

FIRST FORECAST FOR THE SPANISH LEMON HARVEST 2021/2022 SEASON

After a record crop campaign, AILIMPO estimates that Spain will return to harvest levels of around 1,035,000 tons, an overall decrease of 23% due to adverse weather conditions in 2021.

AILIMPO expects a recovery of prices for producers that should be transferred to the rest of the links in the supply chain, from growers to retailers, to achieve a correct economic balance. A greater use of lemons for the fresh market is expected, with a decrease in volumes for processing.

With a preliminary forecast of 1,035,000 tons, Spain will keep its leading position in Europe in conventional and organic lemon, consolidating sustainable production, support for biodiversity and GLOBALGAP and GRASP certifications, offering the European market a local product.

Murcia, July 14, 2021

AILIMPO's first crop estimate of lemon for the next 2021/2022 season, forecasts a production in Spain of 1,035,000 tons, which represents a decrease of 23% compared to the 2020/2021 season that is expected to close with a record production of 1,340,000 tons according to the provisional balance. This first crop estimate will be confirmed at the end of September and the decrease is due to the adverse weather conditions in 2021, with episodes of cold, wind and excess of rain that affected flowering and fruit setting in some production areas.

In these calculations AILIMPO has considered the effect of the progressive entry into production of new orchards, with 5.4 million lemon trees planted in the last 6 years, which will undoubtedly be reflected in the crop of the coming seasons.

Spain will continue in 2021/2022 to be the leading exporter of fresh lemons, and the second largest processor of lemons in juice, essential oil and dehydrated peel worldwide.

In the case of the **FINO VARIETY**, a decrease of 16% is estimated with a forecast of 820,000 tons.

As for the **VERNA LEMON** crop, the first forecast points to a harvest of 215,000 tons in 2022, which would be significantly lower than the current 2021 season with a 40% decrease.

Outlook

With these figures, **AILIMPO** expects a recovery of prices for producers that should be transferred to the rest of the links in the supply chain (from growers to retailers) to achieve a correct price balance in the industry. Likewise, a greater

use of lemon for the fresh market is expected, with a **decrease in the volumes to be sent for processing**, that achieved record figures in the 2020-2021 campaign. The start of the season in September could be affected by the end of the Southern Hemisphere fresh exports and the Turkish lemon season, which is likely to return to normal crop volumes.

A greater percentage of the lemon crop will be destined to the fresh market, with a decrease in volumes for processing (record figures achieved in the 2020/2021 season), returning to values close to the average 25% of the crop for processing, in a scenario of a very active international supply of juice and oil where the Spanish industry will have to try to remain competitive.

In addition, **from the producer's point of view, GlobalGAP and GRASP certifications will be key elements next season**, within the strategy of the interprofessional to differentiate Spanish lemons and promote sustainable production under the triple approach: economic, environmental and social.

The increase in new plantations in recent years will be reflected in the productions of the next years so the **differentiation of Spanish lemon will be key through the AILIMPO Promotion Campaign www.thelemonage.eu** which is financed with European funds and the contribution of the sector through the Extension of Rules mechanism officially regulated by the Ministry of Agriculture.

SPANISH LEMON PRODUCTION AND PRELIMINARY FORECAST FOR THE 2021/2022 SEASON

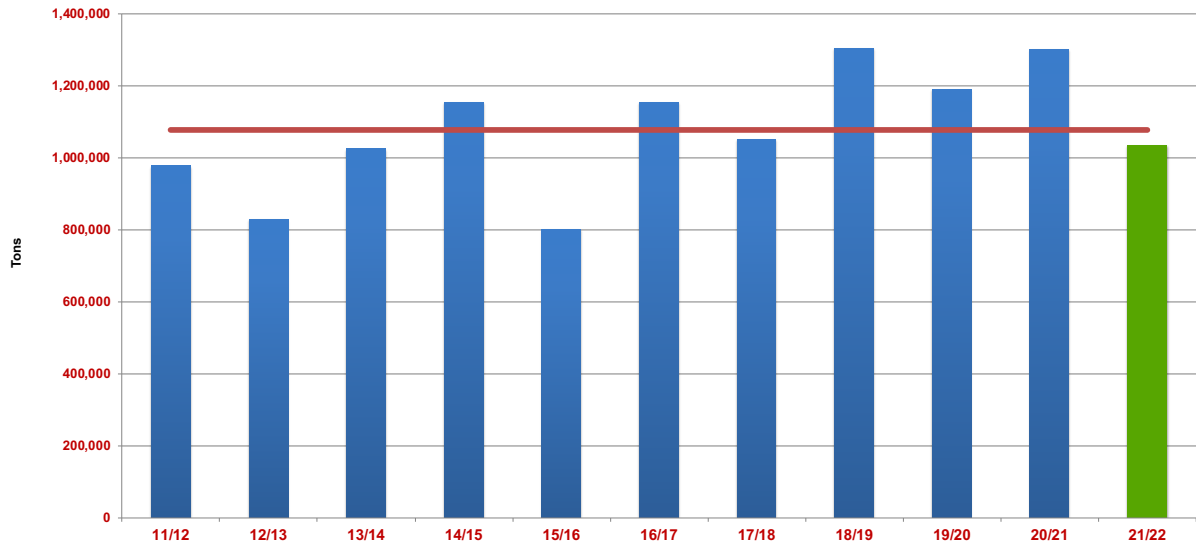
	Crop 2020/21	Forecast 2021/22	VARIATION (%)
FINO	980,000	820,000	-16%
VERNA	360,000	215,000	-40%
TOTAL	1,340,000	1,035,000	-23%

History of LEMON Production in Spain

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21*	2021/22**
Crop	977,000	830,000	1,024,000	1,154,000	800,852	1,152,000	1,050,000	1,302,000	1,190,000	1,340,000	1,035,000

TONNES *Provisional data at the close of the 2020/2021 season **AILIMPO's first harvest forecast for 2021/2022

	AVERAGE FROM PAST 10 SEASONS 2011-2021	1st FORECAST 2021/2022
CROP	1,080,000 Tonnes	1,035,000 Tonnes



Coming updates: ALLIMPO will update its harvest forecast on:

- ✓ **Thursday, 30 September 2021**
- ✓ **Thursday, 27 January 2022**

Note on methodology: ALLIMPO has drawn up this technical report following the working protocol, using information from surveys taken by producers, cooperatives, exporters and processing industries in addition to field information from its control farms.

ALLIMPO is a Spanish inter-professional association based in Murcia, officially recognised by the Spanish Ministry of Agriculture and the European Commission and representing the economic interests of producers, cooperatives, exporters and lemon and grapefruit industries in Spain – a sector in which Spain is the world leader for the export of fresh lemons and 2nd in the ranking for processing countries with an annual turnover of €700 million, generating more than 20,000 direct jobs and a turnover of more than €250 million in related industries.

The lemon sector contributes to environmental sustainability, with a positive net balance of 311,250 tonnes of CO2 captured per year.

By law, its functions include: ensuring the proper operation of the food supply chain, drawing up agri-food contracts and developing methods for monitoring and streamlining the use of phytosanitary products to guarantee product quality and the protection of the environment and also encouraging and promoting quality standards and excellence within the sector.