

Citrus Commodity Notes

DEVELOPMENTS IN INTERNATIONAL CITRUS TRADE IN 2004-2005

The previous season (2003-2004)

Overall, citrus production increased in the Northern Hemisphere in 2003-04 from the previous season in spite of a slight contraction in Mediterranean production. Output of oranges, tangerines and grapefruit rose. Similarly, citrus production expanded in the Southern Hemisphere, particularly in Brazil due to a large orange harvest. World citrus exports rose, fuelled in particular by increases in the leading two suppliers, Spain and the United States, as well as in most Southern Hemisphere supplying countries.

The 2004-2005 season

World citrus output is expected to decrease in 2004-05. The Northern Hemisphere citrus season 2004-2005 is almost over and preliminary results show a fall in production mainly due to weather incidents. In Spain, although the season had a good start, bad weather and severe frost at the beginning of 2005 have caused damage to the orchards and are expected to curtail output. Conversely, good weather conditions are expected to raise citrus output by 15 percent in Israel. Larger citrus crops are also being recorded in Italy and Turkey after poor previous seasons. Orange production in the United States is forecast to be significantly lower than the bumper harvest of the previous season (-38 percent). Floridian and Cuban orange groves were ravaged by several hurricanes in September 2004. The grapefruit crops have also been particularly affected in both areas, and output is expected to fall by 68 percent in Florida. Conversely, the production of oranges and limes is expected to expand in Mexico. In Asia, citrus production is expected to remain stable in China and contract in Japan. Imports of fresh citrus are forecast to rise in both countries. Fresh citrus exports have risen in the Mediterranean rim and contracted in the United States since the start of the season.

In the Southern Hemisphere, a significantly lower orange crop is expected in Brazil in 2005. Forecasts differ according to sources as usual. The USDA forecasts a total orange crop of 402 million boxes (of 40.8 kg), while the Brazilian Institute of Agricultural Economics expects a harvest of 341 million boxes. Conversely, higher production is forecast in most other South American countries including Chile, Peru and Argentina (where a large lemon harvest is expected). Output is also expected to rise in South Africa and Australia. Rising production is likely to result in an overall increase in shipments of fresh citrus from the Southern Hemisphere.

Production of orange juice is forecast to contract in three major producing countries (Brazil, United States and Spain) as a result of smaller orange crops in 2004-05. Conversely, juice production has risen in Italy and Mexico. The reduced orange harvests in Florida and Brazil have resulted in a substantial increase in farmgate prices for oranges. This rise was not immediately reflected in orange juice prices, due to the large inventories of FCOJ, especially in Brazil. The price of Frozen Concentrated Orange Juice (FCOJ) remained relatively stable from September 2004 to April 2005, trading in the band US\$900 to US\$950 per tonne (cif Rotterdam). However, it soared to US\$1 200 per tonne in May 2005. The likely reasons for this surge lie in the facts that the inventories have been reduced and the concentration in the processing industry in Brazil gives large processors a better control on pricing. The price of not-from-concentrate orange juice has also risen.

Prices for concentrated grapefruit juices surged from the previous year due to the severe shortage of fruit in Florida and Cuba in the wake of the hurricanes. Conversely, prices for concentrated lemon juice have been on a downward trend owing to the prospect of a large lemon harvest and higher juice production in Argentina among other factors.

Production (000 MT)

	1999/00- 2001/02 Average	2002/03	2003/04	2004/05*
World	94 092	93 032	99 133	92 775
Brazil	18 483	17 292	20 965	18 313
United States	15 131	13 771	14 897	10 397
China	10 769	12 391	13 884	13 930
Mexico	6 010	6 080	6 369	6 520
Spain	5 592	5 944	6 232	6 109
Italy	3 082	2 763	2 757	3 171
Egypt	2 547	2 481	2 318	2 251
Argentina	2 651	2 465	2 450	2 660
Turkey	2 145	1 955	2 093	2 264
South Africa	1 602	1 586	1 560	1 570
Others	26 081	26 304	25 607	25 589

Data refer to the period October-September except for
Southern Hemisphere (calendar year of 2nd year shown)

Citrus utilization for processing (000 MT)

	1999/00- 2001/02 Average	2002/03	2003/04	2004/05*
World	30 297	27 165	31 641	25 533
Brazil	11 955	10 906	14 252	11 723
USA	11 267	9 941	11 194	7 164
Spain	862	1 015	911	895
Italy	1 309	1 199	1 207	1 389
Argentina	1 143	1 121	1 143	1 185
Cuba	344	279	285	160
Mexico	713	445	590	866
China	385	233	320	396
South Africa	480	360	317	355
Greece	352	327	264	282
Others	1 487	1 339	1 158	1 119

Data refer to the period October-September except for
Southern Hemisphere (calendar year of 2nd year shown)

Prices (wholesale)*National currency/kg*

	1999/00	2000/01	2001/02	2002/03	2003/04
ORANGES AND TANGERINES					
France (Euro)					
Spain oranges	0.45	0.51	0.57	0.59	0.65
Moroccan clementines	0.59	0.84	0.78	0.69	0.67
Germany (Euro)					
Spanish navels	0.68	0.71	0.77	0.75	0.82
Spanish clementines	1.01	1.22	1.13	1.07	1.14
United States (US cents) 1/ California navels	68.11	101.41	105.65	88.75	93.71
Japan (yen)					
Mikan	134.43	247.29	154.86	165.83	202.71
LEMONS					
United States (US cents) 1/ California	97.96	98.96	122.60	112.60	123.19
Germany (Euro)					
Spanish	0.82	0.88	0.76	0.84	0.83
Japan (yen)					
Average	239.42	225.42	237.25	212.42	192.08

**Data refer to period October-September except for 1/
1/ United States prices in calendar year, for the second year shown**

***: preliminary estimate or
forecast**

Exports of fresh citrus (000 MT)

	1999/00- 2001/02 Average	2002/03	2003/04	2004/05*
World	9 761	10 792	11 021	11 308
Spain	3 074	3 313	3 564	3 535
USA	1 051	1 117	1 132	960
South Africa	848	1 043	1 049	990
Turkey	605	740	608	862
Morocco	473	484	438	521
Egypt	252	414	491	480
Argentina	374	488	547	620
Mexico	261	347	358	360
Greece	355	398	303	301
China	170	241	339	418
Others	2 300	2 208	2 192	2 261

Data refer to the period November-October except for
Southern Hemisphere (calendar year of 2nd year shown)

Imports of fresh citrus (000 MT)

	1999/00- 2001/02 Average	2002/03	2003/04	2004/05*
World	9 138	9 659	9 700	
Germany	1 087	1 168	1 166	
Area of for. USSR 1/	811	1 066	1 056	
France	944	1 020	1 054	
UK	693	735	806	
Netherlands	638	692	659	
Japan	479	483	498	404
USA	354	439	452	490
Canada 1/	397	423	418	
Bel-Lux	372	386	360	
Poland 1/	386	358	363	
Others	2 977	2 888	2 868	

Data refer to period October-September except for 1/

1/ Calendar year, second year shown

Last update: June 2005