Southern Hemisphere Citrus Trade

World market trends

Key Drivers 2020

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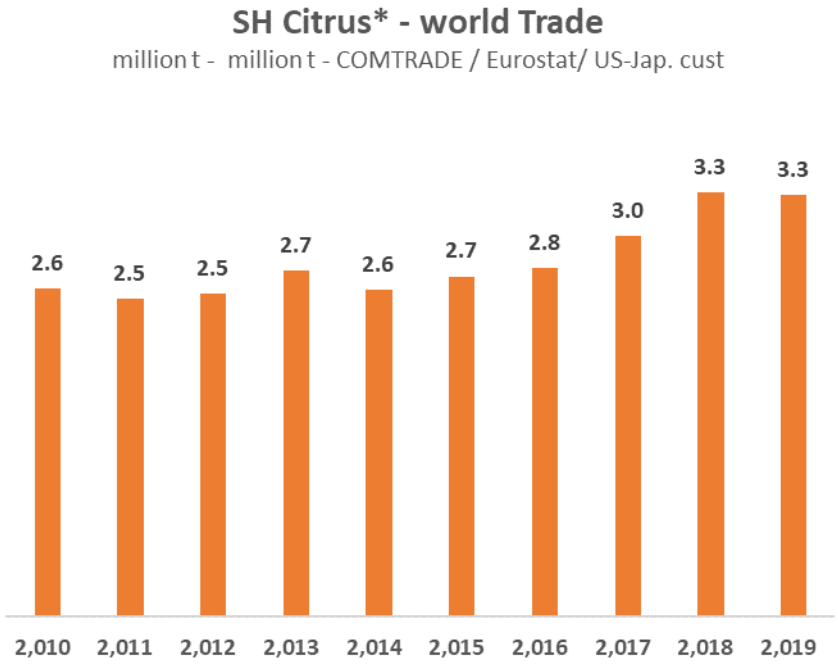
SH citrus trade: a quite fast growing market these last years



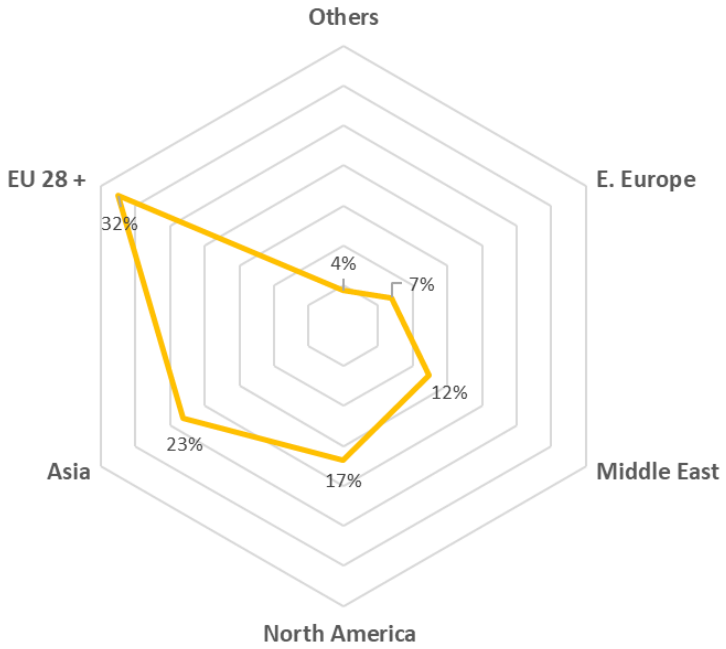
- **A 3.3 million tonnes market (2019)**
  - Within the 5 leaders of the fruit trade
  - Volumes similar to the pineapple market
  - **25% of the world citrus trade (13 mt)**
    - Market window narrower
      SH citrus: around 5 months
      NH citrus: around 7 months
    - Citrus - Seasonal consumption
      Citrus = cold weather in temperate countries
      Seasonal fruit competition (stone fruits/berries)
- **Flat till 2015 …but taking off afterwards**
  - **Average growth rate – 5 Y: 5.0 % / Y**
    Fruit trade: 2.6 % / Y
    HN citrus trade: 1.0 %

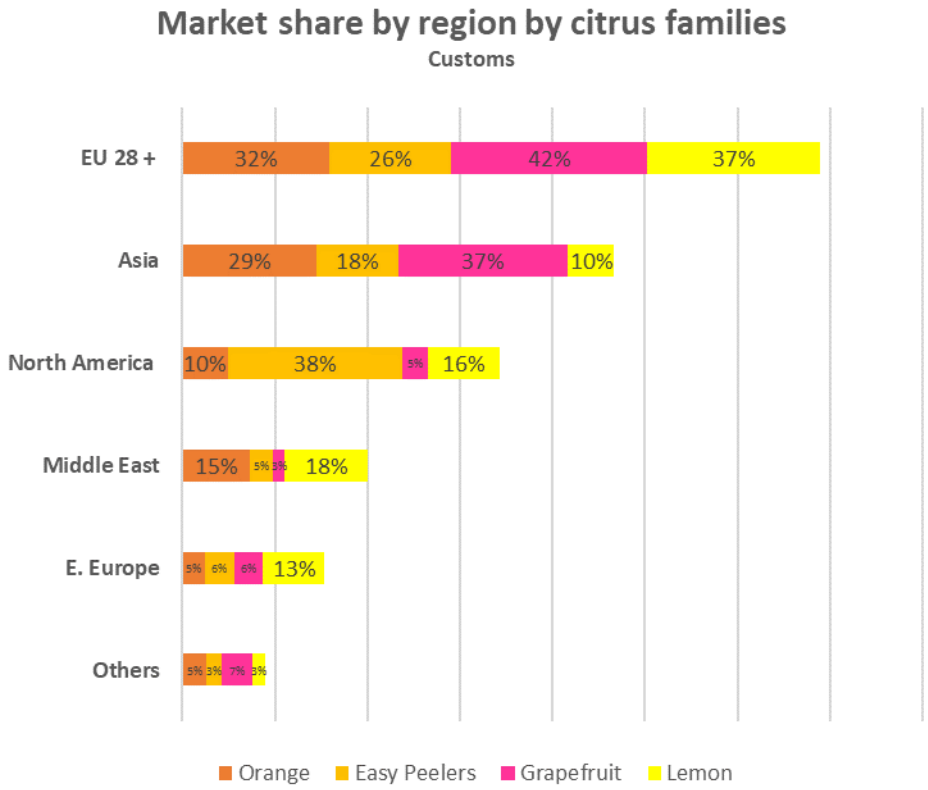
*** Perimeter of the study - Sources**

- "big 4": Oranges/Easy Peelers/Lemon/Grapefruit
- Leading exporters: SAR, Zimbabwe, Mozambique, Swaziland, Peru, Chile, Argentina, Uruguay, Australia, New Zealand
- Customs statistics: National Customs (UE28, USA, Japan), COMTRADE

What are the key markets?

- A quite **diversified market portfolio**
- **Key role of EU 28/Asia**, with **North America/Middle East also very relevant**
- **Eastern Europe down**, but still 7%
- Around 60/70 000 t to South America/Africa





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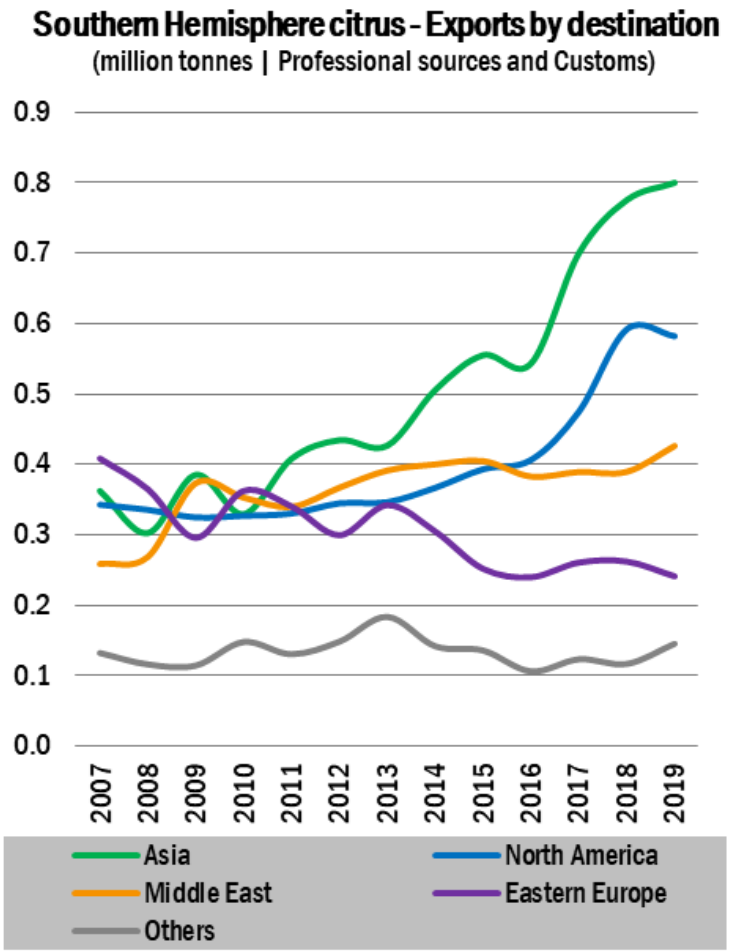
Asia, North America and the EU 28 key drivers of the growth



- **EU 28: back on track since 2016**
  - **≈ +150 000 t in 5 Y**
  - **Qualitative substitution in September/October**
    - Late SH EP/ Oranges > Early NH EP / Oranges
  - **Grapefruit market slightly more open in spite of a bad consumption context**
    - Decrease of the NH production
  - **Developing demand for lemon**

- **Asia: from a niche to a key market in 10 Y**
  - **≈ +300 000 t in 5 Y**
  - **Mainly orange in China (and at a much lower extent in India)**
  - **Soft citrus - Grapefruit also up**

- **North America: growing faster since 2017**
  - **≈ +200 000 t in 5 Y**
  - **Developing demand for easy peelers, and at a lower extent for lemon**

- **Middle East – almost flat**
  - **Tending down for oranges/slightly increasing for lemon**

- **Eastern Europe still not cured from the 2008 crisis**
  - **≈ -50 000 t in 5 Y**
  - **Orange and at a lower extent easy peelers specially affected**

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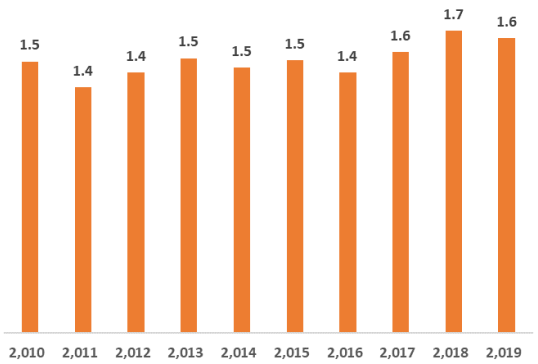
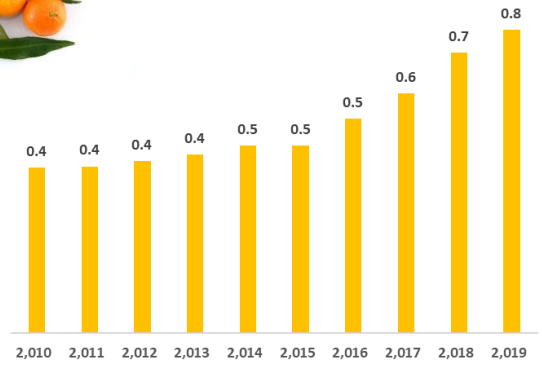
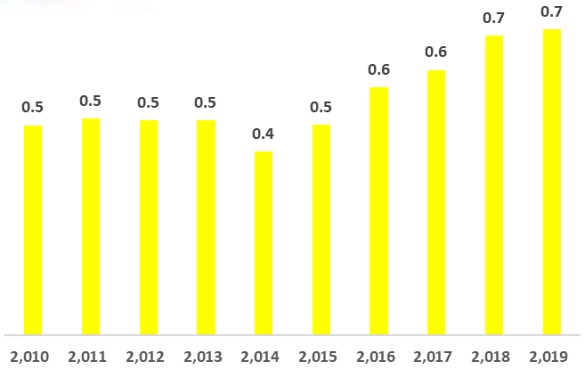
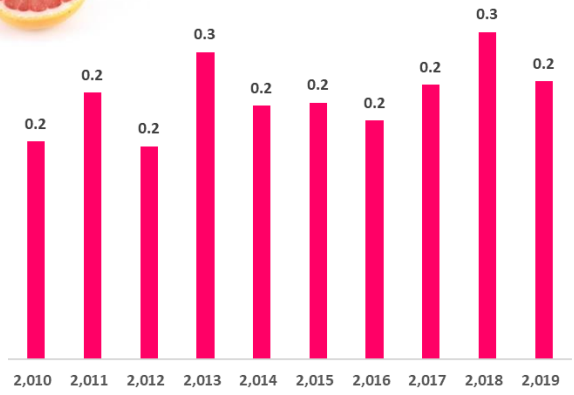
Very different dynamic by citrus family





	W. Trade 2019 / 1000 t	Growth / Year (average last 5Y) %	1 000 t
Oranges	1,638	2%	32
Soft Citrus	739	10%	53
Lemon	693	9%	48
Grapefruit	242	2%	4
Total	**3,312**	**5%**	**136**

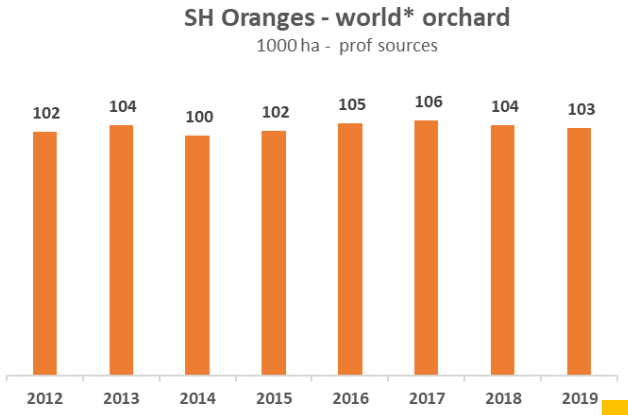


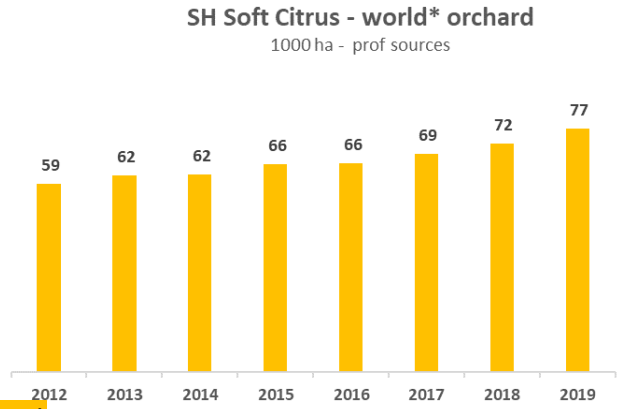


The challenge of the SH citrus market…

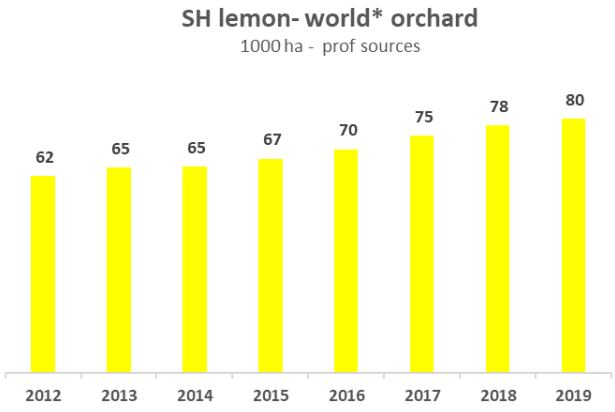
A much better growth rate than for winter citrus – a pretty good level for EP/Lemon => No worries?

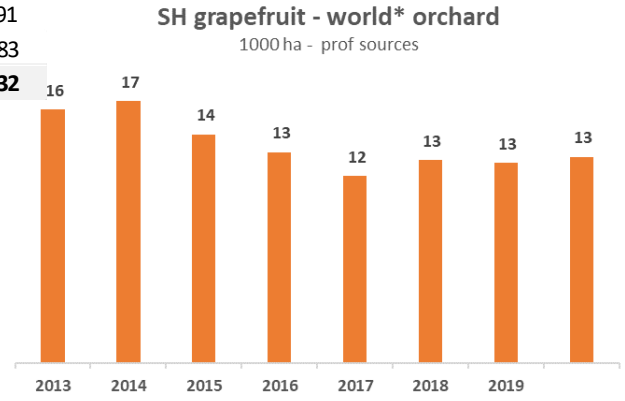
Huge planting for some citrus families!!!!





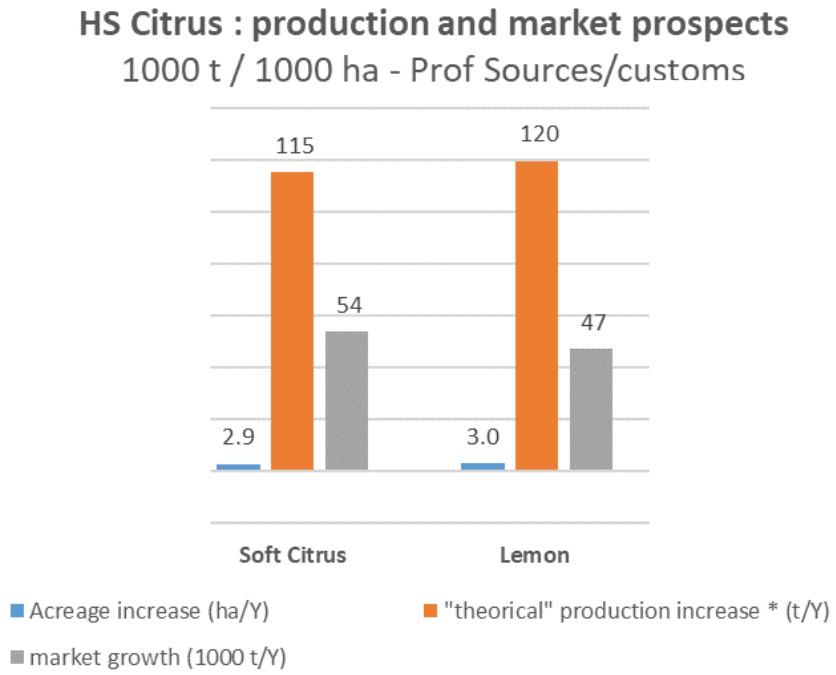
	W. Orchard 2019 / 1000 ha	Growth / Year (average last 5Y) %	1 000 ha
Oranges	103	1%	641
Soft Citrus	77	4%	2,883
Lemon	80	4%	2,991
Grapefruit	13	-2%	- 283
Total	**272**	**2%**	**6,232**





- World orchard: SAR, Argentina, Uruguay, Peru, Chile
  Argentina - estimate for 2019

A very rough prospect:



- **Major unbalance to come for lemon and easy peelers**

production prospect > 2x demand prospect

Especially worrying for EP:
New planting = mainly late varieties, very concentrated on a short market window

- **Better scenario for the other families**

Balance for oranges?
Slight shortage for grapefruit? Demand?

- **Improving the monitoring model** **("missing countries", "false compensation" orchard for local market versus orchard for export markets, NH trends) => Need to share the citrus census**
- **Export markets:**
  - new markets
  - gaining market share thanks to quality differentiation on the late market

    EU 28 : SH easy peelers: from 11% to 16 % of the citrus imports in 5 Y – late hybrids/early clementine
    SH oranges: +2% - SH late Valencia (Navelate) / early Navelina

  -Promotion
- **Local markets**
- **Controlling the planting/informing the growers**

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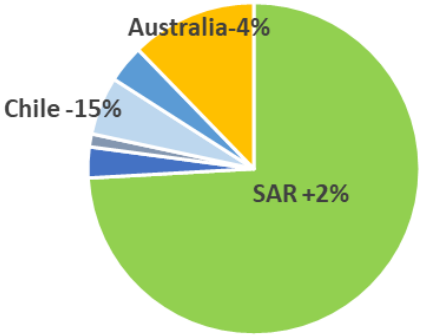
2020 SH export program: in details

Pie: market share of the SH trade for each supplier
% in the Pie: comparison of the 2020 export program to the average 18-19
Main suppliers (others below the legend)

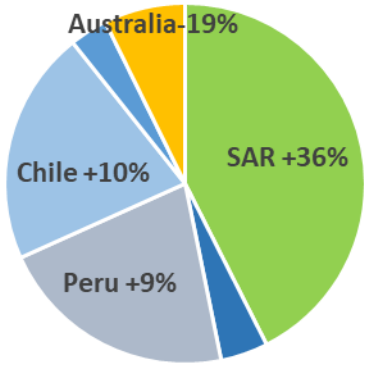
SH Orange export 2020
1.5 m t
-1% / av. 18-19
(+3% / 19)



SAR | Uruguay | Peru | Chile | Argentina | Australia

	SAR	Uruguay	Peru	Chile	Argentina	Australia
20 / av 18-19		+6%	+39%		-18%	

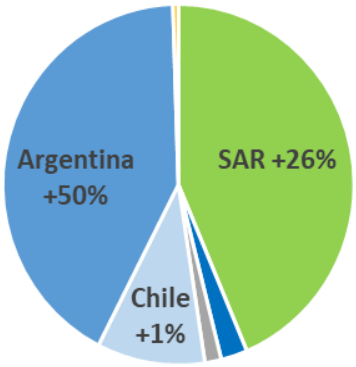
SH Soft citrus export 2020
823 000 t
+18% / av. 18-19
(+14% / 19)



SAR | Uruguay | Peru | Chile | Argentina | Australia

	SAR	Uruguay	Peru	Chile	Argentina	Australia
20 / av 18-19		+208%			-22%	

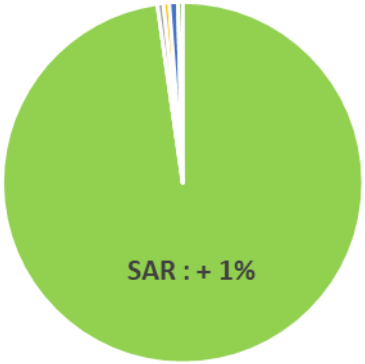
SH Lemon export 2020
905 000 t
32% / av. 18-19
(+32% / 19)



SAR | Uruguay | Peru | Chile | Argentina | Australia

	SAR	Uruguay	Peru	Chile	Argentina	Australia
20 / av 18-19		+6%	+26%			+30%

SH grapefruit export 2020
260 000 t
+1% / av. 18-19
(+9% / 19)



SAR | Peru | Chile | Argentina | Australia

	SAR	Peru	Chile	Argentina	Australia
20 / av 18-19		+8%	+15%	+146%	-23%

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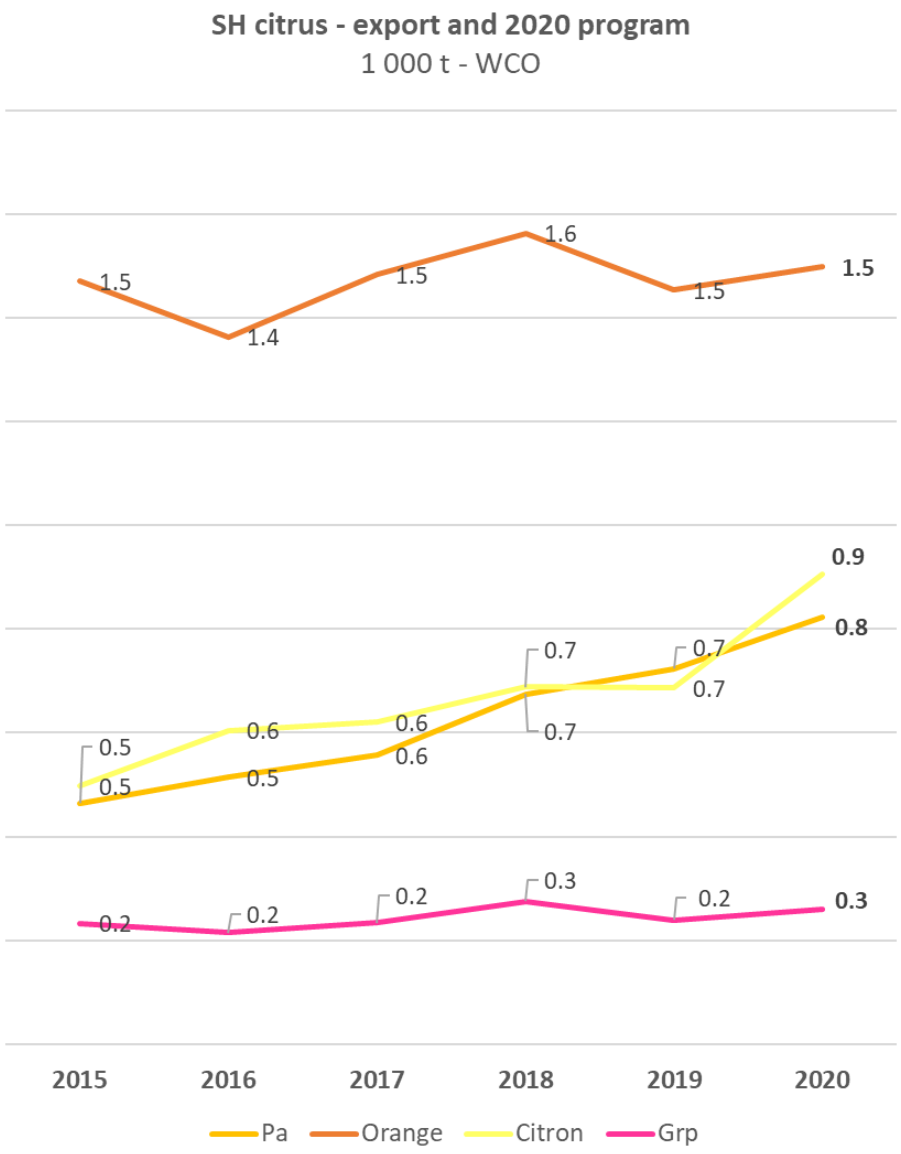
2020 export program: following the structural trends



- **Lemon / EP**: a new sharp increase

- slightly increasing to flat for **oranges and grapefruit**

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A very impacting market context

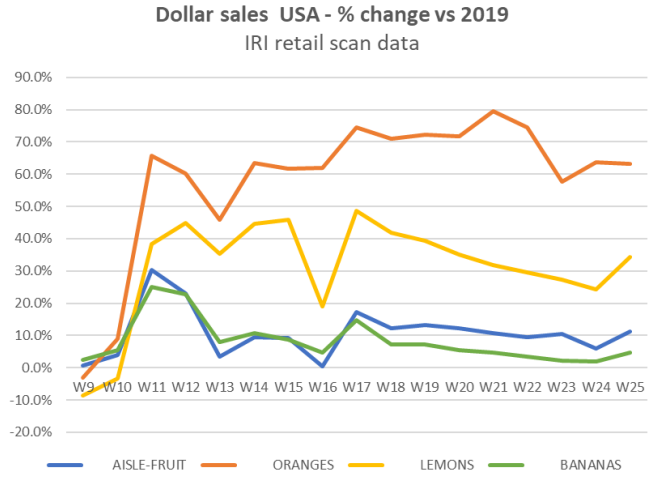
- Early end of the NH season – **no overlap for a majority of the citrus families**
  - Short production of the leading NH suppliers

Leading supplyers - 19/20 production compared to 18/19 and to the 4 Y average

	PA		Orange		Lemon		Grapefruit	
	/18-19	/av. 4 Y	/18-19	/av. 4 Y	/18-19	/av. 4 Y	/18-19	/av. 4 Y
Mediteranean*	-19%	-13%	-15%	-8%	-10%	3%	7%	4%
California	-13%	1%	-6%	-4%	-11%	-3%		
Florida							8%	-28%
China	5%	10%	1%	3%				

Prof. Sources – USDA
***Med:** Spain, Italy, Turkey, Egypt, Morocco, Tunisia, Israel, Greece

  - Very good demand – Covid – appeal for high C vitamin fruits



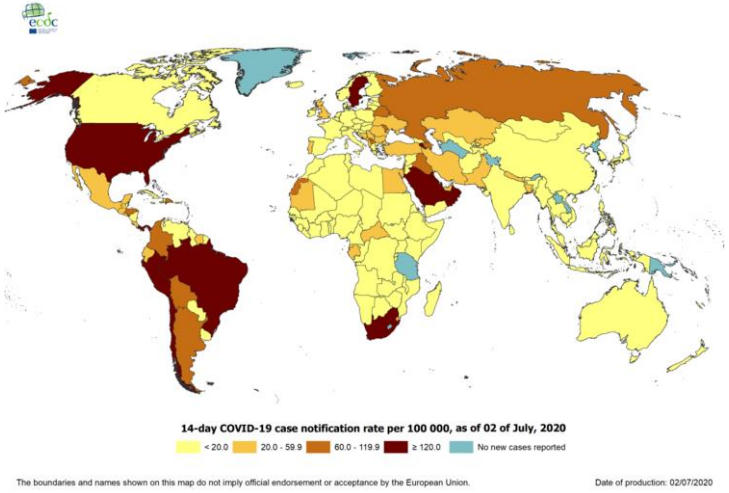
US market: Can you believe it ???? Reliable source
Covid period (W11->)

Fruit Aisle: +12%
Orange: +66% !!!!
Lemon : +36% !!!!
Banana: + 8%

- Europe – **short stone fruits crop**
  - Big competing products in the shelves, especially in France/Southern Europe
  - "Table" Peaches – Nectarines: 1.6 m t -19% / 2019 and -19% /av. 14-18
  - Apricots (Italy-Greece-Spain-France): 0.4 m t:-37% / 2019 and -28% /av.14-18

Covid impact? Lots of questions…

"high COVID " countries – July 02 - 2020



- **Major markets impacted:**
  - **USA**
  - **Eastern Europe - Russia**
  - **Middle East**
  - **Asia?**

Share of the SH citrus trade (without Asia)
49% EP / 29% Oranges / 14% Grapefruit
47% Lemon

- **Temporary trade measure:**

https://www.macmap.org/covid19

International Trade Centre

- **Impact on sales???**

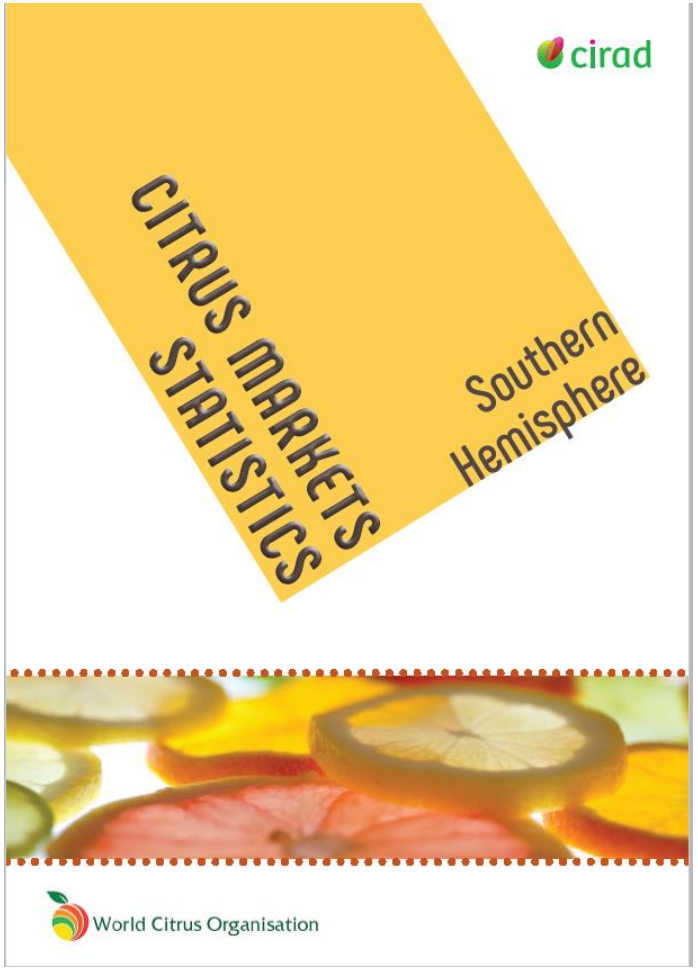
Retail stage? Consumers still looking for high content C Vitamins ?

Food service still fully or partly closed

- Big issue for oranges / **lemon**
- Compensation by better sales in supermarkets?

- **Upstream: big issue**
  - field/packing workers
  - inland/sea transportation

Uncertainties regarding the realisation of the export program

Key statistics about SH citrus

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