

Decline in EU citrus production expected to prompt greater imports

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 MY2019/20 (October/September), Post expects overall citrus production to decline mainly in Spain and Italy due to unfavorable weather conditions. The quality of the fruit is forecast to be excellent and EU domestic consumption of citrus may also decrease in MY 2018/19 in line with EU total citrus supply. Spanish citrus production is expected to drop 19 percent to 6.1 MMT. Similarly, Italian citrus production is anticipated to drop 20 percent to 2 MMT.

For MY 2019/20, EU orange production is forecast at 5.8 MMT, 10 percent lower than MY 2018/19. Lower production is expected in the major EU orange producers, Spain and Italy, due to unfavorable weather conditions with heavy rains in the spring and fall. In addition, orange planted area in both Spain and Italy continue on a downward trend while orange planted area in Greece and Portugal continue to rise. Correspondingly, orange juice production in the EU is forecast to go down 16 percent compared to the previous year at 81,010 MT. This is in line with the expected volume of EU oranges destined for processing in MY 2019/20. In MY 2019/20, EU-28 tangerine production is forecast to decrease 17.7 percent to 2.6 MMT. This drop is supported by expected lower production in key areas in Spain and in Italy. Over the last nine years, as citrus farms increased productivity, total EU orange planted area has shrunk almost 13 percent and total tangerine planted area 8 percent.

Similarly, for MY 2019/20 EU lemon production is forecast to decrease 12.6 percent to 1.4 MMT. EU grapefruit production is also forecast to decline 17.5 percent to 89,000 MT, due to the expected strong decline in Spain, EU's major lemon and grapefruit producer. However, in the last nine years, total EU lemon and grapefruit planted area has grown 8 percent.



Although, Spanish 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 lowered prices in the European market to the detriment of the Spanish sector. As a result, the Spanish Ministry of Agriculture and the sector agreed on 16 basic measures to address these concerns and to also encourage the sector to get better organized.

For MY 2019/20, as a result of the decline in EU citrus production, EU imports of citrus are expected to grow.

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https://agfstorage.blob.core.windows.net/misc/FP_com/2019/12/18/European.pdf

