

3rd REPORT ON SPANISH SEASON 2016/2017

**AILIMPO RE-CONFIRMS CROP FORECAST FOR LEMONS
AND GRAPEFRUITS**

980.000 Tons of Lemons and 67.000 Tons of Grapefruits

Murcia, January 26, 2017

AILIMPO has launched its 3rd lemon and grapefruit forecast report for this running 2016/2017 season confirming the figures previously announced in September. The new report concludes that lemon crop goes back to average normal volumes achieved in the past with a forecast around one million tons after an extraordinary and abnormal 2015/2016 season. In the case of grapefruit, production remains stable with a slight decrease. Spanish sector will continue consolidating its leadership position in the European fresh market in terms of quantity, quality, food safety and excellent service.

Comments on the Lemon Season

2016/2017 Lemon season started with high returns at grower's level and with significant delay due to heavy stocks from the southern hemisphere (SH). If we make the comparison between the new season and the normal reference season (2 years ago – 2014/2015 season), we see that the activity rate during the first part of the season going from September to December has been lower, with exports in the fresh market going down by 12%. In the case of processing activity, a reduction of 25% was achieved due lower availability of lemons for this purpose.

Rains in December and January were positive in order to get good sizes. Snow and low temperatures during the third week of January did not cause damages. These 2 key elements allow us confirming the figures announced in September forecasting a total lemon production in Spain of 980.000 tons.

For Verna Lemon variety an important crop is expected, going back to the path of normal volumes harvested during 2014/2015 season.

A recovery of normal activity pace in the sector is expected in the second part of the season in order to harvest all the expected crop to be sold both in the fresh and processed market. Nonetheless, it is not expected to achieve the 2014/2015 record volumes in both cases.

3rd CROP FORECAST 2016/17 SEASON (Tons)

	HARVEST 2014/15	HARVEST 2015/16	FORECAST 2016/17	VARIATION 2016/17 vs 2015/16 (%)
LEMON	1.154.000	802.680	980.000	22%
GRAPEFRUIT	81.900	71.400	67.000	-6%

Upcoming Report: Ailimpo will confirm the final crop:

✓ **Thursday, September 7, 2017**

COMMITMENT TO TRANSPARENCY



Note on Methodology: Ailimpo drew up this technical report following the work protocol on the basis of aggregated information from surveys conducted with producers, cooperative farming organizations, exporters and transformation industries with field information from their lands.

ABOUT AILIMPO

Ailimpo is the Spanish interbranch organization based in Murcia and officially recognized by the Spanish Ministry of Agriculture and the European Commission. The organization represents the economic interests of producers, cooperative farming organizations, exporters and industries of lemons and grapefruits in Spain, a sector in which Spain is the world's largest fresh fruit exporter and ranked second among processing countries with a turnover of €620 million annually, generating 15,000 direct jobs and auxiliary industry turnover of over €250 million.

Ailimpo's duties under law include ensuring the appropriate workings of the food chain, entering into food and agricultural contracts/agreements, developing methods to control and rationalize the use of phytosanitary products to guarantee the quality of products and environmental protection, and fostering and promoting standards of quality and excellence in the sector.

The lemon sector contributes to environmental sustainability with a net positive balance of 304,840 tons of CO₂ sequestered yearly.
