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Report Highlights:
Fresh citrus production for CY 2010 is estimated to decrease to 2.4 million metric tons (MT). Lemon production is forecast to decrease due to drought and late frosts. Orange and tangerine production is expected to increase as a result of favorable weather conditions in CY 2009. Grapefruit production is forecast to decrease as area planted to grapefruit is being primarily devoted for sugar cane production. Exports of lemons and oranges are projected to increase due mainly to the recovery of export markets. Tangerine and grapefruit exports are estimated to remain stable. Lemon, orange, and grapefruit domestic consumption is expected to remain stable, and tangerine consumption is estimated to increase slightly.

Executive Summary:

Post forecasts a decrease in fresh lemon production for CY 2010 to 1 million MT due to a severe drought and late frosts. Fresh orange production is expected to increase to 840,000 MT, and fresh tangerine production is estimated to rebound to 370,000 MT, as a result of good weather conditions. Fresh grapefruit production is projected to decrease slightly to 225,000 MT, as area planted to grapefruit is decreasing.

Domestic consumption in CY 2010 is forecast to remain stable for lemons, oranges, and grapefruit, and increase for tangerines. Lemon and orange exports are estimated to increase due to the recovery of export markets, and tangerine and grapefruit exports are expected to remain stable.

Commodities:

Lemons, Fresh

Oranges, Fresh

Tangerines/Mandarins, Fresh

Grapefruit, Fresh

Production:

CY 2010 lemon production is forecast to decrease significantly to 1 million MT, as a result of a severe drought and late frosts in September 2009. Orange production is expected to rebound to 840,000 MT, and tangerine production is estimated to increase to 370,000 MT, as a result of favorable weather conditions in CY 2009, which favored blossoms. Grapefruit production is forecast to decrease to 225,000 MT, as area planted to grapefruit is being primarily devoted for sugar cane production since the grapefruit business is becoming increasingly unprofitable. Both international and domestic demand for grapefruit is gradually decreasing.

In CY 2009, lemon production is expected to decrease substantially to 1.2 million MT due to a severe and long drought during the summer and autumn of 2009. Orange production is forecast to fall to 700,000 MT, and tangerine production is estimated to decrease to 310,000 MT, as a consequence of drought and frosts. Grapefruit production is also projected to fall to 230,000 MT, as area planted is decreasing.

In CY 2009, area planted to lemons increased slightly, compared to CY 2008. There is a significant amount of new plantations, but production is down due to unfavorable weather conditions. Area planted to oranges and tangerines remained stable, and area planted to grapefruit is expected to decrease gradually as old plantations are being replaced by sugar cane and orange plantations.

Citrus production costs in CY 2009 increased between 30-40 percent, compared to the previous year. The highest increase was for labor.

Argentine Citrus Production (1,000 MT)				
	CY 2008	**CY 2009**	**CY2010**	
Lemons	1,360	1,200	1,000	**-17%**
Oranges	940	700	840	**+20%**
Tangerines	410	310	370	**+20%**
Grapefruit	240	230	225	**-2%**
TOTAL	**2,950**	**2,440**	**2,435**	**-0.5%**
Change from previous year		**-17%**	**-0.5%**	

Source: FAS Buenos Aires based on data from private sources

Processing

In CY 2010, fresh lemon for processing is forecast to decrease drastically to 660,000 MT due to smaller production, and the gradual recuperation of export markets from the global financial crisis. Oranges and tangerines for processing are expected to increase as a result of larger production, and grapefruit for processing is estimated to decrease due to smaller production.

Fresh lemon devoted for processing in CY 2009 is expected to increase to 910,000 MT due to the impact of the financial crisis on export markets which will decrease exports. In addition, high volumes of fruit are being devoted for processing, as a result of the decision taken by the industry to export only fresh lemons meeting the highest quality standards. Oranges for processing are forecast to decrease due to smaller production. Tangerine for processing is projected to decrease substantially as a result of smaller production and larger exports, and grapefruit for processing is expected to increase mainly as a consequence of a decrease in exports and domestic consumption.

About 70 percent of the total lemon production in Argentina is processed by seven plants, of which six are located in the Province of Tucuman and one in the Province of Jujuy. In addition, there are 35 high-tech packing plants which are approved for export by the Argentine sanitary authorities.

Argentine Citrus for Processing (1,000 MT)			
	CY 2008	**CY 2009**	**CY 2010**
Lemons	905	910	660
Oranges	238	71	190
Tangerines	105	20	70
Grapefruit	119	132	126

TOTAL	1,367	1,133	1,046
Change from previous year		-17%	-7.5%

Source: FAS Buenos Aires based on data from private sources

Consumption:
Fresh lemon domestic consumption does not typically vary over time, unlike oranges and tangerines – the "sweet" categories – which are often replaced by other types of fruit depending on the price. However, consumption is expected to fall slightly in CY 2010 and 2009 due to less fruit availability.

Orange and grapefruit consumption is expected to remain stable, and tangerine consumption is forecast to decrease to 190,000 MT in CY 2009 due to smaller production and larger exports, and it is estimated to recover to 200,000 MT in CY 2010.

Estimated annual per capita consumption is as follows: lemon, 1.25 kg; orange, 13.8 kg; tangerine, 5 kg; and grapefruit, 2.25 kg.

Argentine Citrus Domestic Consumption (1,000 MT)			
	CY 2008	**CY 2009**	**CY 2010**
Lemons	55	50	50
Oranges	550	550	550
Tangerines	210	190	200
Grapefruit	90	80	80
TOTAL	905	870	880
Change from previous year		-4%	+1%

Source: FAS Buenos Aires based on data from private sources

Trade:
Exports

Fresh lemon exports are expected to rebound in CY 2010 to 290,000 MT as export markets recover from the global financial crisis, and there will be less fruit availability in the Northern Hemisphere. Fresh orange exports are also projected to increase to 100,000 MT due to the recovery of export markets, and tangerine and grapefruit exports are estimated to remain stable.

Fresh lemon exports in CY 2009 are expected to decrease drastically to 240,000 MT as a consequence of lower production, fruit oversupply in Spain and Turkey(Argentina's main competitors in the international playground), as well as smaller export demand due to the crisis, and financial difficulties and local currency devaluations in some of the main export markets, such as Russia. In addition, the lemon industry has recently implemented a system to determine the highest quality standards of the fruit to be exported. Thus, the lemon export supply was restricted, preventing a steep decrease of international prices.

In CY 2009, fresh orange exports are forecast to decrease significantly due to the impact of the crisis on export markets, and fruit oversupply in South Africa. Fresh tangerine exports are estimated to increase primarily due to smaller production in South Africa than initially expected, and fresh grapefruit exports are expected to decrease as a result of smaller international demand.

Argentine Citrus Exports (1,000 MT)			
	CY 2008	**CY 2009**	**CY 2010**
Lemons	400	240	290
Oranges	154	80	100
Tangerines	95	100	100
Grapefruit	33	20	20
TOTAL	682	440	510
Change from previous year		-35.5%	+16%

Source: FAS Buenos Aires based on data from private sources

The main export destinations, both in volume and value, in CY 2008, were as follows:

Fresh Citrus Fruit	**Destination**	**Market Share**
Lemons	E.U.	68% (of total fresh lemon exports)
	Russia	19.5%
Oranges	E.U.	58% (of total fresh orange exports)
	Russia	22.5%
Tangerines	Russia	40% (of the total fresh tangerine exports)
	E.U.	38.5%
Grapefruit	E.U.	58% (of the total fresh grapefruit exports)
	Russia	30%

Source: FAS Buenos Aires based on trade data from GTIS

Local producers have adjusted well to lower MRLs (maximum residue levels) that were introduced in Russia on October 31, 2008. Russia was the largest market for Argentine fresh tangerines, and second largest market for fresh lemons, oranges, and grapefruit. Implementation of the initial change in requirements for Argentine citrus, apples, pears, and table grapes, was delayed for 60-days after negotiations between phytosanitary authorities in both countries. The regulations are currently in effect, but have not had a major impact on exports. The new MRL levels are lower that those required by the E.U., Japan, Canada, and the U.S., among other countries. In CY 2008, Russia accounted for an average of 28 percent of total Argentine fresh citrus fruit exports: 40 percent of tangerines, 30 percent of grapefruit, 22.5 percent of oranges, and 19.5 percent of lemons. MRLs are becoming an increasingly important issue at multilateral meetings among representatives from fruit export and import markets.

Argentine phytosanitary authorities continue negotiations with China to reopen the market for Argentine fresh lemons. Trade was interrupted in 2005 when China established cold treatment for all citrus fruit, which damaged the fruit quality. The industry has been focusing on other export destinations pending negotiations with officials in China.   Currently, the market is open to fresh "sweet" citrus varieties. Moreover, there are on-going negotiations with the U.S. to reopen the market for Argentine fresh citrus fruit.

Imports

Citrus imports are expected to remain negligible in CY 2010, and this trend is forecast to continue, as Argentina is a net citrus fruit exporting country. In January-August 2009, total citrus imports totaled 1,815 MT, and were valued at $1,143,826. Imports came mainly from the following countries: Chile (grapefruit), Mexico (oranges), and Israel (grapefruit and oranges). Private sources estimate that, in CY 2010, fresh lemon imports from Spain might occur as a consequence of the significant decrease of local production expected for next year.

Policy:
Import and Export Regulations

On December 22, 2008, President Cristina Fernandez de Kirchner announced a new package of stimulus measures for the Argentine agricultural sector. The measures affecting fruit and vegetables were published in the Official Bulletin, Decrees Nos. 38/2008 and 40/2008, on December 31, 2008. They established that the export tax for pears, apples, peaches, citrus fruit, grapes, blueberries, strawberries, onions, frozen potatoes, beans and pulses were reduced by 50 percent (i.e. fresh deciduous fruit and stone fruit currently pay a 5 percent export tax, while citrus fruit and vegetables pay 2.5 percent).

Post does not expect the changes announced to have a significant impact on overall fruit production. Export taxes for these products were already relatively low (5 percent to 10 percent). Part of Argentina's 2.5 percent export tax on citrus is rebated depending on the size of the container.

Export and Import Regulations All Citrus Fruit (HTS codes: 080510, 080520, 080540, 080550)	
For countries outside MERCOSUR AREA	%
Import Tariff	10.00
Statistical Tax	0.50
Export Tax	2.50
Export Rebate for cases containing less than 16 kg.	5.00
Export Rebate for cases containing 16–20 kg.	4.05
Export Rebate for cases containing more than 20 kg.	2.70
For countries within MERCOSUR AREA	
Import Tariff	0.00
Statistical Tax	0.50
Export Tax	2.50

Export Rebate for cases containing less than 16 kg.	5.00
Export Rebate for cases containing 16–20 kg.	4.05
Export Rebate for cases containing more than 20 kg.	2.70

Source: FAS Buenos Aires based on data from Tarifar

Marketing:
Prices

International (FOB) Prices for Fresh Citrus Fruit in U.S. Dollars

Except for the first quarter of 2009, fresh citrus average FOB prices during the period January-August 2009 decreased significantly as a consequence of smaller international demand and fruit oversupply in Spain and Turkey. The highest FOB price for lemons reached $713/ton (January); for oranges, $478/ton (June); for tangerines, $850/ton (February); and for grapefruit, $1,200/ton (February).

Lemon	FOB Prices ($/MT)			
	2006	**2007**	**2008**	**2009**
January	360	0	583	713
February	550	482	1,022	612
March	410	477	870	675
April	380	473	1,016	578
May	380	469	1,074	544
June	380	464	1,076	557
July	380	469	976	560
August	380	466	758	579
September	390	483	710	
October	400	367	694	
November	1,000	318	844	
December	0	519	683	
Average	**455**	**453**	**859**	

Source: FAS Buenos Aires based on GTIS trade data

Orange	FOB Prices ($/MT)			
	2006	**2007**	**2008**	**2009**
January	30	54	35	43
February	30	77	36	46
March	30	37	36	54
April	30	67	251	238
May	360	372	534	446
June	370	429	552	478
July	340	435	549	469
August	350	436	520	469
September	370	394	472	

October	336	397	409	
November	237	236	66	
December	70	36	43	
Average	**213**	**247**	**292**	

Source: FAS Buenos Aires based on GTIS trade data

Tangerine	**FOB Prices ($/MT)**			
	2006	**2007**	**2008**	**2009**
January	0	909	196	333
February	540	741	741	850
March	580	592	728	750
April	540	589	756	727
May	580	612	786	721
June	550	622	779	759
July	550	607	769	750
August	540	628	773	741
September	520	610	722	
October	497	477	467	
November	70	86	889	
December	0	74	0	
Average	**497**	**546**	**691**	

Source: FAS Buenos Aires based on GTIS trade data

Grapefruit	**FOB Prices ($/MT)**			
	2006	**2007**	**2008**	**2009**
January	40	705	68	0
February	0	1,187	72	1,200
March	480	489	167	598
April	380	468	651	551
May	390	439	587	579
June	420	430	594	566
July	480	451	590	582
August	450	460	587	581
September	300	472	412	
October	52	77	161	
November	0	73	684	
December	52	70	0	
Average	**304**	**443**	**416**	

Source: FAS Buenos Aires based on GTIS trade data

Wholesale Prices for Fresh Citrus Fruit

Lemon	Domestic Wholesale Prices ($/MT)				
	2005	2006	2007	2008	2009
January	210	180	380	1,240	1,400
February	300	190	330	1,160	1,380
March	220	220	260	630	1,360
April	210	250	280	540	1,250
May	180	200	230	298	1,000
June	170	170	200	332	850
July	160	150	170	387	820
August	150	150	160	363	960
September	150	150	190	308	1,360
October	150	240	340	460	
November	180	290	430	447	
December	170	N/A	800	401	
Average	**190**	**200**	**310**	**547**	

Source: Buenos Aires Central Market

Orange	Domestic Wholesale Prices ($/MT)				
	2005	2006	2007	2008	2009
January	150	120	230	210	840
February	210	160	350	310	880
March	150	270	220	300	1,080
April	170	300	270	350	1,180
May	170	280	310	322	1,170
June	180	220	260	283	1,150
July	170	210	220	300	1,120
August	150	190	190	331	1,120
September	150	240	180	299	1,280
October	180	310	190	372	
November	190	310	170	361	
December	140	NA	190	259	
Average	**170**	**240**	**200**	**308**	

Source: Buenos Aires Central Market

Tangerine	Domestic Wholesale Prices ($/MT)				
	2005	2006	2007	2008	2009
January	160	250	180	NA	NA
February	370	NA	NA	NA	NA
March	180	200	NA	190	NA

April	160	240	200	250	1,130
May	150	230	190	288	1,180
June	130	220	170	299	1,200
July	110	200	130	341	1,230
August	140	190	140	340	1,250
September	130	210	190	293	1,330
October	140	250	190	366	
November	200	280	170	439	
December	220	NA	160	NA	
Average	**170**	**210**	**140**	**312**	

Source: Buenos Aires Central Market

Grapefruit	**Domestic Wholesale Prices ($/MT)**				
	2005	**2006**	**2007**	**2008**	**2009**
January	390	370	400	300	1,440
February	590	380	410	340	NA
March	280	340	310	410	NA
April	250	280	NA	390	1,490
May	190	340	NA	313	1,210
June	210	210	NA	296	1,090
July	190	200	200	332	1,140
August	190	300	190	311	1,080
September	210	270	210	281	1,290
October	200	310	180	299	
November	290	330	170	372	
December	280	NA	230	452	
Average	**270**	**300**	**190**	**341**	

Source: Buenos Aires Central Market

Retail Prices for Fresh Citrus Fruit

Domestic Retail Prices ($/MT)								
	Lemons				**Oranges**			
	2005	**2006**	**2007**	**2008**	**2005**	**2006**	**2007**	**2008**
January	450	420	950	1590	310	290	500	370
February	440	430	750	1000	300	350	500	380
March	480	450	680	750	300	440	480	410
April	470	460	600		310	500	490	
May	440	430	550		350	440	440	
June	420	400	520		330	390	370	
July	400	390	460		310	360	320	
August	380	390	480		300	350	320	
September	400	390	510		300	390	330	

October	430	450	680		290	430	340	
November	430	550	1090		280	450	330	
December	430	710	1400		310	470	350	
Average	430	450	1570		310	410	360	

Source: National Institute for Statistics and Census (www.indec.gov.ar).

Domestic retail prices are no longer available for public consultation on the INDEC website.

Domestic retail prices for citrus fruit are as follows:

Citrus Fruit	$/kg
Lemon	1.60
Orange (Navel)	1.05
Tangerine (Nova)	0.91
Grapefruit	0.78

US$1 = AR$3.84
(October 19, 2009)

Source: Supermarkets and other retail stores

Production, Supply and Demand Data Statistics:

Lemons/Limes, Fresh Argentina	2007			2008			2009		
	2007/2008			2008/2009			2009/2010		
	Market Year Begin: Jan 2008			Market Year Begin: Jan 2009			Market Year Begin: Jan 2010		
	USDA Official Data		Old Post Data	USDA Official Data		Old Post Data	USDA Official Data		Jan Data
Area Planted	42.000	42.000	42.000	43.000	43.000	43.000			43.000
Area Harvested	41.500	41.500	41.500	42.000	42.000	42.000			42.000
Bearing Trees	13.000	13.000	13.000	13.000	13.000	13.000			13.000
Non-Bearing Trees	1.000	1.000	1.000	1.000	1.000	1.000			1.000
Total No. Of Trees	14.000	14.000	14.000	14.000	14.000	14.000			14.000
Production	1.360	1.360	1.360	1.450	1.450	1.200			1.000
Imports	0	0	0	0	0	0			0
Total Supply	1.360	1.360	1.360	1.450	1.450	1.200			1.000
Exports	400	400	400	360	360	240			290
Fresh Dom. Consumption	55	55	55	55	55	50			50
For Processing	905	905	905	1.035	1.035	910			660
Total Distribution	1.360	1.360	1.360	1.450	1.450	1.200			1.000
TS=TD			0			0			0
Comments	Units of Measure: Hectares, Thousand Trees, Thousand MT								
AGR Number									

Comments To Post

Oranges, Fresh Argentina	2007			2008			2009		
	2007/2008			2008/2009			2009/2010		
	Market Year Begin: Jan 2008			Market Year Begin: Jan 2009			Market Year Begin: Jan 2010		
	USDA Official Data		Old Post	USDA Official Data		Old Post	USDA Official Data		Jan
			Data			Data			Data
Area Planted	50.000	50.000	50.000	50.000	50.000	50.000			50.000
Area Harvested	45.500	45.500	45.500	45.500	45.500	45.500			45.500
Bearing Trees	23.000	23.000	23.000	23.000	23.000	23.000			23.000
Non-Bearing Trees	2.000	2.000	2.000	2.000	2.000	2.000			2.000
Total No. Of Trees	25.000	25.000	25.000	25.000	25.000	25.000			25.000
Production	940	940	940	660	660	700			840
Imports	2	2	2	1	0	1			1
Total Supply	942	942	942	661	660	701			841
Exports	154	154	154	110	110	80			100
Fresh Dom. Consumption	550	550	550	381	380	550			550
For Processing	238	238	238	170	170	71			191
Total Distribution	942	942	942	661	660	701			841
TS=TD			0			0			0
Comments	Units of Measure: Hectares, Thousand Trees, and Thousand MT								
AGR Number									

Comments To Post

Tangerines/Mandarins, Fresh Argentina	2007			2008			2009		
	2007/2008			2008/2009			2009/2010		
	Market Year Begin: Apr 2008			Market Year Begin: Apr 2009			Market Year Begin: Apr 2010		
	USDA Official Data		Old Post	USDA Official Data		Old Post	USDA Official Data		Jan
			Data			Data			Data
Area Planted	34.000	34.000	34.000	34.000	34.000	34.000			34.000
Area Harvested	32.000	32.000	32.000	32.000	32.000	32.000			32.000
Bearing Trees	18.000	18.000	18.000	18.000	18.000	18.000			18.000
Non-Bearing Trees	2.000	2.000	2.000	2.000	2.000	2.000			2.000
Total No. Of Trees	20.000	20.000	20.000	20.000	20.000	20.000			20.000
Production	410	410	410	290	290	310			370
Imports	0	0	0	0	0	0			0
Total Supply	410	410	410	290	290	310			370
Exports	101	95	95	80	80	100			100
Fresh Dom. Consumption	204	210	210	140	140	190			200

For Processing	105	105	105	70	70	20			70
Total Distribution	410	410	410	290	290	310			370
TS=TD			0			0			0
Comments	Units of Measure: Hectares, Thousand Trees, and Thousand MT								
AGR Number									

Comments To Post

Grapefruit, Fresh Argentina	2007			2008			2009		
	2007/2008			2008/2009			2009/2010		
	Market Year Begin: Jan 2008			Market Year Begin: Jan 2009			Market Year Begin: Jan 2010		
	USDA Official Data		Old Post	USDA Official Data		Old Post	USDA Official Data		Jan
			Data			Data			Data
Area Planted	11.700	11.700	11.700	11.700	11.700	11.600			11.500
Area Harvested	11.000	11.000	11.000	11.000	11.000	11.000			11.000
Bearing Trees	3.500	3.500	3.500	3.500	3.500	3.500			3.400
Non-Bearing Trees	150	150	150	150	150	150			150
Total No. Of Trees	3.650	3.650	3.650	3.650	3.650	3.650			3.550
Production	240	240	240	230	230	230			225
Imports	2	2	2	1	0	2			1
Total Supply	242	242	242	231	230	232			226
Exports	33	33	33	30	30	20			20
Fresh Dom. Consumption	90	90	90	80	80	80			80
For Processing	119	119	119	121	120	132			126
Total Distribution	242	242	242	231	230	232			226
TS=TD			0			0			0
Comments	Units of Measure: Hectares, Thousand Trees, and Thousand MT								
AGR Number									

Comments To Post