

Panorama of the world citrus market

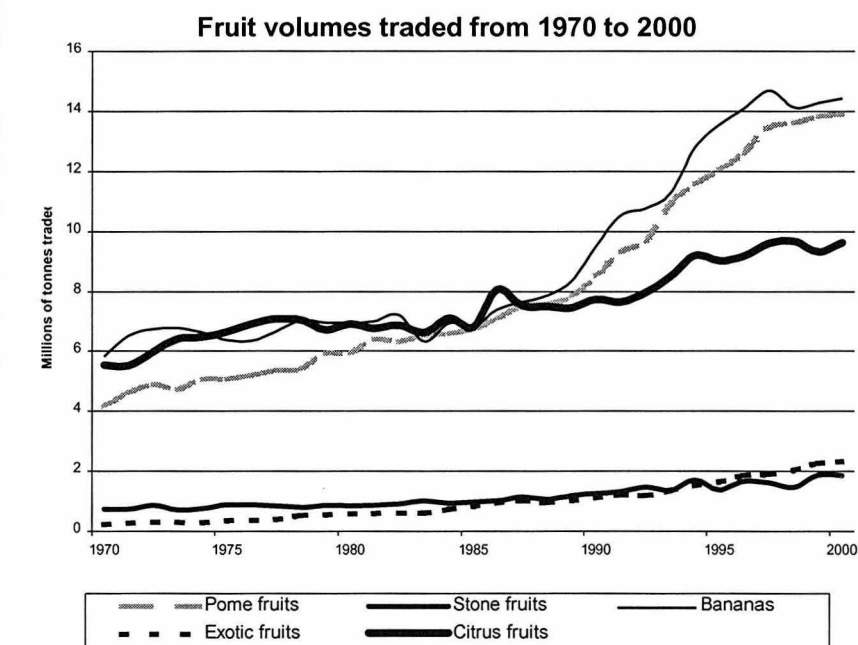
The singular evolution of easy peelers

Easy peelers dominate world fruit production. However, although these products are incontestably leaders in terms of production, their position on world markets has weakened. Two figures make this easier to understand: trade in citrus formed approximately a third of all trade in fruits in the 1970s and amounted to a quarter in 2000. Indeed, economic and social changes encouraged consumers to turn to an increasingly broad range of competing products ranging from juices to concentrates containing vitamins. But the singular evolution of easy peelers shows that pessimism is nevertheless not the order of the day.

Firstly, a spectacular increase in trade in citrus fruits has been observed. The volume increased from 5.5 million tonnes to nearly 10 million tonnes between 1970 and 2000, that is to say an annual increase of about 2%. This spectacular development should nonetheless be tempered. Indeed, banana, for example, with some 6 million tonnes traded in the 1970s, developed much more strongly as a result of a strong increase in the 1990s, causing an annual increase of 3%. Another fairly similar example is trade in pome fruits which increased from 4.2 million tonnes in the 1970s to 14 million tonnes in 2000. The greatest increase was in exotic fruits, with the quantity traded increasing from 200 000 tonnes in 1970 to 2.3 million de t in 2000, a record annual increase of more than 8%. The evolution of trade in stone fruits is fairly similar, with an increase from 700 000 to 2 million t during the same period, i.e. more than 3% per year. Overall, analysis of total fruits shows an increase from 16.8 million tonnes to over 40 million t, giving a 3% annual increase—much greater than that of citrus fruits.

Very different patterns of evolution

However, evolution has been very varied within the citrus group. Less

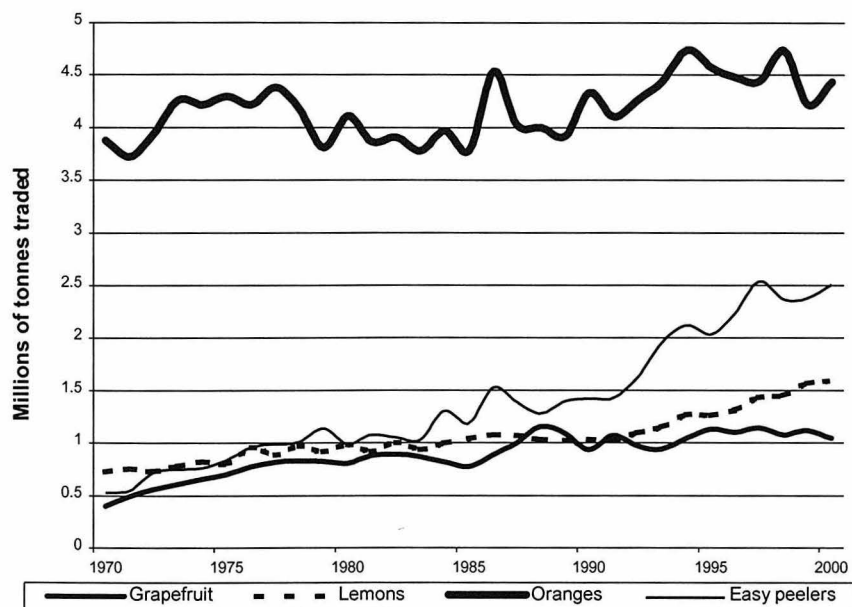


Source: FAO

than 4 million tonnes of oranges were traded in 1970 and slightly more than 4 million tonnes in 2000, an annual increase of less than 0.5%. Lemon is slightly above the average for citrus with exported quantities increasing from 700 000 to 1.6 million tonnes. The same applies to grapefruit, which had a glorious period from 1970 to 1985 and has since been relatively stable in terms of the volumes traded. The pattern of the curve for easy peelers is different. Explosive growth caused a rise from 500 000 tonnes in 1970 to 2.5 million tonnes in 2000. Easy peelers accounted for only 10% of the quantities traded in

1970 but now form a quarter of transactions. It is noted that the increase has not tailed off in recent years as analysis of the period 1990-2000 reveals an annual increase of 6%, just behind exotic fruits at 8%. Easy peelers are therefore now international products. Analysis of the proportion destined for export reveals 10% for citrus, which is better than total fruits (9%) and vegetables (4%), while easy peelers score 14%. Performance is nevertheless not as good as those of international agricultural raw material market leaders such as wheat and bananas.

Citrus volumes traded from 1970 to 2000



Source: FAO

Easy peelers: a special group

The reasons for this increase in trade in easy peelers include the fact that there is less competition from processing than for the other citrus fruits. The evolution of orange clearly indicates the changes in consumption patterns. Observation of the fresh export, processing and domestic consumption market segments shows that the fresh export share decreased from 15% of volumes in 1970 to 7% in 2000. In contrast, processing developed markedly from 31% of volumes in 1970 to 42% in 2000 with quantities increasing from less than 9 million to over 25 million tonnes. These changes are to be ascribed to the search by consumers for more convenient products, the excessively present marketing of juices and the steady increase in their quality. For example, non-concentrated juice formed 10% of Florida exports at the beginning of the 1990s and increased to nearly 50% in 2000. There has thus been a very distinct shift in oranges and lemons from fresh fruits to processed products. There was no growth in processed easy peelers whereas fresh fruits gained more than 5%. It is not economically attractive to process easy peelers for juice; harvesting costs much

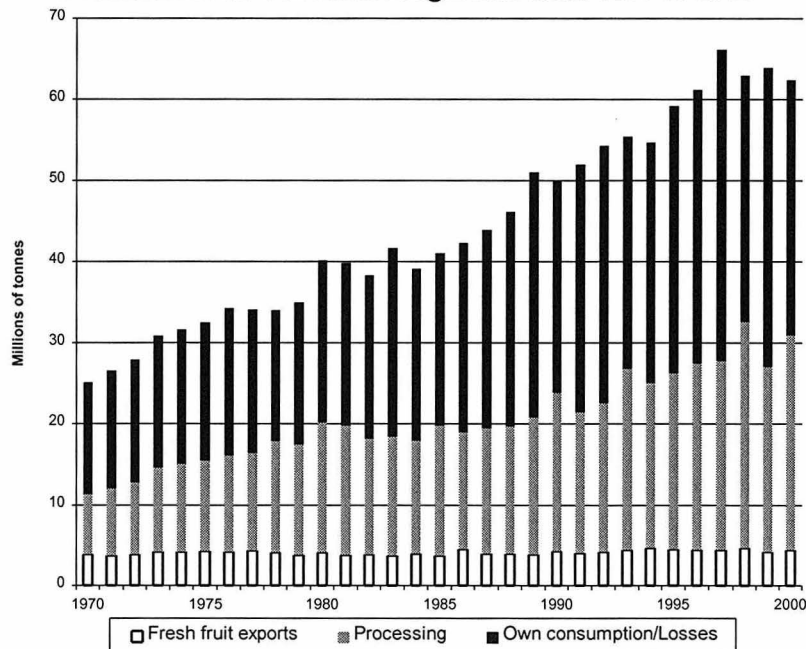
more than for orange, the juice yield is smaller and the organoleptic quality is lower when classic technologies are used.

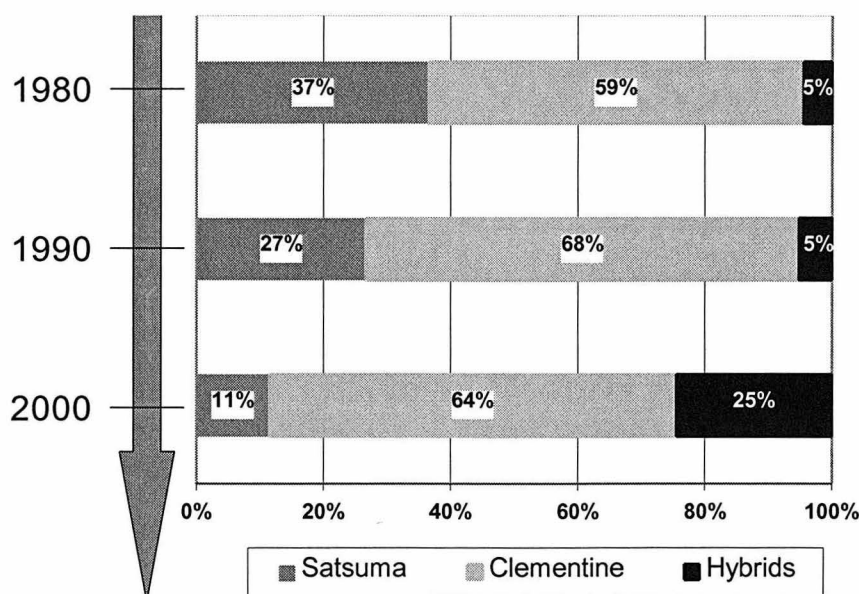
Furthermore, the broadening of the range of varieties was the vector of this dynamism. In 1980, supplies were limited to the dominant satsumas and clementines and the first hybrids to appear, such as 'Minneola'. A clear strategy of lengthening the season was observed in the 1990s, with new early clementines such as 'Marisol'

and late clementines or hybrids such as 'Nova', 'Fortuna' and ortaniques. The range was further completed in 2000 by means of a qualitative substitution strategy with the appearance of 'Arrufatina' and 'Oronules', which are early clementines of better quality than 'Marisol' and end-of-season hybrids such as 'Afourer' and the Israeli 'Mor' and 'Or'. These changes affect the structure of this range. Satsumas had a 37% share in 1980 that decreased to 11% in 2000. Clementines increased from 59 to 64%. Above all, hybrids displayed a very strong increase of more than 20% from 1990 to 2000.

But what are the effects of this broadening of the range in terms of quantities and is it possible to try to measure them? Analysis of the 1978-1980 and 1998-2000 averages for October to January shows that the quantities traded from Mediterranean countries increased by about 69%. Monthly application of the same analysis reveals an increase fairly close to the average for December and January, a fall in November and a strong increase in quantities in October linked to the replacement of satsuma by clementine, the lengthening of the season and supplies of better quality. A similar observation was made for the end

Evolution of citrus market segments from 1970 to 2000



Changes in the easy peeler varietal range


Source: CLAM

of the season, with the development of the range of hybrids allowing a strong increase in the quantities consumed at the level of the Mediterranean area. The average increase from December to April was some 96%. The increase was much stronger at the end of the season (February to April) as a result of the broadening of the range.

An increasingly international market

The third important factor is the efforts made to find new markets. Exporters have been particularly imaginative in the easy peeler sector. From 1980 to 2000, Western Europe lost approximately 20% of the volumes traded to Eastern Europe (Poland and Russia in particular), which gained 13%. The volumes shipped to North America increased distinctly under the effect of sustained shipments from Spain and Morocco. To a lesser extent, a shift has been observed towards the Middle East and other markets. The southern hemisphere exporters have not lacked imagination either. Indeed, an easy peeler counter-season market has developed in the EU over the past 15 years or so at the initiative of southern Africa and South America. It did not exist

100 000 tonnes. In addition, growth has not stopped as trade with emerging countries such as Chile and Peru is developing strongly.

The driving forces leading to the success of the easy peeler market from 1970 to 2000 are still there. The creation of varieties is still very dynamic, especially in the Mediterranean area. It should make it possible to make produce more attractive at certain times during the season when quality is still a delicate point. Better-coloured, sweeter fruits should therefore appear during the first part of the

season. Likewise, fruits with fewer pips and that are easier to peel should appear at the end of the season. It can also be imagined that new products might be launched, such as easy peelers with colouring similar to that of blood oranges. Finally, there is still substantial room for growth in certain markets. Those in Eastern Europe are absolutely not saturated, especially in hybrids. The enlargement of the European Union should enable a substantial increase in the quantities shipped to these markets. Another point is that the quantities exported to North America should also increase strongly if non-tariff barriers were removed. Indeed, the production of high-quality easy peelers is still in the early stages in this part of the world. The strong development of shipments to the large consumer markets in Asia can also be hoped for, with the impact of Chinese membership of the WTO and the present attempts by Spanish exporters to penetrate the Japanese market ■

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Mediterranean exports: evolution of distribution by market
