Spain: The citrus crisis: not everything is because of South Africa

The serious problems suffered by the Spanish citrus sector are not only due to circumstantial causes arising from competition from third countries, but they also have revealed structural challenges that Spain must address.

Several factors have contributed to what some have called the “perfect storm”. One of them has been the excess of supply; even more considering that, the Spanish citrus production probably reaches the historical figure of 8 million tons during the current campaign.

In addition to this, there has been demand problems due to the delay in the arrival of cold in all Europe. Another reason has been the bad start of the current campaign due to overlaping with Southern hemisphere production and the delay in the starting of the Spanish clementine season.

Once the serious damage caused by the persistent November rain had been overcome, the sector run into logistics trouble generated by the “gilets jaunes” at border crossings and in some key communication channels for exports, which are carried out by road.

Finally, the emergence of Egypt has affected the second part of the citrus season.

Furthermore, the strong crisis experienced by the Spanish citrus sector has highlighted some structural problems that is has been dragging on for some time:

- Smallholdings. The parcel structure of the Valencian Region – the main citrus production area in the country- mainly regarding mandarins and clementines, makes farm modernization and mechanization difficult, leaving little room for profitability and cost reduction.

- Higher production costs. Labor and production costs in Spain are the highest among the main production areas of the planet, much higher than in emerging countries (Brazil, Mexico, Argentina, Turkey, South Africa) and even more than in developing countries (Morocco, Egypt); even more than in California.

- Varietal structure. Excessive productive and geographical concentration of two varieties: Nules for clementines and Navelina for oranges, which makes it difficult their commercialization.

- Atomized supply facing an increasingly concentrated demand. The number of supply operators is still excessive. At the same time, the modern retail is gaining sales share to the traditional distribution.

- POs inefficacy to concentrate supply and crisis management. Only 36% of the national production of fruit and vegetables is marketed through a PO. The citrus sector organization links this situation to a restrictive transposition of the EU Directive made in Spain.

- EU dependency. Between 91 and 93% of Spanish citrus exports go to the EU. That situation worsened by the Russian veto in 2014.

- Problems in consolidation or new market opening. Most of the world's major markets (USA, China, Japan, Korea, Brazil, India) are also citrus producers.

- Phytosanitary protection. Since 2000, up to 11 foreign pests have entered the Iberian Peninsula, which were non-existent in the Mediterranean areas.

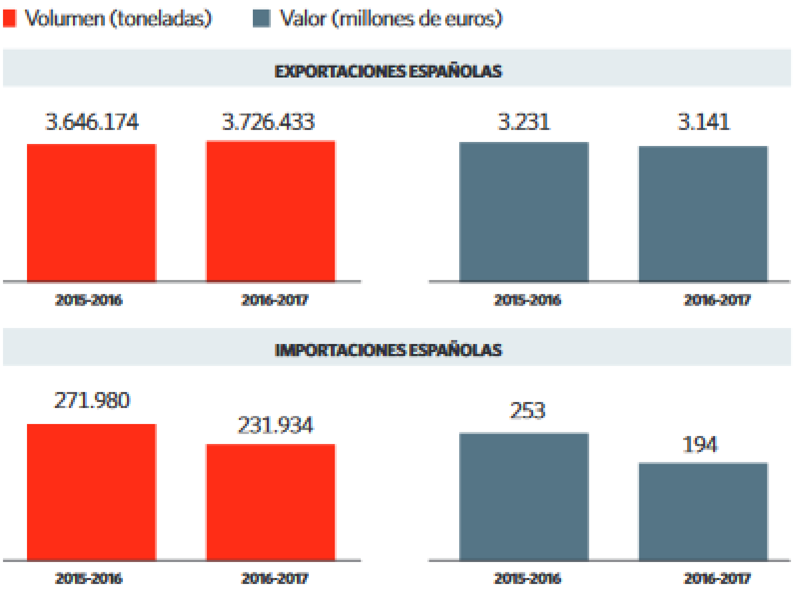
- Lack of promotion. Promotion through the interbranch organization would allow the citrus consumption recovery in a context in which these fruits are losing leadership in supermarkets in favor of others as, for example, the tropical fruits.

Las cifras del sector

Producción española de cítricos
(superficie en Ha)

	NARANJO	MANDARINO	LIMONERO
Andalucía	63.771	14.253	6.271
C.Valenciana	71.544	74.721	13.979
Murcia	10.333	7.586	25.278
Cataluña	2.021	8.836	14
Baleares	487	83	390

Comercio de cítricos



Fuente: Ministerio de Agricultura. elEconomista

Lien article :

https://www.agroberichtenbuitenland.nl/actueel/nieuws/2019/05/28/citrus-crisis-in-spain