



WORLD MARKETS AND TRADE

April 2008

Citrus

Summary

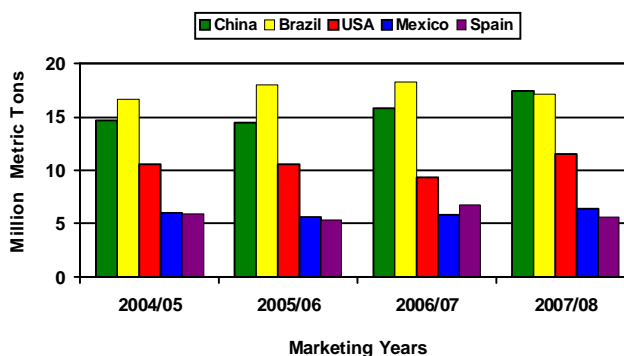
China and Brazil are the top producers of citrus, while Spain, South Africa and the United States are the top exporters of fresh citrus. The weak dollar, a high quality bumper harvest, and continued demand for quality product will help increase U.S. citrus exports and reduce citrus imports from other major suppliers. The European Union and Russia are the top fresh citrus importers.

Citrus Production in Select Countries is Forecast to Increase

For 2007/08, citrus production in selected countries has been forecast at nearly 71.0 million metric tons, a 3-percent increase from the previous year's total of 68.9 million tons. Increased plantings and favorable weather are expected to contribute to China challenging Brazil as the largest producer.

China's citrus production is forecast at 17.6 million tons, an increase of 10 percent, because of new fruit bearings and favorable weather. Production which was expected to continue to grow rapidly in the next few years has been severely affected by a series of winter storms in January and February 2008, which reduced the prospects of an increase in production in 2008/09. The series of storms are estimated to have seriously damaged 1.7 million acres of citrus.

Top Citrus Producing Countries



Source: U.S. Agricultural Attaché Reports; NASS for U.S. Production

Citrus production in Brazil is forecast at 17.1 million tons, down 5 percent from the previous year. Irregular weather patterns, reduced crop management in some groves and trees which were stressed from large crops the past two years are expected to contribute to the production decline.

The United States is forecast to produce 11.5 million tons of citrus in 2007/08, up 24 percent from 2006/07. An improved outlook for citrus recovering from last years poor growing season, hurricane stress, and freeze damaged crop all contribute to the increased production.

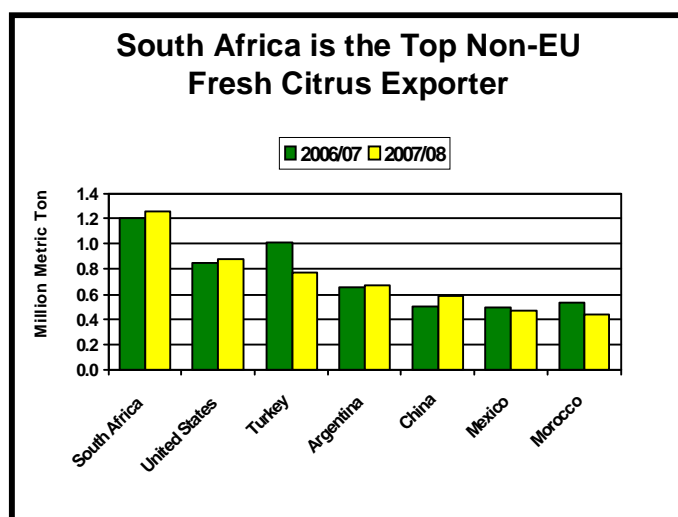
Global Citrus Trade

Exports

Citrus exports in selected countries are forecast at 9 million tons in 2007/08, an 8-percent decrease from the previous year. Spain is the top exporter, of the selected countries, with around 90 percent of exports going to the European Union. Spain is forecast to export 3.2 million tons in 2007/08, down 17 percent from 2006/07. Diminished export opportunities in the United States are a prominent factor in the decline in exports from Spain. Assuming normal weather, U.S. citrus production is forecast to increase in 2007/08.

South Africa, a leading exporter of fresh citrus, is forecast to export 1.26 million tons in 2007/08, up 5-percent from 2006/07. Top export destinations for South Africa in 2006/07 included the Netherlands (15 percent), the United Kingdom (11 percent) and the United Arab Emirates and Russia each with over 7 percent.

Other top citrus exporters include Turkey and Argentina, whose exports are forecast to total 769,000 and 670,000 tons, respectively in 2007/08. In 2006/07, Turkey sent 32 percent of their exports to Russia, 17 percent to the Ukraine, and 11 percent to Romania. Top export destinations for Argentina in 2006/07 included Russia (27 percent) and the Netherlands (18 percent).



China exports are forecast to increase 17 percent in 2007/08 to 585,000 tons. Although China is a rapidly growing producer of citrus, a new policy is likely to affect Chinese citrus exports in the near term. China's quarantine agency, (AQSIQ), has issued a new directive requiring all exported fruit to be sourced from registered orchards and packing houses as of November 1, 2007. Prior to the new policy, citrus destined for Southeast Asian countries and Russia, the main export destinations of Chinese citrus, were sold through different types of packing houses or agents that were not registered. Registration requires stringent inspection and review of agro-chemical use and pest

control residues. Many smaller packing houses and orchards are unlikely to meet the criteria, at least in the short term.

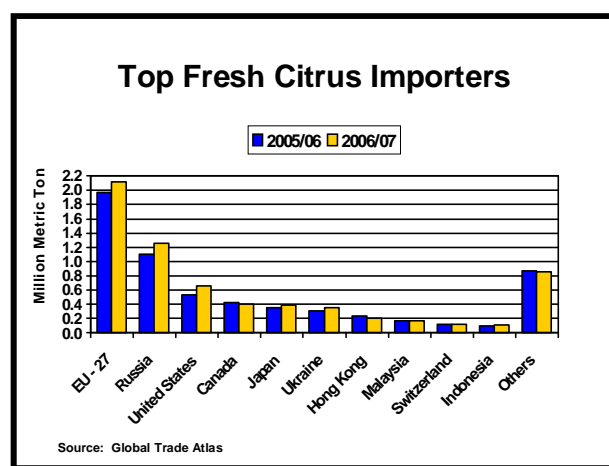
United States exports are forecast to increase 3 percent, to 880,000 tons in 2007/08. In 2006/07 the United States exported 851,000 tons of citrus, with 74 percent of the exports going to Japan, Canada, and Korea. The favorable value of the U.S. dollar in international markets, a high quality harvest, and continued demand for quality product will supply domestic demand and increase U.S. citrus exports.

Imports

World citrus imports in 2006/07 totaled over 6.6 million tons, a 7-percent increase from the previous year.

The European Union remained the top world citrus importer with 68 percent of their 2.1 million tons of citrus external EU imports coming from South Africa, Argentina, and Turkey.

Other important citrus importers include Russia, Canada, and Japan with imports totaling 1.2 million, 407,000, and 383,000 tons, respectively. Russia imported 64 percent of their citrus from Morocco, Turkey, and Argentina. Canada imported 42 percent of their citrus from the United States, while Japan imported 61 percent of their citrus from the United States.



In 2006/07 the United States imported 659,000 tons of citrus with 76 percent of the imports coming from Mexico and the European Union, with Spain providing over 90 percent of the United States imports from the European Union. Reduce production caused by a freeze increased marketing opportunities for foreign producers. Imports are expected to decline 9 percent in 2007/08 as U.S. production is up significantly.

Additional Information

The FAS Attaché Report web search engine allows users to search for the citrus reports for various countries (<http://www.fas.usda.gov/scriptsw/AttacheRep/default.asp>).

The Production, Supply, & Demand database can be found at <http://www.fas.usda.gov/psdonline/psdHome.aspx>

For additional citrus charts, please go to our webpage at http://www.fas.usda.gov/ftp/fruit_veg.asp

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