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## **Costa Rica**

### **CITRUS ANNUAL**

### **ORANGE JUICE PRODUCTION AND TRADE**

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**Report Highlights:**

Costa Rica's orange crop is expected to reach 8 million 40.824 kg boxes during 2009/2010. Export value may increase as well as a result of higher international prices for orange juice concentrate.

**Executive Summary:**

**COSTA RICA: ORANGE JUICE PRODUCTION AND TRADE**

Costa Rica's orange production is concentrated in the northern part of the Alajuela province, around Los Chiles, Guatuso and Upala, and in the northern part of Guanacaste, near the border with Nicaragua. Two companies, Ticofrut and Del Oro,

are the main players in the production and processing of oranges. The two companies own orange groves, but also compete for the production of an estimated 4,000 independent producers. Production of oranges has also increased in Nicaragua, near the border with Costa Rica. The oranges from these plantations are trucked to Costa Rica for processing. Industry estimates put area planted at around 20,000 ha. and 6.8 million orange trees, including area planted on the Nicaraguan side of the border. Although area planted is expected to increase, it will do so at a slow rate. According to producers, production conditions, both in terms of climate and soils are very favorable on both sides of the Costa Rica-Nicaragua border. However, the key factor for growth in the industry will be the international prices for orange juice concentrate. According to local producers, the price of orange juice concentrate declined from \$1.37 per pound of solids in January 2008 to about \$0.74 in October of 2009. Prices have increased since that time providing relief for producers who expect better prices in 2010. The production cost is estimated to be \$.90 per pound of solids.

Although accurate production data is not available from government or industry sources, orange production in 2008/2009 reached an estimated 7.6 million boxes of 40.824 kg., a 14 percent increase as compared to 2007/2008. Production is expected to increase to about 8 million boxes in 2009/2010 as a result of good weather conditions during 2009 and new trees coming into production. The larger producers are beginning to try new varieties that allow planting a larger number of trees per hectare. This is also expected to result in higher yields in the future.

Costa Rica exports the majority of its orange production as frozen orange juice concentrate. According to information from the Costa Rican Trade Promotion Board (PROCOMER), the total value of orange juice exported in different presentations reached \$44.6 million in 2008. Export volume reached 28,835 MT. Data available for 2009 (for January-August, which includes the majority of exports for the year), indicate that export value declined to \$37.3 million, while volume increased to 36,930 MT, consistent with the higher production level and lower international prices.

The United States was Costa Rica's main destination for orange juice exports in its different forms in 2008 and 2009. Exports to the U.S. reached 19,595 MT in 2008 and 20,047 MT in the period January-August 2009. Other important destinations include China, the Netherlands, Panama, and Nicaragua.

Costa Rican orange juice enters the United States duty free under the CAFTA – DR.

## **Commodities:**

### **Orange Juice**