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EU-28

Citrus Semi-annual

Decline of EU-28 citrus production slower than expected

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Report Highlights:

MY 2017/18 EU-28 citrus production is projected to reach 11.095 MMT, 2.4 percent higher than previous estimates, meaning an overall decline of 6.3 percent compared to previous year. The reduction is due to a decrease in production in the primary EU-28 citrus regions. Spain expects 10 percent lower citrus production than previous year with 6.3 MMT while Italy also predicts a 3.6 percent decrease in citrus production resulting in final yields of three MMT. The drought and high temperatures of 2017 coupled with the citrus cycle are the main reasons for this drop. Due to this, EU-28 orange juice production is also expected to decline in MY 2017/18. Strategic markets for EU-28 citrus exports continue to be China, Middle East and Canada. Citrus trade between the United States and the EU-28

continues following a downward trend except for EU-28 lemons. Damage from Hurricane Irma in Florida in September 2017 may affect the EU orange juice imports from the United States.

Disclaimer: This report presents the outlook for citrus production, trade, consumption, and stocks for the EU-28. Unless stated otherwise, data in this report are based on the views of Foreign Agricultural Service analysts in the EU-28 and are not official USDA data.

This report would not have been possible without the valuable contributions from the following Foreign Service analysts:

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Harmonized System (HS) Codes:

Oranges 080510
Tangerines/Mandarins 080520, 080521, 080522, 080529
Lemons 080550
Grapefruits 080540
Orange Juice 200911, 200912, 200919

MY Marketing year:

Oranges October/September
Tangerines October/September
Lemons October/September
Grapefruits October/September
Orange Juice October/September

Abbreviations used in this report:

CAP Common Agricultural Policy
CMO Common Market Organization
EC European Commission
EU European Union
FAS Foreign Agricultural Service
FCOJ Frozen Concentrated Orange Juice
GTA Global Trade Atlas
MS EU Member State
MT Metric ton (1,000 kg)
MMT Million Metric Tons
PS&D Production, Supply and Demand

USD U.S. Dollar

Commodities

I. ORANGES

Table 1: Area (Hectares), Supply and Distribution (Metric Tons)

Oranges, Fresh Market Begin Year	2015/2016		2016/2017		2017/2018	
	Oct 2015		Oct 2016		Oct 2017	
European Union	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	287,793	287,239	287,229	284,590	284,494	282,594
Area Harvested	274,508	274,508	269,131	270,678	267,666	265,790
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
Total No. Of Trees	0	0	0	0	0	0
Production	6,038	6,038	6,779	6,778	6,258	6,420
Imports	973	973	993	995	990	1,000
Total Supply	7,011	7,011	7,772	7,773	7,248	7,420
Exports	319	319	293	293	295	300
Fresh Dom. Consumption	5,406	5,406	5,988	5,989	5,631	5,735
For Processing	1,286	1,286	1,491	1,491	1,322	1,385
Total Distribution	7,011	7,011	7,772	7,773	7,248	7,420

(HECTARES) ,(1000 TREES) ,(1000 MT)

Sources: FAS Madrid

PRODUCTION

EU orange production is concentrated in the Mediterranean region. Spain and Italy represent 80 percent of the EU’s total production of oranges. Greece and Portugal make up the remaining 20 percent.

For MY 2017/18, EU orange production has been revised up 2.5 percent, compared to previous estimates, to 6,420 MMT, due to improved outlooks for Spanish and Italian orange harvests. EU orange production for MY 2017/18 is 5.2 percent lower than MY 2016/17 because of the decreased production expected mainly in Spain and Italy due to unfavorable weather conditions affected by drought, high temperatures and lack of rains during spring and summer. In addition, EU orange area planted continues the downward trend mainly in Spain and Italy.

Spain is the primary orange producer in the EU-28 and represents more than fifty percent of the EU orange production. The latest official estimations from the Spanish Ministry of Agriculture, Fisheries, Food and Environment (MAPAMA) predict a 2.6 percent rise compared to the previous forecast reaching 3,335 MMT but still achieving almost nine percent decrease compared to MY 2016/17. The decline for MY 2017/18 is due mainly to the natural alternation of the citrus crops, the effect of irregular

flowering and the incidence of high temperature during the fruit setting phase occurred in spring 2017. Fruit quality and fruit sizes are expected to be good due to the last rains occurred during fall season.

The main Spanish orange producing areas are the Regions of Valencia and Andalusia accounting for approximately 90 percent of Spanish orange production. Spanish producers try to cover the whole marketing year by growing both *early* and *late* varieties to extend the fruit availability. *Naveline*, *Navel*, *Navelate*, *Salustiane*, *Valencia* and *Sanguinello* are the leading orange varieties grown in Spain. Several consecutive years of an economic crisis in the orange sector has led to abandonment of orange production and substituting it with more profitable production.

Italy is the second largest European orange producer after Spain. Sicily and Calabria are the main orange-producing areas, accounting for 59 and 22 percent of total production, respectively. *Tarocco*, *Moro*, *Sanguinello*, *Naveline*, and *Valencia* are the leading orange varieties grown in the country. Moreover, *Ippolito* and *Meli* cultivars are gaining popularity. Italy's MY 2017/18 orange campaign is expected to be exceptional from a quality standpoint, despite a 6 percent production reduction due to the summer drought that affected the Italian peninsula. However, beneficial rains that occurred at the end of September in the main producing regions and favorable weather in November helped mitigate the drought effects. Fruit sizes are expected to be small and medium.

Greece's MY 2017/18 orange production is expected to increase by 4.7 percent compared to the previous year due to high rates of successful fruit setting for early varieties that markedly increased yields. Peloponnese and Etoloakarnania (western Greece) are the main orange-producing areas. *Washington Navel*, *Commons*, *Skaggs Bonanza*, *Navelina*, *New Hall*, *Lanelate*, and *Valencia* are the chief varieties grown in Greece.

In **Portugal**, the MY2017/18 season has developed within the normal parameters. Portuguese orange production estimates are 299,000 MT with good calibers and qualities.

Table 2. Major EU Fresh Orange Production by Volume in MT

Country	MY 2015/16	MY 2016/17	MY 2017/18
Spain	3,086,800	3,654,800	3,335,500
Italy	1,753,000	1,915,000	1,800,000
Greece	920,072	916,697	960,000
Portugal	246,000	266,000	299,000
Cyprus	32,800	26,450	26,000
Total Production	6,038,672	6,778,947	6,420,500

Source: FAS offices

CONSUMPTION

Late orange varieties are destined for both the processing and fresh markets. Due to a reduction in production, fresh and processed consumption may be reduced in MY 2017/18 compared to previous year. Spain's per capita orange consumption is estimated at approximately 20 kg. In Spain, most oranges are consumed fresh, especially *Navelina* and *Navelate* varieties. *Valencia Late* varieties are predominantly used in processing. In Italy, also most oranges are consumed fresh. Blood varieties (*Tarocco*, *Moro*, and *Sanguinello*) are used primarily for fresh consumption. Late varieties (*Ovale* and *Valencia*) are destined to both processing and fresh markets.

TRADE

The EU-28 is a net importer of oranges. During MY 2016/17, the EU-28 imported 995,548 MT of oranges or two percent higher compared to previous season and valued at USD 739 million, 10.9 percent higher than previous year. South Africa and Egypt continued to be the leading suppliers to the EU-28 market, followed by Morocco, which experienced a growth of 68 percent, and Argentina. On May 27, 2014, the Plant Health Standing Committee of the European Commission decided to increase the control measures on South African citrus imports into the EU-28. As a result, EU-28 orange imports from South Africa have declined over the last 2 years while EU-28 orange imports from Egypt and Morocco continue to show an upward trend. Intra-EU trade is critical as oranges are grown in Mediterranean region to supply northern Europe. EU-28 orange imports in MY 2017/18 are expected to continue the upward trend.

During MY 2016/17, the EU-28 exported 293,391 MT of oranges or 8 percent less compared to previous year and valued at USD 232 million, 5 percent more, mainly to Switzerland, Serbia and Norway. China, with an 83 percent growth in MY 2016/17, is now the fourth destination for EU-28 oranges mainly coming from Spain. Countries in Middle East such as Saudi Arabia and United Arab Emirates also experience important growths importing Spanish oranges. To compensate for the loss of the Russian market, the EU-28 has reoriented their orange exports to markets such as China, Saudi

Arabia or United Arab Emirates. EU-28 orange exports to Canada continue to follow an upward trend. EU-28 orange exports in MY 2017/18 are expected to slightly increase.

Spain is the major European orange producer and exporter of oranges within the EU-28 with 1.6 MMT of oranges exported in MY 2016/17. The main market is other EU-28 countries, with 91 percent of their total exports of oranges. Exports of Spanish oranges to China have experienced important increases in the last 3 years, reaching in MY 2016/17 18,173 MT or 81percent more compared to the same period of previous year. In the first semester of MY 2017/18 Spanish orange exports to China continue to rise 96 percent. Spain opened the Chinese in MY 2013/14. Meanwhile, Spanish exports of oranges to Saudi Arabia, United Arab Emirates and Canada continue to follow an upward trend.

Italy is a net importer of oranges, mainly coming from Spain and South Africa. While, Greece is a net exporter of oranges. In MY 2016/17, **Greece** exported 298,419 MT of oranges, a decrease of 32.8 percent after the previous year's 10-year record increase, mainly to other Member States.

Table 3: EU-28 Imports of Oranges by Origin in MT

Country of Origin	MY 2014/15	MY 2015/16	MY 2016/17
South Africa	461,835	431,961	387,212
Egypt	192,925	266,829	284,307
Morocco	83,297	69,888	117,829
Argentina	40,875	46,346	41,633
Others	148,769	158,842	164,567
Total Imports	927,701	973,911	995,548

Source: Global Trade Atlas (GTA).

Table 4: EU-28 Exports of Oranges by Destination in MT

Country of Destination	MY 2014/15	MY 2015/16	MY 2016/17
Switzerland	61,226	66,208	63,063
Serbia	38,163	41,252	29,458
Norway	27,931	32,411	29,350
China	2,893	10,010	18,297
Saudi Arabia	7,148	9,678	16,580
Others	159,468	159,468	156,748
Total Exports	296,829	319,027	293,391

Source: GTA

Orange Juice

Table 5: Production, Supply, and Demand (Brix 65)

Orange Juice Market Begin Year	2015/2016		2016/2017		2017/2018	
	Oct 2015		Oct 2016		Oct 2017	
European Union	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Deliv. To Processors	1,286,000	1,286,000	1,491,000	1,490,000	1,322,000	1,385,000
Beginning Stocks	15,000	15,000	15,000	15,000	15,000	15,000
Production	99,693	99,693	115,585	115,508	102,484	107,368
Imports	778,020	777,989	682,357	689,209	680,000	675,000
Total Supply	892,713	892,682	812,942	819,717	797,484	797,368
Exports	52,043	52,065	63,429	63,493	65,000	65,000
Domestic Consumption	825,670	825,617	734,513	741,224	717,484	717,368
Ending Stocks	15,000	15,000	15,000	15,000	15,000	15,000
Total Distribution	892,713	892,682	812,942	819,717	797,484	797,368
(MT)						

Source: FAS Offices

PRODUCTION

The volume of oranges dedicated for processing depends on the quantity and quality of that year's harvest. In MY 2017/18 EU-28 orange juice production has been revised up 4.7 percent compared to previous forecast with 107,368 MT (Brix 65) in line with orange production. This means EU-28 orange juice production may decrease of seven percent compared to the previous year as less oranges are expected to be processed, mainly due to overall decrease of EU orange production.

CONSUMPTION

While orange juice is the most popular juice within the EU-28, it competes with other non-alcoholic drinks and juices made from other fruits. The EU-28 is experiencing a reduction of orange juice consumption in the last years due to the competition of other drinks. In MY 2017/18 EU-28 orange juice consumption is forecast to continue this downward trend. The EU-28 is developing a promotional campaign called "*Fruit Juice Matters*" (www.fruitjuicematters.eu) to increase the fruit juice consumption.

TRADE

The EU-28 is a net importer of orange juice. During MY 2016/17, the EU-28 imported 689,209 MT of orange juice, continued following a downward trend and valued at approximately USD 1.44 billion. Brazil continued to be the leading supplier to the EU-28 market, representing nearly 90 percent of total imports, followed by Mexico, the United States and South Africa.

The United States held 2 percent of the total imports, valued at USD 33.8 million in MY 2016/17, which was 13 percent drop from the previous year. EU orange juice imports from the United States continue following the downward trend of the last years, with a dramatic decrease from October 2017 to March 2018 mainly due to the devastation of Hurricane Irma on Florida's citrus crop in September 2017.

Table 6: EU-28 Imports of Orange Juice from the United States in USD (Brix 65)

HS Code Orange Juice	Year Ending September		
	MY 2014/15	MY 2015/16	MY 2016/17
200911	786,739	726,617	1,279,690
200912	18,714,329	12,385,052	5,076,228
200919	17,156,682	25,851,337	27,452,154
Total Imports from U.S.	36,657,750	38,693,006	33,808,072

Source: GTA

In MY 2016/17, the EU-28 exported 63,493 MT of orange juice, valued at almost USD 159 million, with Saudi Arabia and Japan as the main destinations. Russia, South Korea and China have experienced important growths importing EU-28 orange juice in MY 2016/17. In addition, in MY 2016/17 EU-28 orange juice exports to the United States experienced an important increase reaching 2,609 MT valued USD 8 million mainly from Spain.

In MY 2017/18 EU-28 orange juice imports are expected to continue following a downward trend while increasing EU-28 orange juice exports.

Table 7: EU-28 Imports of Orange Juice by Origin in MT (Brix 65)

Country of Origin	MY 2014/15	MY 2015/16	MY 2016/17
Brazil	706,826	699,642	596,768
Mexico	19,507	21,548	35,423
United States	16,086	17,184	15,159
South Africa	11,826	12,074	6,668
Others	28,927	27,541	35,191
Total Imports	783,172	777,989	689,209

Source: GTA

Table 8: EU-28 Exports of Orange Juice by Destination in MT (Brix 65)

Country of Destination	MY 2014/15	MY 2015/16	MY 2016/17
Saudi Arabia	5,447	6,527	5,891
Japan	5,447	5,781	5,249
Russia	2,196	2,628	5,071
South Korea	1,932	3,009	4,466
Switzerland	3,420	3,514	4,100
Algeria	3,731	3,104	3,342
China	1,919	2,228	3,265
Others	25,871	25,274	32,110
Total Exports	49,963	52,065	63,494

Source: GTA

Tangerines/Mandarins

Table 9: Production, Supply, and Demand (MT)

Tangerines/Mandarins, Fresh Market Begin Year	2015/2016		2016/2017		2017/2018	
	Oct 2015		Oct 2016		Oct 2017	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
European Union						
Area Planted	158,957	159,154	156,474	156,647	157,116	156,486
Area Harvested	146,708	146,708	142,448	143,791	143,296	142,994
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
Total No. Of Trees	0	0	0	0	0	0
Production	3,081	3,086	3,432	3,421	2,975	3,077
Imports	423	423	450	452	450	460
Total Supply	3,504	3,509	3,882	3,873	3,425	3,537
Exports	250	250	236	236	250	210
Fresh Dom. Consumption	2,983	2,988	3,274	3,265	2,905	3,005
For Processing	271	271	372	372	270	322
Total Distribution	3,504	3,509	3,882	3,873	3,425	3,537
(HECTARES) ,(1000 TREES) ,(1000 MT)						

Source: FAS Offices

PRODUCTION

Total European tangerine production in MY2017/18 has been revised up 3.4 percent compared to previous estimates, reaching 3,077 thousand MT due mainly to a slightly higher estimation of tangerine production in Spain, Italy and Greece. EU-28 tangerine production during MY 2017/18 is expected to decrease 10 percent compared to previous year because of the decline expected in the main producing areas of Spain due to unfavorable weather conditions affected by drought and high temperatures during spring and summer.

As it is seen in EU orange crops, EU tangerine area planted continues a downward trend over the last years due to the reduction experience in Spain substituting it with more profitable production.

Spain is the major producer of tangerines within the EU-28 accounting for around 70 percent of the total EU tangerine production. According to the Ministry of Agriculture, Spain's total tangerine/mandarin production is expected to decrease almost fifteen percent compared to previous campaign due to weather conditions and the drought experienced in Spain during 2017, reaching 1.996 MMT in MY 2017/18. This is mostly due to the declines in production of *Clementine* by 17.6 percent reaching 1.272 MMT, *Satsuma* by 26.9 percent reaching 156,400 MT and hybrids of mandarins by 3 percent reaching 567,300 MT. Grades and color are expected to be normal due to late rainfalls of 2017. Spain's main tangerine-producing areas are the Regions of Valencia, Andalusia, and Catalonia. New *early* and *late* varieties continue being developed to extend the fruit availability.

Italy's MY 2017/18 tangerine production is expected to remain flat compared to the previous campaign despite the summer drought that affected the Italian peninsula. Beneficial rains that occurred at the end of September in the main producing regions and favorable weather in November helped mitigate the drought effects, while guaranteeing a high quality product. Calibers are expected to be medium. Calabria, Sicily, and Apulia are Italy's main tangerine-producing areas. *Comune* or *Oroval* and *Monreal* are the leading clementine varieties grown in the country. *Avana* and *Tardivo di Ciaculli* are the chief mandarin cultivars.

Greece's MY 2017/18 tangerine production is expected to increase 2.9 percent compared to the previous year. Iliia and Argolida in the Peloponnese area are reporting a loss comparing to last year, while in the Laconia and Crete the production is increased. *Clementine* is the major tangerine variety grown in Greece; new plantings include *Nova*, and *Ortanique* varieties.

Table 10: EU-28 Fresh Tangerines Production by Country and Year (MT)

Country	MY 2015/16	MY 2016/17	MY 2017/18
Spain	2,018,755	2,342,900	1,996,300
Italy	818,000	829,000	827,000
Greece	167,006	174,826	180,000
Portugal	39,000	41,000	40,000
Cyprus	44,000	34,000	34,000
Total Production	3,086,761	3,421,726	3,077,300

Source: FAS Offices

CONSUMPTION

EU-28 tangerines are mainly consumed fresh. MY 2017/18 EU-28 fresh tangerine consumption and for processing are forecast to decrease in line with the decline in production. Spain is the major consumer of tangerines in the EU-28 both fresh and for processing. Italy and Portugal also consume large quantities of clementines and mandarins. Greece also consumes fresh clementines mainly along the west coast.

TRADE

The EU-28 is a net importer of tangerines. During MY 2016/17, the EU-28 imported 452,040 MT of tangerines meaning 6.8 percent more than previous year, valued at USD 517 million. Morocco and South Africa continue to be the leading suppliers to the EU-28 market, followed by Israel, Peru and Turkey. Imports from the United States in MY 2016/17 decreased 5.79 percent valued at USD 5.5 million. During MY 2016/17, the EU-28 exported 5.4 percent fewer tangerines with 236,387 MT valued at USD 198 million, mainly to Switzerland, Ukraine, Belarus and Norway. Exports to the United States, coming mainly from Spain, in MY 2016/17 decreased 27 percent to 17,007 MT, continuing the

downward trend of the last years. New alternative markets in third countries such as Canada, UAE and Saudi Arabia continue to be important.

Spain, the leading EU tangerine producer and exporter, exported in MY 2016/17 6.67 percent less, reaching 1,387,012 MT of tangerines, of which 93 percent was sent to other EU Member States. The trend in the first semester of MY 2017/18 continues to decline due to strong competition. Spanish exports of tangerines to the United States continue in a downward trend since 2010, due to high competition with mandarins from Morocco. Instead, Spanish exports of mandarins to Middle East and to Canada continue to be important strategic markets. Instead, Spanish tangerine exports to China in the first semester of MY 2017/18 shows a strong decrease of 86 percent due to strong competition from Egypt.

Table 11: EU-28 Imports of Tangerines by Origin in MT

Country of Origin	MY 2014/15	MY 2015/16	MY 2016/17
Morocco	98,441	140,373	157,453
South Africa	96,871	116,216	112,997
Israel	56,326	48,801	75,296
Peru	46,958	47,092	54,153
Turkey	40,928	48,417	34,386
Uruguay	10,313	6,354	4,709
United States	6,347	3,906	3,680
Others	11,074	12,074	9,366
Total Imports	367,258	423,233	452,040

Source: GTA

Table 12: EU-28 Exports of Tangerines by Destination in MT

Country of Destination	MY 2014/15	MY 2015/16	MY 2016/17
Switzerland	39,418	41,626	40,927
Ukraine	34,872	32,867	35,758
Belarus	45,535	28,121	27,819
Norway	24,349	23,666	23,402
Serbia	21,971	17,514	19,324
Bosnia & Herzegovina	17,842	14,591	19,032
United States	32,487	23,302	17,007
Canada	18,122	16,545	13,817
Others	52,050	51,690	39,301
Total Exports	286,646	249,922	236,387

Source: GTA

Lemons

Table 13: Production, Supply, and Demand (MT)

Lemons/Limes, Fresh Market Begin Year	2015/2016		2016/2017		2017/2018	
	Oct 2015		Oct 2016		Oct 2017	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
European Union						
Area Planted	73,353	73,353	73,504	73,004	72,817	73,317
Area Harvested	62,740	62,740	63,765	63,648	63,396	64,396
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
Total No. Of Trees	0	0	0	0	0	0
Production	1,331	1,333	1,537	1,536	1,515	1,484
Imports	549	560	513	519	500	500
Total Supply	1,880	1,893	2,050	2,055	2,015	1,984
Exports	69	68	79	79	80	80
Fresh Dom. Consumption	1,568	1,582	1,687	1,692	1,650	1,619
For Processing	243	243	284	284	285	285
Total Distribution	1,880	1,893	2,050	2,055	2,015	1,984
(HECTARES) ,(1000 TREES) ,(1000 MT)						

Source: FAS Offices

PRODUCTION

EU lemon production is expected to reach 1,484 thousand MT in MY 2017/18, a 3.4 percent decrease from the previous year, driven by the slight decrease of volume expected in Spain, the largest lemon EU-28 producer. Figures have been revised down two percent from previous estimates.

In **Spain**, according to the latest data from the Spanish Ministry of Agriculture, Fisheries, Environment and Food (MAPAMA), Spain's MY 2017/18 lemon production is forecast at 935,700, a decrease of 6 percent compared to the previous year. *Fino* lemon is expected to increase due to the entry of new plantations in the last years. However, *Verna* lemon is expected to decrease by 40 percent due to high temperatures affecting flowering during May and June 2017. Spain will continue to consolidate its leading commercial position in Europe with quality and sanitary guarantee. Spain is the second largest lemon producer in the world, after Argentina, maintaining the world leader position of lemon exports for fresh consumption, resulting in an efficient lemon production. Fruit quality is forecast to be satisfactory. Lemon production is concentrated in the regions of Murcia and Valencia, and the Provinces of Malaga and Almeria in Andalusia. *Fino* and *Verna* are the leading lemon varieties grown in Spain, accounting for 70 and 30 percent of the total production, respectively. The *Fino* variety is predominantly used in processing. New area planted is expected in the coming years.

Italy is the second largest European lemon producer after Spain. Sicily is the main lemon-producing area, accounting for 86 percent of domestic production. *Femminello Siracusano*, *Lunario*, *Interdonato*,

Limone di Sorrento, and Limone di Procida are the leading lemon varieties grown in the country. Italy’s MY 2017/18 lemon production is expected to remain flat.

Greece’s MY 2017/18 lemon production is expected to increase 8.9 percent reaching 75,000 MT due to good fruit set and new plantings entering into production. The main lemon-producing areas include the prefectures of Achaia, Korinthos, Crete, and Laconia, located in southern Greece. The major lemon variety grown in Greece is *Maglini*. The early varieties *Interdonato* and *Eureka* are also grown in Greece.

Portugal’s and Cyprus’s MY 2017/18 lemon production are expected to remain stable according to Eurostat and to Portuguese official data, with normal fruit sizes and quality.

Table 14: EU-28 Fresh Lemons/Limes Production by Country and Year (MT)

Country	MY 2015/16	MY 2016/17	MY 2017/18
Spain	775,546	995,900	935,700
Italy	456,000	448,000	450,000
Greece	70,707	68,829	75,000
Portugal	16,000	16,000	16,000
Cyprus	15,000	8,000	8,000
Total Production	1,333,253	1,536,729	1,484,700

Source: FAS Offices

CONSUMPTION

EU-28 lemons are mainly consumed fresh. MY 2017/18 EU-28 fresh lemon consumption and lemons for processing are forecast to remain stable. EU-28 per capita lemon consumption stands at 2.7 kg. According to the industry, Spain has become the second global producer of processed lemons. Greece has become increasingly reliant on imported lemon juice to meet consumer demand for soft drinks.

TRADE

The EU-28 is a net importer of lemons. During MY 2016/17, the EU-28 imported 519,638 MT of lemons or 7 percent less, valued at USD 597 million or almost 30 percent decline compared to last year. Argentina, Turkey, and Brazil continue to be the leading suppliers to the EU-28 market, followed by South Africa and Mexico. During MY 2016/17, the EU-28 exported 79,140 MT of lemons, or 15 percent more, due to a rise in total supply, valued at USD 101 million or 2 percent more, mainly to Switzerland, Norway, Canada and Belarus. EU-28 lemon exports to the United States in MY 2016/17 experienced a growth, reaching 5,260 MT of lemons, mainly coming from Spain, following the upward trend of the last years.

Spain in MY 2016/17 exported 28 percent more lemons than previous campaign due to a rise in Spanish lemon production, reaching 673,239 MT. confirming the leading commercial position of Spanish lemons, of which 94 percent were sent to other EU Member States. Spanish strategic lemon markets outside the EU-28 continue to be Switzerland, Canada, United States and Brazil.

Table 15: EU-28 Imports of Lemons by Origin in MT

Country of Origin	MY 2014/15	MY 2015/16	MY 2016/17
Argentina	130,736	198,178	158,533
Turkey	78,839	115,318	102,125
Brazil	75,949	80,096	84,676
South Africa	40,787	61,979	77,803
Mexico	42,950	49,909	54,313
Others	29,927	55,263	42,188
Total Imports	399,188	560,743	519,638

Source: GTA

Table 16: EU-28 Exports of Lemons by Destination in MT

Country of Destination	MY 2014/15	MY 2015/16	MY 2016/17
Switzerland	18,888	18,532	21,272
Norway	6,112	6,375	7,429
Canada	10,878	5,674	7,381
Belarus	17,477	6,968	6,462
United States	4,882	1,824	5,260
Others	47,356	29,096	31,336
Total Exports	105,593	68,499	79,140

Source: GTA

Grapefruit

Table 17: Production, Supply, and Demand (MT)

Grapefruit, Fresh Market Begin Year	2015/2016		2016/2017		2017/2018	
	Oct 2015		Oct 2016		Oct 2017	
European Union	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	3,045	3,045	3,037	3,223	3,047	3,247
Area Harvested	2,435	2,435	2,773	2,773	2,716	2,816
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
Total No. Of Trees	0	0	0	0	0	0
Production	106	107	105	107	88	112
Imports	365	365	324	325	350	320
Total Supply	471	472	429	432	438	432
Exports	13	13	15	15	15	17
Fresh Dom. Consumption	438	439	395	398	409	396
For Processing	20	20	19	19	14	19
Total Distribution	471	472	429	432	438	432

(HECTARES) ,(1000 TREES) ,(1000 MT)

Source: FAS Offices

PRODUCTION

Overall EU-28 grapefruit production has been revised up 27 percent compared to previous estimation, reaching 112 thousand MT due mainly to a higher production in Spain, the main EU grapefruit producer, returning to normal parameters. EU-28 grapefruit production is expected to rise 4.6 percent compared to previous year. About 80 percent of EU-28 grapefruit consumption is supplied by imports. New area planted is expected in Spain in the coming years.

Spain's MY 2017/18 grapefruit production is forecast at 79,300 MT. Leading grapefruit producing areas include the Regions of Murcia, Andalusia, and Valencia. *Ruby Red* is the main grapefruit variety planted in Spain. **Cyprus** is the second largest grapefruit producer in the EU-28. *White Marsh Seedless*, mostly grown in the Limassol area, is the leading Cypriot grapefruit variety with a grapefruit production expected to remain stable as in the rest of the main EU-28 grapefruit producers.

Table 18: EU-28 Fresh Grapefruit Production by Country and Year (MT)

Country	MY 2015/16	MY 2016/17	MY 2017/18
Spain	74,470	73,300	79,300
Cyprus	24,450	25,300	25,000
Italy	4,700	4,900	4,900
Greece	4,060	3,319	3,100
Portugal	200	200	210
Total Production	107,880	107,019	112,510

Source: FAS Offices

CONSUMPTION

EU-28 grapefruits are mainly consumed fresh with a consumption significantly surpassing grapefruit production. MY 2017/18 EU-28 fresh grapefruit consumption is forecast to be almost 400,000 MT. Grapefruits for processing is estimated to increase to normal parameters, with Spain and Cyprus being the main grapefruit processors in the EU-28.

TRADE

The EU-28 is a net importer of grapefruits. During MY 2016/17, the EU-28 imported 325,568 MT of grapefruits or 10.90 percent lower compared to previous year, valued at USD 309 million. South Africa, China, Turkey and Israel were the leading suppliers to the EU-28 market, followed by the United States. Imports from the United States were valued at almost USD 30 million, meaning 19 percent decrease compared to previous year. During MY 2016/17, the EU-28 exported 15,154 MT of grapefruits or 11.95 percent more compared to previous year and valued at USD 15 million, mainly to Switzerland, Belarus and Ukraine.

In MY 2017/18 EU-28 grapefruit imports are expected to continue following a downward trend while increasing EU-28 grapefruit exports.

Table 19: EU-28 Imports of Grapefruits by Origin in MT

Country of Origin	MY 2014/15	MY 2015/16	MY 2016/17
South Africa	90,385	91,327	96,120
China	76,639	86,203	95,794
Turkey	70,864	95,730	60,985
Israel	38,755	35,212	28,628
United States	38,270	31,422	24,521
Others	24,431	25,510	19,520
Total Imports	339,344	365,404	325,568

Source: GTA

Table 20: EU-28 Exports of Grapefruits by Destination in MT

Country of Destination	MY 2014/15	MY 2015/16	MY 2016/17
Switzerland	2,319	3,781	3,814
Belarus	3,405	2,536	2,314
Ukraine	1,279	1,404	1,743
Others	7,742	5,815	7,283
Total Exports	14,745	13,536	15,154

Source: GTA

EU Policy

New Common Agriculture Policy (CAP) Reform

The single Common Market Organization (CMO) provides a framework for market measures under the CAP, which is outlined in [Regulation\(EU\) No 1308/2013 and entered into force on January 1, 2014](#). The CAP 2020 reform consists of four [basic regulations](#), supplemented by delegated acts. Producer Organizations (POs) are still the key elements in the EU's CMO for fruit and vegetables. POs are legal entities established by producers to market commodities, including citrus fruit. EU subsidies are not paid to individual producers but are channeled through POs. In order to qualify for EU subsidies, POs must submit an operational program financed through an operational fund. The EU's financial contribution is paid directly into the POs operational fund. The calculation of the estimated amount of operational fund is based on the operational program and the value of marketed production. Operational programs are approved under the new regulation as of January 20, 2014.

Last year, [Commission Delegated Regulation 2017/891](#) entered into force to increase the support for withdrawals for fruit and vegetable Producer Organizations (POs). This framework also seeks to make POs more attractive to non-members, provide greater clarity about what actions are eligible for EU funding and set a maximum percentage of produce that can be marketed outside the organization at 25

percent to create short supply chains whereby producers sell directly to consumers. It simplifies and clarifies legislation with regard to payments to transnational POs and their associations.

EU Marketing Standards for Fruits and Vegetables

Fresh fruit and vegetable imports into the EU are checked for compliance with EU-harmonized marketing standards, which apply at all marketing stages and include criteria such as quality, size, labeling, packaging, and presentation. [Commission Implementing Regulation \(EU\) No 543/2011](#) provides a general marketing standard for all fresh fruits and vegetables. Specific marketing standards are still in place for ten products, including citrus fruit. The specific marketing standards are set out in Part B of Annex I to this Regulation: for citrus fruit can be found in Part 2 of that same section (p.111).

Certification of Fruit Shipments

Plant products need a phytosanitary certificate to be exported to the EU. Phytosanitary certificates issued by an Animal Plant Health Inspection Service (APHIS) inspector are required to accompany fruit, vegetable, and nut shipments. APHIS issues phytosanitary certificates in accordance with international regulations established by the [International Plant Protection Convention of the Food and Agriculture Organization of the United Nations](#). This standard-setting body coordinates cooperation between nations to control plant and plant product pests and to prevent their spread.

[Council Directive 2000/29/EC](#) contains provisions concerning compulsory plant health checks. This includes documentary, identity, and physical plant health checks to verify compliance with EU import requirements. More information can be accessed on DG Health and Consumer Protection's website http://ec.europa.eu/food/plant/plant_health_biosecurity/non_eu_trade/index_en.htm

[Commission Regulation 1756/2004](#) provides for plant health checks to be carried out at reduced frequency when justified. The list of products recommended for plant health checks at reduced levels was issued on January. On an annual basis, the Commission monitors imports of fruit and vegetables to determine how to adjust the frequency of testing consignments.

New CAP School Scheme

The European “School Fruit Scheme” (SFS) originated in 2009 as a measure to combat child obesity and includes three elements: free distribution of fruit and vegetables in schools, information campaigns on healthy eating habits, and monitoring and evaluation.

[Regulation EU No 2016/791](#) on the new School Scheme for Milk, Fruit and Vegetables went into effect on **August 1, 2017**. EU funds totaling \$296 million (€250 million) was allocated in the school year 2017/2018 to all [Member States \(MS\)](#) that decided to participate in the program. Like in previous years, Finland and the United Kingdom opted out of the fruit and vegetables scheme, but they are participating in the milk scheme.

The sector may also benefit from the European [promotion](#) budget for agricultural products and [quality schemes](#). The Commission reformed its promotion policy with an extension of the product scope and a greater focus on export markets. The current promotion budget of \$76 million (€60 million) will increase annually until it reaches \$255 million (€200 million) in 2020. National co-funding will no longer be needed and EU associations will be able to apply directly for a program.

Maximum Residue Level for Fruit

Maximum Residue Levels (MRLs) for pesticides, including import tolerances, have been harmonized throughout the EU since September 2008. As a marketing tool, some retail chains in the EU adopt private standards that exceed EU regulations by requiring their suppliers to adhere to stricter company policies that limit the maximum residues to 30, 50, or 70 percent of the respective EU MRL.

Please find the link to the [EU MRL database](#), as well as to the International [MRL database](#) developed by USDA for MRLs worldwide.

Tariffs

EU imports of fresh fruit and vegetables are subject to the Entry Price System (EPS), which has been in place in its current form since the Uruguay Round. It is a complex tariff system that provides a high level of protection to EU producers. In this system, fruits and vegetables imported at or above an established entry price are charged an ad valorem duty only. Produce valued below the entry price are charged a tariff equivalent in addition to the ad valorem duty. The tariff equivalent is graduated for products valued between 92 and 100 percent of the entry price. The ad valorem duty and the full tariff equivalent are levied on imports valued at less than 92 percent of the entry price.

Tariff levels for 2018 are published in [Commission Implementing Regulation 2017/1925](#). The tariffs for citrus fruit remain unchanged compared to the levels of 2014 and can be found on page 96 for oranges, tangerines, lemons, grapefruit and other citrus fruit, while the tariff for orange juice can be found on page 163.

The United States tends to sell high quality products at higher prices, which typically do not face additional duties.

Russian ban on agricultural products

On August 7, 2014, the Russian government implemented a ban for one year on a range of agricultural and food products, including citrus fruit, from the United States, the European Union (EU), Canada, Australia, and Norway, in response to U.S. and EU sanctions over Russian actions in Ukraine. The CMO rules (see Regulation 1308/2013 in part I) provide various market management tools to stabilize markets and the Commission is also empowered under the reformed CAP to take "exceptional measures" in case of market disruption. As such, the Commission introduced specific market support measures for the first time for citrus fruit, including oranges, mandarins, and clementines until 2017. The ban runs until December 31, 2018, but no new support measures are announced.

More information on the Commission's response to the Russian ban can be found here:

http://ec.europa.eu/agriculture/russian-import-ban/index_en.htm

Upcoming reviews for MRLs on oranges, lemons, tangerines and grapefruit

Plant protection products (PPPs) along with maximum residue levels (MRLs) and import tolerances are an increasingly important issue in the EU, since there is a significant reduction in the number of active substances that are available for use. Regulation (EC) No 1107/2009 and Regulation (EC) No 396/2005 regulate PPPs and MRLs respectively. There is a consistent review of active substances for which the approval is up for renewal, as well as their associated MRLs. Additionally, existing MRLs are also being reviewed through a process known as an Article 12 review. The first list below indicates the upcoming MRL reviews for the main oilseed commodities under this Article 12 process. The second list includes the active substances which are, or will soon be, up for renewal. It is important to note that these lists are not all-inclusive. Due to the complexity of the renewal process and the importance of the issue, stakeholders should actively engage early in these review processes by reaching out to the applicant. Together with the applicant, they can ensure that the necessary data are already available for the review or if trials for data collection are in progress or should be initiated, especially if the substance is not used or authorized in the EU. It is highly recommended to contact the assigned "Rapporteur Member State" (RMS) which will carry out the first evaluation of the active substance and existing EU pesticide MRLs. Stakeholders are encouraged to engage with FAS on substances and MRLs of importance to their commodities.

1) Article 12 review

	Orange, lemon, tangerine and grapefruit	RMS*	Start of data collection	Expected date of RO**
Fenbuconazole	x	UK (SI)	10/11/2016	05/06/2018
Fluopyram	x	DE (AT)	10/13/2017	27/11/2018
Hexythiazox	x	FI	12/21/2016	06/07/2018
Fenazaquin	x	EL (DE)	2/14/2018	
Sodium Hypochlorite	x	NL (IE)	3/15/2018	
Imidacloprid	x	DE	5/2/2016	05/06/2018
Fluxapyroxad	x	UK (FR)	6/15/2018	
Spirotetramat	x	AT	7/15/2018	
Acequinocyl	x	NL (DE)	8/15/2018	
Fluopicolide	x	UK (AT)	9/15/2017	28/09/2018

*RMS: rapporteur member state

**Expected date of Reasoned Opinion by the European Food Safety Authority (EFSA)

2) Active substances up for review

Last day of application 07/31/2018	
Bispyribac	IT/PT
Profoxydim	ES/EL
Last day of application 09/31/2018	
Triazoxide	DE/SK
Last day of application 12/31/2018	
1-Naphthylacetamide (1-NAD)	HU / FR
1-Naphthylacetic acid (1-NAA)	HU / FR
8-Hydroxyquinoline incl. oxyquinoleine	ES / NL
Acrinathrin	FR / ES
Azimsulfuron	EL / FR
Azoxystrobin	UK / NO
Fluazifop-P	FR / IT
Fluquinconazole	UK / SK
Fluroxypyr	SE / SI
Imazalil (aka enilconazole)	NL / BE
Kresoxim-methyl	SE / FR
Oxyfluorfen	ES / HU
Prochloraz	BE / DE
Prohexadione	FR / IE
Spiroxamine	AT / EE
Tefluthrin	HU / DK
Terbuthylazine	ES / HR