CIRAD Market News Service

Update of the World and European citrus market trends – 2019/20 - 2020/21

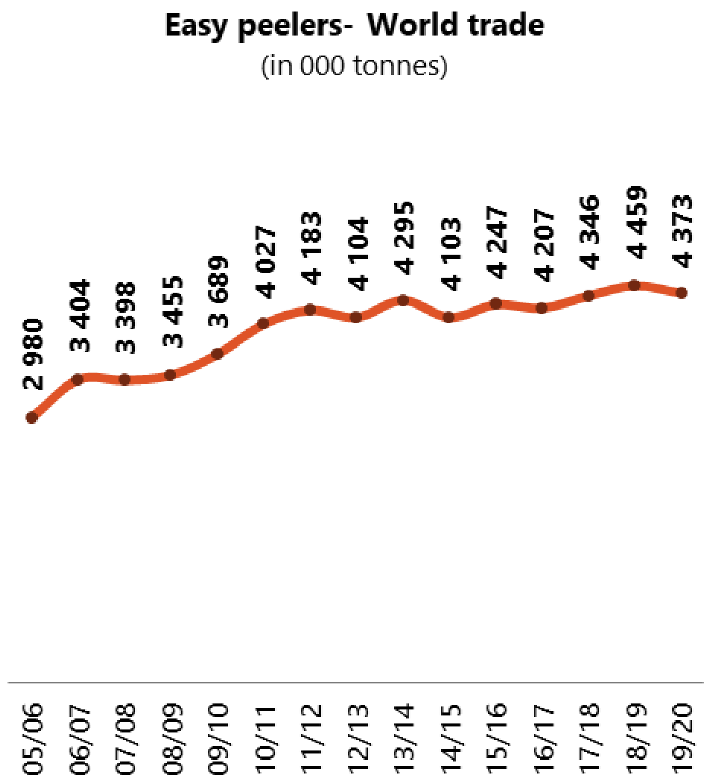
Eric Imbert

CIRAD - PERSYST
Market News Service
Editor of FRUITROP Magazine
eric.imbert@cirad.fr

FRuiTROP

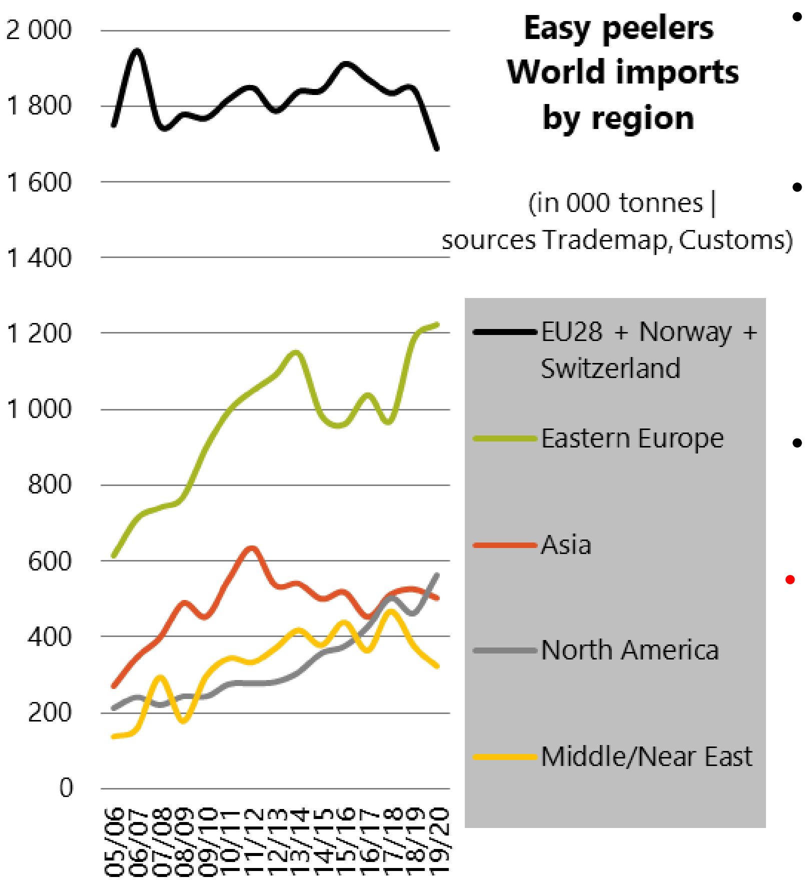
World Citrus Organisation

Soft citrus – World trade



- A **4.4 mt market** in 19/20….**tending to recover a slight growth?**
  - Strong growth till the beginning of the 2010's
  - A stable market during the main part of the last decade
  - A slight recovery these very last seasons, but with an unprecedented decrease in 2019/20

Soft citrus – World trade



- **A significant but punctual decrease in the EU27+UK**
  Very short Spanish clementine crop in 2019/20

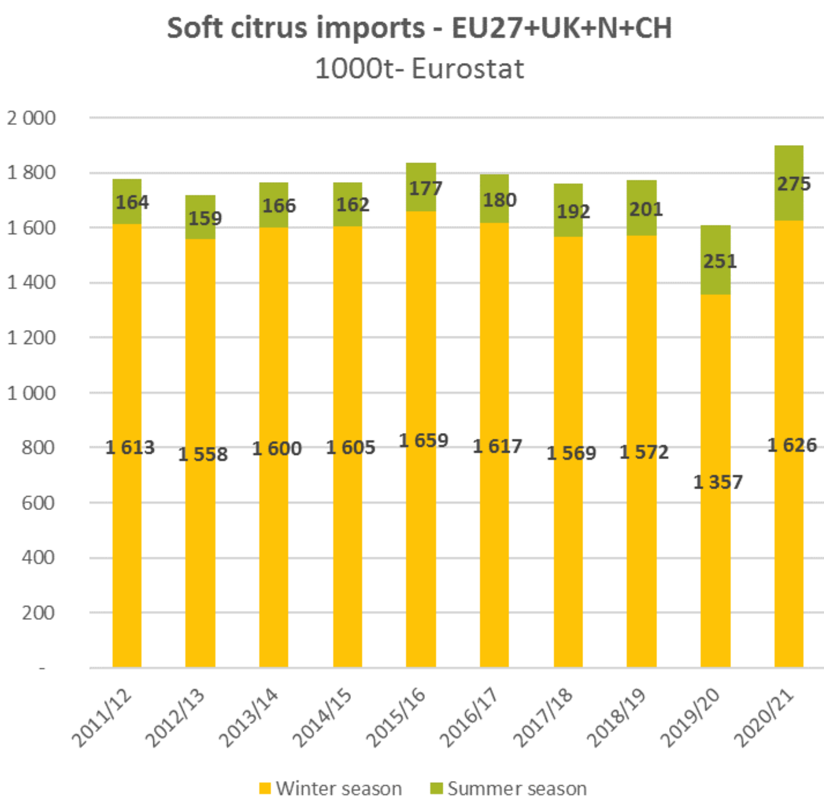
- A **recovery** in **Eastern Europe… but for cheaper fruits**
  Clementines from Morocco losing ground for 2 years against cheaper alternatives - Turkish, Georgian and Egyptian hybrids/mandarins

- **Steady growth in the USA** (summer EP)

- **Asia almost stable and Middle East still down**
  (no recovery of the Iraqi market)

CIRAD Market News Service

Soft citrus – EU market

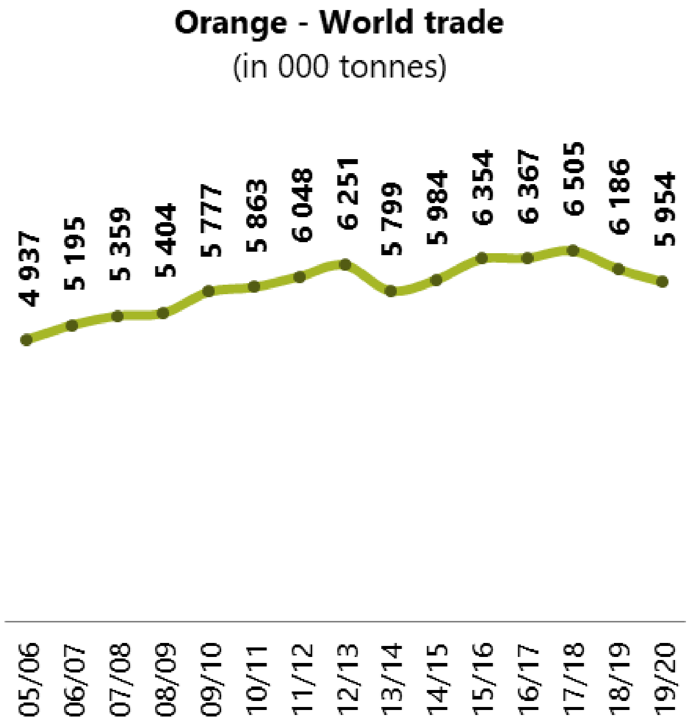


- A **very stable market** at 1,750/1,800 mt
  a "normal season"… **till 2020/21**?

- A **very mature market during the winter season**
  - ≈1.6 million tons for more than a decade
  - A punctual drop in 2019/20 by lack of Spanish clementine
  - A recovery to slightly above normal volumes (good production + COVID)
  - Suppliers unchanged – 70% Spain / 10% Morocco
  - Clementine slightly decreasing and late hybrids increasing

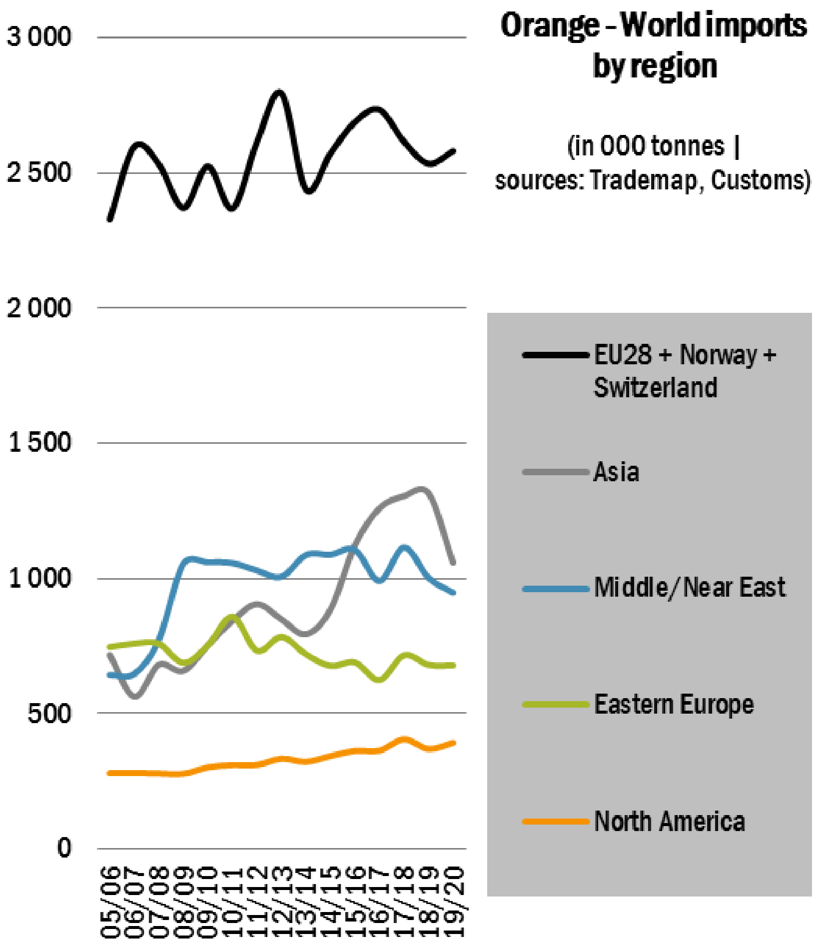
- A significant take off **during the summer season since 2017/18**
  - From a 170 000/180 000 t market to 250 000 t in 2020 (possibly 275 000 t in 2021)
  - Mainly high quality SH mandarins in September/October
    From 30 000 t in 2017 to >50 000 t in 2019 and 2020
    80 000 t in 2021
  - From a UK market to a UK + Continent one
  - Suppliers unchanged:
    70-75% SAR
    25-30% Peru

ORANGES – World trade



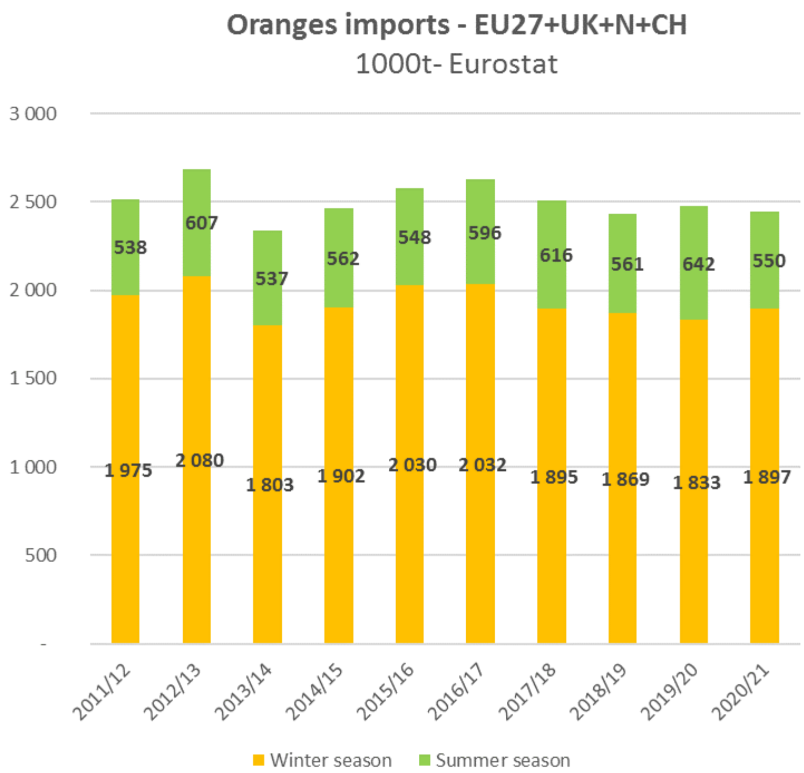
- A **6.0 mt market** in 19/20
- **A big decrease for 2 years after a nice period of growth**

ORANGES – World trade



- **EU27+UK market almost stable**
- Asia **(only growth driver) down in 2020**
  - China: the leading growth driving down due to the pandemic (200 000 t of imports lost in 2020)
- Middle East **from stable to also down for 2 years**
  - No recovery of the Iraqi imports
- Other markets almost unchanged

ORANGES – EU market – winter season



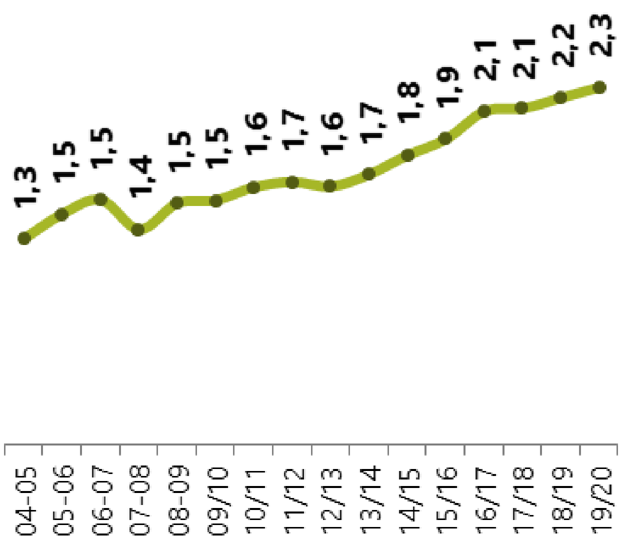
- **A 2.45 mt market for 3 seasons**
  - ≈ -100 000 t compared to the last 3 seasons
  - No significant recovery due to COVID
    - Punctual effect during spring/summer 2020

- A **stabilization at 1.9 mt during the winter season**
  - 1.9 mt since 2017/18 (1.9/2.0 mt before)
  - More “cheap oranges” wanted (juice machines)
    Spain loosing ground against Egypt
    - Spain: -150 000 t in 5Y – 1.1 mt in 2020/21
    - Egypt: +100 000 t in 5Y – a record breaking 375 000 t in 2020/21

- **No “big move” also during the summer season**
  - 550 000-600 000 t a “normal season” – a bit more when Spain is down (22-23% of the Global EU27+UK market)
  - SAR still dominating – around 80% of the supply

Lemon – World trade

Fresh lemon - World trade (excl. lime)
(in tonnes)

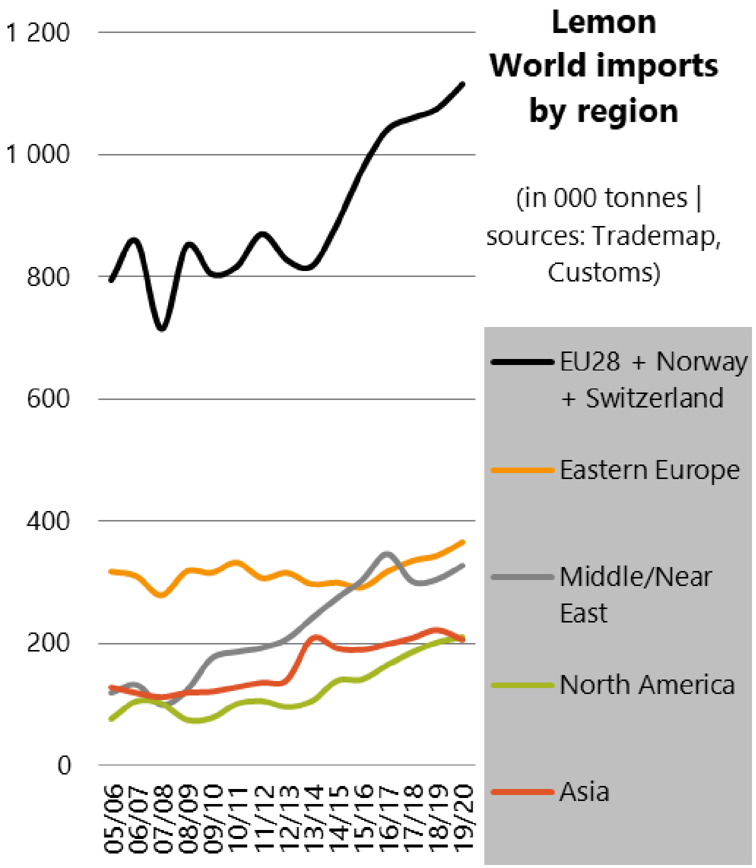


- **A 2.3 mt market in 2019/20**

- **Still growing!** Even if at a slower pace than a few years ago

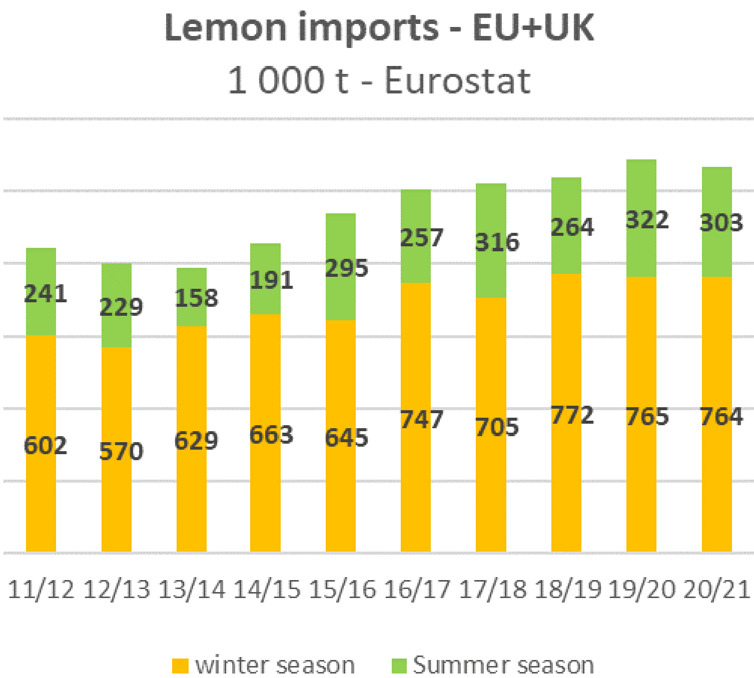
  Average 2012/13 → 2016/17: +120 000 t/Y
  Average 2016/17 → 2019/20: +60 000 t/Y

Lemon – World trade



- **Growth back in the EU27+UK** after a stand by in 2017/18 and 2018/09 – COVID impact?
  - +200 000 t since 2012/13
  - Slower pace these last seasons
- **Eastern Europe confirming its recovery**
  - +60 000 t since 2016/17
- **Very moderate recovery in the Middle East,** one of the **former leading growth driver**
  - Saudi Arabia still up… but Emirates down
- **Asia from slightly growing… to slightly decreasing**

Lemon – EU market

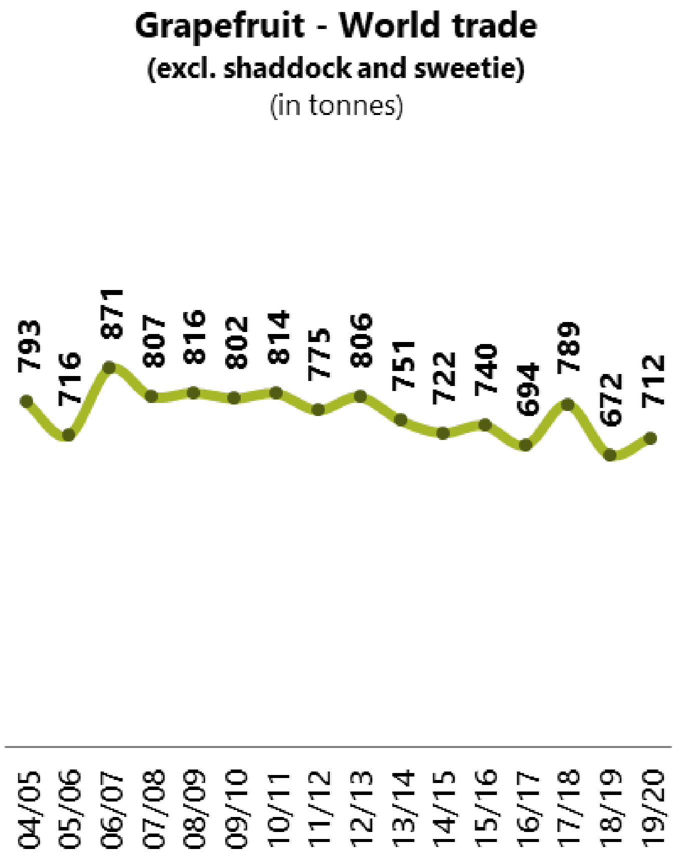


- **A slower growth pace, with stable volumes in 2020/21**

- A **market tending to stabilize during the winter season** after a period of growth
  - ≈765 000-770 000 tons for 3 seasons
  - Suppliers unchanged – 75-80% Spain / 15% Turkey

- A **slower growth pace also during the summer season**
  - No significant change since 2018 after a period of significant growth at the beginning of the 2010’s
  - SAR taking off and taking over Argentina
    - 2017/18: SAR 1/3 of the supply
    - 2021: SAR 2/3 of the supply (provisional)
  - A **period of overlap becoming tough** – very difficult situation this autumn

Grapefruit – World trade

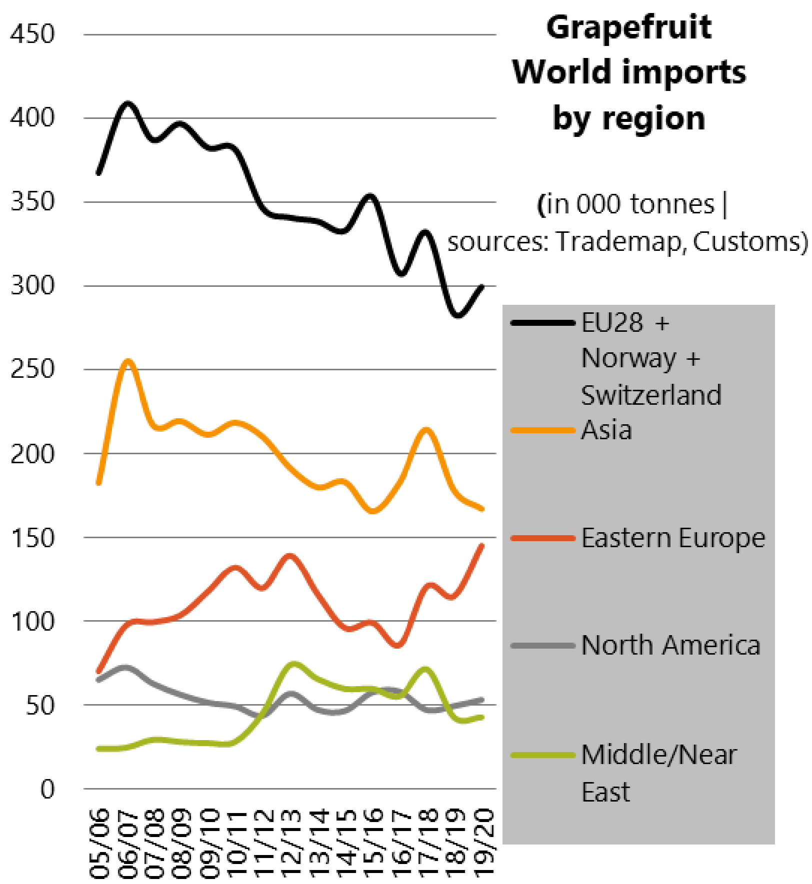


- A **significant decrease till 16/17**
  more than 100 000 t lost in a decade

- A **stabilization these last seasons? Difficult to say…**

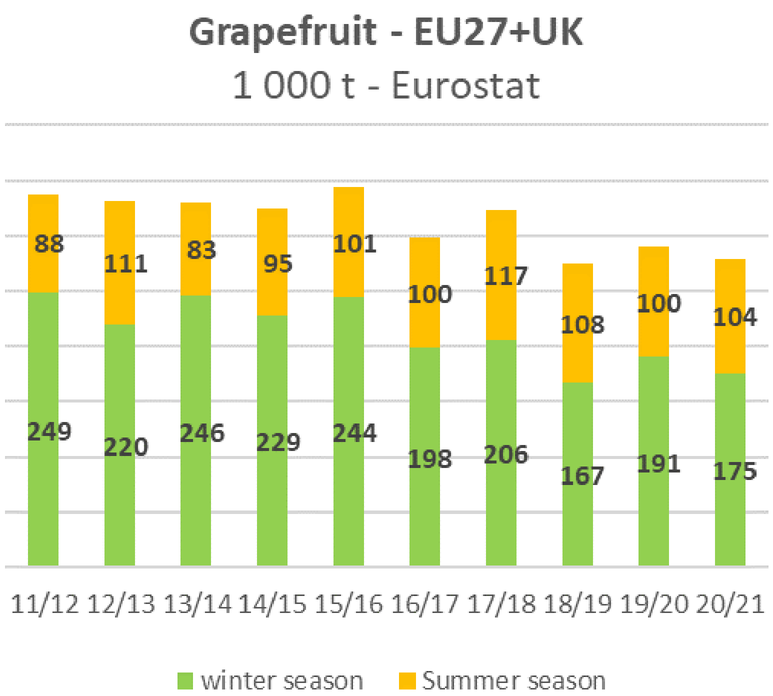
  A very **punctual recovery in 17/18**
  very large volumes in summer…but with very poor returns
  Dropping again in 18/19
  Recovering in 19/20 – COVID effect

Grapefruit – World trade



- **Up and down in the EU27+UK**… but on a **decreasing pattern - a stabilization these last seasons?**
- **A stable Asian market at 170 000-180 000 t**
    - The 2017/18 peak was punctual…
    - Japan still slightly down, but China resisting better
- **Recovery confirmed in Eastern Europe!**
    - A record breaking 2019-20 season at 145 000 t
    - +60 000 t since 2016/17
    - The only growth driver now !
- **North America flat and Middle East decreasing**

Grapefruit – key factors

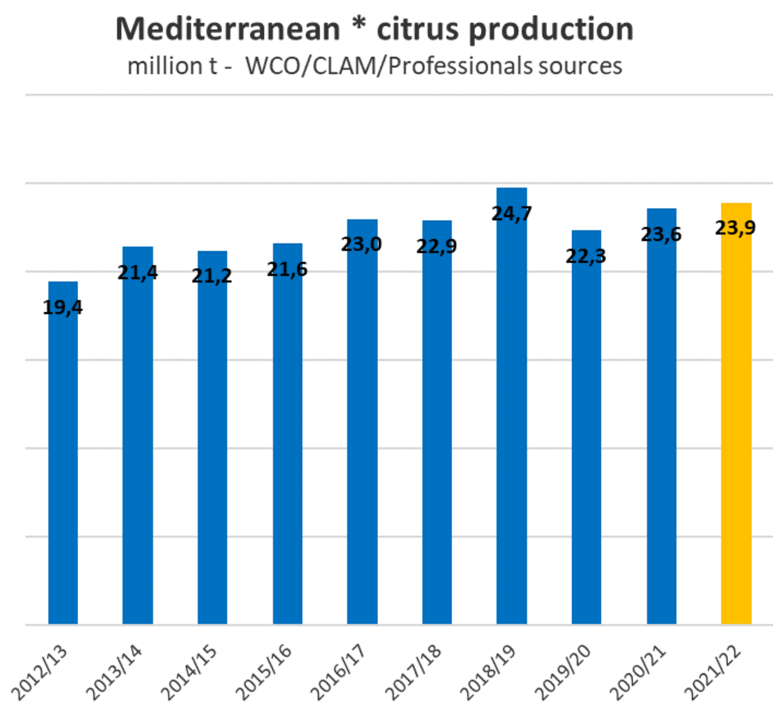


- **A 280 000 mt market in 2020/21… stabilizing?**
  - A long period of decrease during the 2010's around 100 000 t lost!
  - 275 000-290 000 t for 3 seasons

- **Is the decrease stopped during the winter season?**
  - ≈170 000-190 000 tons for 3 seasons
  - **Deep changes at the supplier stage**:
    - **USA disappearing**
      10 000 t these last 2 seasons… against 100 000 t in 2000
      From Florida to Florida + Texas
    - **Israel going… far… East**
      Exports to the EU27+UK divided by 2 in a decade
    - **Turkey stable and Spain slightly increasing**

- A **stable summer market**
  - 100 000-110 000 t since 2015/16
  - SAR still alone on the supply side
  - A trend to an earlier start… and to an early end

Forecast 21/22: An average crop in the Mediterranean



- A global crop very close to the average
  - 23.9 mt
  - +1%/ 20-21 // +2% / 4 season average
- A mixed panorama for the leaders:
  - Biggest crop ever in Turkey :
    - 5,4 mt / +17% / 4 season average
  - Good volumes expected in Morocco :
    - 2,5 mt / +10% / 4 season average
  - Production below the average in Spain and Egypt
    - Spain: 6,7 mt / -3% / 4 season average
    - Egypt: 4,5 mt / -4% / 4 season average
- A mixed panorama by citrus families
  - Production above the average for **soft citrus** (+7%) and **lemon** (+12%).
  - However, Spain down =>supply below the average in the EU27 (clementine, all lemon varieties)
  - Average crop for **oranges** and **grapefruit**

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

CIRAD Market News Service

FRuiTROP

Market context: some good… and some bad news

- **Weather???? – What will be the scenario????**
  - Cool and wet autumn/winter becoming more and more frequent (2020/21)
  - Bad consequences on both production (difficulties to keep the fruits) and consumption
  - Models: mild but not too wet autumn? / winter not too cold?

- **Competing fruits** – prospects for the “big ones”
  - Apples and pears: **apples back to the average** after the 2021 shortage. Poland significantly up but with a low quality - Italy and France still below the average. The **lowest crop on record for 30 years for pears**.

  - Banana: good volumes available at the production stage (Central America back at its regular potential after climatic issues in 2021). However, **prices possibly higher** to reflect higher costs (contract prices for 2022 possibly +10%)

- **COVID impact**
  - Demand has peaked in the USA and in Europe… but during a quite short period
    Sales “back as usual” in 2021/22?
  - Big drop in the exports to Asia. A recovery in 2021/22?
  - Still some strong effects on costs !

- **Sea freight – a very big issue**
  - Lack of freight capacity / cancelation of some lines
  - **Prices skyrocketing**, for both conventional and containers
    => Impact on the **cost price/producer-shipper returns**
    => **Higher concentration of the volumes in the neighboring markets** of the Mediterranean countries… Europe???? (West and East)

Thanks for your attention !

More information on www.fruitrop.com
and FRUITROP MAGAZINE

CIRAD Market News Service

FRuiTROP