

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Costa Rica

Citrus Annual

Orange Juice Production and Trade

Approved By:

Kelly Stange, Agricultural Attaché

Prepared By:

Victor Gonzalez, Agricultural Specialist

Report Highlights:

Costa Rica's production of oranges is forecast to drop to 8.5 million boxes during 2012/2013 from 9 million boxes the previous crop year. Production is expected to rebound to 10 million boxes in 2013/2014 as new trees enter into production.

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, control production and processing of oranges. According to government estimates, these two companies produce roughly 70% of the oranges produced in Costa Rica. The rest is produced by medium and small size independent producers. Production of oranges has also increased in Nicaragua, near the border with Costa Rica. According to the data from the Costa Rican government, Costa Rica imported 73,296 MT of fresh oranges from Nicaragua during 2011 as compared to 54,472 MT in 2010. The oranges from these plantations are trucked to Costa Rica for processing. Industry estimates put area planted at around 22,000 ha. and at about 7.0 million orange trees, including area planted on the Nicaraguan side of the border. However, the number of trees is increasing because most growers are planting the "Flying Dragon" pattern, which allows for a higher number of trees per hectare. The "Flying Dragon" pattern is planted at approximately 966 trees per hectare, as compared to a range of 312 to 444 trees per hectare for other varieties. As this pattern takes hold, the number of trees should increase in the next few years as producers replant or renovate their farms using this variety. For instance, one large grower is renovating about 300 hectares per year with Flying Dragon trees.

Area planted is not expected to increase substantially, primarily as a result of concern among growers that citrus greening disease, which was identified in last year in Costa Rica, may increase production costs or result in losses. Growers are trying to contain the disease and have established strict controls to that effect. According to industry sources, the disease is under control and has not caused significant losses so far. Other pests, such as the root worm, cause relatively more damage to citrus plantations in this country. Producers have mentioned that if not for the threat of citrus greening, area planted would probably increase. The combination of higher productivity resulting from the flying dragon pattern and good international prices for juice concentrate make this an attractive agricultural activity. According to producers, production conditions, both in terms of climate and soils, are very favorable on both sides of the Costa Rica-Nicaragua border. Also, a new dirt road built on the Costa Rican side of the border with Nicaragua may create opportunities for new area planted in oranges in the future.

Although accurate production data is not available from government or industry sources, orange production in 2011/2012 reached an estimated 9 million boxes (40.824 kg.). Production is forecast to decline to about 8.5 million boxes during 2012/2013 as a result of cyclical conditions (the 2011/2012 crop was a very good crop in general). Industry sources expect total production to increase to 10.0 million boxes in 2013/2014 as new trees come into production. As mentioned before, the new Dragon Fly pattern allows planting more than twice the number of trees of the varieties currently planted. This variety also allows producers to reduce cultural practices. These factors are expected to result in higher yields in the future.

Costa Rica exports the majority of its orange production as frozen orange juice concentrate, but also exports non frozen concentrate juice. According to information from the Costa Rican Trade Promotion Board (PROCOMER), during calendar year 2011, juice exports to all destinations amounted to 43,850

MT valued at \$55.3 million. Data available for 2012 (for January-October), indicate that export value had reached \$52.3 million, while volume amounted to 24,139 MT.

The United States was Costa Rica's main destination for orange juice exports in 2011 and 2012. Exports to the U.S. reached 16,662 MT in 2011, valued at \$37.3 million, and 16,614 MT valued at \$35.8 million during the period January-October 2012. Other important destinations include the Netherlands, China, Central America and the Caribbean.

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

Commodities:

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