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Citrus Annual

2015

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Report Highlights:

MY 2015/16 EU-28 citrus production is forecast at approximately 10.4 MMT, a decrease of 6.7 percent from the previous campaign, mainly due to the lower citrus productions expected in Spain. Total citrus production in Spain is forecast to decrease by 19 percent as the high temperatures registered during spring time affected negatively the flowering and fruiting. For MY 2015/16, the main Spanish citrus

production areas, in the regions of Valencia, Andalusia, and Murcia, are expected to decrease by 22.3 percent, 11.2 percent and 23.3 percent respectively.

MY 2015/16 EU-28 orange production is forecast at 6.1 MMT, an increase of 2.5 percent compared to the previous campaign, due to the higher production expected mainly in Italy, Greece and Portugal, despite the decrease of 15.7 percent estimated in Spain. MY 2015/16 EU-28 tangerine production is forecast to decrease from the previous year 10 percent reaching 2.9 MMT, due to the reduced volumes expected in the main producing regions in Spain and Italy. MY 2015/16 EU-28 lemon and grapefruit productions are forecast to decline by almost 20 and 13 percent respectively, due to the decreased volumes expected in Spain. MY 2014/15 EU-28 citrus exports decreased, except for lemon exports, which increased by 5 percent, mainly as a result of the Russian food import ban since August 7, 2014.

Disclaimer: This report presents the outlook for citrus production, trade, consumption, and stocks for the EU-28. Unless stated otherwise, data in this report are based on the views of Foreign Agricultural Service analysts in the EU-28 and are not official USDA data.

This report would not have been possible without the valuable contributions from the following Foreign Service analysts:

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Harmonized System (HS) Codes:

Oranges 080510
Tangerines/Mandarins 080520
Lemons 080550
Grapefruits 080540
Orange Juice 200911, 200912, 200919

MY Marketing year:

Oranges November/October
Tangerines November/October
Lemons November/October
Grapefruits November/October
Orange Juice November/October

Abbreviations used in this report:

CAP Common Agricultural Policy
 CMO Common Market Organization
 EC European Commission
 EU European Union
 FAS Foreign Agricultural Service
 FCOJ Frozen Concentrated Orange Juice
 GTA Global Trade Atlas
 MS EU Member State
 MT Metric ton (1,000 kg)
 MMT Million Metric Tons
 PS&D Production, Supply and Demand
 USD U.S. Dollar

Oranges

Table 1: Production, Supply, and Demand (MT)

Oranges, Fresh European Union	2013/2014		2014/2015		2015/2016	
	Market Year Begin: Oct 2013		Market Year Begin: Oct 2014		Market Year Begin: Oct 2015	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	298,091	294,028	296,732	286,908		287,402
Area Harvested	281,670	277,436	276,404	272,786		273,373
Production	6,607	6,550	5,710	5,959		6,107
Imports	818	819	820	927		800
Total Supply	7,425	7,369	6,530	6,886		6,907
Exports	346	346	300	297		300
Fresh Dom. Consumption	5,592	5,548	5,058	5,214		5,254
For Processing	1,487	1,475	1,172	1,375		1,353
Total Distribution	7,425	7,639	6,530	6,886		6,907
HECTARES, 1000 MT						

Source: FAS Offices

Production

EU-28 orange production is concentrated in the Mediterranean area. Spain and Italy account for approximately 80 percent of the EU-28 orange production. The remaining 20 percent is distributed among other EU Member States, mainly Greece, Portugal, and Cyprus. MY 2015/16 EU-28 orange production is forecast at 6.1 MMT, an increase of 2.5 percent compared to the previous campaign, because of the higher production expected mainly in Italy, Greece and Portugal.

According to the latest data from the Spanish Ministry of Agriculture, Environment, and Food (MAGRAMA), **Spain's** MY 2015/16 orange production is forecast at approximately 2.9 MMT, a decrease of 15.7 percent compared to the previous campaign, as the high temperatures registered affected negatively the flowering and fruiting. Fruit quality is expected to be good. The main Spanish

orange producing areas are the Regions of Valencia, Andalusia, and Murcia with an expected decrease in orange production for MY 2015/16 of 20 percent, 8.7 percent and 20 percent respectively. Valencia and Andalusia account for approximately 90 percent of Spain’s orange production. Spanish producers try to cover the whole marketing year by growing both *early* and *late* varieties to extend the fruit availability.

After several years of an economic crisis in the orange sector it leads to abandon the orange production in the Region of Valencia substituting it by more profitable productions such as kaki persimmon and kiwi. According to MAGRAMA in the Region of Valencia there is a decrease of 3,136 ha of citrus production or a decline of 2 percent compared to previous year mainly due to the lack of profitability.

Italy’s MY 2015/16 orange production is forecast to recover significantly from the previous campaign thanks to ideal weather conditions. It is then expected an increase of 43 percent, reaching 1.9 MMT. Moreover, the introduction of new varieties and rootstocks of great quality and resistant to the Tristeza virus enabled Italy to extend the production calendar. Quality is forecast to be excellent. MY 2014/15 orange production dropped by 24.4 percent than MY 2013/14 due to the lack of rain and the Citrus Tristeza Virus (CTV) that infected approximately 32,000 ha of orange groves in the provinces of Catania and Siracusa (Sicily). Sicily and Calabria are the main orange-producing areas, accounting for 59 and 22 percent of total production, respectively. *Tarocco, Moro, Sanguinello, Naveline,* and *Valencia* are the chief orange varieties grown in Italy. Moreover, *Ippolito* and *Meli* varieties are gaining popularity.

Greece’s MY 2015/16 orange production is forecast to increase by 7.8 percent compared to the previous year, thanks to favorable weather conditions during fruit set. Peloponnese and Etoloakarnania (western Greece) are the main orange-producing areas. *Washington Navel, Commons, Skaggs Bonanza, Navelina, New Hall, Lanelate,* and *Valencia* are the chief varieties grown in Greece.

Portugal’s MY 2015/16 orange production is forecast to increase by 21 percent compared to previous year with good calibers and qualities according to Portuguese official data.

Cyprus’s MY 2015/16 orange production is forecast to decrease by 17.8 percent from the previous year. Note that Cyprus data in area and production has been updated according to Eurostat official figures.

Table 2: EU-28 Fresh Oranges Production by Country and Year (MT)

Country	MY 2013/14	MY 2014/15	MY 2015/16
Spain	3,537,000	3,483,000	2,935,000
Italy	1,800,000	1,360,000	1,950,000
Greece	970,000	859,000	926,000
Portugal	208,000	219,000	265,000
Cyprus	34,600	38,200	31,400

Total Production	6,549,600	5,959,200	6,107,400
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Source: FAS offices

Consumption

EU-28 oranges are mainly consumed fresh. MY 2015/16 EU-28 fresh orange consumption is forecast at 5.254 MMT, stable compared to the previous campaign. Stable volumes are also forecast to be sent to the industry (1.3 MMT compared to MY 2014/15). **Spain's** MY 2015/16 fresh orange consumption continues its downward trend, while the quantity of oranges to be processed is expected to be 15.5 percent lower due to the decrease in production. Spain's per capita orange consumption is estimated at approximately 20 kg. In Spain, most oranges are consumed fresh, especially *Navelina* and *Navelate* varieties. *Valencia Late* varieties are predominantly used in processing. **Italy's** MY 2015/16 fresh orange consumption is forecast to increase with more oranges expected to be sent to the industry. Italian *Blood* varieties (*Tarocco*, *Moro*, and *Sanguinello*) are used mainly for fresh consumption. Italian *Late* varieties (*Ovale* and *Valencia*) are destined to both fresh market and processing industry. **Greece's** MY 2015/16 orange consumption is forecast to increase driven by the higher production. Most oranges are consumed fresh through open markets and grocery stores. **Portugal's** MY 2015/16 total orange consumption is forecast to grow driven by the increased production.

Trade

The EU-28 is a net importer of oranges. During MY 2014/15, the EU-28 imported 927,981 MT of oranges or 13 percent higher compared to previous season and valued at USD 669.56 million, 5.7 percent higher than previous year. South Africa and Egypt confirmed to be the leading suppliers to the EU-28 market, followed by Morocco, Uruguay and Argentina. On May 27, 2014, the Plant Health Standing Committee of the European Commission decided to increase the control measures on South African citrus exports to the EU, resulting in decreased orange imports from South Africa (- 11 percent) in MY 2013/14, compared to the previous campaign. During MY 2014/15, the EU-28 exported 297,053 MT of oranges or 14 percent less compared to previous year and valued at USD 204.8 million, 24.5 percent lower, mainly to Switzerland, Serbia and Norway. Due to the Russian ban, EU-28 orange exports MY 2014/15 decrease 85 percent both quantity and value meaning a loss of USD 35 million.

Spain is the major European orange producer and exporter of oranges within the EU-28 with 1,871,464 MT in MY 2014/15, which means a rise of 14.5 percent compared to the previous year but valued almost 3 percent lower. The main market is the EU-28, with 92 percent of their total exports of oranges.

Table 3: EU-28 Imports of Oranges by Origin in MT

Country of Origin	MY 2012/13	MY 2013/14	MY 2014/15
South Africa	408,652	381,893	451,166
Egypt	179,579	181,171	192,142

Morocco	48,915	64,690	83,256
Uruguay	43,269	40,914	46,490
Argentina	46,645	40,453	42,231
Others	122,949	115,624	104,194
Total Imports	850,009	824,745	919,479

Source: Global Trade Atlas (GTA).

Table 4: EU-28 Exports of Oranges by Destination in MT

Country of Destination	MY 2012/13	MY 2013/14	MY 2014/15
Switzerland	62,575	57,095	61,224
Serbia	42,469	42,295	38,318
Norway	30,924	26,690	28,199
Belarus	12,739	16,557	22,662
Algeria	25,807	24,682	17,467
Others	149,450	178,968	129,732
Total Exports	323,964	346,287	297,602

Source: GTA

To compensate the loss of the Russian market, the EU-28 has reoriented their orange exports to new markets such as Canada, Brazil, United Arab Emirates, Saudi Arabia or China-Hong Kong arriving mainly from Spain.

Orange Juice

Table 5: Production, Supply, and Demand (Brix 65)

Orange Juice European Union	2013/2014		2014/2015		2015/2016	
	Market Year Begin: Oct 2013		Market Year Begin: Oct 2014		Market Year Begin: Oct 2015	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Deliv. To Processors	1,487,300	1,474,600	1,171,500	1,374,500		1,353,000
Beginning Stocks	15,000	15,000	15,000	15,000		15,000
Production	115,298	114,314	90,820	106,554		104,887
Imports	590,000	1,050,858	610,000	915,249		915,000
Total Supply	720,298	1,180,172	715,820	1,036,803		1,034,887

Exports	57,432	57,102	57,000	50,076		50,000
Domestic Consumption	647,866	1,108,070	643,820	971,727		969,887
Ending Stocks	15,000	15,000	15,000	15,000		15,000
Total Distribution	720,298	1,180,172	715,820	1,036,803		1,034,887
MT						

Source: FAS Offices

Production

MY 2015/16 EU-28 orange juice production is forecast at 104,887 MT, a decrease of 1.5 percent compared to the previous year as fewer oranges are expected to be processed mainly due to the decline expected in Spain. The total volume of oranges channeled to processing depends on crop quality and quantity of oranges destined for the fresh market, both domestic and foreign.

Consumption

While orange juice is the most popular juice within the EU-28, it competes with other non-alcoholic drinks and juices made from other fruits. Despite the reduction on the purchasing power and the competition of other drinks, MY 2015/16 EU-28 orange juice consumption is forecast to be stable. The convenience of orange juice is reflected in its better adaptation to modern consumption habits than whole fresh oranges.

Trade

The EU-28 is a net importer of orange juice. During MY 2014/15, the EU-28 imported 915,249 MT of orange juice, valued at approximately USD1.8 billion. Brazil confirmed to be the leading supplier to the EU-28 market, representing 90 percent of total imports. Follow Mexico, the United States representing 2 percent of the total imports valued at USD 42 million, South Africa and Switzerland. In MY 2014/15, the EU-28 exported 50,076 MT of orange juice, valued at USD123 million, with Saudi Arabia, Algeria and Switzerland being the leading destinations with a strategic new market as Japan.

Table 6: EU-28 Imports of Orange Juice by Origin in MT (Brix 65)

Country of Origin	MY 2012/13	MY 2013/14	MY 2014/15
Brazil	562,447	915,191	836,267
Mexico	31,267	28,129	19,433
United States	11,204	52,070	18,778
South Africa	10,193	11,942	11,876
Switzerland	13,021	16,785	1,657
Others	37,260	26,743	27,239
Total Imports	665,211	1,050,858	915,249

Source: GTA

Table 7: EU-28 Exports of Orange Juice by Destination in MT (Brix 65)

Country of Destination	MY 2012/13	MY 2013/14	MY 2014/15
Saudi Arabia	5,216	7,003	5,448
Japan	3,509	3,822	5,448
Algeria	6,710	5,141	3,892
Switzerland	6,029	5,622	3,407
Others	31,103	34,528	30,898
Total Exports	53,700	57,102	50,076

Source: GTA

Tangerines/Mandarins**Table 8: Production, Supply, and Demand (MT)**

Tangerines/Mandarins, Fresh European Union	2013/2014		2014/2015		2015/2016	
	Market Year Begin: Oct 2013		Market Year Begin: Oct 2014		Market Year Begin: Oct 2015	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	161,644	161,294	161,407	160,483		162,212
Area Harvested	148,531	148,818	148,118	153,719		152,440
Production	3,252	3,231	3,120	3,483		2,917
Imports	367	369	350	362		600
Total Supply	3,619	3,600	3,470	3,845		3,517
Exports	350	349	300	289		290
Fresh Dom. Consumption	2,960	2,948	2,849	3,158		2,903

For Processing	309	303	321	398		324
Total Distribution	3,619	3,600	3,470	3,845		3,517
HECTARES, 1000 MT						

Source: FAS Offices

Production

MY 2015/16 EU-28 tangerine production is forecast to decrease from the previous year 10 percent reaching 2.9 MMT, because of the reduced volumes expected in the main regions Spain and Italy.

According to the latest data from the Spanish Ministry of Agriculture, Environment, and Food (MAGRAMA), **Spain's** MY 2015/16 tangerine production is forecast to decrease by approximately 20 percent at 1.9 MMT compared to the previous campaign due to unfavorable weather conditions. Spain's main tangerine-producing areas are the Regions of Valencia, Andalusia, and Catalonia with an expected decrease in tangerine production of 23 percent in the Region of Valencia and of 8.7 percent in Andalusia. New *early* and *late* varieties continue being developed to extend the fruit availability.

Italy's tangerine production consists of over 80 percent seedless clementines and nearly 20 percent mandarins. Italy's MY 2015/16 tangerine production is forecast to decrease by approximately 12 percent compared to the previous campaign due to severe hailstorms that hit Sicily region in May, June, and August. Calabria, Sicily, and Apulia are the main tangerine-producing areas, accounting for 50, 23, and 14 percent of total production, respectively. *Comune* or *Oroval* and *Monreal* are the leading clementine varieties grown in Italy. *Avana* and *Tardivo di Ciaculli* are the main mandarin varieties.

Greece's MY 2015/16 tangerine production is forecast to rise 15 percent compared to previous year thanks to a satisfactory fruit set as a result of favorable weather conditions during fruit set period. The main producing areas include the prefectures of Igoumenitsa, Arta, Mesologgi, and Thesprotia, located in West Greece. *Clementine* is the major tangerine variety grown in Greece; new plantations include *Nova*, *Page* and *Ortanique* varieties. Greek area data has been updated according to official figures.

According to Eurostat **Cyprus's** MY 2015/16 tangerine production is forecast to increase by 9.7 percent from the previous year. Note that Cyprus data in area and production has been updated according to Eurostat official figures.

According to Portuguese official data **Portugal's** MY 2015/16 tangerine production is forecast to increase by 5 percent, with normal calibers and quality. The Region of Algarve accounts for 80 percent of the total producing area.

Table 9: EU-28 Fresh Tangerines Production by Country and Year (MT)

Country	MY 2013/14	MY 2014/15	MY 2015/16
Spain	2,199,000	2,389,681	1,901,376
Italy	789,000	866,000	760,000

Greece	148,000	140,300	161,000
Cyprus	60,000	49,000	53,800
Portugal	35,000	39,000	41,000
Total Production	3,231,000	3,483,981	2,917,176

Source: FAS Offices

Consumption

EU-28 tangerines are mainly consumed fresh. MY 2014/15 EU-28 fresh tangerine consumption and for processing are forecast to decrease according to the decrease in production. **Spain's** MY 2015/16 fresh tangerine consumption is expected to remain steady. **Italy's** MY 2015/16 fresh tangerine consumption is forecast to slightly decrease from previous year driven by the decreased production. Italians consume large quantities of clementines and mandarins during winter holidays when the bulk of production hits the market. **Greece's** MY 2015/16 tangerine fresh consumption is forecast to increase driven by higher production and low market prices. Most tangerines are consumed fresh. *Clementines* are consumed mainly along the west coast and cover early and late season demand, both domestically and abroad. Late varieties *Nova* and *Page* cover the late season demand, when saturation from *Clementines* occurs.

Trade

The EU-28 is a net importer of tangerines. During MY 2014/15, the EU-28 imported 366,946 MT of tangerines, valued at USD 435 million. Morocco and South Africa confirmed to be the leading suppliers to the EU-28 market, followed by Israel, Peru and Turkey. Imports from the United States in MY 2014/15 increased 24.5 percent with 6,347 MT valued at USD 9 million. During MY 2014/15, the EU-28 exported 286,922 MT of tangerines valued at USD 251 million, mainly to Belarus, Switzerland, Ukraine and the United States. Exports to the United States coming mainly from Spain in MY 2014/15 decreased 20 percent with 32,487 MT valued at USD 35 million. MY 2014/15 EU-28 tangerine exports to Russia registered a decline both in quantity and value of 95 percent compared to previous year as a consequence of the Russian ban since August 7, 2014, meaning a loss of USD 108 million. MY 2015/16 EU-28 tangerine exports are forecast to stay flat as a result of the Russian ban and the decrease in production.

Spain, the leading EU tangerine producer and exporter, exported 6 percent more with 1,671,271 MT of tangerines in MY 2014/15, of which 91 percent was sent to other EU Member States.

Table 10: EU-28 Imports of Tangerines by Origin in MT

Country of Origin	MY 2012/13	MY 2013/14	MY 2014/15
Morocco	64,055	104,646	98,442
South Africa	78,685	83,801	92,807
Israel	40,623	41,407	56,326

Peru	47,212	47,127	45,156
Turkey	36,848	46,611	41,056
Uruguay	17,026	15,808	10,834
United States	4,791	5,097	6,347
Argentina	16,583	14,023	4,498
Others	12,137	10,888	6,776
Total Imports	317,960	369,408	362,242

Source: GTA

Table 11: EU-28 Exports of Tangerines by Origin in MT

Country of Destination	MY 2012/13	MY 2013/14	MY 2014/15
Belarus	32,719	34,144	45,781
Switzerland	39,561	41,038	39,534
Ukraine	57,383	51,606	34,951
United States	46,839	40,568	32,488
Norway	24,418	25,081	24,328
Serbia	21,485	19,071	22,852
Bosnia & Herzegovina	14,969	14,468	18,950
Canada	12,434	9,865	18,126
Others	154,088	113,245	52,499
Total Exports	403,896	349,086	289,509

Source: GTA

Lemons

Table 12: Production, Supply, and Demand (MT)

Lemons/Limes, Fresh European Union	2013/2014		2014/2015		2015/2016	
	Market Year Begin: Oct 2013		Market Year Begin: Oct 2014		Market Year Begin: Oct 2015	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	73,724	73,225	72,446	73,034		71,890
Area Harvested	66,542	66,133	65,684	65,906		66,012
Production	1,316	1,308	1,560	1,599		1,286
Imports	370	380	350	397		400
Total Supply	1,686	1,688	1,910	1,996		1,686
Exports	101	100	135	105		100
Fresh Dom. Consumption	1,273	1,276	1,395	1,511		1,307
For Processing	312	312	380	381		279
Total Distribution	1,686	1,688	1,910	1,997		1,686

HECTARES, 1000 MT

Source: FAS Offices

Production

MY 2015/16 EU-28 lemon production is forecast to decline by almost 20 percent at 1.2 MMT, due to the decreased volumes expected in Spain.

According to the latest data from the Spanish Ministry of Agriculture, Environment, and Food (MAGRAMA), **Spain's** MY 2015/16 lemon production is forecast at 784,000, a decrease of 28 percent compared to the previous year recovering the normal production parameters. The decline is due to unfavorable weather conditions during spring time affecting the flowering and fruit set. Fruit quality is forecast to be satisfactory, so as calibers. Lemon production is concentrated in the regions of Murcia and Valencia, and the Provinces of Malaga and Almeria in Andalusia. *Fino* and *Verna* are the leading lemon varieties grown in Spain, accounting for 70 and 30 percent of the total production, respectively. The *Fino* variety is predominantly used in processing.

Italy's MY 2015/16 lemon production is forecast to slightly decrease by 2 percent than the previous campaign. Quality is expected to be better than the past year. Moreover, no insect problems and the abundant rainfall made the lemons even juicier. Sicily produces more than 86 percent of Italy's lemons. *Femminello Commune* (*F. Zagara Bianca*, *F. Siracusano*, *F. S. Teresa*), *Monachello*, and *Interdonato* are the main lemon varieties grown in Italy.

Greece's MY 2015/16 lemon production is forecast to remain steady. The main lemon-producing areas include the prefectures of Achaia, Korinthos, Crete, and Laconia, located in southern Greece. The major lemon variety grown in Greece is *Maglini*, whose fruit is strongly aromatic, with a quite sour juice. It has a thin, shiny peel and when fully ripe has a yellow color. The early variety *Interdonato*, and *Eureka* are also grown in Greece.

Cyprus's MY 2015/16 lemon production is expected to decline 23 percent according to Eurostat while **Portugal's** MY 2015/16 lemon production is forecast to rise 23 percent according to Portuguese official data, with normal calibers and quality.

Table 13: EU-28 Fresh Lemons/Limes Production by Country and Year (MT)

Country	MY 2013/14	MY 2014/15	MY 2015/16
Spain	818,000	1,089,000	784,000
Italy	412,000	429,000	420,000
Greece	55,500	55,700	56,000
Cyprus	9,000	13,000	10,000
Portugal	13,000	13,000	16,000
Total Production	1,307,500	1,599,700	1,286,000

Source: FAS Offices

Consumption

EU-28 lemons are mainly consumed fresh. MY 2015/16 EU-28 fresh lemon consumption is forecast at 1.3 MMT, a decrease compared to the previous campaign, driven by the lower production. EU-28 per capita lemon consumption stands at 2.7 kg. Greece has become increasingly reliant on imported lemon juice to meet consumer demand for soft drinks. The yield for lemon juice is 15-17 Kg of fresh lemons to produce 1 Kg of lemon juice, depending on the quality of the fruit.

Trade

The EU-28 is a net importer of lemons. During MY 2014/15, the EU-28 imported 397,572 MT of lemons or 4.6 percent more, valued at USD 512 million. Argentina, Turkey, and Brazil confirmed to be the leading suppliers to the EU-28 market, followed by Mexico and South Africa. Lemons coming from the United States experienced an important increase of 205 percent. During MY 2014/15, the EU-28 exported 105,681 MT of lemons or 5 percent more, valued at USD 113 million, mainly to Switzerland, Belarus and Canada. Spain, the leading EU lemon producer, exported 9 percent more with 676,660 MT of lemons in MY 2014/15 valued at USD 710 million, of which 91 percent was sent to other EU Member States.

Table 14: EU-28 Imports of Lemons by Origin in MT

Country of Origin	MY 2012/13	MY 2013/14	MY 2014/15
Argentina	189,331	105,127	130,088
Turkey	80,048	99,426	78,635
Brazil	61,094	77,333	75,241
Mexico	40,609	35,114	43,130
South Africa	28,658	36,370	40,404
Others	22,980	26,756	30,074
Total Imports	422,720	380,126	397,572

Source: GTA

Table 15: EU-28 Exports of Lemons by Origin in MT

Country of Destination	MY 2012/13	MY 2013/14	MY 2014/15
Switzerland	15,377	16,371	18,887
Belarus	4,678	8,994	17,847
Canada	1,349	8,039	10,876
Ukraine	7,599	7,596	6,540

Norway	4,984	5,649	6,111
United States	473	1,679	4,882
Others	42,046	52,283	40,898
Total Exports	76,506	100,611	105,681

Source: GTA

Grapefruit

Table 16: Production, Supply, and Demand (MT)

Grapefruit, Fresh European Union	2013/2014		2014/2015		2015/2016	
	Market Year Begin: Oct 2013		Market Year Begin: Oct 2014		Market Year Begin: Oct 2015	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	3,228	3,178	3,147	3,206		3,050
Area Harvested	2,938	3,288	2,849	2,416		2,494
Production	112	92	115	109		95
Imports	364	360	360	339		354
Total Supply	476	452	475	448		449
Exports	19	19	20	14		16
Fresh Dom. Consumption	431	417	435	416		416
For Processing	26	16	20	18		17
Total Distribution	476	452	475	448		449

HECTARES, 1000 MT

Source: FAS Offices

Production

MY 2015/16 EU-28 grapefruit production is forecast to reach 95,000 MT, a decline of almost 13 percent compared to MY 2014/15, due to the significant production decrease projected in Spain and Cyprus, the main grapefruit producers. **Spain's** MY 2015/16 grapefruit production is forecast to decrease by almost 17 percent according to MAGRAMA. leading grapefruit producing areas include the Regions of Murcia, Andalusia, and Valencia, representing 45, 35, and 20 percent of total production, respectively. *Ruby Red* is the main grapefruit variety planted in Spain.

Cyprus's *White Marsh Seedless*, mostly grown in the Limassol area, is the leading Cypriot grapefruit variety. New plantations have been established in the district of Paphos where the *Red* varieties (*Star Ruby*, *Red Blush*, and *Rio Red*) have been introduced to meet the increased market demand. MY 2015/16 grapefruit production is forecast to slightly increase by 5 percent. In addition, Cyprus data in area and production has been updated according to Eurostat official figures.

Italy's MY 2015/16 grapefruit production is forecast to reach 6,000 MT.

Greece's MY 2015/16 grapefruit production is forecast to stay flat. Greek's prefectures of Corinth and Kavala, the region of Thessaly, and the island of Crete are the major grapefruit-producing areas.

Table 17: EU-28 Fresh Grapefruit Production by Country and Year (MT)

Country	MY 2013/14	MY 2014/15	MY 2015/16
Spain	58,000	78,000	65,000
Cyprus	20,000	19,000	18,000
Italy	7,500	5,000	6,000
Greece	6,000	6,000	6,000
Portugal	0	0	0
Total Production	91,500	108,000	95,000

Source: FAS Offices

Consumption

EU-28 grapefruits are mainly consumed fresh with a consumption significantly surpassing grapefruit production. MY 2015/16 EU-28 fresh grapefruit consumption is forecast to remain stable at approximately 416,000 MT. Grapefruits for processing is estimated at 17,000 MT for MY 2015/16.

Trade

The EU-28 is a net importer of grapefruits. During MY 2014/15, the EU-28 imported 338,892 MT of grapefruits or 5.8 percent lower compared to previous year, valued at USD 308 million. South Africa, China and Turkey were the leading suppliers to the EU-28 market, followed by the United States and Israel. Imports from the United States were valued at USD 44 million. During MY 2014/15, the EU-28

exported 14,793 MT of grapefruits or 23 percent lower compared to previous year and valued at USD 14 million, mainly to Belarus, Switzerland and Russia.

Table 18: EU-28 Imports of Grapefruits by Origin in MT

Country of Origin	MY 2012/13	MY 2013/14	MY 2014/15
South Africa	103,610	78,380	90,295
China	63,570	91,512	76,517
Turkey	52,756	88,248	70,729
Israel	47,044	41,034	38,734
United States	40,676	42,998	38,251
Others	28,801	17,669	24,366
Total Imports	336,457	359,841	338,892

Source: GTA

Table 19: EU-28 Exports of Grapefruits by Origin in MT

Country of Destination	MY 2012/13	MY 2013/14	MY 2014/15
Belarus	3,216	4,357	3,405
Switzerland	2,299	2,801	2,312
Russia	5,683	5,489	2,090
Serbia	1,161	805	1,338
Ukraine	3,534	1,965	1,279
Others	4,487	3,968	4,369
Total Exports	20,335	19,385	14,793

Source: GTA

EU Policy

The first part of the following policy section focuses on the new single Common Market Organization (CMO), which is part of the first pillar of the Common Agricultural Policy (CAP), and any other policy related issues that are relevant to the citrus fruit sector. The second part explains the EU measures that were taken in response to the Russian embargo.

I. EU Policy Related to Citrus Fruit

1. The New Common Agriculture Policy (CAP) Reform

The single Common Market Organization (CMO) provides a framework for market measures under the CAP, which is outlined in [Regulation \(EU\) No 1308/2013, and entered into force on January 1, 2014](#). The CAP 2020 reform consists of four [basic regulations](#), supplemented by delegated acts. [Commission Delegated Regulation \(EU\) No 499/2014](#), which entered into force on May 16, 2014, amended the implementing rules for the fresh and processed fruit and vegetables sectors ([Commission implementing Regulation \(EU\) No 543/2011](#)).

These market measures aim to:

a) Create a more competitive and market-oriented sector

Producer Organizations (POs) are still the key elements in the EU's CMO for fruit and vegetables. POs are legal entities established by producers to market commodities, including citrus fruit. EU subsidies are not paid to individual producers but are channeled through POs. In order to qualify for EU subsidies, a PO must create an operational program financed through an operational fund. The EU's financial contribution is paid directly into each PO's operational fund. The calculation of the estimated amount of the operational fund is based on the operational program and the value of the marketed production. As of January 20, 2014, operational programs are approved under the Regulation (EU) No 1308/2013. Commission Delegated Regulation 499/2014 introduced new elements regarding the operational programs and clarified the criteria with which the POs must comply in order to be eligible for EU funding. It also introduced a sanction mechanism in the case of non-compliance.

Fresh fruit and vegetable imports into the EU are checked for compliance with EU-harmonized marketing standards. These standards apply at all marketing stages and include criteria such as quality, size, labeling, packaging, and presentation. Commission implementing Regulation (EU) No 543/2011 provides for a general marketing standard for all fresh fruits and vegetables. Specific marketing standards are still in place for ten products, including citrus fruit. The specific marketing standards are set out in Part B of Annex I to this Regulation: citrus fruit can be found in Part 2 of that same section (p.111).

b) Diminish crisis-related fluctuations in producers' income

To achieve this objective, EU funding is offered under the operational programs for:

- Product withdrawal
- Green harvesting/non-harvesting;
- Promotion/communication tools;
- Training measures;
- Harvest insurance;
- Assistance to secure bank loans, and support for administrative costs associated with setting up mutual funds.

National authorities must determine, in their national strategies, which of these instruments can be funded in their countries. POs may take out loans on commercial terms to finance crisis prevention and management measures. The repayment of the capital and the interest on those loans may be eligible for financial assistance under the operational programs of POs.

c) Encourage increased consumption of fruit and vegetables in the EU

A key objective of the changes made to the Fruit and Vegetable regime was to reverse the declining consumption of fruit and vegetables. The European “School Fruit Scheme” (SFS) originated in 2009 as a measure to combat child obesity and includes three elements: free distribution of fruit and vegetables in schools, information campaigns on healthy eating habits, and monitoring and evaluation. As in previous years, the EU funds of \$164 million (€150 million) will be allocated in the school year 2015/2016 to 25 Member States that have decided to participate in the program - with Sweden, Finland and United Kingdom opting out.

On January 30, 2014, the Commission presented a proposal to bring the SFS and the “School Milk Scheme” together under a joint framework and is expected to be adopted in the next couple of months and to take effect in 2016. For more information:

http://ec.europa.eu/agriculture/school-scheme/legislative-proposal/index_en.htm

The sector may also benefit from the European [promotion](#) budget for agricultural products and [quality schemes](#). The Commission reformed its promotion policy with an extension of the product scope and a greater focus on export markets. The promotion budget will increase gradually from \$76 million (€60 m) to \$255 million (€200 m) annually until 2020. National co-funding will no longer be needed and EU associations will be able to apply directly for a program.

d) Increase the use of environmentally friendly cultivation and production techniques

At least 10 percent of operational program funding must be spent on environmental actions that go beyond mandatory environmental standards. MS with recognized POs must draw up a National Framework for Environmental Action (NEF) as part of their “national strategy for sustainable operational program.” The NEF must contain a non-exhaustive list of environmental actions and the conditions applicable to them in the MS concerned.

For information on the CAP after 2014, please see: http://ec.europa.eu/agriculture/cap-post-2013/index_en.htm

2. Certification of Fruit Shipments

Plant products need a phytosanitary certificate to be exported to the EU. Phytosanitary certificates issued by a USDA/Animal and Plant Health Inspection Service (APHIS) inspector are required to accompany fruit, vegetable, and nut shipments. APHIS issues phytosanitary certificates in accordance

with international regulations established by the [International Plant Protection Convention of the Food and Agriculture Organization of the United Nations](#). This standard-setting body coordinates cooperation between nations to control and prevent the spread of plant and plant product pests.

[Council Directive 2000/29/EC](#) contains provisions concerning compulsory plant health checks. This includes documentary, identity, and physical plant health checks to verify compliance with EU import requirements. More information can be accessed on DG Health and Consumer Protection's website http://ec.europa.eu/food/plant/organisms/imports/inspection_en.htm.

[Commission Regulation 1756/2004](#) provides for plant health checks to be carried out at reduced frequency when justified. The list of products recommended for plant health checks at reduced levels was issued on [September 30, 2014](#). On an annual basis, the Commission monitors imports of fruit and vegetables to determine how to adjust the frequency of testing consignments.

3. Maximum Residue Levels for Fruit

Maximum Residue Levels (MRLs) for pesticides, including import tolerances, have been harmonized throughout the EU since September 2008. As a marketing tool, some retail chains in the EU adopt private standards that exceed EU regulations by requiring their suppliers to adhere to stricter company policies that limit the maximum residues to 30, 50, or 70 percent of the respective EU MRL. Please find the link to the [EU MRL database](#), as well as to the [USDA MRL database](#) for MRLs worldwide.

4. Tariffs

EU imports of fresh fruit and vegetables are subject to the Entry Price System (EPS) which has been in place in its current form since the Uruguay Round. It is a complex tariff system that provides a high level of protection to EU producers. In this system fruits and vegetables imported at or above an established entry price are charged an ad valorem duty only. Produce valued below the entry price are charged a tariff equivalent in addition to the ad valorem duty. The tariff equivalent is graduated for products valued between 92 and 100 percent of the entry price. The ad valorem duty and the full tariff equivalent are levied on imports valued at less than 92 percent of the entry price.

Commission Delegated Regulation (EU) No 499/2014 has introduced provisions on the entry price system, which aligns the clearance of goods that are subject to the entry price to the Custom Code. These provisions, applicable since October 1, 2014, introduced a flat rate, which is the standard import value, to clear customs when products are sold on consignment.

Tariff levels for 2016 are published in [Commission Implementing Regulation 2015/1754](#). The tariffs for citrus fruit remain unchanged compared to the levels of 2014 and can be found on [page 96](#) for oranges, tangerines, lemons, grapefruit and other citrus fruit, while the tariff for orange juice can be found on [page 163](#).

The United States tends to sell high quality products at higher prices which typically do not face additional duties.

II. Russian ban on agricultural products

On August 7, 2014, the Russian government implemented a ban for one year on a range of agricultural and food products, including citrus fruit, from the United States, the European Union (EU), Canada, Australia, and Norway, in response to U.S. and EU sanctions over Russian actions in Ukraine. This ban has a significant effect for agricultural markets in Europe as Russia is the EU's second largest market for food and drinks, purchasing 28 percent of EU fruit exports and 21.5 percent of EU vegetable exports in 2011.

The CMO rules (see Regulation 1308/2013 in part I) provide various market management tools to stabilize markets. In addition, the Commission is also empowered under the reformed CAP to take "exceptional measures" in case of market disruption.

As such, the Commission introduced specific market support measures for the first time for citrus fruit, including oranges, mandarins, and clementines on September 29, 2014. [Regulation 1031/2014](#) provided a new program of \$208.5 million (€165 million) to withdraw surplus volumes from the market. The annex to this regulation lists the specific volumes for 13 MS that are eligible for EU intervention support. The five MS exporting citrus fruit are Spain, Cyprus, Greece, Croatia and Italy.

These measures were extended on December 19, 2014, by [Commission Delegated Regulation \(EU\) No 1371/2014](#) laying down further temporary exceptional support measures for producers of certain fruit and vegetables by amending Delegated Regulation (EU) No 1031/2014.

On August 7, 2015, market support measures for the European fruit and vegetables sector were extended again into 2016 by [Commission Delegated Regulation \(EU\) 2015/1369](#), amending Delegated Regulation (EU) No 1031/2014, as Russia announced the extension of its ban on food imports for six months starting in early August 2015. These measures, covering the main groups of fruit and vegetables affected by the Russia ban, will extend the measures that ended on June 30, 2015, until June 30, 2016.

Table: Total Volume of Citrus Fruit (oranges, clementines and mandarins) Eligible for EU Intervention Support

(tons)	1031/2014	1371/2014	2015/1369
Belgium	0	0	0
Germany	0	0	0
Greece	10 750	0	7 950
Spain	58 600	17 775	55 450
France	0	0	0
Croatia	7 900	0	3 200
Italy	2 620	0	3 300
Cyprus	16 220	1 750	11 850
Lithuania	0	0	0
Hungary	0	0	0
Netherlands	0	0	0
Poland	0	0	0
Portugal	0	0	0

More information on the Commission's response to the Russian ban can be found here:

http://ec.europa.eu/agriculture/russian-import-ban/index_en.htm