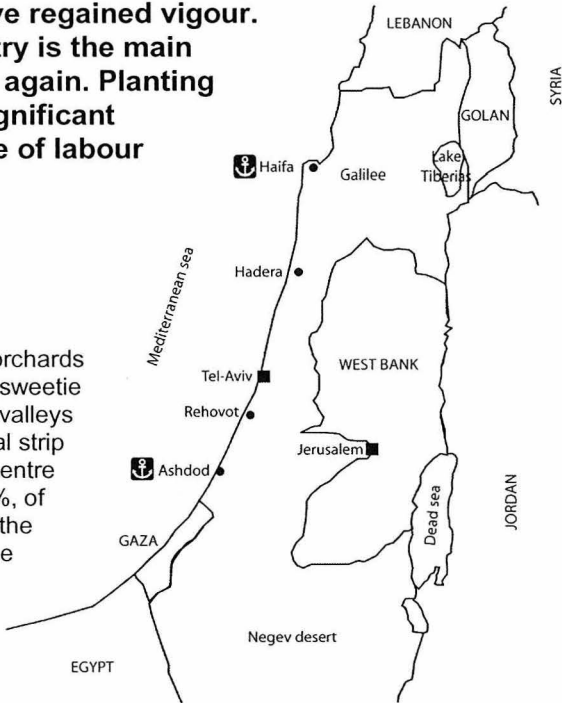


# Israeli grapefruit

Israel is the fourth largest grapefruit producer in the world with an average volume of some 210 000 t in recent seasons, together with about 55 000 t of sweetie. The industry went through a difficult period between the end of the 1990s and 2002/2003 and has recently regained dynamism, thanks to a much more buoyant international context. Fresh exports—mainly to the EU—have regained vigour. The processing industry is the main outlet and is doing well again. Planting has resumed on a very significant scale since 2004 but shortage of labour remains a limiting factor.

## Production zone

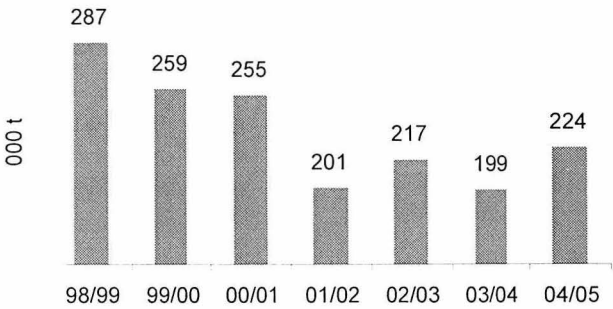
Grapefruit growing is scattered through most of the country. The orchards were estimated to total 3 150 ha in 2004 (together with 1 170 ha of sweetie and 430 ha of shaddock). Nearly 60% of the area is in the northern valleys around the Sea of Galilee and the Jordan and the Sharon coastal strip between the north of Tel Aviv and Hadera. The rest is in the centre (approximately 15% between Rehovot and Jerusalem), the south (18%, of which some 8% was planted fairly recently in the Negev Desert) and the extreme north of Israel (9% on the Golan Heights and in Galilee). The hot, dry climate reduces the risk of disease and the main sanitary constraint is the Mediterranean fruitfly population. Cooperative type farming organisations (kibbutzim and moshavim) operate about three-quarters of the cultivated areas.



## Volumes

Grown in Palestine since the mid-nineteenth century, citrus fruits were one of the pillars of the young state of Israel. This was a golden age, with grapefruit production peaking at over 500 000 t at the beginning of the 1980s. A long period of slump followed. Producers' incomes fell strongly in particular because of increased competition and unfavourable exchange rates on the European market. The recession was at its worst at the end of the 1990s because of very difficult climatic and political situations (shortage of water and labour). Massive grubbing up operations—especially of white grapefruit—brought production down to about 250 000 t. The crop has now been experiencing a renaissance for the last two seasons. More water is available for agriculture thanks to recycling and the market is noticeably more buoyant, especially in the EU (because of the shortage of fruits from Florida and favourable exchange rates). Planting has regained the rate of some 250 ha per year since 2004, especially in the early zones in northern Israel. However, shortage of labour is still a serious limiting factor.

Israel - Grapefruit - Production



Source: Israel Plant

Israel — Grapefruit — Production calendar												
	S	O	N	D	J	F	M	A	M	J	J	A
White Marsh Seedless												
Star Ruby												
Sweetie												

## Production calendar

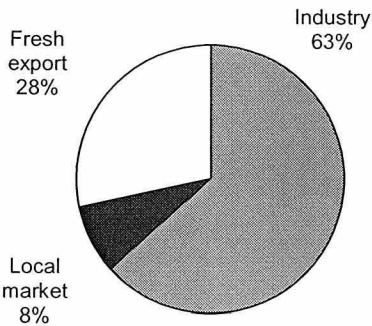
'White Marsh', long one of the pillars of Israel citrus growing, has lost considerable ground. Nonetheless, it still accounts for

nearly half of the citrus orchard area. 'Star Ruby', commonly referred to as 'Sunrise', is practically the only coloured variety grown on a large scale and forms nearly all the young plantations. 'Oroblanco', much of which is sold green under the name 'Sweetie' is slowing but still forms significant volumes (about 55 000 t). The Volcani Center, the Israeli research centre, is working on the development of new varieties such as coloured grapefruit and sweet grapefruit; the latter should be available in large volumes by 2015.

Outlets

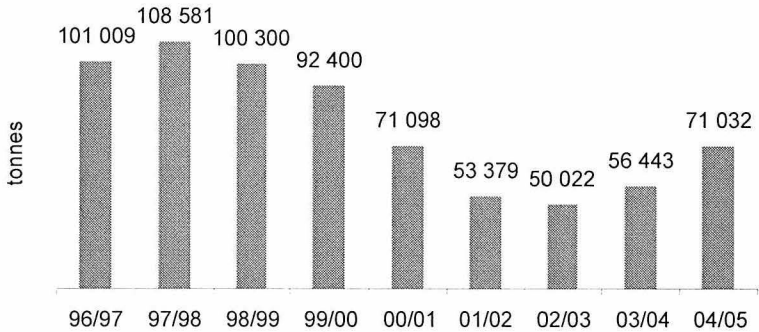
Some 30% of production is earmarked for export, the most profitable outlet. Exports have tended to increase since the 2004/2005 season as a result of the shortage of Floridian fruits on the international market. Processing has lost considerable ground but is still the main outlet, taking some 150 000 to 170 000 t. It makes it possible to use sorting rejects and a large proportion of white grapefruit production, mainly for juice and then, in more limited quantities, for canned segments (large fruits). The sector has suffered a slump following the strong decrease in production in the 1980s and 1990s and has concentrated, with three production units with capacity of 80 000 to 90 000 t each in comparison with 10 units in the mid-1990s. The industry is in better financial condition thanks to the new international context and restructuring with the production of high value-added products (single juice, high quality aromas and essential oils, etc.). The increase in the population of Israel has resulted in a distinct increase of domestic consumption (approximately 3.5 kg per person per year), especially after the wave of immigration from the former Soviet bloc at the end of the 1980s.

Israel - Grapefruit - Outlets



Source: CMBI, 2002 to 2004 seasons

Israel - Grapefruit - Exports

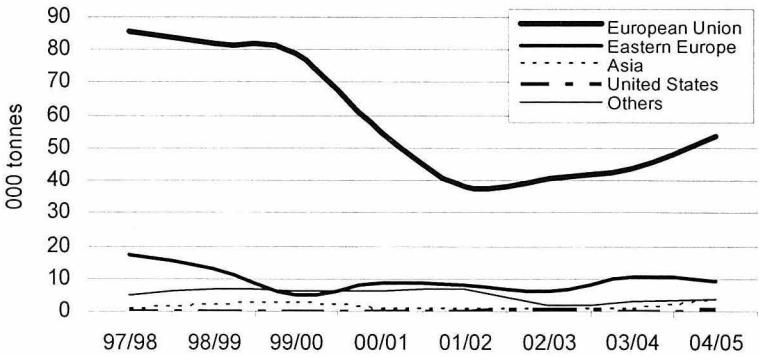


Source: CMBI

Exports

The export sector is still concentrated despite its liberalisation in 1991 and the development of a large number of small operations in recent years. The two main operators handle nearly 90% of exports. The Citrus Marketing Board of Israel, historically in charge of marketing citrus at the international level, continues to play a role in control (registration of exporters, respect of quality standards, etc.) and representation and promotion of the citrus industry (in particular with management of the 'Jaffa' brand that can be used under licence by other origins). The volumes exported followed the decrease in production, falling from more than 100 000 t at the end of the 1990s to 50 000 t in 2002/2003. After a slight recovery in 2003/2004, they exceeded 70 000 t in 2004/2005 thanks to the newly vigorous international market. The European Union is the destination for three-quarters of the volumes, with the fruits being shipped mainly to the ports of Marseilles and Antwerp. Some 15% is shipped to Eastern Europe. Exports of white grapefruit to Japan have been significant since the 2003/2004 season and should increase. However, the freight costs are very high for shipment to Japan at the moment and this is a determinant point.

Israel - Grapefruit - Exports by destination



Source: CMBI

Logistics

The goods (containerised or just palletised) are hauled by road to the ports of Haifa and Ashdod. Those for the EU are mainly shipped in containers (60 to 70%) and unloaded in southern European ports (mainly Marseilles or Fos-sur-Mer and sometimes Koper). They are then re-exported by road to their final destination. During the peak season, volumes are also exported to Antwerp and, more rarely, to Felixstowe. Operators use regular lines or Agrexco's dedicated shipping. Most of the fruits for Eastern Europe are unloaded at Novorossiysk or forwarded by road via the port of Odessa.

Israel — Grapefruit — Logistics				
Markets	Main shipping lines		Shipping time	Observations
	Port de departure	Port of arrival		
EU	Haifa	Fos	10 days	Containers (Maersk, MSC)
		Antwerp		Containers
	Ashdod	Marseilles	3 days	Conventional (containers )
Eastern Europe	Haifa (Ashdod)	Novorossiysk, Odessa	4 to 7 days	
Japan	Haifa	Tokyo, Osaka Kobe, Yokohama	33 to 35 days	Containers