CIRAD Market News Service

World Citrus Trade

Key trends - 2020

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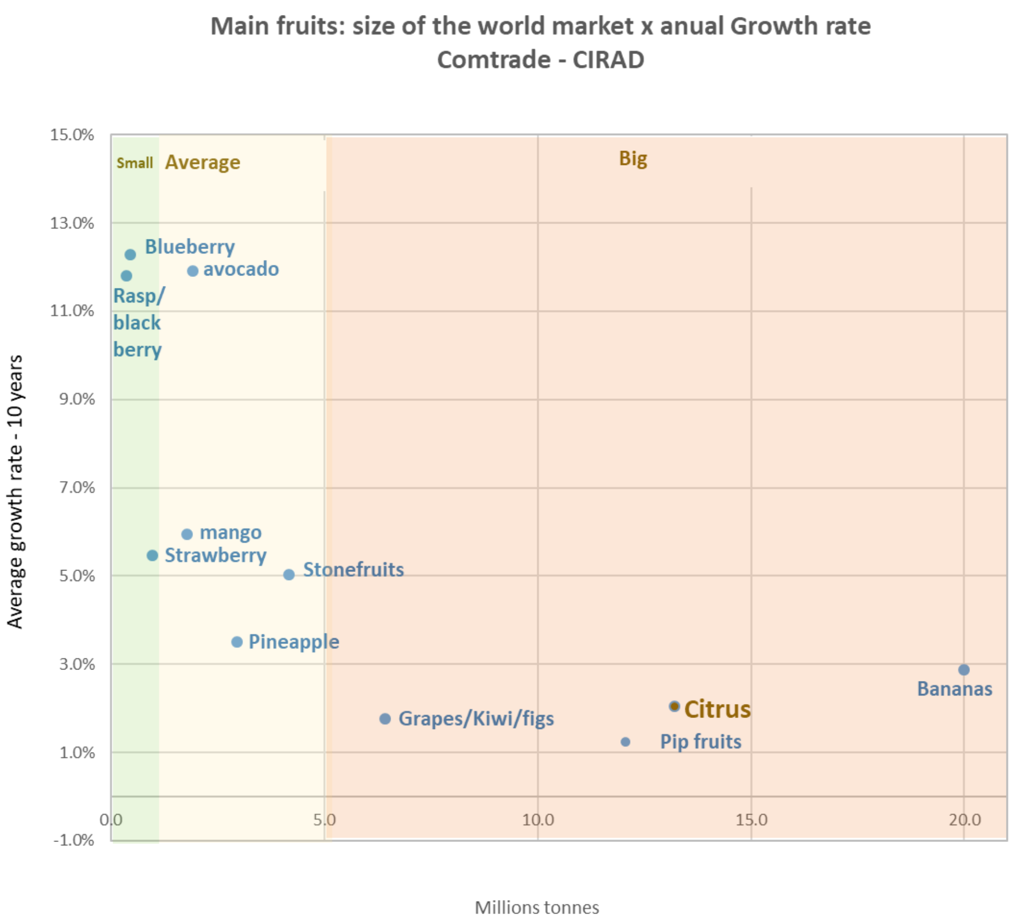
World citrus trade: what are we talking about ?



- **One of the leading fruit market in size**

  -**Around 14 m. tons in 2019 for the "big 5 citruses" Orange/EP/lemon/grapefruit/lime**
  19% of a world fruit trade estimated at 70 m. tons

  -**Second in the ranking**, after banana (22 m.t) and before pip fruits 12 m.t

- **…but lacking lustre**

  -**Average growth rate – 10 Y - : 2,0 %**
  Fruit trade : 3.0 %
  Banana : 2.9 %
  Avocado : 11.9%

- **…more and more markedly**

  -**Average growth rate – 5 Y - : 0,9 %**
  Fruit trade : 2.6 %
  Banana : 4.2 %
  Avocado : 13.5 %

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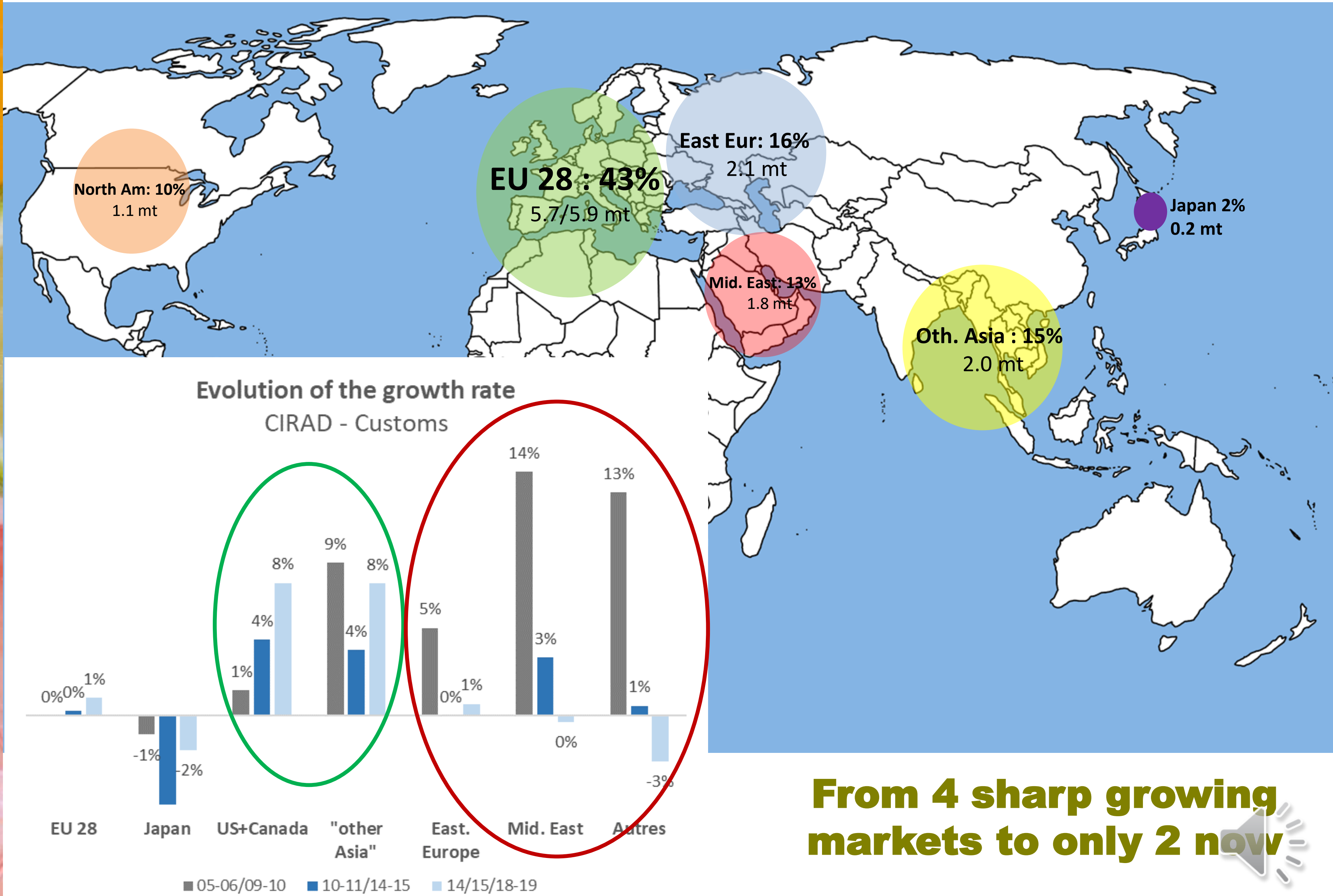
FRuiTROP

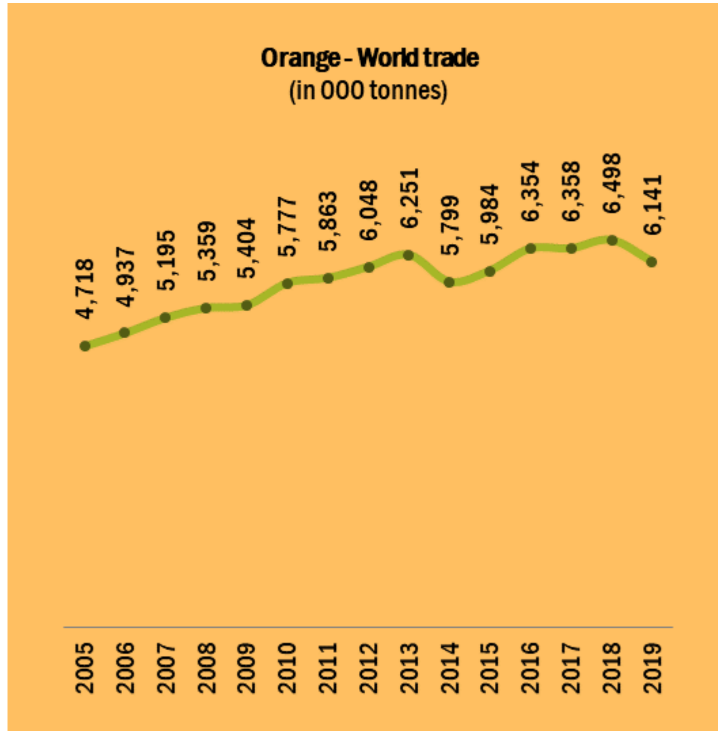
Some key markets not growing any longer



From 4 sharp growing markets to only 2 now

Oranges: an increasing pressure

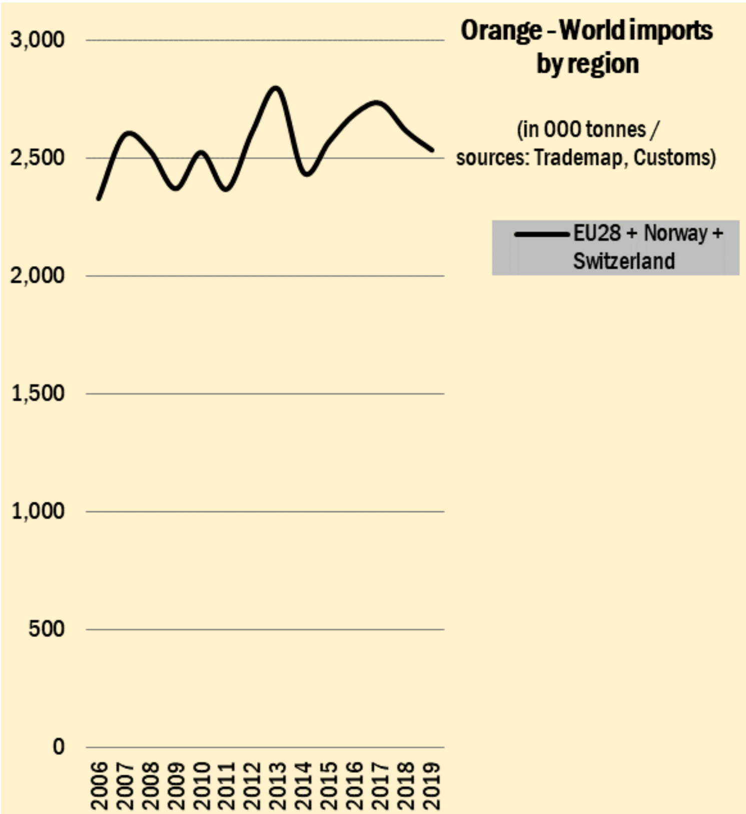
Oranges: slowing down



- **Around 6.4/6.5 m t** – 9% of the world fruit trade / 48% of the citrus trade in volume
  Even a decrease at 6.1 m t in 2019 (sharp fall of the Turkish exports to Iraq - political issues in the area)
- **A significant growth till 2013** (+3.8 % /Y)
- A **much slower pace for 5 years** (+0.5%/Y from 2013 to 2018)

Oranges / UE 28 – a slight improvement…but…

- **2.5/2.6 Mt - 42% of the world trade**
- **An improvement by the middle of the decade**



-> Juice machine / New Market segment

Need for cheap oranges

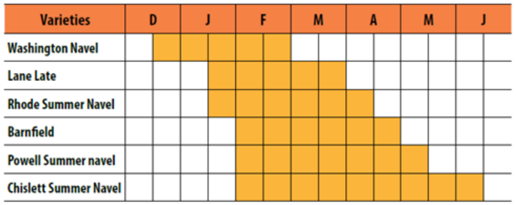
Egypt 300 000 t / 2nd EU28 supplyer

+ 100/150 000 t in 5 Y

-> New Spanish late table orange range

Longer calendar / improved quality

Late Navel oranges – Mediterranean Basin – Harvest calendar



Professional sources

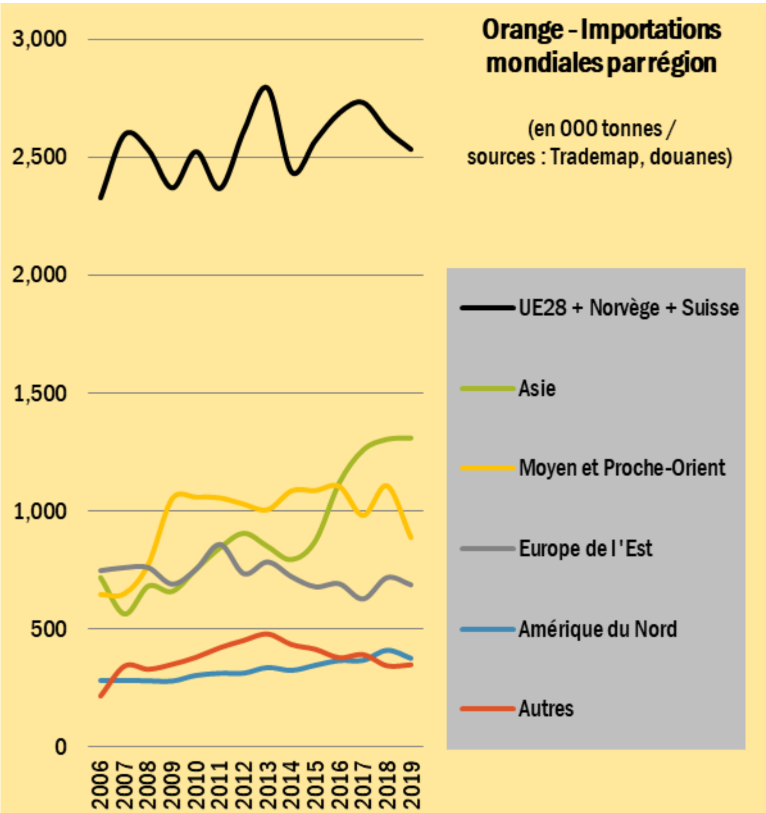
⇒ Slightly improving seasonal prices

CIRAD season price indicator ≈ + 15% since 15/16

⇒ Later market window, delaying the SH season

A changing trend again ? An erosion since 2018

Oranges: Contrasted trends on the non EU markets



- **Skyrocketing Asian markets** (21% of the WT)

THE only significant market driver

+500 000 t in 5 Y !

Chinese imports : x 2.3 in 5 years to 760 000 t

>60% of the Asian Imports

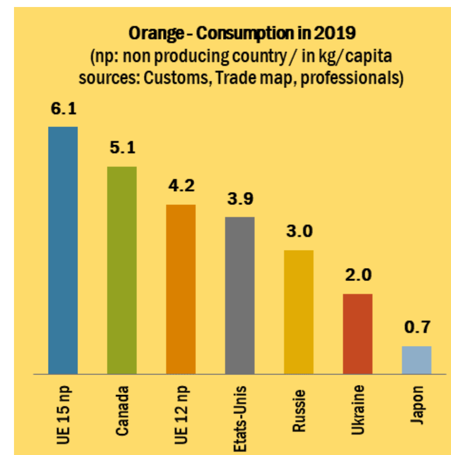
....but tending to stabilize ?? 2019 :

China =↗ and Korea/India ↘

- **Middle East** totally flat (19% of the WT):

- **Eastern Europe**

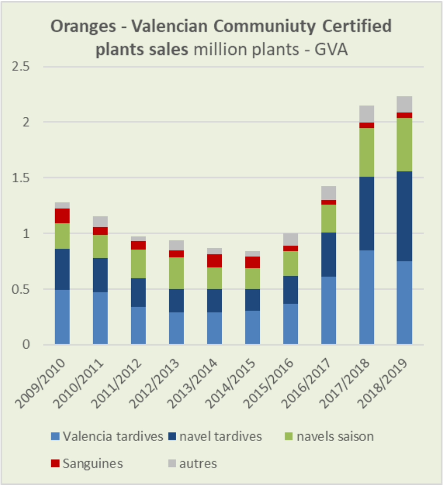
  decreasing, in spite of a low consumption (11% of the WT)



- **North America** slightly increasing

  7% of the WT

- **growth of the demand in volume limited for the moment:**
  China/ North America are the only markets growing now
  Current pace : +40 000 t/Y



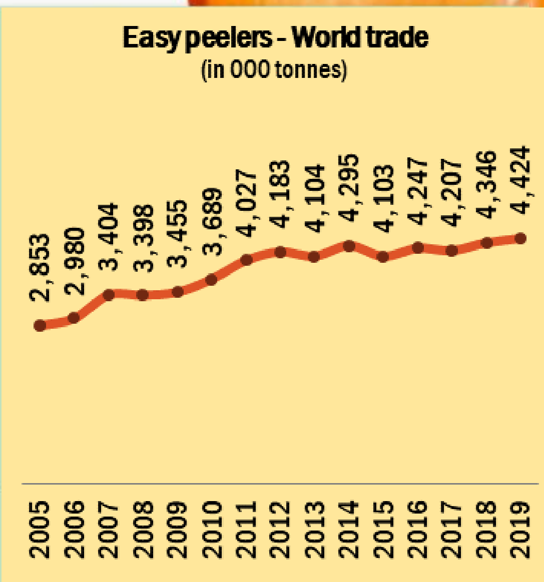
- **Sharp increase in production in some key supplying countries**

60% of the world export

- **Spain :** Renewing of the Valencia / late table oranges
  Mainly variety substitution after uprooting
- **Egypt :** Exploding production / exports (15-16->18-19 : +350 000 t)
  - High competitiveness - Production cost - very low 1000 /1500 US$/ha …
  - Planting ? USDA + 28 000 ha since 15/16 (+5 500 ha/Y) – More acc. Prof. sources!
- **Turkey ?** No statistics – Exports sharply up till 17/18 – decrease these two last season but due to political issues (Iraq/Russia/Ukraine)
- **SAR :** Growing, especially in Valencia (+3 400 ha between 2014 and 2019- 85% Valencia)
  Export forecast : +200 000 t in 2022 / 2018

Soft citrus: more pressure on the summer and the late winter market

Soft Citrus: no more growth in volume

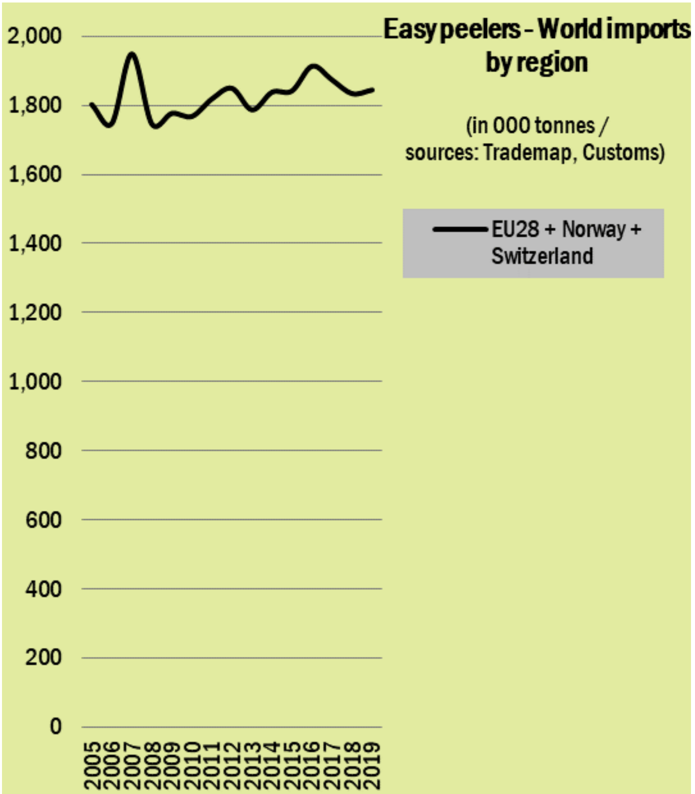


- Around 4.3/4.4 m t - 6% of the world fruit trade / 31% of the citrus trade in volume
- The **Star of the citrus markets…till 2011-12**

  \+ 2 m tons in 10 Y !!!!

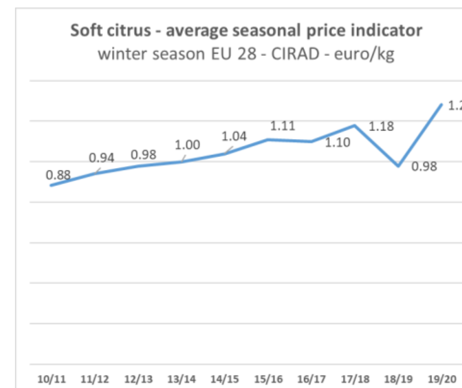
- Almost no growth between 2012 and 2017…and a slight wake up these last two years

Soft citrus/EU28: Growth in value, but not any longer in volume



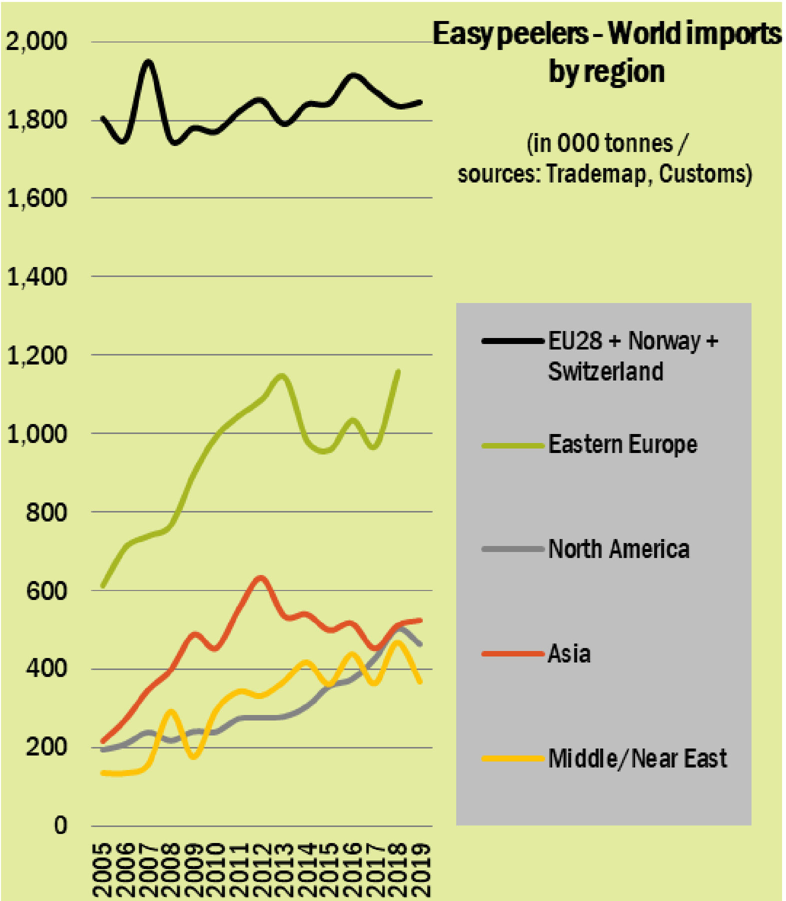
- **1.8/1.9 M t - 44% of the world trade**
- Almost **no growth for 10 Y**
  - Very slight decrease on the winter market
  - Very slight increase on the summer one
- **Qualitative substitution,**
  - especially during the late season (switch to high standard late hybrids – around ¼ of the global offer now)

=> Prices up



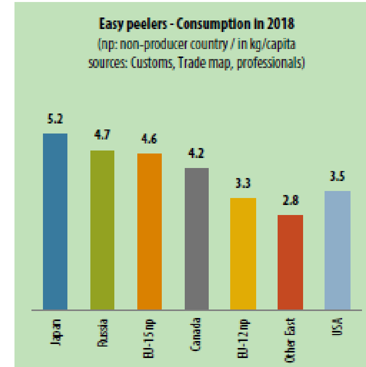
- **A “winter market”**
  - 90% of the volumes traded in winter
  - 50% of the HS volumes going to the UK

Soft citrus: no more big alternative growing market …



- **Eastern Europe** – a key driver of the world trade growth …. in the past
  - From **sharp growth to recession in 2014/2015** (economic crisis in Russia, conflict in Ukraine, Russian ban on EU28 citrus)
    Around 150/200 000 t lost
  - A sudden rebound in 2019 (price ?– punctual?)
- **Asia** – down since 2013-2014
  - Less Chinese supply, due to increasing Greening problem (China ≈ 80% of the offer in this area)
  - Implementation of quota in Indonesia
    100 000 t lost
- **Middle East** a stagnating market
- **North America** – significantly up… till 2019
  - +50 000 t/Y these last 4 Y

- **Growth of the demand limited for the moment**
  North America / + 50 000 t/Y
  Wake up of Eastern Europe ?



- **N.H. Production: far less planting, but so more large volumes to come especially regarding late hybrids**

70% of the N.H export

- **Spain** : Planting limited/renewing
  - +700 / 900 000 plants / Y in the Com. Valenciana
  - Some Late Hybrids orchards not mature yet
- **Morocco** :Very limited planting since 2016/17
  - huge growth before (≈+30 000 ha in 10 Y)
    => young orchards still not in full swing
- **Turkey ?** No statistics, but sharp increase for sure
  - Exports +200 000 t in 4Y
  - Late hybrids (prof. Sources) : Tango 1000 ha planted - W Murcott 7/10 000 ha planted

Late hybrids/EU28 sup. : +250 000 t expected

Late hybrid easy peelers – European Union main supplier countries

	Varieties	Areas	Latest export potential	Observation
Morocco	Nadorcott	7 560 ha (2019)	250 000 t	Cultivation area stabilised
Spain	Nadorcott	5 370 ha (2019)	200 000 t	Cultivation area stabilised
	Or	1 960 ha (2019)	70 000 t	Cultivation area stabilised
	Tango	3 000-3 500 ha	120 000 t	Cultivation area still expanding
Israel	Or	4 600 ha (2019)	115 000 t	Cultivation area stabilised
Total			755 000 t	

Professional sources

- **S.H. Production: A boom expected**

70% of the S.H export

- **SAR** : A boom, especially for late hybrids
  - +11 600 ha between 2014 and 2019
- **Chile** : Sharp increase also
  - +4 500 ha between 2014 and 2020

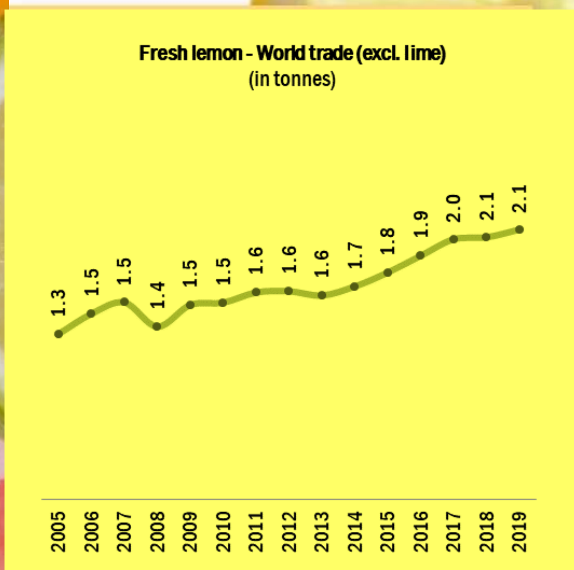
Lemons : yellow as gold…but

Lemon : The good surprise…until now!

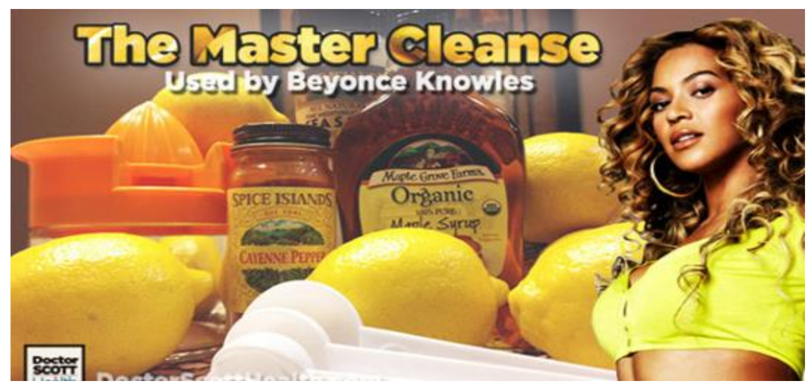
- 2.1 m t in 2019

3 % of the fruit trade / 15% of the citrus trade

- A “dead market” at the beginning of the 2010’s
  - poor prices/very little growth
- The **citrus star of the last years**:
  ≈ + 100 000 t /Y between 2013 and 2017 (+5%/Y)/prices up

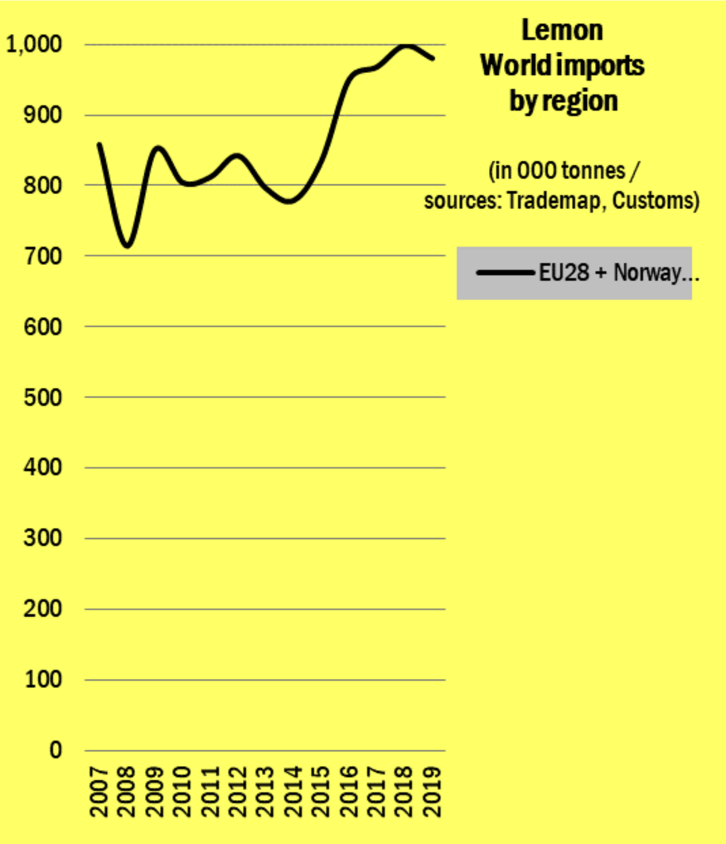


A very **positive image** (healthy / diet) + very **popular ambassadors** : Thanks BEYONCE !
=>Boom for acidic citrus / lime + 50 000 t /Y since 2014



Pace of development slightly lower since 2018 (+50 000 t/Y)

Lemon / EU 28: can you believe it?

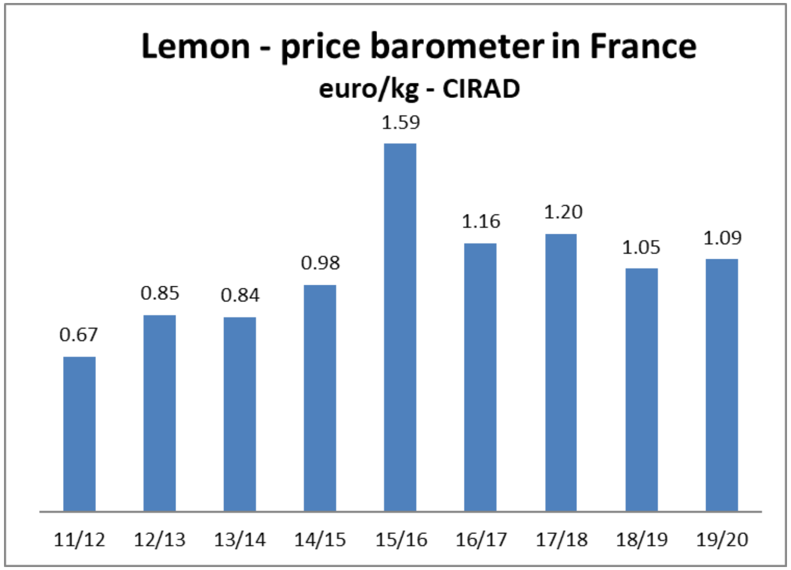


- Volumes taking off from2014/15

  +200 000 t in 3 Y

- Prices up also !

  Cirad indicator : + 35/40% since 2013-15

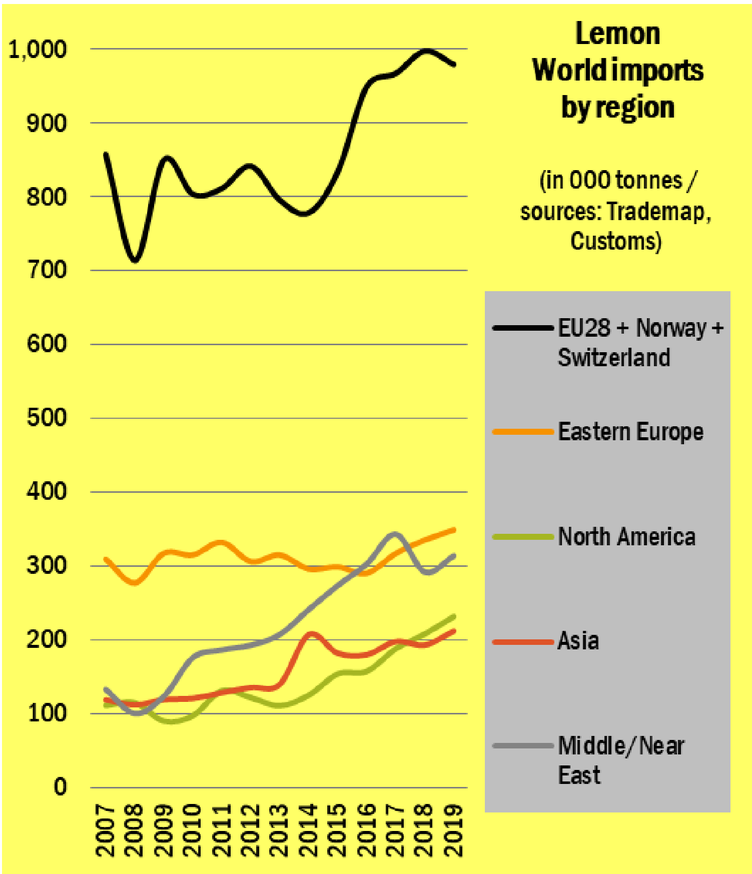


A changing trend

Volumes stables in 2018 and down in 2019

Prices tending down also in 2018/19

...as well as in the main part of the other world markets !



- Sharp increase in:
  - Middle East : +120 000 t in 10 Y
    But also flat these last two years
  - North America : +100 000 t
  - Asia : +70 000 t in 10 Y
    - China + HK/South Korea / Singapore / Malaysia
  - Eastern Europe : flat till 2017, but waking up since 2018

A **slow down for some markets these very last years** (Middle East, Asia)
North America only still significantly up (confirmed in 2019)

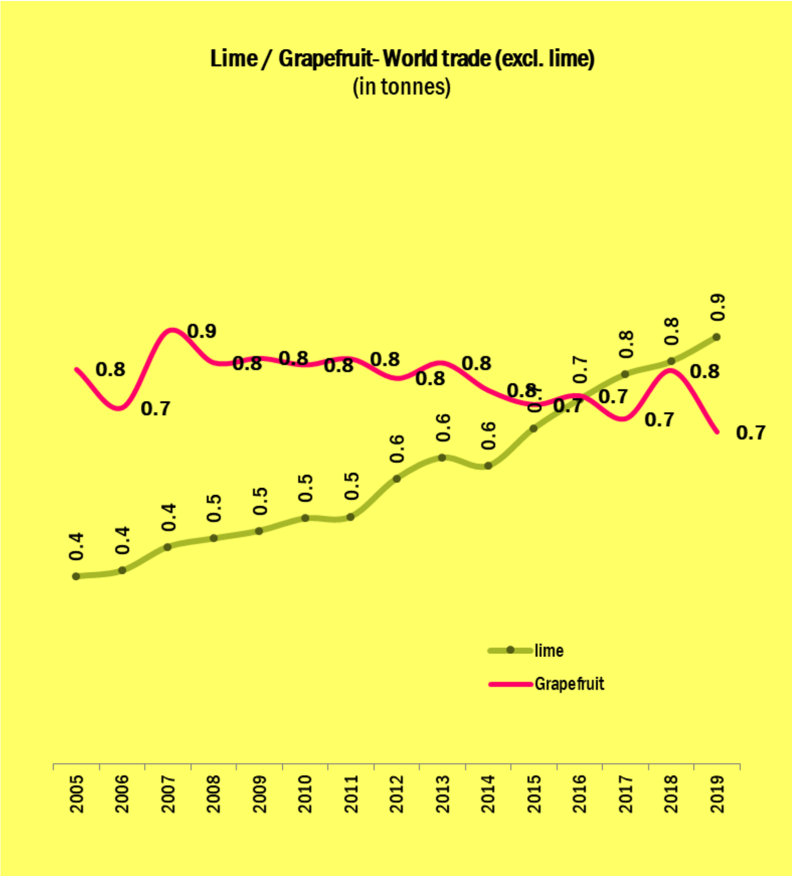
Prospect +1.3 m t in 2022-23 ?

Lemon – Production and prospect

in 000 tonnes	2014-15 to 2017-18 average	2023-24 projection	Additional production at 5 years	Observations
Spain	1 000	1 500	500	• + 4 million trees from 2011 to 2018 • Replanting = 20 % / New planting = 80 % / Yield = 40 t/ha
Italy	430	570	140	• + 1 million tries from 2015 to 2018 • Replanting = 20 % / New planting = 80 % / Yield = 40 t/ha
Turkey	700	800	100	• Hypothesis: production growing at the rate of exports (+ 3 % per year)
California	810	790	- 20	• - 100 ha per year / Yield = 37 t/ha
Total N. Hemis.	**2 940**	**3 660**	**720**	
South Africa	350	710	360	• 6 000 ha from 2014 to 2017 / Yield = 60 t/ha
Argentina	1 600	1 800	200	• 4 500 ha from 2014 to 2017 / Yield = 45 t/ha
Total H. Hemis.	**1 950**	**2 510**	**560**	
Total	**4 890**	**6 170**	**1 280**	

Sources: CGA, Ailimpo, Federcitrus, USDA, professionals

Lime and grapefruit : antagonist trends



- **Grapefruit : a market of 670 000 t* (2019)**

  A continuous erosion

  -15 000 t / Y (-23%/Y)

- **Two main issues :**

=>At the production stage :
Florida, former world leading supplier in big troubles
greening in Florida – production divided by almost 10

=>At the market stage : poor image of the product
Interaction with drugs/ Overall eating quality decrease
following a shrinkage of tropical grapefruit market share

- **Lime : a market of 860 000 t* (2019)**

  A fast growing market

  +50 000 t/Y (+7%/Y)

- **Easy to understand !**

  two key markets : USA ¾ / EU 28 17%

  two key players: Mexico 85% / Brazil 12%

*leading markets – USA/UE28/Russia/Japan/Canada

To sum up :

- **Very limited growth in volume**, apart for lemon and lime
- **Production increasing significantly for key market players**, for almost all kind of products apart grapefruit
- **More external constraints - greener market**
  - Phytosanitary / water use / packaging / transportation – big challenges
  - Next step – social impact

We need more transparency / exchange of information

Difficult market context - need of a close monitoring of planting/production/world trade/consumption
- need to understand the new expectations of the consumers

We need more promotion / opening of new markets

Hass Avocado Board in the US – mandatory fee on every box sold
80 millions US$ for promotion in 2019

We need more added value

Quality substitution policy => investment on investigation on new varieties
To non conventional production methods – Organic / Agro ecology

In one word : It's time for WCO !