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Freshfel Europe
SHAFFE

Global Citrus Outlook

CGA CITRUS SUMMIT
12 - 14 March 2019

Port Elizabeth – South Africa

Presentation preview

- Citrus production and export in perspective of global fruit trends
- Selected market trends
- Trade and consumption trends and outlook by citrus varieties
- Other issues influencing future fresh produce and citrus market developments
- Closing remarks

Methodology and sources

Long-term comparison covering 1980 to 2017

Short-term comparison ranging from last 5 to 10 years

Most graphics to be read from right (older year) to left (most recent year)

Data in T

EU trade data includes internal shipments

Currency €/USD

Sector data and analysis

FAOSTAT & FAO CITRUS REPORT

EUROSTAT

COMTRADE

Freshfel Qlickfresh

USDA World Citrus report

EU Commission citrus report

SHAFFE Summer Citrus report

FRuitTROP Magazines

Citrus production and export in perspective of global fruit trends

Global Fruit production growth

Trends based on 1980-2016 –FAOSTAT & sector data

Steady growth of **fruit production** in the last 3 decades from 338 Mio T to 865 Mio T

Bananas (from 61 to 148 Mio T) and **citrus** (from 61 to 146,5 Mio T)   are the two leading products

Citrus (+140%) => **lower growth rather** than world fruit average (+155 %) and significantly lower **than the other fruit** (mangoes, avocadoes, melons, kaki)

Share of citrus in total fruit production dropping from 18% to 17% => increased competition inside the fruit category and further pressure due to overall decline of consumption of fresh produce in many markets

Citrus production & growth trends by categories

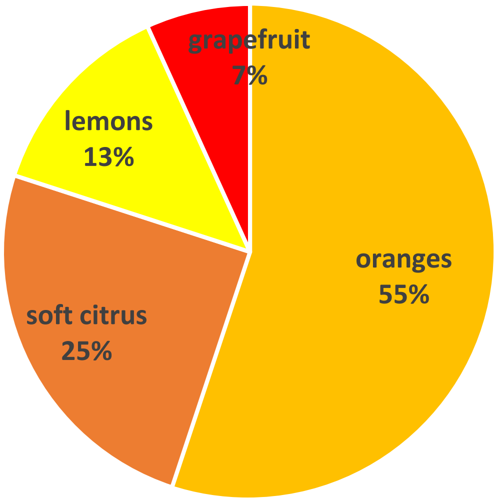
Oranges: share drops from 67% to 55% to 73 Mio T from 40 Mio T => growth by 83%

Soft citrus: share up from 13% to 25% to 33 Mio T from 8,5 Mio T => growth by 288%

Lemons: share increase from 8% to 13% to 17,5 Mio T from 5,2 Mio T => growth by 218%

Grapefruits: share drop by 1% from 8% to 7% to 9 Mio T from 4,5 => growth by 100%

Share of citrus production



Trends based on 1980-2016 –COMTRADE, Qlickfresh, FruitTrop & sector data

Global Fruit export trends

Trends based on 1980-2016 –FAOSTAT & sector data

Steady growth of fruit exports in the last 3 decades from 23 Mio T to 87,5 Mio T

Growth of all fruit exports (280%), faster than production growth (+155%). However, **growth of citrus export** (133%) slower than production (139%)

Share of citrus in total exports in last 3 decade dropped from 30% to 18,5% at 16 Mio T

Global Fruit export trends

% of citrus export out of total country production

Chile	90%
South Africa	81%
Greece	70%
Spain	66%
Portugal	61%
Australia	52%
Turkey	50%
Israel	45%
Morocco	35%
Pakistan	24%
Egypt	23%
United States	17%
Peru	17%
Italy	15%
Argentina	15%
Mexico	12%
Colombia	3%
China	3%
Brazil	1%

FAOSTAT & COMTRADE sector data – latest year available 2016/2017

Citrus export growth trends by categories

Oranges share drops from 59 % to 43 % to 6,8 Mio T

-16%

Soft citrus move from 15% to 31% to 5 Mio T

+16%

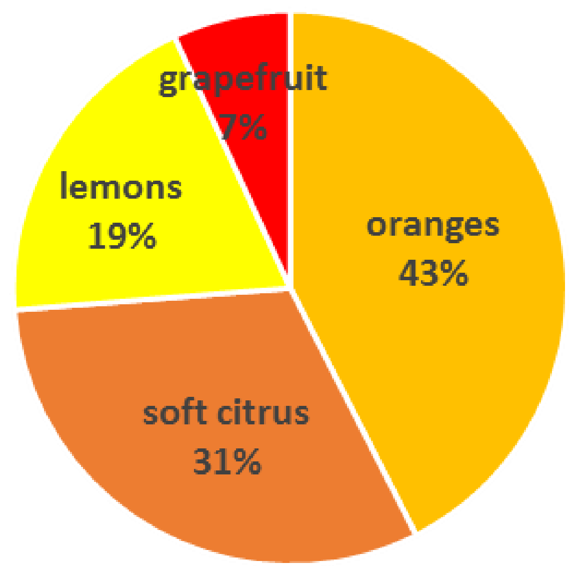
Lemons increase from 14 % to 19 % to 3,1 Mio

+5%

Grapefruits drop from 12 % to 7% to 1,1 Mio T

-5%

Share of citrus trade



Trends based on 1980-2016 –COMTRADE, Qlickfresh, FruitTrop & sector data

Leading citrus exporters

- **Spain**: n° 1 for oranges and soft citrus and 2nd to Mexico for lemons/limes
- **South Africa**: 2nd for oranges, 4th for soft citrus & lemons, first for grapefruit

2016-2017 –COMTRADE, Qlickfresh

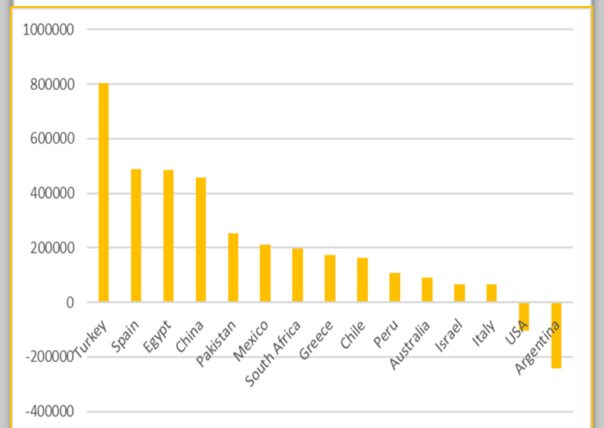
Oranges (in T)	TOP 15 = 87%
Spain	1,847,877
South Africa	1,173,121
Egypt	660,201
Turkey	620,775
United States	573,281
Pakistan	268,476
Greece	252,286
Australia	191,119
Peru	117,740
Portugal	113,759
Italy	113,452
Argentina	79,838
Chile	75,679
Mexico	75,535
Honduras	67,591

Soft Citrus	TOP 15 = 90%
Spain	1,110,432
China	493,983
Turkey	453,901
South Africa	201,111
Israel	128,925
Chile	116,901
Italy	84,670
Greece	71,661
Australia	62,251
Egypt	48,663
Peru	42,775
Pakistan	42,584
Argentina	40,863
United States	35,433
Georgia	23,874

Lemons	TOP 15 = 90%
Mexico	733,918
Spain	688,256
Turkey	451,911
South Africa	299,020
Argentina	237,653
United States	132,616
Brazil	92,393
Chile	76,806
Italy	47,470
Egypt	25,051
China	20,367
Colombia	16,475
India	16,369
Uruguay	14,491
Portugal	13,069

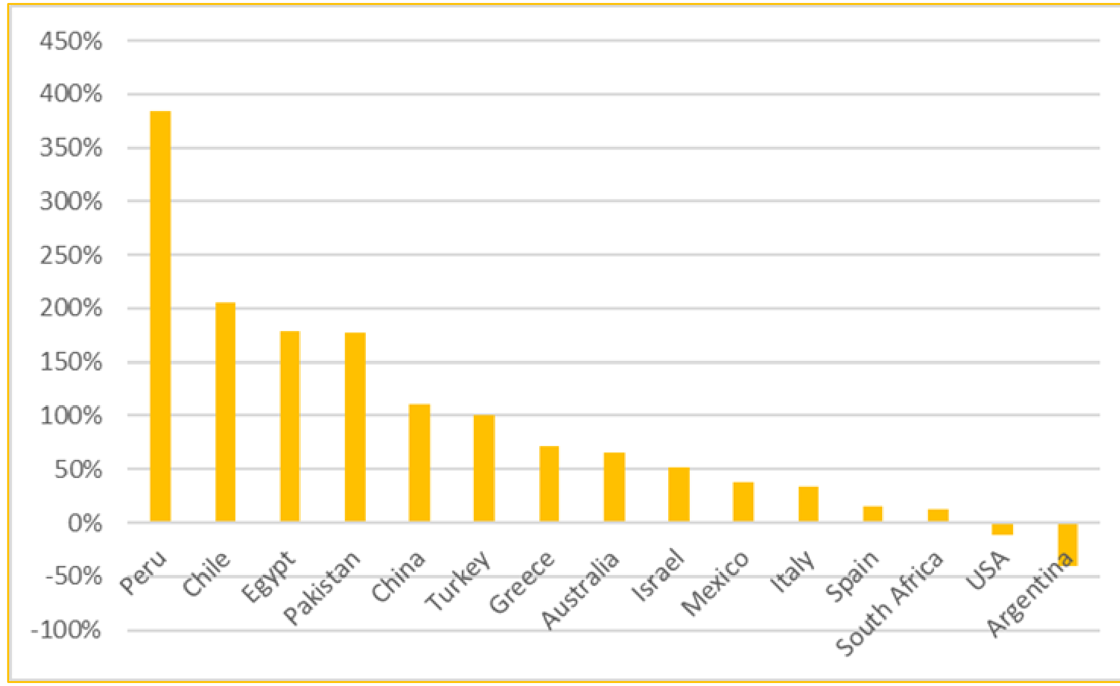
Grapefruit	TOP 15 = 83%
South Africa	227,245
China	192,326
Turkey	127,033
United States	84,503
Israel	79,142
Spain	59,140
Mexico	22,514
Egypt	14,374
Cyprus	8,212
Malaysia	2,977
Italy	2,579
Chile	2,182
Greece	1,425
Australia	1,320
Peru	1,080

Main citrus export trends (last 10 years - top 15)



Larger citrus export variation in T

- Turkey=> + 800.000 T
- Spain, Egypt, China => + 450/500.000 T
- Pakistan, Mexico, South Africa.....



Larger citrus export variation in %

- Peru => +380%
- Chile => + 200%
- Egypt, Pakistan => + 175%
- China, Turkey => + 100%

2016-2017 –COMTRADE, Qlickfresh

Selected citrus market developments

Regional citrus trade trends

Largest market growth in Russia, North America and Asia (Eastern & South East Asia) (based on import)

(EU trends taking into account intra-EU and import volume)

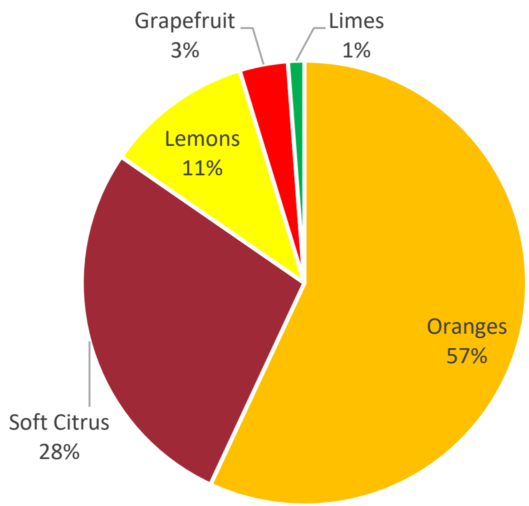
			var %	var vol in T
	Av 17-15	Av 07-05	Av 17-15/07-05	Av 17-15/07-05
Russian Federation	1,538,638	999,967	54%	538,671
North America	1,458,143	942,986	55%	515,158
EU	7,159,663	6,491,865	10%	667,798
Eastern Asia	1,110,163	858,031	29%	252,132
South-East Asia	545,985	385,482	42%	160,503
Southern Asia	86,739	18,375	372%	68,364
Central Asia	82,445	20,430	304%	62,015
South America	99,019	38,031	160%	60,988
Eastern Africa	52,456	20,454	156%	32,002
Europe	675,361	650,834	4%	24,527
Middle Africa	14,529	931	1461%	13,598
Oceania	50,583	39,071	29%	11,512
Northern Africa	21,296	12,872	65%	8,424
Caribbean	6,813	5,512	24%	1,301
Central America	112,556	111,381	1%	1,175
Western Africa	10,883	11,562	-6%	-678
Southern Africa	17,703	28,938	-39%	-11,235
Middle East	624,562	703,832	-11%	-79,270

Av 2017-2015 / Av 2007-2005 –COMTRADE, Qlickfresh

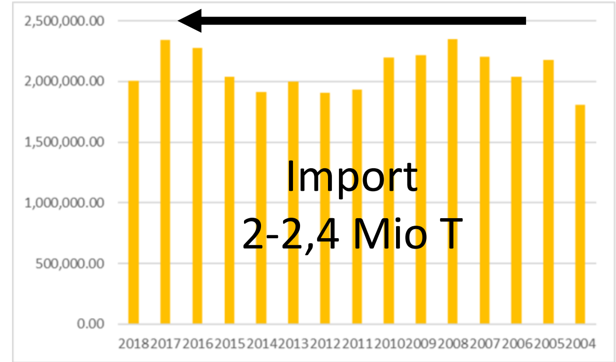
Fresh market size: 11 Mio T

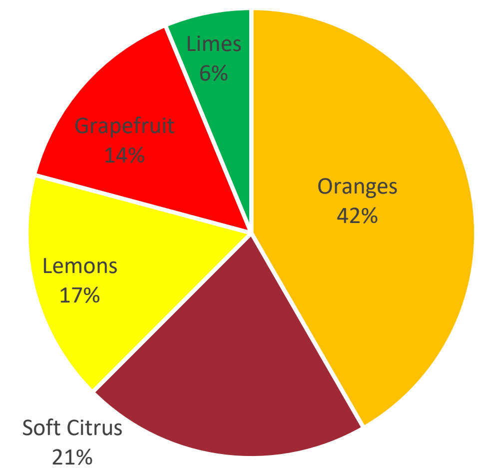
EU MARKET IN T	Production	Processing	Import	Export	Total fresh
Oranges	6,500,000	1,250,000	1,000,000	25,000	6,225,000
Soft Citrus	3,200,000	350,000	500,000	180,000	3,170,000
Lemons	1,000,000	280,000	400,000	75,000	1,045,000
Grapefruit	100,000	20,000	350,000	5,000	425,000
Limes	0	0	150,000	0	150,000
TOTAL	10,800,000	1,900,000	2,400,000	285,000	11,015,000

Intra EU trade: 7,25 Mio T
worth 6,5 billion €



South Africa	652,704
Egypt	331,235
Argentina	221,025
Morocco	203,756
Turkey	185,817
Brazil	79,357
Israel	74,711
Peru	61,409
Mexico	43,529
Zimbabwe	29,997
China	28,150
Uruguay	26,125
United States	15,278
Tunisia	12,512
Chile	10,410



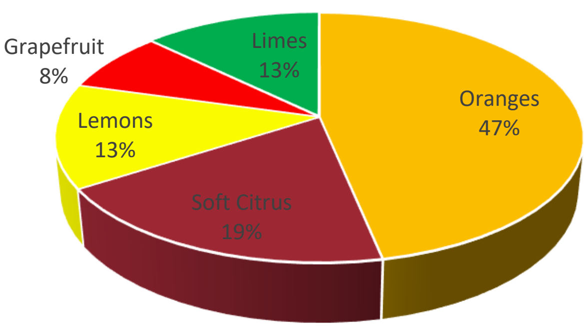


European Union: Market size

COMTRADE,Qlickfresh - USDA Report,DG AGRI Citrus report, FruitTrop – Trends latest year available 2016& 2017

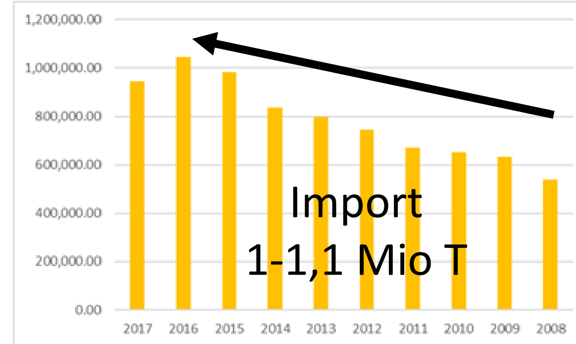
Fresh market size: 3,9 Mio T

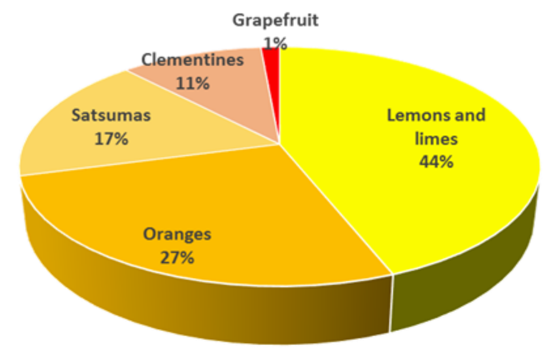
USA Market in T	Production	Processing	Import	Export	Total Fresh
Orange	5.000.000	3.200.000	200.000	600.000	1.400.000
Soft Citrus	850.000	240.000	325.000	35.000	900.000
Lemons	800.000	175.000	100.000	90.000	635.000
Grapefruit	600.000	185.000	15.000	60.000	370.000
Limes	0	0	550.000	0	550.000
Total	7.250.000	3.800.000	1.190.000	785.000	3.855.000



Total Import	944,226
Mexico	409,143
Chile	272,417
South Africa	73,433
Peru	55,979
Morocco	50,725
Uruguay	23,838
Spain	18,427
Australia	16,596
Israel	12,299
Colombia	3,733

Total Export	835,766
South Korea	227,158
Canada	212,363
Japan	126,014
Hong Kong	96,026
China	47,029
Mexico	23,553
Australia	18,500
Singapore	11,417
France	10,566
Malaysia	10,110





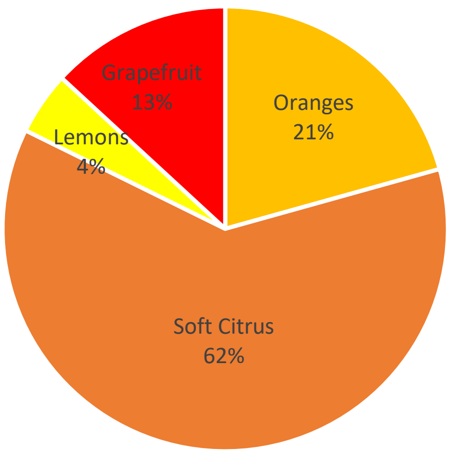
Lemon & limes together !!!

United States: Market size

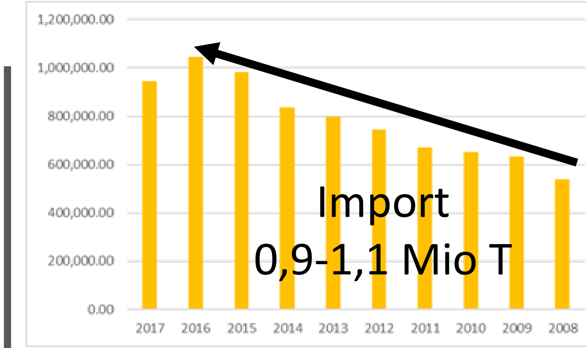
COMTRADE,Qlickfresh - USDA Report,DG AGRI Citrus report, FruitTrop – Trends latest year available 2016& 2017

Fresh market size: 34 Mio T

China Market in T	Production	Processing	Import	Export	Total Fresh
Oranges	7,200,000	570,000	495,000	75,000	7,050,000
Soft Citrus	22,000,000	650,000	325,000	655,000	21,020,000
Lemons	1,750,000	175,000	35,000	50,000	1,560,000
Grapefruit	4,800,000	185,000	15,000	150,000	4,480,000
TOTAL	35,750,000	1,580,000	870,000	930,000	34,110,000



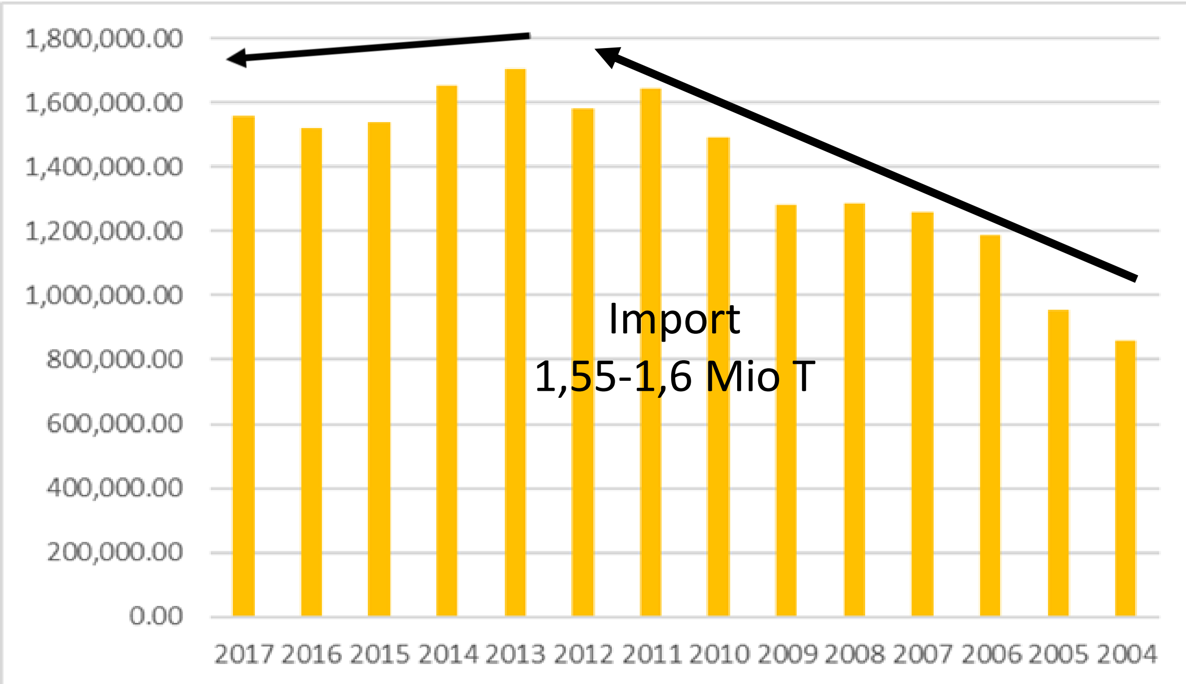
Total export	**932,622**
Viet-Nam	165,226
Russia	153,765
Thailand	138,345
EU	109,572
Malaysia	99,451
Kazakhstan	40,537
Philippines	46,725
Hong Kong	39,793
Myanmar	31,436
Indonesia	19,213

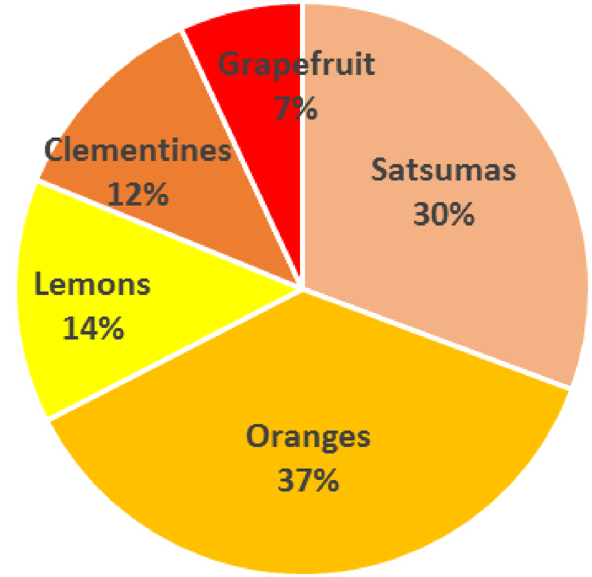


Total Import	**877 087**
South Africa	315 355
United States	173 405
Egypt	153 331
Australia	128 581
Chile	29 335
Spain	27 437
Israel	13 437
Thailand	10 038
Peru	7 920
Turkey	4 524
Argentina	2 415
Singapore	2 310
Morocco	1 713
Japan	1 168
Cyprus	985

China: Market size

COMTRADE,Qlickfresh - USDA Report, DG AGRI Citrus report, FruitTrop – Trends latest year available 2016& 2017



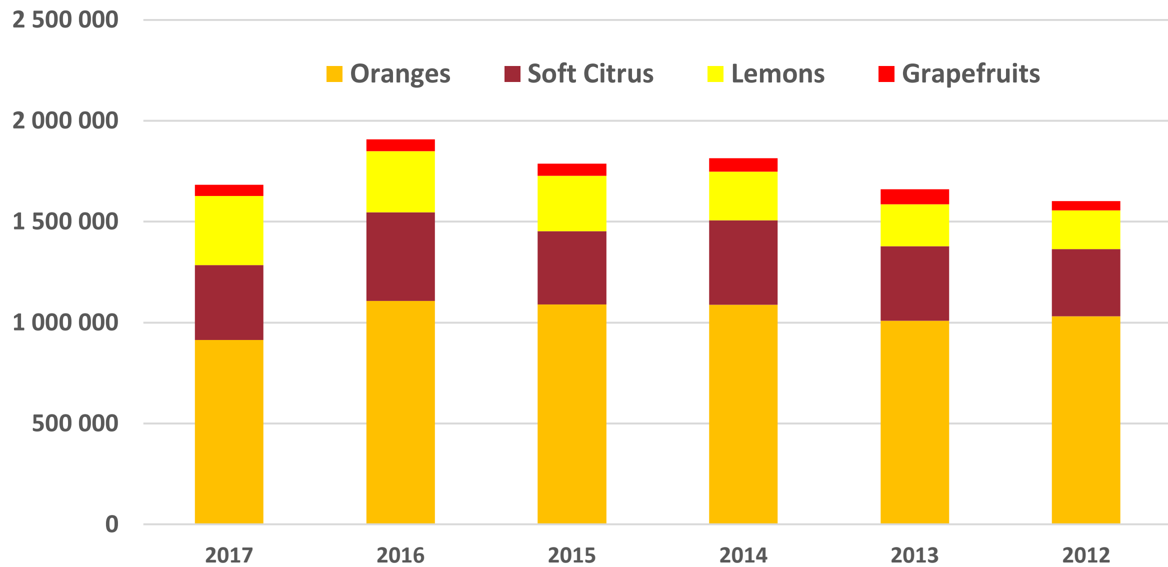


Turkey	596,135
Egypt	250,329
Morocco	230,147
South Africa	145,575
China	123,989
Argentina	67,432
Pakistan	65,416
Israel	18,787
Georgia	15,200
Uruguay	9,112
Peru	7,764

Russia
All citrus imports

COMTRADE,Qlickfresh - USDA Report,DG AGRI Citrus report, FruitTrop – Trends latest year available 2016& 2017

Gulf Countries in T	2017	2016	2015	2014	2013	2012
Oranges	913.457	1.107.589	1.090.284	1.088.938	1.008.477	1.031.677
Soft Citrus	372.000	439.000	363.000	418.000	370.000	332.000
Lemons	342.380	303.143	273.965	241.285	207.296	192.765
Grapefruits	54.339	58.483	60.162	65.990	74.276	45.704
Total citrus	1.682.176	1.908.215	1.787.411	1.814.213	1.660.049	1.602.146



Main suppliers (in T)

Egypt	525.000
South Africa	430.000
Turkey	120.000
Pakistan	110.000
Lebanon	47.000
Spain	43.000
Australia	21.000
Brazil	17.000
India	17.000
Morocco	15.000

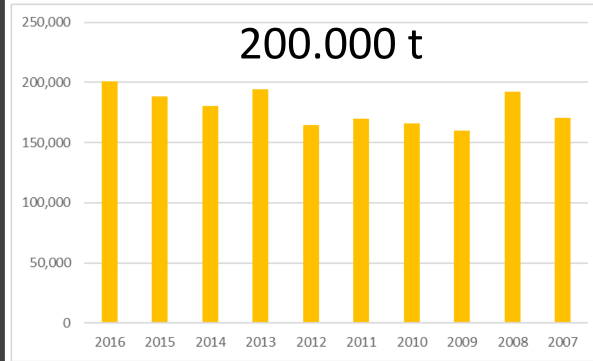
Gulf countries: Market size

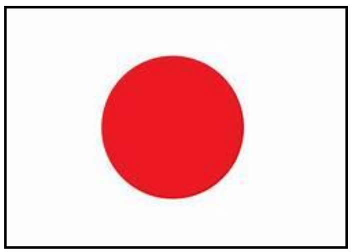
Covering Saudi Arabia, Iraq, Iran, UAE, Kuweit, Oman, Qatar, Bahrain, Yemen
Source : COMTRAD, Qlickfresh, FruiTrop

COMTRADE,Qlickfresh - USDA Report,DG AGRI Citrus report, FruitTrop – Trends latest year available 2016& 2017

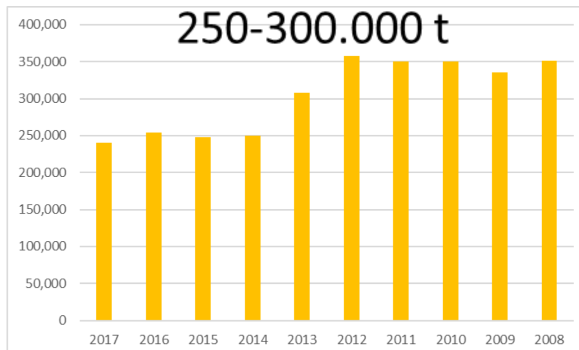
Other citrus import markets

Main suppliers:
South Africa, Egypt,
Australia, USA

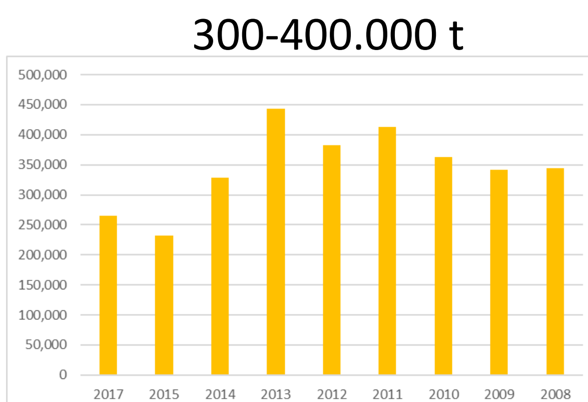




Main suppliers: USA,
South Africa, Australia,
Chile, Mexico, Israel



Main suppliers: Turkey,
Egypt, Spain, Italy, South
Africa



COMTRADE, Qlickfresh ,
USDA Report, DG AGRI Citrus report, FruitTrop,
Trends latest year available 2016 & 2017

Trade and consumption trends & outlook by citrus varieties

ORANGE OUTLOOK

STRONG CROP IN 2018/2019 IN EU,_USA, AND SH DUE TO **FAVOURABLE CONDITIONS EXCEPT CHINA**

DIVERSIFICATION OF VARIETIES

BALANCE BETWEEN FRESH AND PROCESS MARKET

COMPETITION BETWEEN ORANGES AND SOFT CITRUS

REPLACEMENT OF OLD CULTIVARS TO CONTINUE FOR MORE CONVENIENCE

IMPACT OF CLIMATE ON PRODUCTION AND CONSUMPTION

UNSETTLED ENVIRONMENT ON THE EUROPEAN MARKETS:

IMPORTS FROM EG, MA, RSA TO BE UNDER PRESSURE

SOFT CITRUS OUTLOOK

EVOLUTION OF THE CALENDAR AND VARIETAL MIX

NOT ALL INNOVATION IS SUCCESSFUL

BETTER RESULTS FOR THE LATER PART OF THE NH SEASON WITH VARIETIES WITH GOOD TASTE AND COLOURING

NEW PLANTINGS IN NH OF LATE SEASON IN SPAIN, ISRAEL, MORROCO **AS LARGE AS 350.000 T**

CAPACITY OF EU MARKET TO ABSORB OR MARKET DIVERSIFICATION NEEDED TO ASIA, USA??

SEASON OVERLAP?

NH EARLY VARIETIES AND SH LATE VARIETIES WITH ADDITIONAL PRODUCTION IN PERU, RSA, ARGENTINA, URUGUAY

LEMON OUTLOOK

MAIN PRODUCING COUNTRIES TO REPORT SIGNIFICANT INCREASE BY > 700.000 T IN NH AND > 550.000 T IN SH IN NEXT 5 YEARS

IN PAST YEARS, LEMON WAS ON DEMAND WITH HIGH RETURN INCREASING BY 100.000 T PER YEAR

SPAIN EXPECTING THIS YEAR A RECORD VERNA CROP, NEW PLAYERS ON THE MARKETS

FINDING NEW BALANCE ON THE MARKET NEEDED

LEMONS WERE TRENDY, BUT NEED OF COLLECTIVE **PROMOTION** CAMPAIGN TO KEEP TRACK OF GROWTH (?)

GRAPEFRUIT OUTLOOK

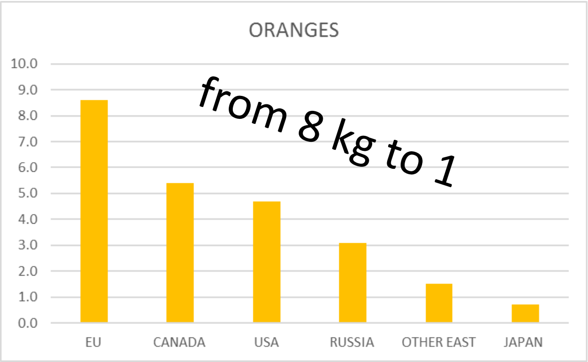
DECLINE OF PRODUCTION IN USA, SHRINKING OF EU MARKET BY 20% IN 10 YEARS AS DECLINE OF FLORIDA NOT REALLY COMPENSATED

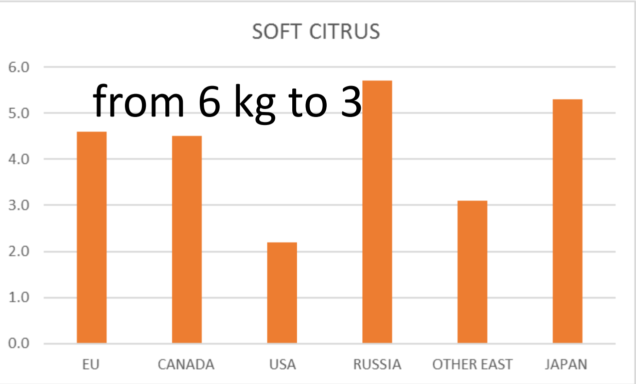
STABLE PRODUCTION IN THE MEDITERRANENAN BASIN

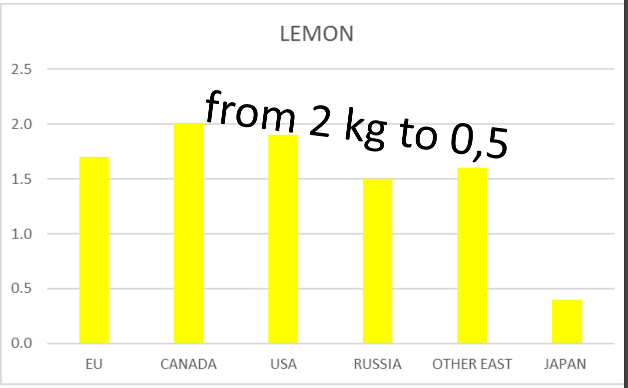
STILL LUCRATIVE ASIAN MARKET IN PARTICULAR FOR ISRAEL

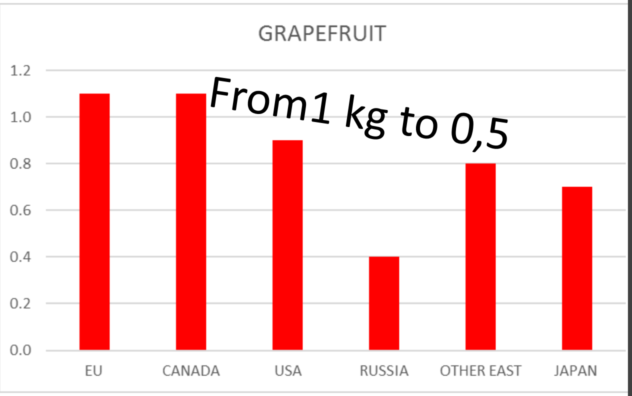
RECOVERY IN FLORIDA

SOUTH AFRICA UNDISPUTED EXPORTER FROM SH WITH 30% OF WORLD TRADE, AHEAD OF TURKEY AND USA









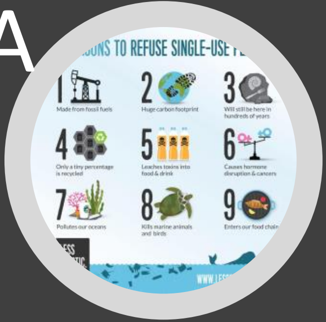
CONSUMPTION: WIDE DIVERGENCE REMAINS AMONG SELECTED MARKETS

Opportunities for growth?

Freshfel Consumption Monitor, FruitTrop

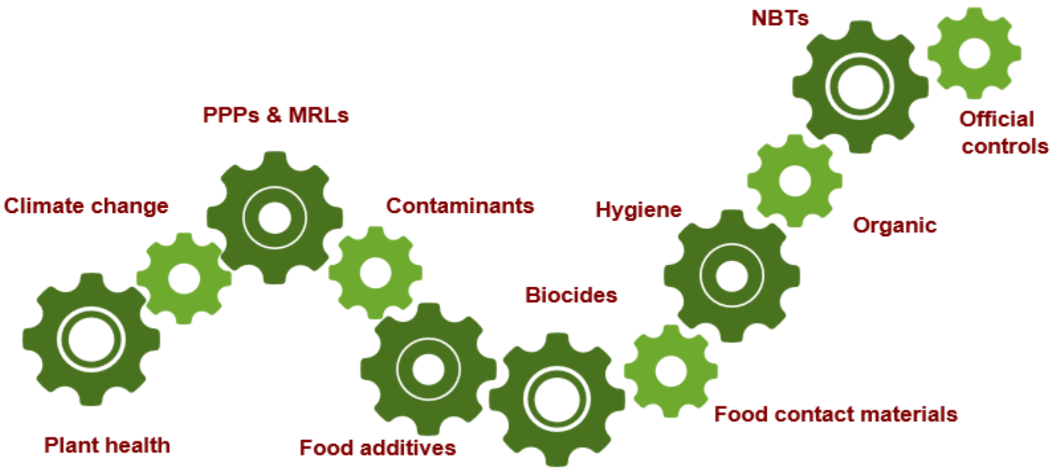
Other issues influencing future fresh produce and citrus market developments

SUSTAINABILITY NOT ANY MORE A BUZZWORD BUT A BUSINESS REALITY



CLIMATE CHANGE & RELATED SUSTAINABILITY ISSUES

- IMPACT ON CROP QUALITY AND YIELDS
- IMPACT ON TRADE AND FTA
- IMPACT ON CONSUMPTION



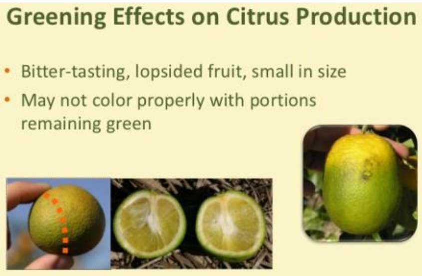
Awareness Raising Strategy for
Plant Health in the European Union

POLICY PRIORITIES AND COHERENCE IN FOOD AND PLANT SAFETY

SETTING THE RIGHT BALANCE BETWEEN THE NEEDS TO PROTECT PLANT AND CONSUMERS WITH THE NEEDS OF A TRADING ENVIRONMENT

<u>KEY POLICY POINTS IN THE EU:</u>

- REFORM OF DIRECTIVE 2000/29 PN PLANT HEALTH
- "REFIT" PESTICIDES AND MRL LEGISLATION
- ORGANIC LEGISLATION REFORM
- NBT EVALUATION

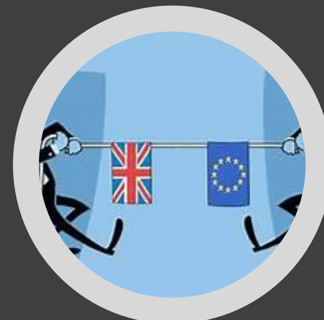


BENEFIT OF RESEARCH AND INNOVATION TO BE MATCHING SOCIETAL ACCEPTANCE

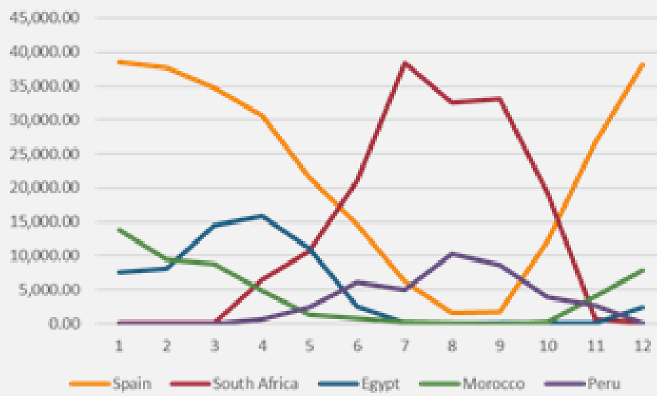
SCIENCE

EMOTION

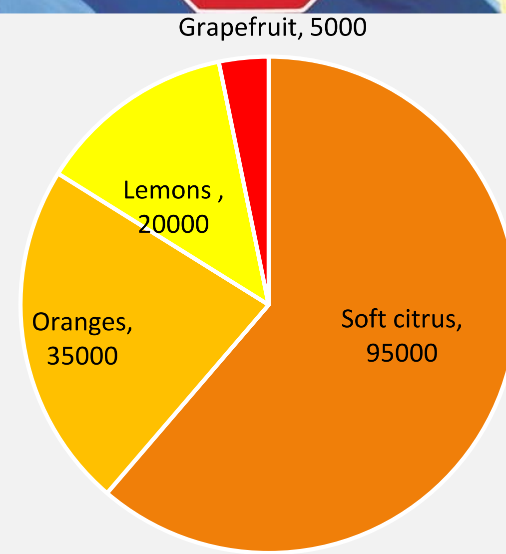
UNCERTAIN TRADE ENVIRONMENT BETWEEN UNILATERALISM, BILATERALISM AND MULTILATERALISM

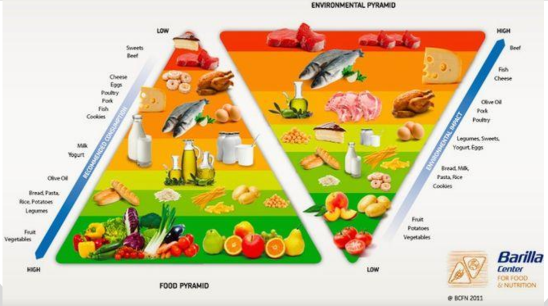


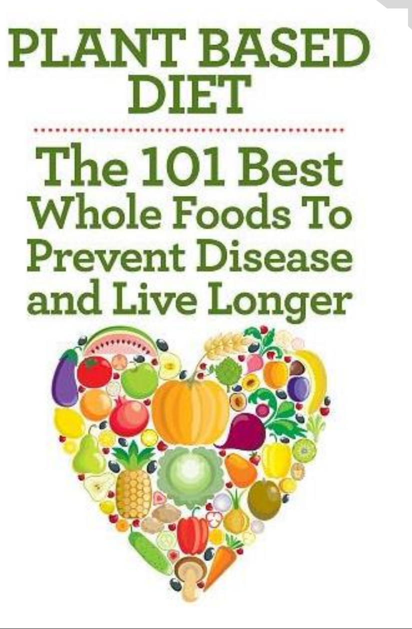
COPING WITH TRADE UNCERTAINTIES



UK Annual volume ca 750.000 T







OPPORTUNITIES OF HEALTHY LIFESTYLE AND NEW CONSUMERS PATTERN

Conclusions

- Citrus fruit are competing with other fresh fruit and agri-food assortments – making further consumption growth challenging
- Fruit and citrus have positive assets in regards to health and other societal concerns that should better be put forward to stimulate demand. Year round availability is important.
- Citrus is a global business, with the EU as a key center of business, but as new players and orchard adjustments arise, new markets are opening leading to more market diversification.
- The trade environment is challenging, leading to new uncertainties and putting pressure on the capacity of businesses to reposition
- Millennials, adopting new eating habits, could influence the demand. Fresh produce, including the citrus categories, have multiple assets to conquer these consumers of tomorrow.

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MANY THANKS FOR YOUR ATTENTION

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