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## **EU-28**

### **Citrus Semi-annual**

## **Rebound in EU Production Expected to Lower EU Citrus Imports**

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**Report Highlights:**

MY 2018/19 EU citrus production is projected to reach 11.6 MMT, an eight percent rise compared to previous year and consistent with previous estimates. The regional increase is due to an expected rebound in Spanish production, the EU's main citrus producer. Favorable weather conditions facilitated good flowering and fruit setting. Spain expects a 14.6 percent increase in citrus production from the previous year at 7.3 MMT and 0.4 percent higher than previous estimates. In February 2019, Spanish growers protested against the European Commission as the rise in EU imports of South African citrus lowered EU prices. However, the rebound of EU citrus production may result in a reduction in EU citrus imports. Strategic markets destinations for EU citrus exports continue to be Canada, the Middle East and China. In addition, in MY 2017/18 EU imports of U.S. grapefruit and orange juice declined due to a decrease in U.S. production.

**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 \$A 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/Tangerines 080520, 080521, 080522, 080529  
Lemons 080550  
Grapefruits 080540  
Orange Juice 200911, 200912, 200919

**MY Marketing year:**

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

**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  
HA Hectares  
GTA Global Trade Atlas  
MY Marketing Year  
MS EU Member State  
MT Metric ton (1,000 kg)  
MMT Million Metric Tons  
PS&D Production, Supply and Demand  
\$ U.S. Dollar

## Executive Summary

EU citrus production is concentrated in the Mediterranean region. Spain and Italy represent the leading EU citrus producers, followed by Greece, Portugal, and Cyprus. For MY (October/September) 2018/19, Post expects overall citrus production to grow mainly in Spain due to favorable weather conditions. The quality of the fruit is forecast to be excellent and EU domestic consumption of citrus may stay flat in MY 2018/19.

For MY 2018/19, EU orange production is forecast at 6.5 MMT, 4 percent higher than MY 2017/18 due to expected growths in Spain and Portugal and in line with previous estimation. Correspondingly, orange juice production in the EU is forecast to rise 9 percent to 106,120 MT, as more oranges are available for processing. MY 2018/19 EU-28 tangerine production is forecast to rise almost 17 percent to 3.4 MMT, supported by expected growth in the main producing areas of Spain and Italy. Despite production growth, over the last eight years, total EU planted area for orange has shrunk almost 12 percent and tangerine 9 percent. This signals that farms are increasing productivity and performance.

Similarly, MY 2018/19 EU lemon production is forecast to grow by about 10 percent to 1.6 MMT. EU grapefruit production is also forecast to grow 2.8 percent to 110,000 MT, due to the expected strong rise in Spanish, EU's major lemon and grapefruit producer. Total EU lemon and grapefruit area planted continues to expand by 4.5 and 1 percent respectively since 2011.

Despite the fact that the Spanish and Italian citrus production is primarily exported to other EU countries, the EU is a net importer of citrus. Major non-EU citrus suppliers are South Africa, North Africa and South America. Due to the rise of EU's citrus imports from third countries, in February 2019, the Spanish Young Farmers Association organized the "[Orange Vests](#)" protest at the headquarters of the European Commission in Madrid. Spanish citrus producers maintain that the growing EU citrus imports from South Africa and other North African suppliers has lower prices in the European market to the detriment of the Spanish sector. For MY 2018/19, as a result of the rebound in EU citrus production, EU imports of citrus are expected to lower.

EU citrus export destinations are mainly Switzerland, Norway, and Canada, with a recent significant rise in exports to China. EU citrus exports are expected to rise and continue their upward trend in strategic markets such as Canada, Middle East and China. In addition, in late May 2019, Portugal signed a protocol with China in order to harmonize procedures and open the Chinese market for several fruit sectors, among them oranges from Algarve.

## Commodities

### I. ORANGES

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

Oranges, Fresh Market Begin Year European Union	2016/2017		2017/2018		2018/2019	
	Oct 2016		Oct 2017		Oct 2018	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
<b>Area Planted</b>	284,590	284,590	283,543	282,921	283,925	280,549
<b>Area Harvested</b>	269,568	269,568	266,912	264,071	266,598	260,289
<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>	6,739	6,739	6,269	6,269	6,512	6,525
<b>Imports</b>	995	995	1,043	1,084	1,050	1,050
<b>Total Supply</b>	7,734	7,734	7,312	7,353	7,562	7,575
<b>Exports</b>	293	293	324	318	325	325
<b>Fresh Dom. Consumption</b>	5,950	5,950	5,735	5,781	5,874	5,887
<b>For Processing</b>	1,491	1,491	1,253	1,254	1,363	1,363
<b>Total Distribution</b>	7,734	7,734	7,312	7,353	7,562	7,575

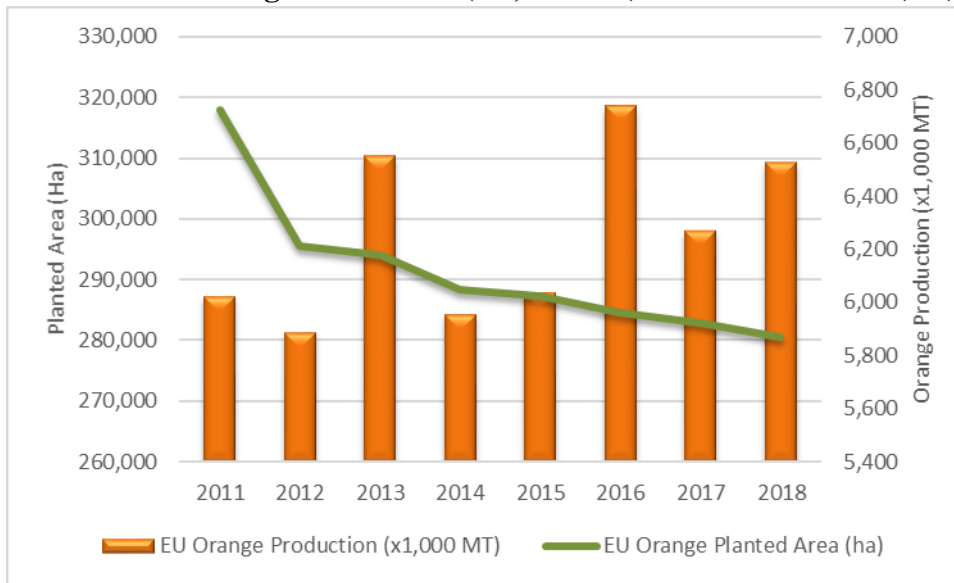
(HECTARES) ,(1000 TREES) ,(1000 MT)

Sources: FAS Madrid

### PRODUCTION

EU orange production is concentrated in the Mediterranean region. Spain and Italy represent 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 2018/19 (October/September), EU orange production is forecast at 6.5 MMT, in line with the previous estimation, and 4 percent higher than MY 2017/18. The larger production expected mainly in Spain and Portugal is due to favorable weather conditions ensuring good flowering. A rainy spring and mild summer also facilitated good fruit setting (See Chart 1).

**Chart 1. EU Orange Production (x 1,000 MT) and Planted Area (Ha)**

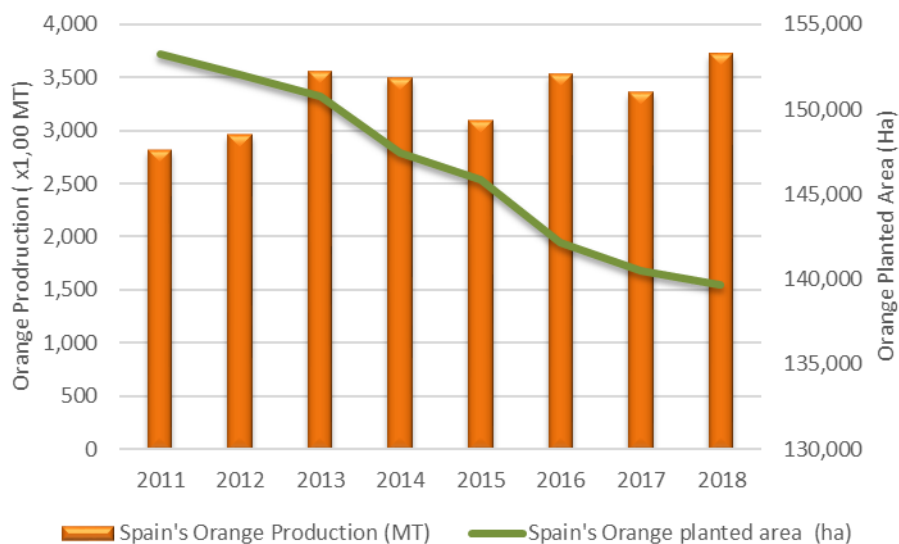


Source: FAS Madrid

Spain is the primary orange producer in the EU. According to industry sources, Spain’s MY 2018/19 orange production is forecast at 3.7 MMT, 10.7 percent rise compared to the previous season and remaining stable compared to the previous estimates. The growth in Spanish orange production is due to favorable conditions resulting in good fruit setting, despite the continuous reduction of the Spanish citrus area.

In the last eight years, Spain has reduced its orange planted area by almost nine percent. In 2018, Spanish planted area for oranges stood at 139,878 ha, the highest orange planted area in the EU. It is worth noting that after several consecutive years of economic slowdown led citrus farmers to leave orange production for more profitable products such as persimmons and avocado. Nevertheless, Spanish orange farms’ productivity and performance have kept Spain as the top orange producer and exporter in the EU (see Chart 2). According to Italian industry sources, orange planted area in Italy is also declining.

**Chart 2. Spain's Orange Production (x 1,000 MT) and Orange Planted Area (Ha)**



Source: FAS Madrid

Spanish fruit quality and size are expected to be good due to late rains during the fall season. Accounting for approximately 90 percent of the Spanish orange production, Valencia and Andalusia are Spain's major orange producing regions. Spanish producers try to supply the market throughout the whole marketing year by growing both *early* and *late* varieties to extend the fruit availability. *Naveline*, *Navel*, *Navelate*, *Salustiane*, *Valencia* and *Sanguinello* are the leading orange varieties grown in Spain.

Italy is the second largest European orange producer after Spain. Sicily and Calabria are the main orange-producing areas, accounting for approximately 63 and 19 percent of total production, respectively. *Tarocco*, *Moro*, *Sanguinello*, *Naveline*, and *Valencia* are the leading orange varieties grown in the country. Italy's MY 2018/19 orange production is expected to drop 7.5 percent to 1.5 million MT. Summer rains and major flooding in Sicily during October and November accounted for the drop. However, fruit quality is forecast to be excellent.

Greece's MY 2018/19 orange production is expected to decrease 4.2 percent compared to the previous year due to unfavorable weather conditions during fruit setting, and drought that decreased yields. 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.

Over the last decade, Portugal has increased its orange production with more efficient and irrigated citrus farms. Orange production in Portugal is mainly located in Algarve, the southern region.

Portuguese production is expected to increase by 15 percent compared to previous period due to favorable weather conditions, in line with the previous estimation.

On late May 2019, Portugal signed a protocol with China in order to harmonize and streamline export procedures. Portuguese Ministry of Agriculture, Forestry and Rural Development is now working in several fruit sectors, among them oranges from Algarve. According to this ministry, negotiations are already well advanced; a Chinese expert mission is expected to visit Portugal in August 2019. The Portuguese Administration has identified increasing Portuguese food products to non-EU countries as one of its priorities (see GAIN Report SP1928).

**Table 2. EU Fresh Orange Production by Country and Year (MT)**

Country	MY 2016/17	MY 2017/18	MY 2018/19
Spain	3,654,800	3,368,700	3,731,000
Italy	1,915,000	1,621,000	1,500,000
Greece	877,478	960,925	920,000
Portugal	266,000	299,000	344,000
Cyprus	26,450	20,170	29,980
<b>Total Production</b>	<b>6,739,728</b>	<b>6,269,795</b>	<b>6,524,980</b>

Source: FAS Madrid

## CONSUMPTION

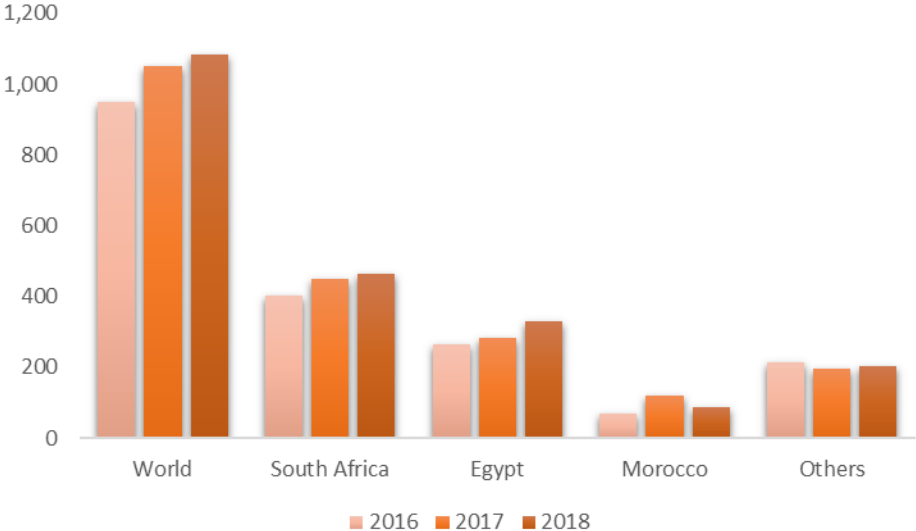
In the EU oranges are mainly consumed fresh. Late varieties are destined to both the processing and fresh markets. Due to an increase in production, fresh and processed consumption may rise in MY 2018/19. Spain's per capita orange consumption is estimated at approximately 20 kg, continuing its downward trend of recent years. In Spain, most oranges are consumed fresh, especially *Navelina* and *Navelate* varieties. *Valencia Late* varieties are predominantly used for processing. In Italy, blood varieties (*Tarocco*, *Moro*, and *Sanguinello*) are used primarily for fresh consumption. Late varieties (*Ovale* and *Valencia*) are destined to both the processing and fresh markets. Greece's orange consumption is expected to lower due to an expected decrease in production.

EU oranges for processing are expected to grow 8.7 percent compared to previous period because of the increase in orange production, mainly in Spain. Spain is the major orange processor in the EU, and around 20 percent of Spanish orange production are used for processing.

## TRADE

The EU is a net importer of oranges. During MY 2017/18, following a significant decline in EU orange production, the EU imported 1,084,558 MT of oranges. This import volume was three percent higher compared to the previous season and valued at \$798 million (see Chart 3). South Africa and Egypt continued to be the leading suppliers to the EU market. Other important suppliers are Morocco, which experienced a 22 percent drop, and Argentina. EU orange imports from Egypt continue on an upward trend. Most of these non-EU oranges are entering through Netherlands, Portugal, and the United Kingdom. EU orange imports in MY 2018/19 are likely to decrease due to the expected increase in EU orange production.

**Chart 3. MY EU Imports of Oranges by Origin (x 1,000 MT)**



Source: GTA

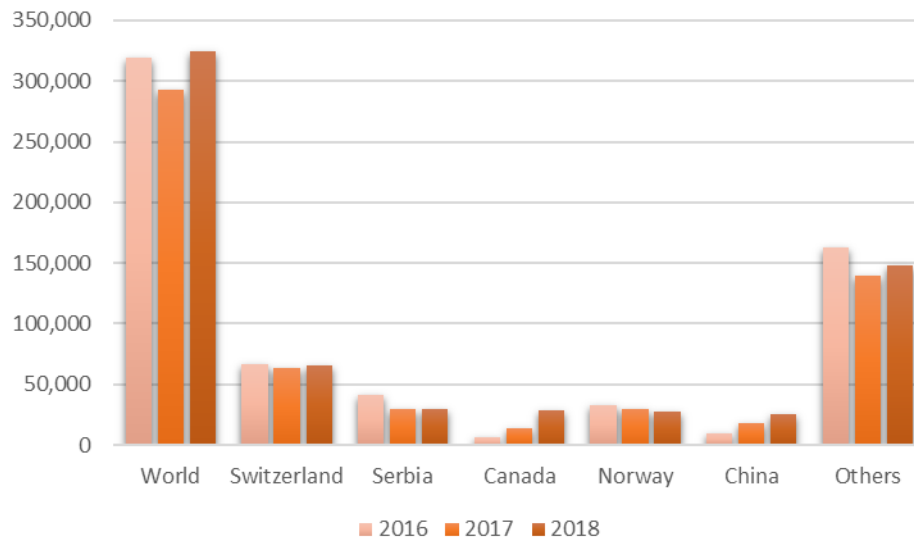
Spain is the major citrus supplier to the EU. Spain’s orange exports are 90 percent destined to other EU markets and 10 percent to non-EU countries. Due to the rise of EU’s orange imports from third countries, on February 19, 2019, ASAJA, the Spanish Young Farmers Association, organized a protest at the headquarters of the European Commission in Madrid. The protesters demanded the EU enforce tariffs on South African citrus entering the European market. Spanish citrus producers maintain that the growing influx of citrus imports from South Africa and other African suppliers has lower prices in the European market to the detriment of their sector. Another similar protest took place on February 25. The Spanish Ministry of Agriculture has taken steps to address their concerns but has also encouraged the sector to “get better organized” in order to improve their margins ([see GAIN Report](#)).

During MY 2017/18, the volume of EU orange exports rose 11 percent to 324,694 MT and valued at \$290 million. Main export destinations are Switzerland, Canada, Serbia, Norway, and China (see Chart 4). In MY 2017/18, EU orange exports to Canada and China jumped 120 and 40 percent respectively, mainly exported by Spain.



On August 7, 2014, the Russian government banned a range of agricultural and food products, including fresh citrus, from the United States, the EU, Canada, Australia, and Norway (see Policy Section). This resulted in a total loss of \$35 million in EU orange exports to Russia since 2013. To compensate for the loss of the Russian market, the EU has reoriented their orange exports to new markets such as Canada, China, and Middle East. In MY 2018/19, EU orange exports are forecast to grow due to the expected larger EU orange supplies.

**Chart 4. MY EU Exports of Oranges by Destination (MT)**



Source: GTA

Spain is the major European orange producer and exporter of oranges within the EU, exporting a total 1.5 MMT in MY 2017/18. The main market is the EU, with 90 percent of their total exports of oranges. Over the last five years, exports of Spanish oranges to China have experienced significant increases due to higher citrus demand in the Asian country. Similarly, Spanish exports of oranges to Canada continue on an upward trend and this trend is expected to continue in MY 2018/19. Given the expected increase in Spanish orange production during MY 2018/19, Spanish orange exports may also grow in the next marketing year.

## **Orange Juice**

**Table 3: Production, Supply, and Demand (Brix 65)**

Orange Juice Market Begin Year	2016/2017		2017/2018		2018/2019	
	Oct 2016		Oct 2017		Oct 2018	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
European Union						
Deliv. To Processors	1,491,000	1,491,000	1,253,000	1,254,000	1,363,000	1,363,000
Beginning Stocks	15,000	15,000	15,000	15,000	15,000	15,000
Production	115,585	115,585	97,135	97,213	106,120	106,120
Imports	688,432	688,432	699,063	695,499	690,000	690,000
Total Supply	819,017	819,017	811,198	807,712	811,120	811,120
Exports	63,063	63,065	55,494	55,494	60,000	60,000
Domestic Consumption	740,954	740,952	740,704	737,218	736,120	736,120
Ending Stocks	15,000	15,000	15,000	15,000	15,000	15,000
Total Distribution	819,017	819,017	811,198	807,712	811,120	811,120
(MT)						

Source: FAS Madrid

**PRODUCTION**

For MY 2018/19, EU orange juice production is forecast at 106,120 MT, a rise of 9 percent compared to the previous year and in line with the previous estimation. As Spain is the leading orange juice processor in the EU, higher Spanish orange production will lead to increased processing. The total volume of oranges channeled to processing depends on the crop quality and quantity of oranges destined for the fresh markets at home and abroad.

**CONSUMPTION**

While orange juice is the most popular juice within the EU, it competes with other non-alcoholic drinks and other fruit juices. In recent years, such competition has effectively reduced consumption of orange juice in the EU. In MY 2018/19, EU orange juice consumption is forecast to continue on this downward trend. Fourteen countries within the EU, including Spain, are developing a promotional season called “*Fruit Juice Matters*” ([www.fruitjuicematters.eu](http://www.fruitjuicematters.eu)) to improve consumer perception and encourage fruit juice consumption.

**TRADE**

The EU is a net importer of orange juice. During MY 2017/18, the EU imported 695,499 MT of orange juice, valued at \$1.4 billion. Brazil is the leading supplier to the EU market, representing nearly 90 percent of total imports, followed by Mexico, Egypt, South Africa and the United States (see Table 4). In MY 2017/18, the volume of EU imports of U.S. orange juice dropped 66 percent compared to the previous year, valued at almost \$9 million dollars. The drop is mainly due to the lack of U.S. orange juice production in MY 2017/18.

For MY 2018/19, Post expects EU imports of orange juice to lower as a result of the expected rise in EU orange juice production.

**Table 4: EU Imports of Orange Juice by Origin in MT (Brix 65)**

Country of Origin	MY 2015/16	MY 2016/17	MY 2017/18
Brazil	699,697	595,773	625,389
Mexico	21,549	35,509	22,918
Egypt	2,641	5,304	7,767
South Africa	12,077	6,661	5,375
United States	17,207	15,496	5,203
Others	24,857	29,687	28,844
<b>Total Imports</b>	<b>778,030</b>	<b>688,432</b>	<b>695,499</b>

Source: GTA

In MY 2017/18, the EU exported 55,494 MT of orange juice, valued at \$150 million. Main export destinations are Saudi Arabia, Japan, China, and Russia (see Table 5). EU orange juice exports to China have been on an upward trend over the last three years. In addition, in MY 2017/18 EU orange juice exports to the United States reached 2,008 MT and were valued at \$6 million. In MY 2018/19 EU orange juice exports are expected to increase with the rise in the EU orange production.

**Table 5: EU Exports of Orange Juice by Destination in MT (Brix 65)**

Country of Destination	MY 2015/16	MY 2016/17	MY 2017/18
Saudi Arabia	6,527	5,981	5,877

Japan	5,781	5,351	5,795
China	2,228	3,263	5,522
South Korea	3,009	4,102	3,877
Russia	2,628	5,058	3,719
Switzerland	3,513	4,057	2,969
Others	25,272	31,944	25,374
<b>Total Exports</b>	<b>52,065</b>	<b>63,075</b>	<b>55,494</b>

Source: GTA

## Tangerines/Mandarins

**Table 6: Production, Supply, and Demand (MT)**

Tangerines/Mandarins, Fresh Market Begin Year	2016/2017		2017/2018		2018/2019	
	Oct 2016		Oct 2017		Oct 2018	
European Union	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	156,647	156,647	155,491	155,506	154,953	154,987
Area Harvested	143,885	143,885	142,881	142,129	143,142	142,760
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	3,421	3,421	2,939	2,942	3,416	3,438
Imports	452	452	481	483	480	480
Total Supply	3,873	3,873	3,420	3,425	3,896	3,918
Exports	236	236	216	217	235	235
Fresh Dom. Consumption	3,265	3,265	2,892	2,893	3,306	3,328
For Processing	372	372	312	311	355	355
Total Distribution	3,873	3,873	3,420	3,425	3,896	3,918

(HECTARES) ,(1000 TREES) ,(1000 MT)

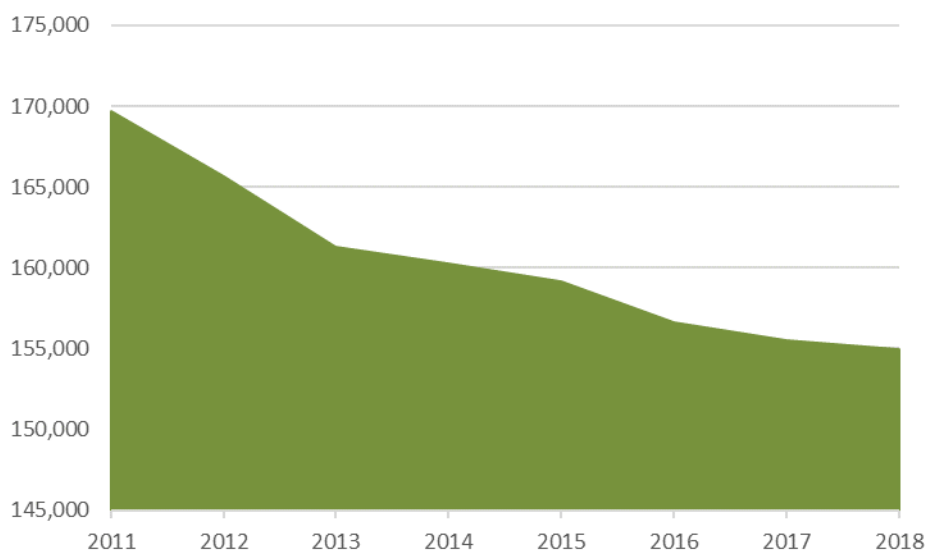
Source: FAS Madrid

## PRODUCTION

MY 2018/19 EU tangerine production is forecast to rise 16 percent from the previous year, to 3.4 MMT and stable with the previous estimations. Favorable weather conditions during spring and summer in the EU’s main producing areas, Spain and Italy, account for the rise in total production. Fruit quality is forecast to be excellent.

In the last eight years, EU has reduced its tangerine planted area by almost nine percent (see Chart 5). In 2018, EU planted area for tangerine stood at 154,987 ha. During this period, the major EU tangerine producer, Spain, decreased its tangerine planted area by 10.5 percent. In 2018, Spanish tangerine area stood at 107,520 ha.

**Chart 5. MY 2011-2018 EU tangerine Planted Area (Ha)**



Source: FAS Madrid

According to the latest data from the Spanish Ministry of Agriculture, Fisheries, and Food (MAPA) and industry sources, Spain’s MY 2018/19 tangerine production is forecast to increase 19 percent to 2.3 MMT. This figure is consistent with previous estimations. Favorable weather conditions with rainy spring and mild summer in Spain’s main producing regions contributed to the increase in production. Spain’s main tangerine-producing areas are the Regions of Valencia, Andalusia, and Catalonia. Spain continues to develop new *early* and *late* varieties to extend fruit availability.

Italy’s main tangerine-producing areas are Calabria accounting for 53 percent of total production, Sicily accounting for 20 percent, and Apulia with 15 percent. *Comune* or *Oroval* and *Monreal* are the leading clementine varieties grown in the country. *Avana* and *Tardivo di Ciaculli* are the chief tangerine cultivars. Italy’s MY 2018/19 tangerine production is forecast to grow 14.8 percent compared to the previous season due to favorable weather in Calabria, Italy’s main producing region.

Greece's MY 2018/19 tangerine production is expected to slightly increase 2 percent compared to the previous year. Thesprotia and Laconia areas are reporting a loss compared to last year, while in the Argolida production increased. *Clementine* is the major tangerine variety grown in Greece; new plantings include *Nova*, *Page* and *Ortanique* varieties.

Meanwhile, the tangerine production in Portugal for MY 2018/19 is expected to remain unchanged.

**Table 7: EU Fresh Tangerine Production by Country and Year (MT)**

Country	MY 2016/17	MY 2017/18	MY 2018/19
Spain	2,342,000	1,996,000	2,385,000
Italy	828,000	697,000	800,000
Greece	176,023	174,703	178,000
Portugal	41,000	40,000	40,000
Cyprus	34,000	35,000	35,000
<b>Total Production</b>	<b>3,421,023</b>	<b>2,942,703</b>	<b>3,438,000</b>

Source:FAS Madrid

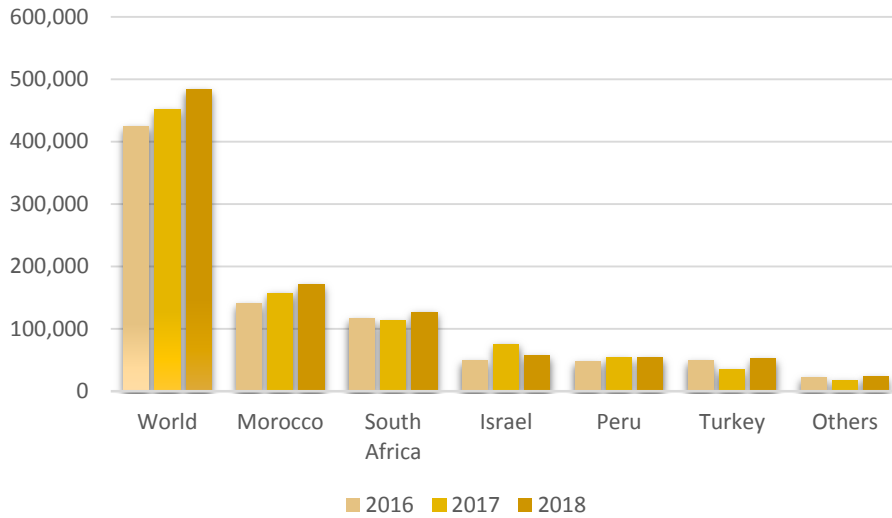
## CONSUMPTION

EU tangerine are mainly consumed fresh. MY 2018/19 EU fresh tangerine for consumption and processing are forecast to increase in line with the rise in production. Spain is the major consumer of tangerine in the EU for both fresh and processing. Italy and Portugal also consume large quantities of clementines and tangerines. Greece also consumes fresh clementines mainly along the west coast.

## TRADE

The EU is a net importer of tangerines. During MY 2017/18, EU imports of tangerines increased 6.8 percent to 482,945 MT. A decrease in EU tangerine production during the period triggered the increase in imports, which were valued at \$592 million. Morocco and South Africa continue to be the leading suppliers to the EU market, followed by Israel, Peru, and Turkey (See Chart 6). In MY 2017/18, imports from the United States increased 51 percent in volume valued at \$9 million. As a result of the estimated growth in EU tangerine production for MY 2018/19, EU imports of tangerine are expected to lower.

**Chart 6. MY EU Imports of Tangerines by Origin (MT)**

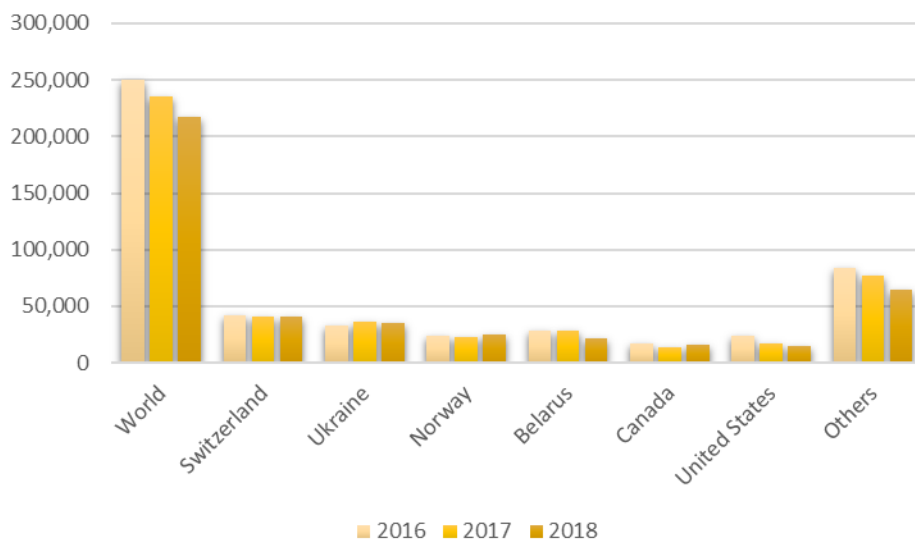


Source: GTA

During MY 2017/18, the EU exports of tangerines lowered by 8 percent to 217,109 MT, valued at \$ 225 million. EU's main export market destinations are Switzerland, Ukraine, Norway, Belarus, and Canada (see Chart 7). In MY 2017/18, exports to the United States, primarily from Spain, decreased 10 percent to 15,295 MT, continuing its downward trend since MY 2012/13. New alternative markets in third countries such as Canada, and Middle East continue to grow. Also, due to the Russian ban, EU tangerine exports to Russia plummeted \$108 million since 2013. EU tangerines exports in MY 2018/19 are forecast to grow due to the expected growth of EU tangerine production, mainly in Spain the EU's leading tangerine exporter.

In MY17/18, Spanish exports of tangerines decreased 1 percent to 1,374,725 MT. Ninety-three percent of these exports were sent to other EU Member States. Spanish exports of tangerines to the United States continue to follow a downward trend, due to high competition from South America and Morocco. Canada and the Middle East continue to be important new strategic markets for Spanish tangerine exports. Due to the Russian ban, Spain lost \$37 million of tangerine exports to Russia.

**Chart 7. MY EU Exports of Tangerines by Destination (MT)**



Source: GTA

## Lemons

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

Lemons/Limes, Fresh Market Begin Year	2016/2017		2017/2018		2018/2019	
	Oct 2016		Oct 2017		Oct 2018	
European Union	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	73,004	73,004	74,912	75,419	75,925	75,666
Area Harvested	64,648	63,648	64,973	65,762	66,049	66,129
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	1,534	1,535	1,472	1,472	1,615	1,617
Imports	520	520	608	610	620	600
Total Supply	2,054	2,055	2,080	2,082	2,235	2,217
Exports	79	79	65	65	80	80
Fresh Dom. Consumption	1,691	1,692	1,733	1,735	1,829	1,811
For Processing	284	284	282	282	326	326
Total Distribution	2,054	2,055	2,080	2,082	2,235	2,217

(HECTARES) ,(1000 TREES) ,(1000 MT)

Source:FAS  
Madrid



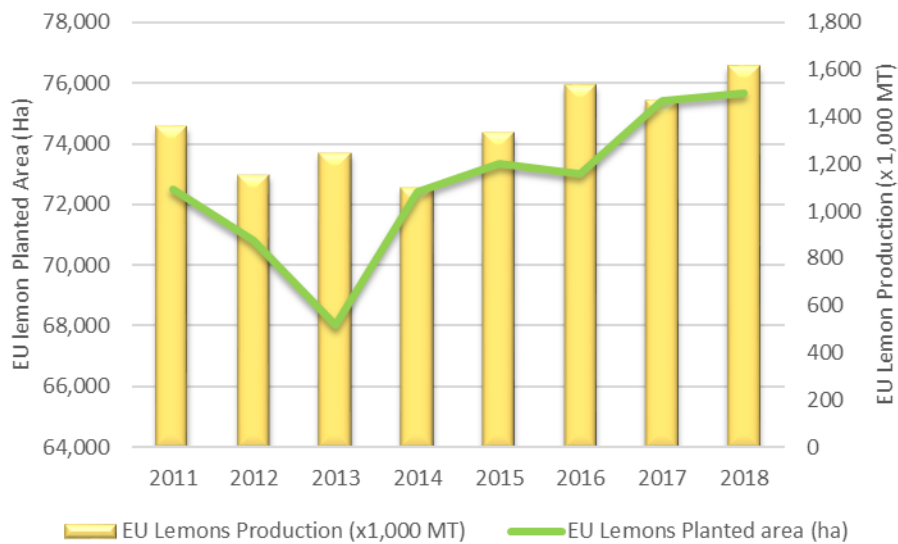
## PRODUCTION

MY 2018/19 EU lemon production is forecast to grow 10 percent and stable compared with previous estimates. The overall growth is due to the strong production rise expected in Spain, the largest lemon EU producer (see Chart 8). According to the latest data from the Spanish Ministry of Agriculture, Fisheries, and Food (MAPA), Spain's MY 2018/19 lemon production is forecast at 1.1 million MT, an increase of 19 percent compared to the previous year. Favorable weather conditions resulted in good flowering and fruit setting. In addition, in recent years Spain has increased its total planted area for lemons. Fruit quality is forecast to be excellent. *Fino* lemon is expected to increase by 14 percent due to the entry of new plantations over the last years. *Verna* lemon is expected to rebound; increasing by 90 percent as production of *Verna* lemon in the previous season was shorter than normal levels. Spain will continue to consolidate its leading commercial position in Europe with quality and phytosanitary guarantees. Following Argentina, Spain is the second largest lemon producer in the world but the first global exporter of lemons for fresh consumption. Spanish 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 for processing.

Italy is the second largest European lemon producer after Spain. Sicily is the main lemon-producing area, accounting for 88 percent of domestic production. *Femminello Siracusano*, *Lunario*, *Interdonato*, *Limone di Sorrento*, and *Limone di Procida* are the leading lemon varieties grown in the country. Italy's MY 2018/19 lemon production is forecast to decrease 8 percent compared to the previous year due to hailstorms occurred in the spring. However, quality is forecast to be excellent.

Greece's MY 2018/19 lemon production is expected to remain flat. 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 quite a bitter juice. The early varieties *Interdonato* and *Eureka* are also grown in Greece. Portuguese official data reflects that lemon production will may remain flat in MY 2018/19 with normal fruit sizes and quality.

**Chart 8. MY EU Fresh Lemons Production (MT)**



Source: FAS Madrid

**Table 9: EU Fresh Lemons Production by Country and MY (MT)**

Country	MY 2016/17	MY 2017/18	MY 2018/19
Spain	995,000	928,000	1,108,000
Italy	447,000	435,000	400,000
Greece	68,829	85,003	85,000
Portugal	16,000	16,000	16,000
Cyprus	8,000	8,000	8,000
<b>Total Production</b>	<b>1,534,829</b>	<b>1,472,003</b>	<b>1,617,000</b>

Source:FAS Madrid

## CONSUMPTION

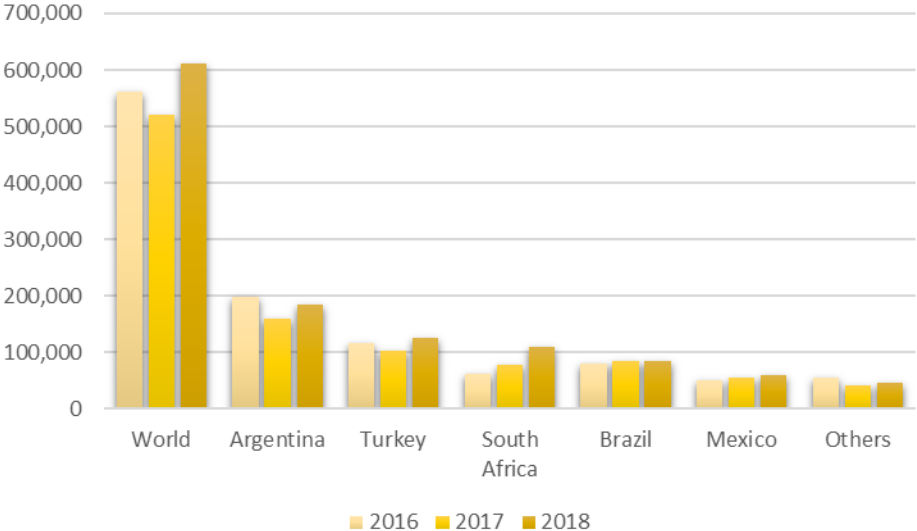
EU lemons are mainly consumed fresh. MY 2018/19 EU fresh lemon consumption and lemons for processing are forecast to increase in line with the growth in EU lemon production. EU per capita lemon consumption stands at 3 kg. According industry sources, Spain has become the second global producer of processed lemons. Greece has become increasingly reliant on imported lemon juice to meet consumer demand for soft drinks.

## TRADE

The EU is a net importer of lemons. During MY 2017/18, the EU imported 610,480 MT of lemons or 17 percent more due to the decrease in EU lemon production during that season. By value, EU imports rose 35 percent to \$808 million compared to last year. Argentina, Turkey, South Africa, and Brazil

continue to be the leading suppliers to the EU market, followed by Mexico (see Chart 9). Given the expected rise in EU lemon production in MY 2018/19, EU imports of lemons are expected to fall.

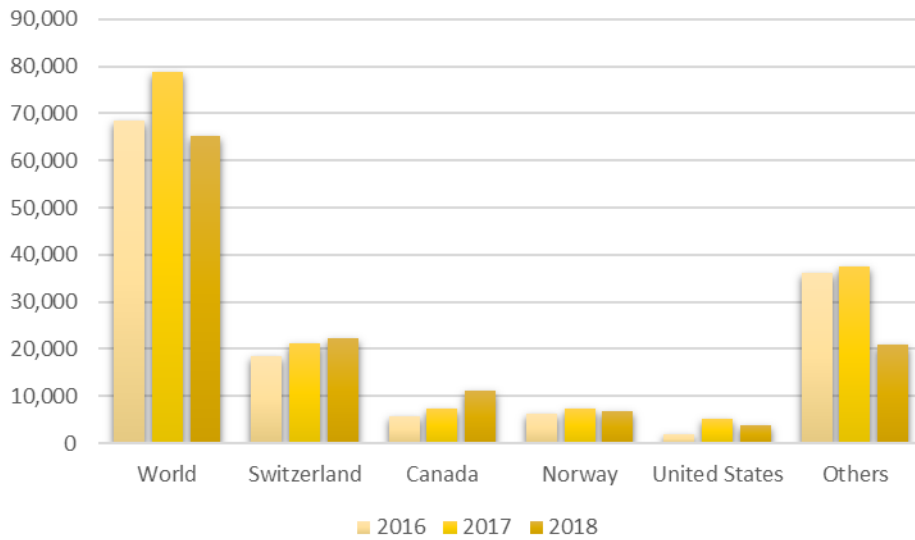
**Chart 9. MY EU Imports of Lemons by Origin (MT)**



Source: GTA

During MY 2017/18, the EU exported 65,277 MT of lemons, 17 percent less due to a drop in total supply. Exports were valued at \$106 million or 6 percent higher. Main export destinations are Switzerland, Canada, and Norway. In MY2017/18, EU lemon exports to the United States, mainly from Spain, amounted to 3,872 MT, and valued at \$5 million (see Chart 10). In MY 2017/18, Spanish strategic lemon markets outside the EU continue to be Switzerland, Canada, United States, Middle East and Brazil. Given the projected growth in EU lemon production, Post expects EU lemon exports in MY 2018/19 to increase.

**Chart 10. MY EU Exports of Lemons by Destination (MT)**



Source: GTA

**Grapefruit**

**Table 10: Production, Supply, and Demand (MT)**

Grapefruit, Fresh Market Begin Year	2016/2017		2017/2018		2018/2019	
	Oct 2016		Oct 2017		Oct 2018	
European Union	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	3,093	3,093	3,171	3,157	3,180	3,111
Area Harvested	2,555	2,555	2,745	2,817	2,751	2,831
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	106	106	108	107	112	110
Imports	326	325	374	373	370	370
Total Supply	432	431	482	480	482	480
Exports	15	15	17	17	17	17
Fresh Dom. Consumption	398	397	445	443	445	444
For Processing	19	19	20	20	20	19
Total Distribution	432	431	482	480	482	480

(HECTARES) ,(1000 TREES) ,(1000 MT)

Source: FAS  
Madrid

## PRODUCTION

MY 2018/19 EU grapefruit production is forecast to go up 2.8 compared to previous season to 110,000 MT. A projected increase in Spanish production, EU's main grapefruit producer, accounts for the growth in total EU production. According to the Spanish Ministry of Agriculture, Spain's MY 2018/19 grapefruit production is forecast to grow 3.8 percent due to regular flowering and fruit setting. Leading grapefruit producing areas include the Regions of Murcia, Andalusia, and Valencia. *Ruby Red* is the main grapefruit variety planted in Spain. Cyprus is the second largest grapefruit producer in the EU. *White Marsh Seedless*, mostly grown in the Limassol area, is the leading Cypriot grapefruit variety. In MY 2018/19 Cypriot grapefruit production is expected to remain stable as in the rest of the main EU grapefruit producers.

**Table 11: EU Fresh Grapefruit Production by Country and Year (MT)**

Country	MY 2016/17	MY 2017/18	MY 2018/19
Spain	73,000	78,000	81,000
Cyprus	25,000	21,000	21,000
Italy	4,858	4,833	4,830
Greece	3,110	2,941	3,000
Portugal	200	210	240
<b>Total Production</b>	<b>106,168</b>	<b>106,984</b>	<b>110,070</b>

Source:FAS Madrid

## CONSUMPTION

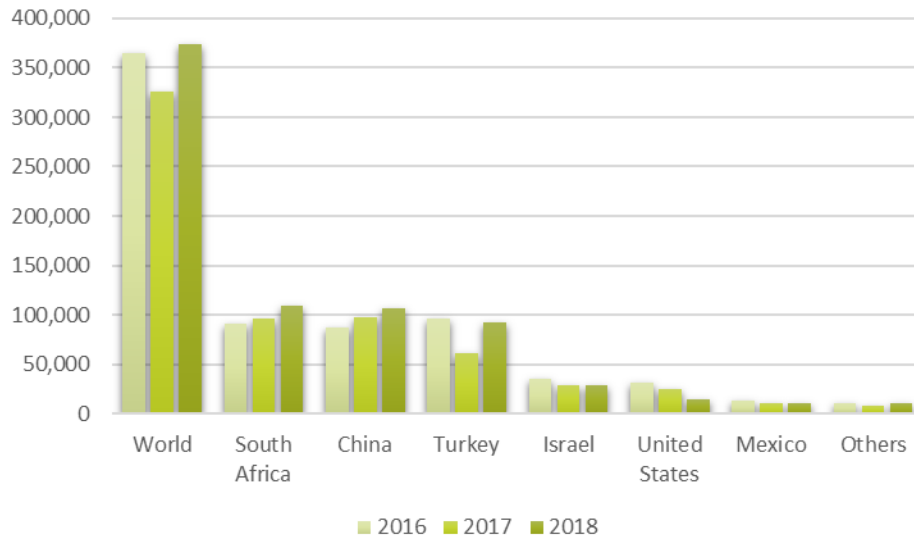
EU grapefruits are mainly consumed fresh with a consumption significantly surpassing grapefruit production. MY 2018/19 EU fresh grapefruit consumption is forecast to remain stable as well as grapefruits for processing. Spain and Cyprus are the main grapefruit processors in the EU.

## TRADE

The EU is a net importer of grapefruits to satisfy the EU grapefruit domestic demand. EU grapefruit imports comprise around 85 percent of EU's grapefruit T. During MY 2017/18, EU imports of grapefruit rose to 14 percent to 373,970 MT, valued at \$333 million. Rising imports from South Africa, China, Turkey and Israel solidified these exporters as the leading suppliers to the EU market. Imports from the United States dropped 40 percent to \$20 million, and accounted for 14,507 MT (see Chart 11). Mexico is also another active supplier to the EU market.

Due to the expected growth in EU grapefruit production, EU grapefruit imports are expected to slightly decrease in MY2018/19.

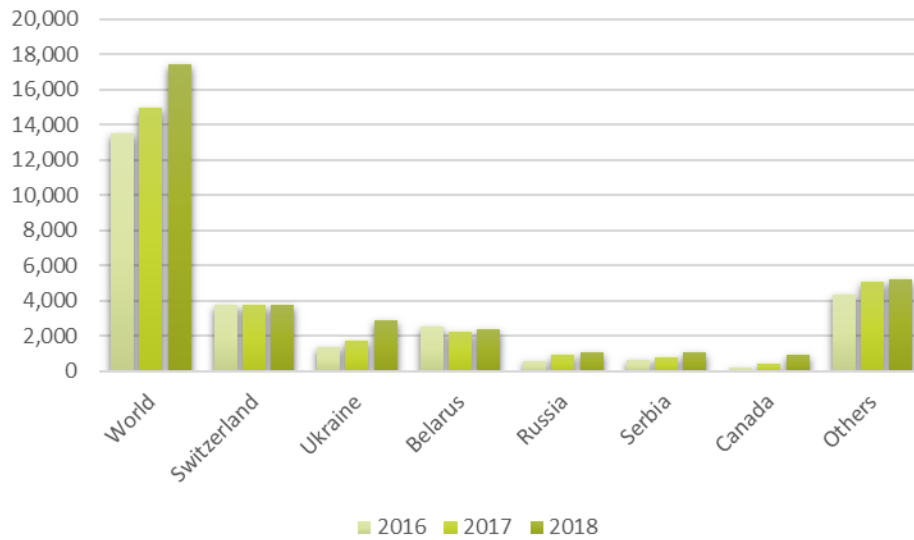
**Chart 11. MY EU Imports of Grapefruits by Origin (MT)**



Source: GTA

During MY 2017/18, the EU exported 17,475 MT of grapefruits, a 17 percent increase compared to previous year and valued at \$17.5 million. EU exports shipped mainly to Switzerland, Ukraine, and Belarus. EU grapefruit exports to Canada continue growing year after year reaching \$1 million in MY 2017/18 (See Chart 12).

**Chart 12. MY EU Exports of Grapefruits by Destination (MT)**



Source: GTA

## Policy Section

### 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. 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, POs 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 regulation as of January 20, 2014.

On June 1, 2017, [Commission Delegated Regulation 2017/891](#) entered into force to increase the support for withdrawals from the market for fruit and vegetable Producer Organizations (POs). This framework also seeks to make POs more attractive to non-members, provide greater clarity about what actions are eligible for EU funding and set a maximum percentage of produce that can be marketed outside the organization at 25 percent to create short supply chains whereby producers sell directly to consumers. It simplifies and clarifies legislation with regard to payments to transnational POs and their associations.

### EU Marketing Standards for Fruits and Vegetables

Fresh fruit and vegetable imports into the EU are checked for compliance with EU-harmonized marketing standards which apply at all marketing stages and include criteria such as quality, size, labeling, packaging, and presentation. [Commission implementing Regulation \(EU\) No 543/2011](#) provides 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).

## **CAP after 2020**

On 1 June 2018, the European Commission presented legislative proposals on the CAP beyond 2020. The aim of the new proposals is to be more responsive to current and future challenges such as climate change. The CAP will continue to support European farmers, but the overall budget is lower compared to the previous period. The co-legislators in the European Parliament and Council are currently considering the proposal. For information on the CAP after 2020, please see:

[https://ec.europa.eu/info/food-farming-fisheries/key-policies/common-agricultural-policy/future-cap\\_en](https://ec.europa.eu/info/food-farming-fisheries/key-policies/common-agricultural-policy/future-cap_en)

## **Milk, fruit and vegetables School Scheme**

The European “School Fruit Scheme” originated in 2009 as a measure to combat child obesity. It includes three elements: free distribution of fruit and vegetables in schools, informational campaigns on healthy eating habits, and monitoring and evaluation. As in previous years, the EU funds of \$264 million (€250 million) were allocated in the school year 2018/2019 to all of the [Member States](#) (MS).

[Commission Implementing Decision C\(2018\) 1762](#) on the new School Scheme for Milk, Fruit and Vegetables applies since August 1, 2018.

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 current promotion budget of \$76 million (€60 million) will increase annually until it reaches \$255 million (€200 million) in 2020. There will no longer be a need for national co-funding; EU associations will be able to apply directly for a program.

## **Certification of Fruit Shipment**

Fruit, vegetable, and nut shipments exported to the EU require a phytosanitary certificate. A USDA/Animal Plant Health Inspection Service (APHIS) inspector issues these 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. There is more information available on the DG Health and Food Safety (DG SANTE) website: [http://ec.europa.eu/food/plant/plant\\_health\\_biosecurity/non\\_eu\\_trade/index\\_en.htm](http://ec.europa.eu/food/plant/plant_health_biosecurity/non_eu_trade/index_en.htm)

[Commission Regulation 1756/2004](#) provides for a possibility to carry out plant health checks at reduced frequency when justified. The European Commission published the updated list of products on [January 1, 2019](#). The Commission monitors imports of fruit and vegetables on an annual basis to determine how to adjust the frequency of testing consignments.

### **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 subscription page for the [global MRL database](#) 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.

Tariff levels for 2019 are published in [Commission Implementing Regulation 2018/1602](#). The tariffs for citrus fruit remain unchanged compared to the levels of 2018 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. Since 2013, the EU citrus exports to Russia lost \$173 million. 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 until 2017. The last emergency measures for fruit and vegetables were phased out on June 30, 2018. Overall, the EU granted \$588 million (€500 million) of aid to EU producers of fruit and vegetables corresponding to 1.7 million tons of withdrawals from the market.

Please find more information on the Commission's response to the Russian ban here:

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

## **Free Trade Agreement with South Africa**

The Free Trade Agreement (FTA) with the EU and South Africa and other African countries came into force on October 2016 and includes citrus among other products. The Spanish citrus growers and exporters are now complaining about the strong competition with South Africa in the EU market, with decreasing prices of the Spanish citrus and resulting in a non-profitable Spanish citrus season.

See also GAIN: ["Orange Vest" protesters step out in defense of Spanish citrus](#)

## **Upcoming MRL reviews under Article 12 of Regulation 396/2005**

Plant protection products (PPPs) along with MRLs and import tolerances are an increasingly important issue in the EU since there is a significant reduction in the number of active substances approved for use. Regulation (EC) No 1107/2009 and Regulation (EC) No 396/2005 regulate PPPs and MRLs, respectively. There is a consistent review of active substances for which the approval is up for renewal, as well as their associated MRLs.

Existing MRLs are also being reviewed through a process known as an Article 12 review. The first list below indicates the upcoming MRL reviews for the main fresh deciduous fruit commodities under this Article 12 process. The second list includes the active substances which are, or will soon be, up for renewal. It is important to note that these lists are not all-inclusive. Due to the complexity of the renewal process and the importance of the issue, **stakeholders are encouraged to actively engage early in these review processes by reaching out to the applicant.** Together with the applicant, they can ensure that the necessary data is available for the review or if trials for data collection are in progress or should be initiated etc., especially if the substance is not used or authorized in the EU. It is highly recommended to contact the assigned "Rapporteur Member State" (RMS) which will carry out the first evaluation of the active substance and existing EU pesticide MRLs. **Stakeholders are encouraged to engage with FAS on substances and MRLs of importance to their commodities.**

1) Article 12 review

	<b>Orange, lemon, tangerine and grapefruit</b>	<b>RMS*</b>	<b>Start of data collection</b>	<b>Expected date of RO**</b>
Fluopyram	x	DE (AT)	10/13/2017	07/24/2019
Fenazaquin	x	EL (DE)	2/14/2018	09/06/2019
Fluxapyroxad	x	UK (FR)	6/15/2018	08/22/2019
Spirotetramat	x	AT	7/15/2018	09/26/2019
Acequinocyl	x	NL (DE)	8/15/2018	11/26/2019
Fluopicolide	x	UK (AT)	9/15/2017	06/18/2019

\*RMS: rapporteur member state

\*\*Expected date of Reasoned Opinion by the European Food Safety Authority (EFSA)

2) Active substances up for review

<b>Active Substances</b>	<b>Last date of application</b>
Metam (incl. -potassium and -sodium)	06/30/2019
Flumetralin	12/11/2019

Glyphosate	12/15/2019
Esfenvalerate	12/30/2019
Fenpyrazamine	12/30/2019