

COMMITMENT TO TRANSPARENCY



AILIMPO'S LEMON and GRAPEFRUIT FORECAST 2022/2023

Estimated production of 1,090,000 tons of lemons and 76,000 tons of grapefruit.

Decrease of 10% in both Lemon and Grapefruit.

Increased yields from new plantations only partially offset the production losses caused by severe weather conditions.

Spain will maintain its leading position in Europe with conventional and organic lemons, consolidating sustainable production, support for biodiversity and GLOBALGAP and GRASP certifications, offering the European market a local product. In parallel, Spain will continue to consolidate its position in grapefruit.

Murcia, September 29, 2022

LEMON

AILIMPO's lemon crop estimate for the next 2022/2023 season, forecasts a production in Spain of 1,090,000 tons, which represents an overall decrease of 10% compared to the 2021/2022 season that closes with a final production of 1,211,000 tons according to the provisional balance that accounts for the fruit exported, processed, sold in the domestic market, as well as weight losses. The balance has been higher than initially expected partly due to a higher production of Verna lemons due to the strong increase in sizes, and there was also an important harvest of "rodrejo" lemons in summer.

The expected decline is due to adverse weather conditions in 2022 with significant rainfall events in March and April that affected flowering and fruit setting in many production areas. In addition, the summer has been particularly hot with increased temperatures and a lack of rain, resulting in delayed fruit development with smaller fruit sizes at present date. The decrease will be particularly remarkable in the Verna variety, with a 22% drop. In the case of Fino variety, a 5% drop is expected. In any case, the rate of harvesting and size development will determine the final crop estimate.

Spain will continue to be the world's leading exporter of fresh lemons in 2022/2023, and the second largest processor of lemons in juice, essential oil and dehydrated peel worldwide.

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LEMON PRODUCTION IN SPAIN FOR THE 2021/22 SEASON AND FORECAST FOR THE 2022/23 SEASON

BALANCE SHEET AND DESTINATION 2021/2022 SEASON

DESTINATION	Tons
Exports to the EU	642,819
Exports 3rd Countries	21,734
Domestic Consumption	184,392
Losses	42,363
Processing	319,692
TOTAL	1,211,000

CROP FORECAST 2022/2023

	Production 2021/22	Forecast 2022/23	DIF (%)
FINO	850,000	810,000	-5%
VERNA	361,000	280,000	-22%
TOTAL	1,211,000	1,090,000	-10%

Tons

GRAPEFRUIT

AILIMPO's grapefruit production estimate for the 2022/2023 season points to an expected harvest in Spain of 76,000 tons, a 10% decrease compared to the previous season.

GRAPEFRUIT PRODUCTION IN SPAIN 2021/22 SEASON AND FORECAST FOR 2022/23

BALANCE SHEET AND DESTINATION 2021/2022 SEASON

DESTINATION	Tons
Exports to the EU	59,384
Exports 3rd Countries	2,850
Domestic Consumption	5,250
Losses	3,374
Processing	13,724
TOTAL	84,852

CROP FORECAST 2022/2023

	Production C. 2021/22	Forecast 2022/23	DIF (%)
POMELO	84,852	76,000	-10%

Tons

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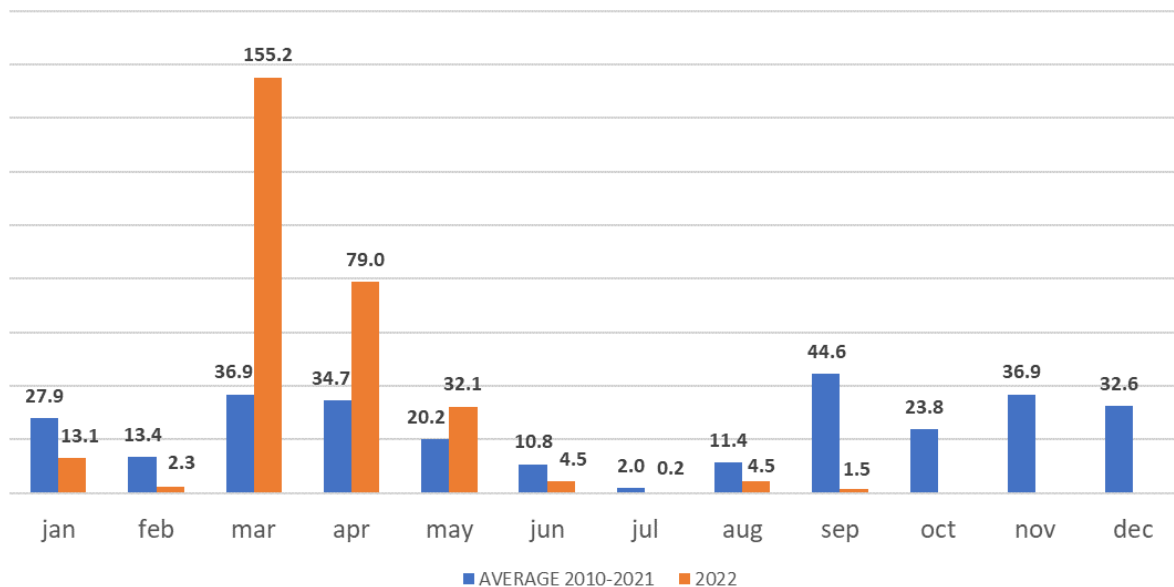


IMPACT OF SPECIAL WEATHER CONDITIONS ON THE LEMON AND GRAPEFRUIT CROP 2022/2023

Data from the main producing area (Murcia) can be extrapolated to the rest of the producing areas.

RAIN (MM)

Murcia. average monthly rainfall comparison. 2022 vs average 2001-2021 (mm)



Source. Prepared by the authors based on SIAM. Murcia

The graph compares, month by month, the precipitation data for 2022 (corresponding to the average of 23 climate stations located in citrus production areas of the Region of Murcia) with the average of the previous 20 years of the same stations (period 2001-2021).

As can be seen, rainfall in 2022 has been much higher than average in the months of March, April and May, thus affecting flowering.

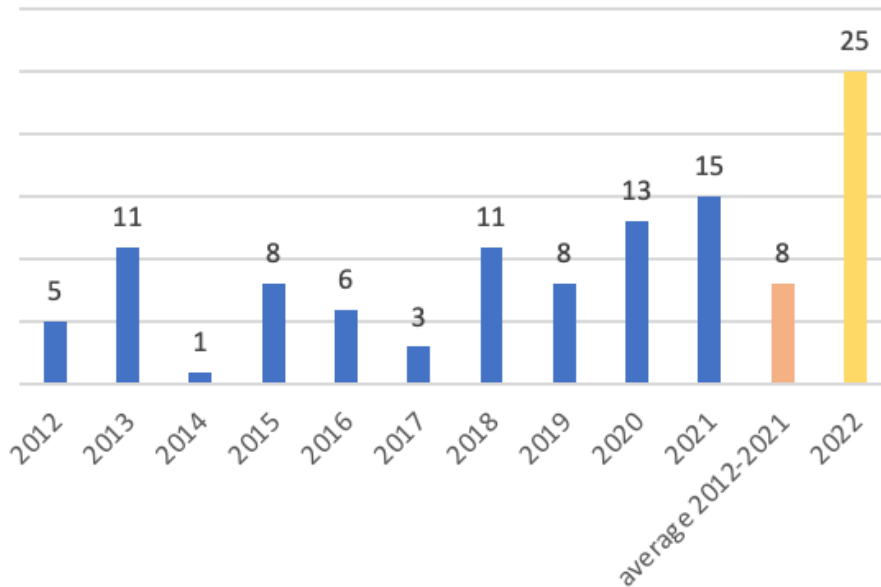
RAINY DAYS

The following graph shows the number of rainy days during a decisive period for flowering and fruit setting (from February 25 to May 5). On average, in the last 10 years, the number of rainy days during these days was 8, while in 2022 it was 25 days, the highest figure in the series.

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Number of rainy days from 25 Feb to 5 May (2012 to 2022).
Murcia



Source. Prepared by the authors based on SIAM. Murcia

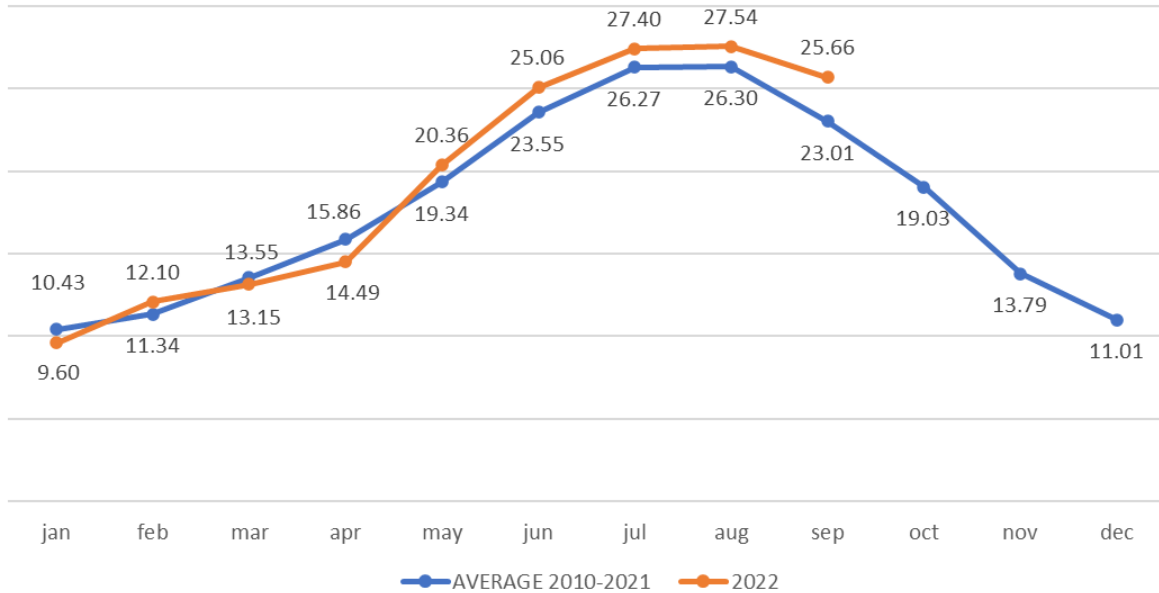
TEMPERATURE

As shown below, comparing the average monthly temperature data for 2022 with the average of the previous 20 years (corresponding to the average of 23 climatic stations located in citrus production areas of the Region of Murcia), it is shown that temperatures in May, June, July and August 2022 have been much higher, causing problems for the setting of small fruit and their subsequent fall, as well as a slowing of fruit growth, which is causing a reduction in fruit size at the beginning of the season.

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Murcia. Comparison average monthly temperatures. 2022 vs average 2001-2021 (°C)



Source. Prepared by the authors based on SIAM. Murcia

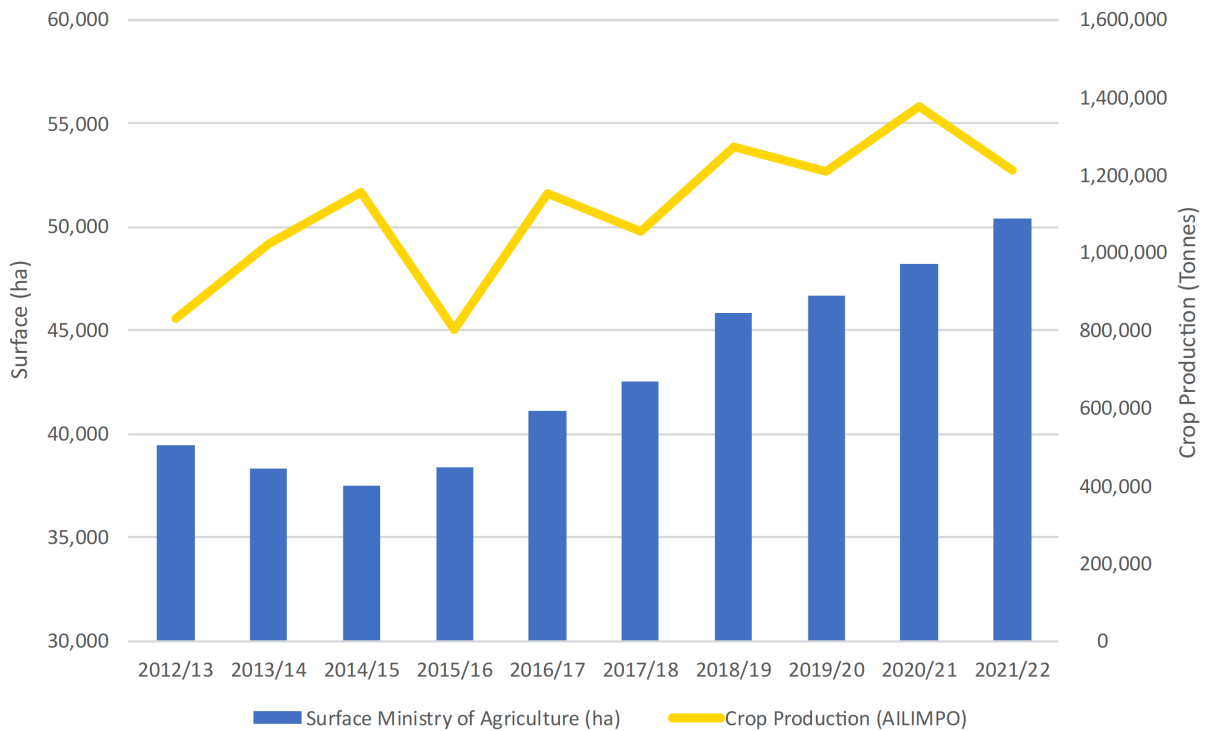
EVOLUTION OF THE AREA AND PRODUCTION OF LEMON AND GRAPEFRUIT IN SPAIN

As can be seen in the following graphs, in the last 10 years, there has been a significant and progressive increase in the area under cultivation, with plots increasing their production each season. The increase in the yields of the new plantations compensates, in part, the production losses caused by the severe climatic conditions that have occurred and their effects on the crop, resulting in the reduction of the crop forecast in the estimate remaining at the figures indicated.

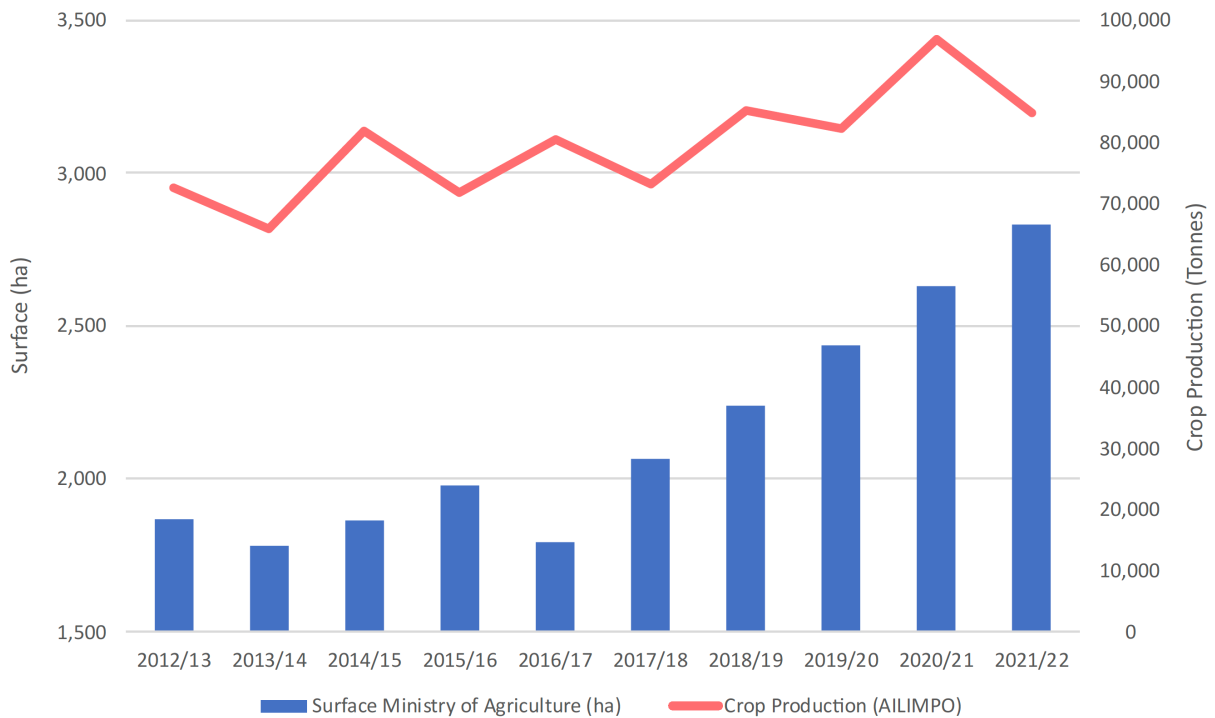
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Lemon. Evolution of surface and crop production



Grapefruit. Evolution of surface and crop production



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Upcoming Updates: ALLIMPO to update Verna lemon crop forecast

✓ **Thursday, January 26, 2023**

Methodological Note: ALLIMPO prepares this technical report following the work protocol based on the aggregated information from the surveys to producers, cooperatives, exporters, and processing industries with field information from their control farms.

ALLIMPO is a national interprofessional, based in Murcia, officially recognized by the Ministry of Agriculture and the European Commission, which represents the economic interests of producers, cooperatives, exporters and industrialists of lemon and grapefruit in Spain, a sector in which Spain is the world leader in fresh exports and 2nd in the ranking of processing countries, with an annual turnover of 1,000 million € and generating 23,000 jobs.

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

Among its functions, the law highlights: To ensure the proper functioning of the food chain, to elaborate agri-food standard contracts and to develop methods to control and rationalize the use of phytosanitary products to guarantee the quality of products and the protection of the environment, as well as the promotion of quality standards and excellence in the sector.