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## **EU-28**

### **Citrus Semi-annual**

## **2015**

**Approved By:**

Rachel Bickford, Agricultural Attaché

**Prepared By:**

Carmen Valverde, Agricultural Specialist

**Report Highlights:**

For MY 2014/15 EU-28 citrus productions is projected to decline 4.2 percent than previously anticipated reaching 10.5 MMT, mainly due to 8 percent reduction on orange EU-28 production by the decrease in Spain and Italy of 10.3 and 19.8 percent respectively. EU-28 lemon production is revised up 2 percent from previous forecast as Spanish lemon production experienced a record level while EU-28 orange juice production has been revised down 10.8 percent compared to previous forecast as a consequence of an overall lower than anticipated commercial standards. Tangerine production remains stable with previous estimations. On May 27 2014, the Plant Health Standing Committee of the European Commission decided to increase the control measures on South African citrus imports into the EU resulting in decreased orange imports from South Africa by 11.5 percent in MY 2013/14. MY

2013/2014 EU 28 orange exports to Russia registered a decline of 22 percent as a consequence of the Russian ban since August 7, 2014. EU-28 orange exports showed in MY 2013/14 a spectacular growth increasing their presence in new markets such as Canada, Saudi Arabia, United Arab Emirates, Hong Kong, China, Singapore and Brazil. EU-28 exports of tangerines to the United States, mainly from Spain, decreased 13 percent in MY 2013/2014 reaching 40,568 MT. Instead in MY 2013/14, exports of lemons to Canada and the United States grew 496 and 255 percent respectively.

**Disclaimer:** This report presents the situation for citrus (orange juice, oranges, grapefruits, lemons, tangerines, mandarins and other citrus) in the EU-28. This report contains the views of the authors and does not reflect the official views of the U.S. Department of Agriculture (USDA). The data are not official USDA data.

This report was written with the contributions of the following Foreign Agricultural Service analysts:

Ornella Bettini FAS/Rome covering Italy

Dimosthenis Faniadis FAS/Rome covering Greece

Tania De Belder FAS/USEU Brussels

Carmen Valverde FAS/Madrid covering Spain and Portugal

**Abbreviations used in this report:**

CMO Common Market Organization

EC European Commission

EU European Union

FAS Foreign Agricultural Service

FCOJ Frozen Concentrated Orange Juice

GTA Global Trade Atlas

**HS Codes:** Harmonized System codes for commodity classification used to calculate trade data

Oranges 080510

Tangerines/Mandarins 080520

Lemons 080550

Grapefruit 080540

Orange Juice 200911, 200912, 200919

MS EU Member State(s)

MT Metric ton (1,000 kg)

TMT Thousand Metric Tons

MMT Million Metric Tons

MY Marketing year

Orange November/October

Tangerine November/October

Lemon November/October

Grapefruit November/October

Other Citrus November/October

Orange Juice November/October

## Oranges, Fresh

### Production

EU orange production is concentrated in the Mediterranean region. Spain and Italy represent nearly 80 percent of the EU's total production of oranges. The remaining 20 percent is distributed among other Member States (MS), such as Greece and Portugal. For MY 2014/15, the EU-wide orange crop has been revised down by 8 percent reaching 5.7 MMT driven by lower production mainly in Spain and Italy due to unfavorable weather conditions and plant health issues.

In **Spain**, last official estimations made by the Spanish Ministry of Agriculture, Environment and Food (MAGRAMA) in April 2015 for Spanish orange production is expected lower than previous year reaching 3.173 MMT or 10.3% less. Spanish orange production in MY 2014/15 has been revised down by 5 percent, representing 50 percent of the EU's oranges production. Together with this reduction, this campaign the fruit was of optimum quality which means that less amount of oranges will be available for processing.

Several years in a row of an economic crisis in the orange sector have caused many abandoned orange orchards in the Region of Valencia substituting it by more profitable productions such as persimmon and kiwi.

Producers try to cover the whole marketing year by growing very early and very late varieties, to extend the fruit availability. Oranges are grown with the objective of being consumed fresh and oranges of the *Navel* group are the most valued, especially *Navelina* and *Navelate*. *Valencia Late* variety is used to boost supply in the late part of the season. *Valencia late* varieties have a brighter color, and are more adequate for juice.

The main Spanish regions of orange production are the Region of Valencia, Andalusia and Region of Murcia. Valencia and Andalusia cover the 90 percent of the total Spanish orange production.

**Italy's** MY 2014/15 orange production has been revised down 19.8 percent than previously anticipated. Orange production is expected to drop by 24 percent compared to the previous campaign due to the lack of rain and the Citrus Tristeza Virus (CTV) that has infected approximately 32,000 hectares of orange groves in the provinces of Catania and Siracusa (Sicily). The *Tarocco* variety is expected to register a 40 percent drop. The quality peaked around March 20 both in terms of sugar content and color. 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 2014/15 orange production estimation remains stable. Orange production is expected to decrease by 12 percent compared to the previous year due to unfavorable weather conditions during winter. Therefore, fruit quality is not expected to be as good as last year. Peloponnese and Aitolokarnania (western Greece) are the main orange-producing areas. *Washington Navel*, *Commons*, *Valencia*, *Navelina*, and *New Hall* are the chief varieties grown in Greece.

In **Portugal** the MY2014/15 season has developed within the normal parameters. Production of 219,000 MT is expected to be 5percent higher than last year's level with good calibers and qualities.

**Table 1. Major EU Fresh Orange Production by Volume in MT**

Country	MY 2012/13	MY 2013/14	MY 2014/15
Spain	2,942,000	3,536,745	3,173,000
Italy	1,730,000	1,800,000	1,363,000
Greece	930,000	970,000	850,000
Portugal	206,000	208,000	219,000
Cyprus	82,000	92,000	107,000
<b>Total Production</b>	<b>5,890,000</b>	<b>6,607,745</b>	<b>5,712,000</b>

Source: FAS offices

## Consumption

Consumption of oranges in the EU is expected to decrease for MY 2014/15 compared to last estimation due to higher temperatures in overall Europe, reaching 5 MMT. Consumption per capita in producing countries has traditionally been over the EU average and are consumed fresh. **Spain's** MY 2014/15 orange consumption is expected to decline reaching 935,000 MT. Spain shows a level of domestic per capita consumption of about 20 kg. Due to lower supply and high quality crop, oranges for processing have been revised down by 18%, reaching 658,000 MT. Oranges are sold all year round due to its high demand by consumers, but in Spain around 80 percent of sales are concentrated in the months of November to May. In **Italy** most oranges are consumed fresh. Blood varieties (*Tarocco*, *Moro*, and *Sanguinello*) are used mainly for fresh consumption. Late varieties (*Ovale* and *Valencia*) are destined to both fresh market and processing industry. In **Greece** is expected to decrease driven by the lower production and the bigger quantities of fruit destined to the processing industry. Moreover, economic challenges affect consumer choice and purchase ability. **Portuguese** orange consumption is expected to remain steady.

## Trade

The EU is a net importer of oranges, with imports largely exceeding exports. Imports of oranges into the EU were 818,160 MT, valued at about US \$632 million in MY 2013/14 whereas the value of exports in MY 2013/14 was US \$271 million and 346,386 MT. Intra-EU trade plays a key role considering that oranges production is concentrated in the Mediterranean area. Other EU MS represent the main destination of the major EU producers. Projected EU trade in MY 2014/15 may remain stable.

The major supplier of oranges to the European market is South Africa, which supplies the market from June until October, when the Northern Hemisphere harvest starts, followed by Egypt and Morocco. On May 27, 2014, the Plant Health Standing Committee of the European Commission increased the control measures on South African citrus imports resulting in decreased orange imports from South Africa by 11.5 percent in MY 2013/14. Morocco imports have increased 37 percent ending as the third orange exporter to the EU, while imports of oranges from Argentina and Uruguay have declined 16 and 28 percent respectively.

Imports from the United States are showing a downward trend which reaches a decrease of 90 percent and only 20,000 MT in MY 2013/14.

The major EU export destinations are Switzerland, Serbia, and Russia. MY 2013/2014 EU 28 orange exports to Russia registered a decline of 22 percent as a consequence of the Russian ban since August 7, 2014 (See Policy Section). EU-28 orange exports, mainly from Spain, showed in MY 2013/14 a spectacular growth increasing their presence in new markets such as Canada, Saudi Arabia, United Arab Emirates, Hong Kong, China, Singapore and Brazil.

**Spain** is the major European orange producer and a net exporter of oranges within the EU-28 with 1,632,027 MT in MY 2013/2014, which means a reduction of 11 percent compared to the previous year. The main market is the EU-28, with 90 percent of their total exports of oranges. Exports to the United States were reduced to 0 MT in MY 2013/2014. Spain has reoriented their orange exports to new markets in MY 2013/14 such as Canada, Saudi Arabia, United Arab Emirates, Hong Kong, China, Singapore and Brazil.

Due to the Russian ban the EC introduced specific measures for citrus fruit, including oranges and mandarins on September 29, 2014 and on December 19, 2014 ([Regulation 1031/2014](#)). In Spain the total withdrawn of citrus fruits was 58,600 MT until December 2014 and 15,775 MT until June 2015. The total withdrawn then of Spanish citrus fruits due to the Russian embargo is 74,375 MT, 1.1 percent of total Spanish citrus production in MY 2013/2014.

<b>Reg 1031/2014, September 29, 2014 (from Sept 30 to Dec 31, 2014)</b>		
	<b>Total Assigned (MT)</b>	<b>Total Achieved (MT)</b>
<b>Total Citrus</b>	<b>60,286</b>	<b>58,600</b>
Fresh Citrus	35,176	33,600
Citrus For processing	25,110	25,000

Processed Orange	20,168	20,000
Processed Clementine	4,942	5,000

<b>Reg 1031/2014, December 19, 2014 (From Jan 1 to June 2, 2015)</b>		
	<b>Total Assigned (MT)</b>	<b>Total Achieved (MT)</b>
<b>Total Citrus</b>	<b>15,775</b>	<b>15,775</b>
Fresh Citrus	11,250	10,775
Citrus For processing	4,525	5,000
Processed Orange	0	0
Processed Clementine	4,525	5,000

**Italy's** MY 2013/14 orange imports decreased by 30 percent (155,642 MT) compared to previous year, mainly because of reduced volumes from Spain (-33 percent), the leading supplier to the Italian orange market, accounting for approximately 62 percent of total imports. In MY 2013/14, Italy exported 117,891 MT of oranges, mainly to Germany (35,469 MT), Switzerland (17,309 MT), Austria (12,968 MT), and France (10,787 MT).

**Table 2. EU-28 Imports of Oranges by Origin in MT**

<b>Country of Origin</b>	<b>MY 2011/2012</b>	<b>MY 2012/2013</b>	<b>MY 2013/2014</b>
South Africa	409,826	425,237	376,428
Egypt	141,031	179,579	180,682
Morocco	83,319	48,810	66,975
Argentina	62,949	49,383	41,589
Uruguay	45,271	53,823	38,821
Others	106,030	125,948	113,685
<b>Total Imports</b>	<b>848,426</b>	<b>882,780</b>	<b>818,180</b>

Source: Global Trade Atlas (GTA).

**Table 3. EU-28 Exports of Oranges by Destination in MT**

<b>Country of Destination</b>	<b>MY 2011/2012</b>	<b>MY 2012/2013</b>	<b>MY 2013/2014</b>
Switzerland	56,990	62,606	57,195
Serbia	34,905	42,080	42,755
Russia	32,008	37,580	29,133
Norway	29,141	31,042	26,766
Algeria	19,277	25,890	24,896
Canada	2,559	3,407	21,577

Others	104,509	120,228	144,064
<b>Total Exports</b>	<b>279,389</b>	<b>322,833</b>	<b>346,386</b>

Source: GTA

## Production, Supply and Demand Data Statistics

**Table 4. Oranges, Fresh Production, Supply and Demand**

Oranges, Fresh European Union	2012/2013		2013/2014		2014/2015	
	Market Year Begin: Oct 2012		Market Year Begin: Oct 2013		Market Year Begin: Oct 2014	
	USDA Official	New post	USDA Official	New post	USDA Official	New post
Area Planted	295,555	292,725	302,891	298,091	303,078	296,732
Area Harvested	273,708	274,907	284,742	281,670	283,002	276,404
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
Total No. Of Trees	0	0	0	0	0	0
Production	5,890	5,890	6,712	6,607	6,207	5,712
Imports	888	883	821	818	826	821
Total Supply	6,778	6,773	7,533	7,425	7,033	6,533
Exports	322	322	346	346	333	300
Fresh Dom. Consumption	5,387	5,382	5,757	5,592	5,386	5,061
For Processing	1,069	1,069	1,430	1,487	1,314	1,172
Total Distribution	6,778	6,773	7,533	7,425	7,033	6,533

HECTARES, 1000 TREES, 1000 MT

Source: FAS Offices

Please note: Area Planted and Harvested for MY 2012/13 and MY 2013/14 has been decreased compared to the 2014 Annual Report due to an update from Spain.

## Tangerines/Mandarins, Fresh

### Production

Total European tangerine production in MY2014/15 has been revised up 0.5 percent compared to previous estimation, reaching 3,121 thousand MT due mainly to a 2.5 percent higher estimation of tangerine production in Spain.

According to the Ministry of Agriculture, Spain's total tangerine/mandarin production decrease 1.2 percent compared to previous season, reaching 2.173 MMT in MY 2014/15. This is mostly due to the reduction in production of Satsuma by 36.5 percent and hybrids of mandarins by 4.3 percent. Grades and color are expected to be average. The main Spanish regions of tangerine/mandarin production are the Region of Valencia, Andalusia and Catalonia. Valencia covers the 75 percent of the total Spanish tangerine/mandarin production. The industry continues to expand the range of varieties used to cover more of the calendar spectrum. *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 2014/15 tangerine production is expected to decrease by approximately 15

percent compared to the previous campaign. Italy's MY 2014/15 clementine production is forecast to decrease by approximately 19 percent reaching 540,000 MT, while mandarin production is expected to increase by 9 percent (132,000 MT compared to 121,000 MT in 2013/14). 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 2014/15 tangerine production is expected to remain flat. 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.

In **Portugal** the MY2014/15 season has developed within the normal parameters. The Algarve is the most representative region with 80 percent of the total producing area. The production of tangerines is projected at the same levels of last year with normal calibers and quality.

**Table 5. Major EU Fresh Tangerine Production by Volume in MT**

Country	MY 2012/2013	MY 2013/2014	MY 2014/2015
Spain	1,871,000	2,199,000	2,173,000
Italy	792,000	789,000	672,000
Greece	134,000	148,000	148,000
Cyprus	95,000	81,000	89,000
Portugal	35,000	35,000	39,000
<b>Total Production</b>	<b>2,927,000</b>	<b>3,252,000</b>	<b>3,121,000</b>

Source: FAS Offices

## Consumption

Total EU-28 tangerines are mainly consumed fresh. MY 2014/2015 EU-28 fresh tangerine consumption is forecasted to stay flat. In **Spain** tangerines for processing are expected to slightly increase. In **Italy** most tangerines are consumed fresh. Italians consume large quantities of clementines and mandarins during winter holidays when the bulk of production hits the market.

## Trade

The major suppliers of tangerines to the European market are Morocco, South Africa and Peru that replaces Turkey in the third position. The stricter measures on South African citrus imports to EU market resulted in MY 2013/14 in increasing 63 percent the imports of tangerines from Morocco. Imports from the United States increased 1 percent in MY 2013/2014 compared to previous year, reaching 4,838 MT which were valued at US \$ 7.4 million. EU-28 imports of tangerines were 367,069 MT almost 16 percent more than previous year, valued at US \$459 million.

During MY 2013/2014 EU-28 exported 349,674 MT of tangerines valued at US \$364 million. MY 2013/2014 EU-28 tangerine exports to Russia registered a decline of 38.5 percent compared previous year as a consequence of the Russian ban since August 7, 2014, reaching 67,419 MT. EU-28 exports of tangerines to the United States decreased 13 percent in MY 2013/2014 reaching 40,568 MT.

In MY 2013/2014 the EU-28 returned being a net importer of tangerines in volume terms.

**Spain** is a net exporter of tangerines. In MY 2013/2014 Spain exported 1,583,156 MT. About 88 percent of Spain’s tangerine exports are going to EU-28. In MY 2013/2014 Spain exported to the United States 40,533 MT of tangerines, 13 percent less than previous year.

**Italy**’s MY 2013/14 tangerine imports reached 80,288 MT, a decrease of approximately 12 percent from MY 2012/13, mainly due to a reduced supply from Spain (-14 percent), the leading supplier to the Italian tangerine market, representing 85 percent of total imports. In MY 2013/14, Italy exported approximately 76,991 MT of tangerines, 14 percent less than previous year, mainly because of reduced volumes to Poland (-42 percent) and Romania (-27 percent), the leading destinations for Italian tangerines, accounting for 14 and 10 percent of total exports, respectively.

In MY 2013/14, **Greece** exported 83,505 MT of tangerines, mainly to Romania (25,575 MT) and Bulgaria (18,182 MT). Clementines are marketed from January to May. In MY 2013/14, Greece imported 3,490 MT of fresh tangerines mostly from Italy (1,379 MT) and Cyprus (945 MT).

**Table 6. EU-28 Imports of Tangerines by Origin in MT**

Country of Origin	MY 2011/2012	MY 2012/2013	MY 2013/2014
Morocco	80,361	64,055	104,445
South Africa	67,179	80,673	84,017
Peru	49,172	44,768	46,868
Turkey	45,501	36,853	46,805
Israel	42,652	40,633	41,377
Uruguay	19,833	15,913	16,831
Argentina	24,816	15,981	12,149
United States	3,700	4,791	4,838
Others	8,444	13,165	9,739
<b>Total Imports</b>	<b>341,658</b>	<b>316,832</b>	<b>367,069</b>

Source: GTA

**Table 7. EU-28 Exports of Tangerines by Destination in MT**

Country of Destination	MY 2011/2012	MY 2012/2013	MY 2013/2014
Russia	103,233	109,696	67,419
Ukraine	55,535	57,310	51,473
Switzerland	39,737	39,731	41,352
United States	47,559	46,839	40,568
Belarus	25,093	33,607	33,960
Norway	23,336	24,633	25,132
Serbia	19,536	21,593	19,646
Others	69,273	71,650	70,124
<b>Total Exports</b>	<b>383,302</b>	<b>404,519</b>	<b>349,674</b>

Source: GTA

## Production, Supply and Demand Data Statistics

**Table 8. Tangerines/Mandarins, Fresh Production, Supply and Demand**

Tangerines/Mandarins, Fresh European Union	2012/2013		2013/2014		2014/2015	
	Market Year Begin: Oct 2012		Market Year Begin: Oct 2013		Market Year Begin: Oct 2014	
	USDA Official	New post	USDA Official	New post	USDA Official	New post
Area Planted	165,653	162,353	166,744	161,644	166,791	161,407
Area Harvested	151,909	149,227	154,432	148,531	154,000	148,118
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
Total No. Of Trees	0	0	0	0	0	0
Production	2,928	2,927	3,192	3,252	3,103	3,121
Imports	317	317	367	367	372	349
Total Supply	3,245	3,244	3,559	3,619	3,475	3,470
Exports	398	404	350	350	324	300
Fresh Dom. Consumption	2,500	2,494	2,880	2,960	2,867	2,849
For Processing	347	347	329	309	284	321
Total Distribution	3,245	3,245	3,559	3,619	3,475	3,470

HECTARES, 1000 TREES, 1000 MT

Source: FAS Offices

Please note: Area Planted and Harvested for MY 2012/13 and MY 2013/14 has been decreased compared to the 2014 Annual Report due to an update from Spain.

## Lemons, Fresh

### Production

EU lemon production is expected to reach 1,561 thousand MT in MY 2014/15, 18.6 percent increase from the previous year driven by the increase in Spanish lemon production. Figures have been revised up 2 percent from previous estimations.

According to the Spanish Lemon and Grapefruit Association, AILIMPO, **Spain's** lemon production in MY 2014/15 is expected to be 10 percent higher than previously estimated resulting in an increase of 30

percent compared to previous year, reaching 1,065 thousand MT. Production of *Fino* variety is estimated at 800,000 MT while *Verna* is at 300,000 MT, with 35,000 MT of losses. This means therefore, that Spain’s lemon production faces a record in production mainly due to the performance made in previous years allowing the producer a good crop management (irrigation, fertilization, treatments ...) and so increasing the yield per hectare. In addition, a good flowering and fruit setting thanks to favorable weather conditions occurred. *Verna* campaign started the last week of April. Growing these two varieties allow for a year round lemon supply. In general and according to AILIMPO, it has been achieved to output all lemon production with profitable prices favored by the absence of stocks on Southern Hemisphere and the increase demand from the industry sector of lemons for processing. As occurred in the previous campaign, the good volumes being exported make for an optimal scenario for this year’s lemon crop in Spain regarding profitability for farmers and industry.

Lemon production in Spain is concentrated in three regions located in the southern Mediterranean area: Murcia, Region of Valencia and the Provinces of Malaga and Almeria in Andalusia. The dominant varieties in Spain are *Fino* which represents 70 percent of total production and is favored by the processing sector and *Verna*, a tender and juicy variety with few seeds, representing 30 percent of total production. There is an interest to replace *Fino* varieties by *Verna* varieties, representing in the short-term, 60 percent of total production for *Fino* varieties and 40 percent of total production for *Verna* varieties. With *Verna* variety there is higher profitability and less competition with Turkey.

**Italy’s** MY 2014/15 lemon production is expected to slightly decrease by 2 percent. Quality is expected to be good. 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 2014/15 lemon production is expected to remain steady. The main lemon-producing areas include the prefectures of Korinthos, Achaia, Piraeus, and Ilias, located in northern 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.

In **Portugal** the MY2014/15 season has developed within the normal parameters. The production of lemon is projected at the same level as last year with normal calibers and quality.

**Table 9. Major EU Fresh Lemons/Limes Production by Volume in MT**

Country	MY 2012/2013	MY 2013/2014	MY 2014/2015
Spain	684,000	818,000	1,065,000
Italy	411,000	412,000	404,000
Greece	55,500	55,500	55,000
Cyprus	15,000	17,000	24,000
Portugal	13,000	13,000	13,000
<b>Total Production</b>	<b>1,178,500</b>	<b>1,315,500</b>	<b>1,561,000</b>

Source: FAS Offices

## **Consumption**

EU-28 consumption is forecast to be around 1.3 MMT in MY2014/15 stable compared with the last years. The industry is also projected to process 22 percent higher lemons compared to previous year mainly due to the high increase expected in Spain. Lemons are primary used for fresh consumption. The lemon per capita consumption in the EU for 2014/15 is estimated at 2.7 kilos.

In **Spain** the demand of lemons destined for processing has increased 36 percent compared with previous campaign reaching 300,000 MT in MY 2014/2015. The major demand of lemons for processing is mainly due to a higher lemon production and international market conditions for processed lemon are favorable. The favorable conditions are due to increased global demand and a lower processed lemon production in Argentina in 2014 as a reduction of lemon crop caused by weather conditions. Spanish lemon industry is becoming a significant role as a regulator of the fresh lemon market.

## **Trade**

The EU-28 is a net importer of lemons, with imports exceeding exports. Imports into the EU reached 378,049 MT valued at US \$558 million in MY 2012/13, while the value of exports in MY 2013/14 was US \$131 million with 100,662 MT. Intra-EU trade is critical to the sector, taking into account the volume of lemons produced in the Mediterranean Member States and the demand in non-producer Member States. The main intra-EU importers are Germany, France, and the United Kingdom

The major supplier to the European market is Argentina, followed by Brazil, Turkey and South Africa. The main extra-EU destinations for European lemons are Russia and Switzerland. In MY 2013/14, exports of lemons to Canada, United States or Malaysia grew 496, 255 and 1067 percent respectively.

For MY 2013/14 exports of lemons to Russia increased 22 percent, meaning that the Russian ban did not affect to lemon sector.

**Spain** as the main European lemon producer, exported in MY 2013/14 a total volume of 622,204 MT, of which 90 percent was sent to other EU MS. New markets such as Canada or the United States showed an increase of 500 and 321 percent respectively.

In Spain, it has been implemented the Protocol Lemon Cert by AILIMPO. It provides lemon packing houses and exporters with a protocol to issue its own mark that implies compliance with a set of sector standards and requirements. The obtaining of the requisite certification to use the mark involves providing evidence of compliance with a series of standardized requirements in the reference protocol. The contract approved by the Spanish Ministry of Agriculture and AILIMPO. The Spanish Ministry Agriculture endorses the Protocol and its associated Quality Label.

**Table 10. EU-28 Imports of Lemons/Limes by Origin in MT**

Country of Origin	MY 2011/12	MY 2012/13	MY 2013/14
Argentina	170,310	182,028	189,056
Turkey	108,055	102,004	80,048
Brazil	56,106	61,528	60,931
Mexico	27,290	35,165	40,573
South Africa	44,342	42,132	28,540
Others	20,773	21,602	22,777
<b>Total Imports</b>	<b>427,376</b>	<b>444,458</b>	<b>421,925</b>

Source: GTA

**Table 11. EU-28 Exports of Lemons/Limes by Destination in MT**

Country of Destination	MY 2011/12	MY 2012/13	MY 2013/14
Russia	21,479	32,265	22,730
Switzerland	14,346	14,882	15,380
Ukraine	4,690	11,305	7,599
Norway	3,740	4,315	4,985
Belarus	2,017	3,283	4,698
Bosnia& Herzegovina	2,500	3,351	3,452
Serbia	1,709	3,204	2,946
Others	10,166	18,196	14,740
<b>Total Exports</b>	<b>60,647</b>	<b>90,801</b>	<b>76,530</b>

Source: GTA

## Production, Supply and Demand Data Statistics

**Table 12. Lemons, Fresh Production, Supply and Demand**

Lemons/Limes, Fresh European Union	2012/2013		2013/2014		2014/2015	
	Market Year Begin: Oct 2012		Market Year Begin: Oct 2013		Market Year Begin: Oct 2014	
	USDA Official	New post	USDA Official	New post	USDA Official	New post
Area Planted	71,387	73,819	72,492	73,724	75,507	72,446
Area Harvested	65,423	66,220	66,222	66,542	68,351	65,684
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
Total No. Of Trees	0	0	0	0	0	0
Production	1,178	1,179	1,316	1,316	1,528	1,561
Imports	426	423	368	378	326	326

<b>Total Supply</b>	1,604	1,602	1,684	1,694	1,854	1,887
<b>Exports</b>	77	77	101	101	107	134
<b>Fresh Dom. Consumption</b>	1,337	1,333	1,280	1,281	1,426	1,373
<b>For Processing</b>	190	192	303	312	321	380
<b>Total Distribution</b>	1,604	1,602	1,684	1,694	1,854	1,887
HECTARES, 1000 TREES, 1000 MT						

Source: FAS Offices

Please note: Area Planted and Harvested for MY 2012/13 and MY 2013/14 has been revised due to an update from Spain.

## Grapefruit, Fresh

### Production

Overall EU grapefruit production is projected to grow 1.7 percent reaching 114,000 MT in MY 2014/15, 13 percent lower than previous estimation due to Spain has been revised down 23.6 percent than previous estimation.

**Spain's** grapefruit production is projected to remain stable in Spain in MY 2014/15 with 55,000 MT.

Spain's grapefruit production is found in the region of Murcia (60 percent), Andalusia (25 percent) and region of Valencia (12percent). The main variety planted is Ruby Red. This is a very small market for Spain and indeed for the EU, as most of consumption is supplied by imports.

**Cyprus**, the second largest EU-28 grapefruit producer, is regarded as amongst the best worldwide.

White Marsh Seedless, mostly grown in the Limassol area, is the major grapefruit variety grown in Cyprus. New plantations have been established in the district of Paphos where the Red varieties (Star Ruby, Red Blush, and Rio Red) were introduced to meet the increased market demand.

Grapefruit production in **Italy** and **Greece** is stable.

**Table 13. Major EU Fresh Grapefruit Production by Volume in MT**

<b>Country</b>	<b>MY 2012/13</b>	<b>MY 2013/14</b>	<b>MY 2014/15</b>
Spain	57,000	54,000	55,000
Cyprus	39,000	45,000	46,000
Italy	7,500	7,500	7,000
Greece	6,000	6,000	6,000
Portugal	200	210	208
<b>Total Production</b>	<b>109,700</b>	<b>112,710</b>	<b>114,208</b>

Source: FAS Offices

### Consumption

EU-28 consumption of fresh grapefruit is forecast to remain stable at around 434,000 MT in 2014/15. The Spanish industry believes there is the potential for growth in the consumption of grapefruit as the

majority of people still do not consume grapefruit. Cypriot grapefruits are both consumed fresh and channeled to food and beverage manufacturers.

## Trade

The EU is a net importer of grapefruits. The EU imports grapefruit from third countries, as domestic supply is currently enough to supply a quarter of internal demand. Imports for MY 2013/14 were valued at US\$ 322 million while exports were US\$ 20 million. The largest importers within the EU are France, the Netherlands, Germany and Belgium. The major sources for imported grapefruit in MY 2013/14 were China, Turkey and South Africa. Imports from China and Turkey increased 44 percent and 67 respectively while imports from South Africa declined 20 percent. The imports from the United States grew 3 percent were and valued at US\$ 46 million. Regarding the exports, the main destinations for EU-28 grapefruit are Russia, Belarus and Switzerland.

**Table 14. EU-28 Imports of Grapefruit by Origin in MT**

Country of Origin	MY 2011/12	MY 2012/13	MY 2013/14
China	61,849	63,570	91,415
Turkey	82,797	52,756	88,222
South Africa	76,479	103,610	83,752
United States	46,000	40,676	41,847
Israel	44,762	47,044	40,946
Others	28,732	28,801	17,776
<b>Total Imports</b>	<b>340,619</b>	<b>336,457</b>	<b>363,958</b>

Source: GTA

**Table 15. EU-28 Exports of Grapefruit by Destination in MT**

Country of Destination	MY 2011/12	MY 2012/13	MY 2013/14
Russia	7,380	5,638	5,489
Belarus	2,107	3,216	4,357
Switzerland	1,881	2,299	2,8016
Others	6,795	9,182	6,737
<b>Total Exports</b>	<b>18,163</b>	<b>20,335</b>	<b>19,384</b>

Source: GTA

## Production, Supply and Demand Data Statistics:

**Table 16. Grapefruit, Fresh Production, Supply and Demand**

Grapefruit, Fresh European Union	2012/2013		2013/2014		2014/2015	
	Market Year Begin: Oct 2012		Market Year Begin: Oct 2013		Market Year Begin: Oct 2014	
	USDA Official	New post	USDA Official	New post	USDA Official	New post
Area Planted	2,720	3,264	2,747	3,228	2,747	3,147

<b>Area Harvested</b>	2,531	2,934	2,586	2,938	2,616	2,849
<b>Bearing Trees</b>	0	0	0	0	0	0
<b>Non-Bearing Trees</b>	0	0	0	0	0	0
<b>Total No. Of Trees</b>	0	0	0	0	0	0
<b>Production</b>	109	110	113	112	131	114
<b>Imports</b>	337	337	364	364	357	360
<b>Total Supply</b>	446	447	477	476	488	474
<b>Exports</b>	21	21	19	19	23	20
<b>Fresh Dom. Consumption</b>	407	408	432	431	436	434
<b>For Processing</b>	18	18	26	26	29	21
<b>Total Distribution</b>	446	447	477	476	488	475
HECTARES, 1000 TREES, 1000 MT						

Source: FAS Offices

*Please note: Area Planted and Harvested for MY 2012/13 and MY 2013/14 has been increased compared to the 2014 Annual Report due to an update from Spain.*

## Orange Juice

### Production

The volume of oranges dedicated for processing depends on the quantity and quality of orange production. EU-28 orange juice production has been revised down 10.8 percent compared to previous forecast as a consequence of an overall lower than anticipated commercial standards due to lower orange juice production in MY 2014/15 with 90,817 MT (Brix 65). This production is in line with the reduction expected deliveries of oranges to be processed by the industry. The European citrus sector is strongly orientated towards the fresh produce market. Margins are better for fresh fruit intended for fresh consumption for both domestic and export demand. Processing is a buffer for production surpluses and fruit that does not meet commercial standards.

### 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, the European consumption is projected to be stable. The preferred packaging type by European consumers is the carton. The convenience of orange juice is reflected in its better adaptation to modern consumption habits than whole fresh oranges.

### Trade

In MY 2013/14 EU-28 imports have decreased by 11 percent. Brazil continues to be the main supplier of orange juice to the EU with around 85 percent of total imports. In MY 2013/14 the EU-28 imported

52,064 MT from the United States as the second supplier to the EU-28. EU-28 exports have increased by 7 percent in MY 2013/14 with main export destinations to be Switzerland and Saudi Arabia.

**Table 17. EU-28 Imports of Orange Juice by Origin in MT (Brix 65)**

Country of Origin	MY 2011/12	MY 2012/13	MY 2013/14
Brazil	597,328	562,447	475,593
United States	23,733	11,024	52,064
South Africa	5,497	10,193	11,849
Mexico	25,218	31,267	28,129
Switzerland	848	13,021	16,785
Others	41,937	37,260	5,580
<b>Total Imports</b>	<b>694,863</b>	<b>665,211</b>	<b>590,000</b>

Source: GTA

**Table 18. EU-28 Exports of Orange Juice by Destination in MT (Brix 65)**

Country of Destination	MY 2011/12	MY 2012/13	MY 2013/14
Saudi Arabia	7,818	5,216	7,003
Switzerland	5,792	6,029	5,622
Algeria	5,592	6,710	5,445
Others	35,447	35,745	39,361
<b>Total Exports</b>	<b>54,649</b>	<b>53,700</b>	<b>57,432</b>

Source: GTA

## Production, Supply and Demand Data Statistics

**Table 19. Orange Juice Production, Supply and Demand (Brix 65)**

Orange Juice European Union	2012/2013		2013/2014		2014/2015	
	Market Year Begin: Oct 2012		Market Year Begin: Oct 2013		Market Year Begin: Oct 2014	
	USDA Official	New post	USDA Official	New post	USDA Official	New post
<b>Deliv. To Processors</b>	1,068,800	1,068,800	1,373,500	1,487,300	1,313,820	1,171,500
<b>Beginning Stocks</b>	15,000	15,000	15,000	15,000	15,000	15,000
<b>Production</b>	82,856	82,856	110,880	115,298	101,850	90,817
<b>Imports</b>	687,207	665,211	590,000	590,000	600,000	610,000
<b>Total Supply</b>	785,063	763,067	715,880	720,298	716,850	715,817
<b>Exports</b>	55,442	53,700	59,186	57,432	57,000	57,000
<b>Domestic Consumption</b>	714,621	694,367	641,694	647,866	644,850	643,817
<b>Ending Stocks</b>	15,000	15,000	15,000	15,000	15,000	15,000
<b>Total Distribution</b>	785,063	763,067	715,880	720,298	716,850	715,817

MT

Source: FAS Offices

## Policy Section

### 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](#)).

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, PO must submit an operational program financed through an operational fund. The EU's financial contribution is paid directly into the POs operational fund. The calculation of the estimated amount of operational fund is based on the operational program and the value of marketed production. Operational programs are approved under the new regulation as of January 20, 2014.

[Commission Delegated Regulation \(EU\) No 499/2014](#), amending the implementing rules for the fresh and processed fruit and vegetables sectors ([Commission implementing Regulation \(EU\) No 543/2011](#)), 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.

### **EU Marketing Standards for Fruits and Vegetables**

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: for citrus fruit can be found in Part 2 of that same section (p.111).

### **Certification of Fruit Shipments**

Plant products need a phytosanitary certificate to be exported to the EU. Phytosanitary certificates issued by an 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 plant and plant product pests and to prevent their spread.

[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](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.

**Note: South African Citrus Imports Restarted** – [Commission Implementing Decision 2014/422/EU](#) lays down measures for tighter checks on South African citrus fruit imports to prevent the spread of Citrus Black Spot (CBS), applying since July 24, 2014. This is a highly contagious fungal disease found in several imports last year, but is currently absent in the EU. The restriction has been lifted, after South Africa started the process of lodging a complaint with the WTO.

EU officials said South African citrus growers had themselves decided to stop citrus exports to EU near the end of last year's season, because too many CBS-infected fruits bound for export were being discovered. The volume of exports had dropped slightly but the monetary valued had increased by about nine percent because of higher prices in Europe.

After the citrus industry had stopped exporting from CBS affected areas, it improved its system for weeding out CBS-infected fruit. A team from the EU's Food and Veterinary Office recently concluded that South Africa's measures complied with EU legislation. Since there was no risk of infection, the measures could be lifted.

Exports had already begun again at the start of the 2015 season. More than 34 percent of South Africa's citrus is exported to the EU and 40 percent of all citrus consumed in the EU in winter was imported from South Africa.

### **New CAP School Scheme**

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. The EU funds, to be matched by national and private funds, for the 2014/15 SFS increased from \$115 million (€90 m) to \$191 million (€150 m), which was agreed in the context of the CAP 2020 reform and allocated to the participating Member States (MS). For the first time, these funds are also be used to accompany educational measures, such as school gardens and nutritional lectures.

On January 30, 2014, the Commission presented a proposal to bring the SFS and the "School Milk Scheme" together under a joint framework to promote healthier lifestyles and fight obesity among school children.

On May 27, 2015, a majority of Members of the European Parliament (MEPs) backed the Commission's proposals for the EU merged fruit and milk scheme in schools, in order to promote healthier eating habits among young people. Further discussions with the EU Parliament and Council are ongoing with a view to adopt at the end of June 2015. The reformed "school scheme" is expected to take effect in 2016. For more information: [http://ec.europa.eu/agriculture/school-scheme/legislative-proposal/index\\_en.htm](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.

### **Maximum Residue Level 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 International [MRL database](#) developed by USDA for MRLs worldwide.

### **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 2015 are published in [Commission Implementing Regulation 1101/2014](#). 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.

### **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. The CMO rules (see Regulation 1308/2013 in part I) provide various market management tools to stabilize markets and 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 program of \$208.5 million (€165 million) to withdraw surplus volumes from the market for four product categories until the end 2014. [Regulation 1371/2014](#) laid down additional emergency market measures for perishable fruit & vegetables until the end of June

2015. The scheme provided support for citrus fruit for in specific Member States , in this case Spain (15 775 tonnes) and Cyprus (1 750 tonnes).

EU agri-food products exports to Russia decreased by 28 percent over the August-December 2014 period. However, total agri-food products exports to third countries increased by 2.3 percent in value during the same period, which means that European farmers succeeded in finding alternative markets for agri-food products. The alternative markets include the United States, China, Switzerland and other key Asian markets such as Hong Kong and South Korea. Export losses for fruits and vegetables were partially offset by an increase in exports of fruits and vegetable preparations (+12 percent), in particular apple juice.

In February 2015, the Commission reported that EU agri-food exports to third countries had increased by 6 percent compared to February 2014 as a result of increased exports to the US and China, and partially also due the weakening of the Euro against other currencies.

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

**Commodities:**

Select