supply accounts for 76% of total orange imports
 - Steady Egyptian supply despite a strong alternation effect (244 000 t imported in 2021 | +4%/ 4 year's average)
 - Slight decrease of Turkey over the last 5 years (83 000 t in 2021 | -15%/4 year's average)
- SH supply tends to progress (+45%/ 4 year's average)
 - 6% of total SAR orange exports in 2021 (40 000 t)
Steady trend over the las 4 years (+4%/ 4 year's average)
 - 19% of total Argentina orange exports in 2021 (16 000 t)
Imports have been soaring in the last 2 years

Focus – Russia Lemon Market

Lemon - RUSSIA - Imports
(000 tonnes | source : Trademap)



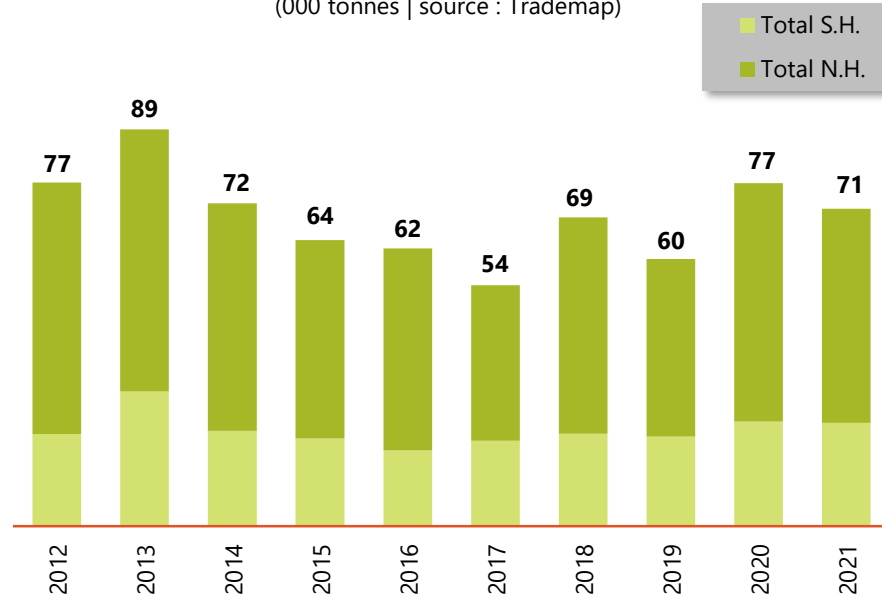
RUSSIA - Evolution of lemon imports from leading suppliers
(in tonnes | sources: Comtrade,)



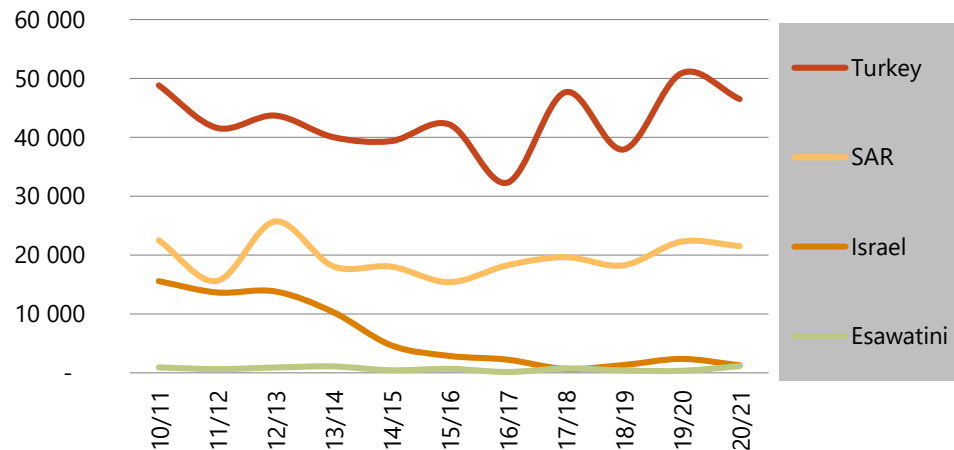
- 242 000 tonnes imported 2021
- Steady growth since 2016 : +10 000 t/year
- 2/3rd of supply ensured by Mediterranean origins
 - Turkish supply is soaring (145 000 t in 2021 | +25%/ 4 season's average)
 - Egypt is slightly gaining grounds (5 000 t in 2021 | +34%/4 year's average)
- Strategic market for SH suppliers
 - 1st recipient of Argentinean lemons (40 to 60 000 tons/year | 15% to 20% of lemon exports)
 - Early destination for SAR Lemons (25 to 40 000 tons a year | 8% to 10% of lemons exports)

Focus – Russia Grapefruit Market

Grapefruit - RUSSIA - Imports
(000 tonnes | source : Trademap)



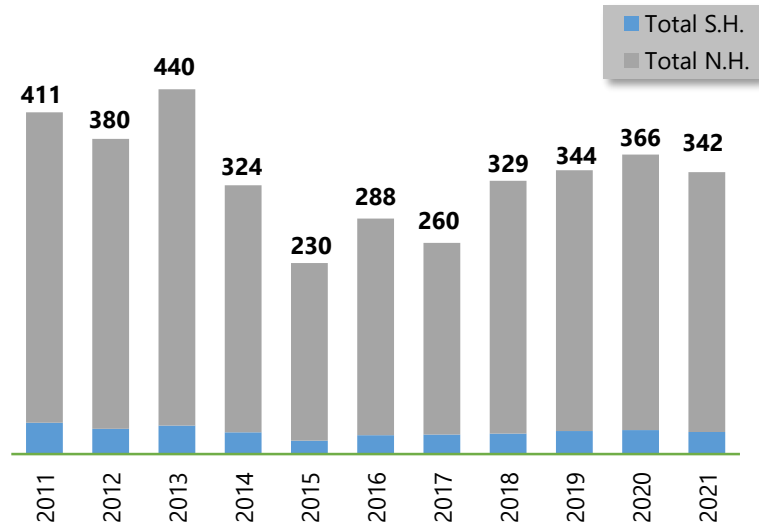
RUSSIA - Evolution of grapefruit imports from leading suppliers
(in tonnes | sources: Comtrade)



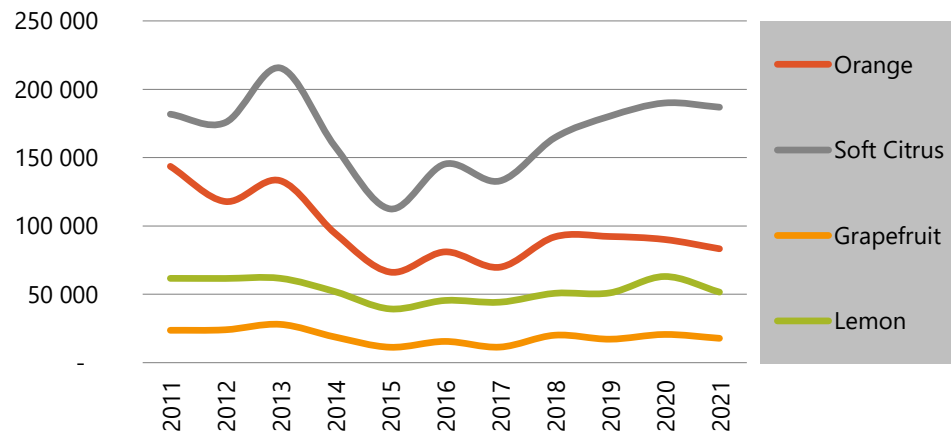
- 71 000 tons imported in 2021
- Steady imports over the last decade (+2%/10 years average)
- NH supply holds 67% of import shares
 - Almost exclusively ensured by Turkey (46 000 t in 2021 | +10%/ 4 year's average)
 - Plummeting Israeli volumes over the last 8 years (-13 000 t in since 2013 | 1 300 t in 2021)
- 1/3rd of supply ensured by SH origins
 - 13% of total SAR grapefruit exports in 2021 (22 000 t) Steady progress over the last 4 years (+10%/ 4 year's average)

Focus – Ukraine Citrus Market

All citrus - UKRAINE - Imports
(000 tonnes | source : Trademap)



UKRAINE - Imports by variety
(In tonnes | sources: Comtrade)



- A 342 000 tons market in 2021
- A good market recovery since 2015 (+112 000 tons in 7 years)
- Suppliers mainly from the Northern Hemisphere (91% of total supply in 2021)
 - Turkey's third trading partner (10% of total citrus exports | 780 000 tons in 2021)
 - Egypt dedicates 4% its citrus exports to Ukraine
- Incidental destination for SH suppliers
 - 11th recipient of Argentinean citrus (8 to 10 000 tons/year | 2% to 3% of total citrus exports)
 - SAR sending limited volumes to Ukraine (12 500 tons in 2021 | 0,05% of total exports)

Focus – Russian Ukraine Citrus Market : 3 main issues

Logistics ?

- A difficult context :
 - An upsurge of freight costs (multiplied by 2,5 times compare to last season).
 - A soar in transit time due to congestion in ports and containers scanning process.
- Reduced shipping service to Russia: since March only MSC (Containerised) and Baltic Shipping (Conventional) have maintained their calls.

Payments ?

- International credit insurance coverage of Russia is gone. Payment facilities are given solely at the shipper's risk.
- Only 7 Russian banks are excluded from SWIFT, payments can still be made through banks that are not under western sanctions.
- Financial instability remains, Russian central bank lower interest rates to limit inflation and maintain exchange rates.

Consumption ?

- Retail price are soaring despite the effort to undermine the inflation
 - in April, retail prices of food were an average of 17.8%* higher than a year to date.
 - Sugar suffers from a 67%* increase, while fruits and vegetables retail prices rose up to 33%*.
- To week 17 departure, SAR lemon exports to Russia falling by 84% on a year to date basis
- To week 18 departure, Argentina lemon exports to Russia also diving by -16% on a year to date basis
- Since the outbreak of the conflict, exports of Ecuadorian bananas have fallen by 20% compare to 2021 (22 000 ton/week)

**Source: Russia's statistics agency*