

Required Report: Required - Public Distribution

Date: December 14, 2022

Report Number: CS2022-0023

Report Name: Citrus Annual

Country: Costa Rica

Post: San Jose

Report Category: Citrus

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Report Highlights:

FAS/San José anticipates Costa Rican orange production to rise to 305,000 metric tons in marketing year 2022/23, despite challenging growing conditions, as effective citrus greening management and increased density tree patterns drive yields higher. While the United States remains the leading destination for Costa Rican exports of frozen concentrated orange juice, surging exports to China in the first quarter of 2022 are expected to drive total export volumes up in marketing year 2022/23.

ORANGES

Crop Area

FAS/San José expects area planted to remain flat in marketing year (MY) 2022/23, as the effects of citrus greening persist and major growers concentrate on improving current area through replanting and irrigation investments. Industry sources estimate area planted in MY 2022/23 at 21,000 hectares (ha), including area planted on the Nicaraguan side of the border for processing in Costa Rica. Industry sources estimate the total numbers of orange trees at 7.4 million.

Table 1. Costa Rican Orange Production

	2020/2021	2021/2022	2022/2023*
Area (ha)	21,000	21,000	21,000
Production (MT)	290,000	300,000	305,000
Yield (MT/ha)	13.8	14.3	14.5

Source: Costa Rican Ministry of Agriculture and Livestock

*Preliminary estimate

Commercial orange production is concentrated in the northern part of Alajuela province (around Los Chiles, Guatuso, and Upala) and in the northern part of Guanacaste province (near the border with Nicaragua in an area known as Santa Cecilia).

Two companies, TicoFrut and Del Oro, control most of the production and practically all processing of oranges in the country. TicoFrut is the largest company in the sector. TicoFrut's plantations are located in the province of Alajuela (near the border with Nicaragua) as well as across the border in Nicaragua. Oranges from the Nicaraguan plantations are trucked across the border in Los Chiles for processing at TicoFrut's plant located in Muelle, San Carlos, about 50 miles to the south of the border. Del Oro's plantations are in Santa Cecilia, Guanacaste (also near the border with Nicaragua). Smaller, independent growers in other regions of the country – including Acosta (near the Central Valley) and Nandayure in Guanacaste – mostly sell to the local fresh market.

There are some medium- and small-sized independent producers in the vicinity of the TicoFrut and Del Oro processing plants. While the larger operations have been stable and plan their activities with a longer-term view, the smaller independent producers tend to supply the processing market (rather than selling into the fresh fruit market) in response to short-term price fluctuations. Smaller producers have also been exiting orange production altogether as citrus greening disease spreads throughout the country, resulting in higher costs of production, lower yields, and lower (or negative) profits.

Figure 1. Map of Costa Rican Growing Areas (highlighted in blue)



Production

FAS/San José forecasts total production to increase almost 2 percent in MY 2022/2023, climbing to 305,000 MT as denser plantings on larger farms drive up yields and citrus greening management programs mitigate the worst impacts of the virus. Harvest is mainly from January to May, with peak production in March and April.

Within area planted to oranges, farmers have gradually increased the number of trees per hectare by using the “Flying Dragon” pattern, which supports higher tree density, easier farm management, and lower production costs per hectare. This innovation has allowed farmers to significantly increase tree density, moving up from 300 - 450 trees/ha under traditional planting patterns to 800 - 900 trees/ha with the Flying Dragon. FAS/San José anticipates major growers to continue directing investments toward replanting existing area with new trees and new patterns, rather than increasing area planted. Industry sources expect the pattern renovation process to continue through the next 10 to 12 years.

Citrus greening disease was first identified in Costa Rica in 2011 and remains a major concern for producers. Citrus greening is now endemic throughout the country’s growing areas, increasing costs, decreasing yields, adding uncertainty to future production plans, and limiting growth of production area. The largest farms have had some success mitigating the effects of the disease by establishing strict controls, including constant farm surveillance and eradication of affected plants. Better capitalized producers use agrochemicals and biological controls (a wasp, *tamarixia radiata*, that feeds on the Asian citrus psyllid) in their preventive measures. Consistent citrus greening management on the largest farms has stabilized production levels, resulting in smaller overall production fluctuations.

The disease has reportedly caused smaller producers to reduce or abandon area planted to oranges, but FAS/San José has not been able to confirm the extent of this trend. Smaller producers, less capable of investing in agrochemicals and biological controls, have reportedly suffered heavier losses. According to Costa Rican government sources, some producers have been less vigilant in eradicating infected trees, contributing to the spread of the disease.

Calendar year (CY) 2022 is expected to close as Costa Rica’s second rainiest year on record. However, negative effects of heavy rainfall on orange production have been lower than in previous years, as the heavier rains didn’t disrupt crucial periods of development. Industry sources have indicated that labor has been a greater concern in MY 2022/23, as record numbers of Nicaraguans – including a portion of the harvest labor force – are migrating to the United States and elsewhere as political and economic conditions in Nicaragua deteriorate. Fuel and fertilizer costs have climbed and remained comparatively high during CY 2022, although the rate of increase has slowed in recent months. According to industry sources, higher export prices for juice have not kept pace with increasing input costs.

Consumption

Costa Rica imported nearly 78,000 MT of fresh oranges from Nicaragua in CY 2021, up more than 10 percent from CY 2020. Growing conditions are favorable in areas of Nicaragua bordering on Costa Rican orange production area, and land prices and labor costs are substantially lower on the Nicaraguan side of the border.

Imports from Nicaragua during CY 2022 reached 46,986 MT in January-March 2022, slightly lower than the same period in CY 2021. [Note: As a result of a cyber-attack on Costa Rica’s Ministry of Finance in April 2022, trade statistics are not available for the second quarter of 2022. The Government of Costa Rica is collecting and preparing the missing information and expects to publish later this year.]

Table 2. Costa Rica Orange Imports

Country	2019	2020	2021
Nicaragua	56,644	69,800	77,623
Others	1,669	1,446	1,548
Total	58,313	71,246	79,171

Source: Costa Rican Customs Department

FAS/San José expects total orange juice (including both single strength and FCOJ) exports to increase to 35,000 MT in MY 2022/23, on stronger export sales to China. According to information from the Costa Rican Trade Promotion Board (PROCOMER), CY 2021 total juice exports to all destinations amounted to 32,671 MT (valued at \$46.6 million), up 9 percent from 25,798 MT (valued at \$42.6 million) in CY 2020. Trade data through March 2022 show total exports reached 11,005 MT (valued at \$16.8 million), up 20 percent in volume and up 6 percent in value over the same period in CY 2021. The United States continued to be Costa Rica’s leading destination for orange juice exports in CY 2022. However, total exports to the United States January-March 2022 were 6,300 MT, 20 percent lower in both volume and value from the same period in CY 2021. Meanwhile, orange juice exports to China have increased significantly, rising from 208 MT in all of CY 2015 to more than 8,000 MT in the first quarter of CY 2022.

Table 3. Annual Costa Rica Orange Juice Exports (CY 2021)

Country	Volume (MT)	Value (thousand USD)
United States	16,582	31,057
Netherlands	8,849	7,166
China	3,132	2,088
Israel	1,078	635
Panama	811	1,025
Others	2,219	4,682
Total	32,671	46,653

Source: Costa Rican Customs Department

Costa Rica exports most of its orange production as frozen concentrated orange juice (FCOJ); single strength fresh orange juice exports represent less than 25 percent of total export volume. Costa Rican orange juice enters the United States duty free under the Central American-Dominican Republic Free Trade Agreement.

Attachments:

No Attachments