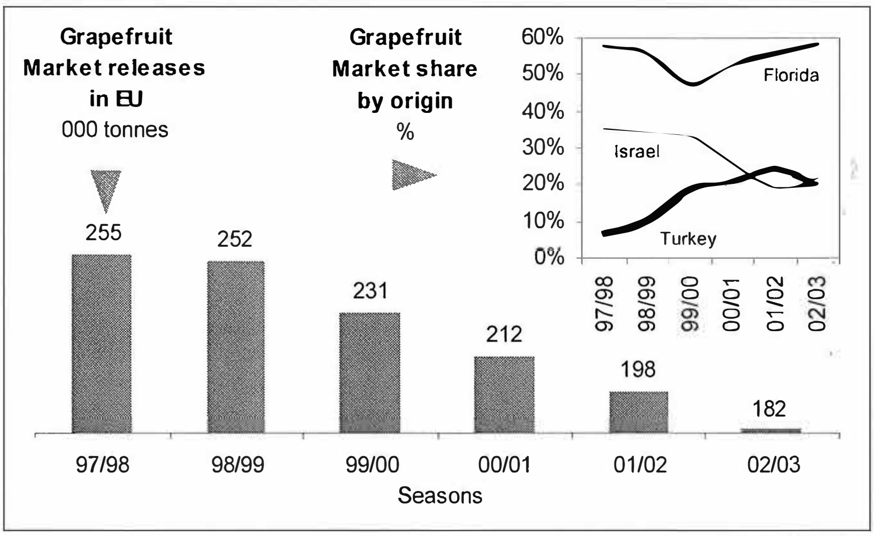
The 2002-2003 winter grapefruit season in the EU

A new situation?

Although winter consumption of grapefruit clearly maintained its downward trend, there have been a few changes both in the season calendar and in market distribution by origin. These movements undeniably have a conjunctural feature but might they be the sign of a new situation for the winter grapefruit market?

One year is much like the next. Analysis of the volumes marketed in the EU during the 2002-2003 season confirms once again the downward trend in grapefruit consumption during the winter season (from October to May-June). It is true that certain complementary origins not included in this survey (Spain and Cyprus) made progress, but they far from compensate the cumulated decrease displayed by the three leading exporting countries. Thus, the decrease has reached a disturbing 25% over a period of six years. Per capita consumption during the winter was about 700 g in 1997-1998 (i.e. two medium-sized fruits) and is now around 530 g (one and a half fruits).

In contrast, examination of market shares reveals distinct changes. Is this a clear break or just a pause in the trend observed in recent years?



Source: Cirad-flhor

Keep the Florida decrease in perspective

Florida still controls about 60% of the market but the volume exported is down by about 300 000 boxes. This fall of only 5% in comparison with 2002 imports may seem small in the light of the decrease in production—resulting from tristeza—of around 20% according to the latest figures published by USDA. Furthermore, the Japanese market was particularly attractive. In April, a 17-kg box of Ruby fetched nearly USD 24 on the Tokyo wholesale market. A much more marked decrease in exports to the EU could therefore have been expected. However, a particularly favourable dollar:euro exchange rate substantially reduced the very high import risk of preceding years.

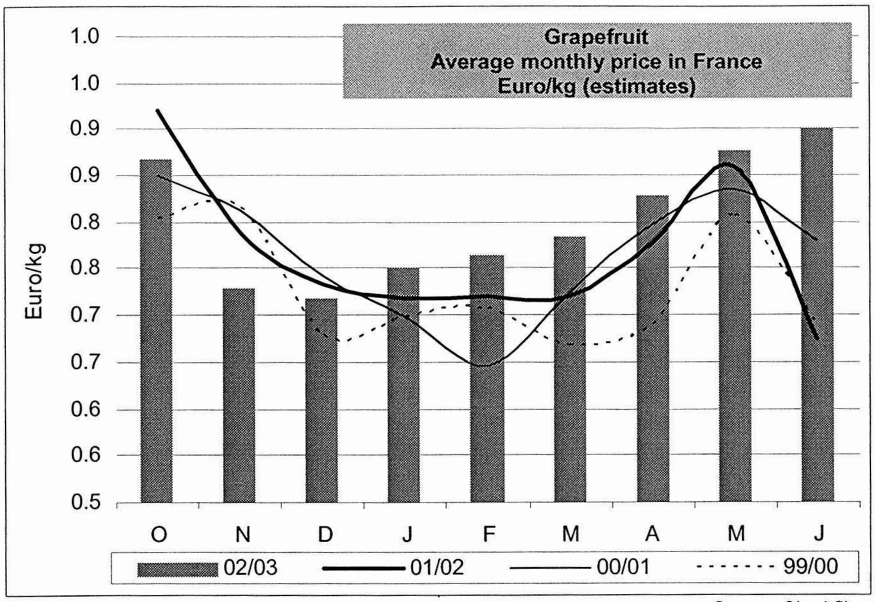
Grapefruit — Average import price in France (estimates)

Euro/kg	Season total	Comparison (%)	
	2002-2003	2001-2002	2000-2001
Florida	0.79	- 1	+ 4
Israel	0.74	+ 9	- 1
Turkey	0.65	+ 20	+ 4
Average	**0.77**	**+ 1**	**+ 3**

Source: Cirad-flhor

What does the Turkish decrease mean?

To everybody's surprise, the greatest decrease was in Turkish exports when we had become accustomed to two-figure percentage increases in previous years. The causes of the fall undoubtedly include a conjunctural component. Production was well down this season. But what should be thought of the steady decrease in the proportion of supplies for EU markets in favour of eastern European countries? The volumes intended for the EU have decreased from 55% to 35%. Is this a turning-point? The prices achieved in Russia this year lead to thinking that this is so. Especially as in contrast with the EU market a large proportion of the transactions are concluded on a firm basis in eastern Europe. The future will show whether the decrease includes a structural component. The only exporting country to have gained ground in



Source: Cirad-flhor

terms of quantity last winter was Israel, although the increase was modest (2 000 tonnes). In addition, the 40 000 tonnes exported was far from the 80 000 to 90 000 tonnes of the end of the 1990s. However, this recovery marks a break in the downward spiral experienced by Israel since the emergence of Turkey. The increase would have been much greater if fruit quality had not been so uneven at the end of the season. The quantities of Sweetie shipped also increased considerably. It is true that the main market for this variety—Japan—shrank once again in the face of competition from grapefruit—and Oroblanco—from Florida.

Meagre end-of-season supplies

Indeed—and this might be major lesson of the season—the gap left by Florida at the end of the season was historical and vast. Early fruit maturity enabled a rapid increase in shipments in the first part of the season. This earliness combined with small production led to a particularly early end to the season (a month earlier than last year!). Weekly shipments totalled between 300 000 and 500 000 boxes in early April in the past three years and fell to less than 100 000 boxes this season. Furthermore, to make matters worse, the Turkish grapefruit season also finished early.

Towards a new calendar for the season?

Could this also be an underlying trend? Indeed, it might be considered that the fall in Florida production scheduled for the next few years because of tristeza (see box), may lead to an earlier end to the season than in the past, especially as the pressure on coloured fruits is continuing to increase because of the change in eating habits in Japan where red and pink grapefruit formed 22% of imports in 1996-1997 and is now nearly 60%. It is true that the sale of fresh fruits accounts for only a third of the total marketed but the forecast production decrease of more than 30% would certainly have an effect. In this case, Israel would have other opportunities for a recovery in the coming seasons. The summer origins—and first and foremost Argentina—would also have reasons to rejoice ■

Florida still threatened by tristeza

According to USDA, approximately 42% of the grapefruit trees in Florida are grafted on sour orange, which has the defect of being susceptible to tristeza. This disease causes the degeneration and then the death of the tree and there is currently no cure for it. The only solution is to grub up infected trees and replant. Production could thus decrease until 2006-2007 and reach a low point of 33 million boxes (in comparison with 46.7 million in 2001-2002). It would return to normal in 2012-2013.

For further information:
http://www.fred.ifas.ufl.edu/citrus/pubs/trend/trnd2002.pdf

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Grapefruit — Estimated market releases in the EU by origin

		1997/1998	1998/1999	1999/2000	2000/2001	2001/2002	2002/2003
Florida							
	1 000 t	**146.8**	**140.9**	**109.0**	**112.9**	**111.2**	**105.8**
	Millions boxes 17kg	8.6	8.3	6.4	6.6	6.5	6.2
Turkey							
	1 000 t	**18.1**	**24.8**	**44.6**	**44.3**	**48.5**	**36**
	Millions boxes 13kg	1.4	1.9	3.4	3.4	3.7	2.8
Israel							
White		28.3	26.1	22.1	11.5	7.4	7.1
Coloured		61.9	60.3	55.1	43.6	30.5	33.0
	1 000 t	**90.2**	**86.5**	**77.2**	**55.0**	**37.9**	**40.1**
	Millions boxes 16kg	5.6	5.4	4.8	3.4	2.4	2.5
Sweetie		1.9	3.3	2.9	3.4	3.2	3.8
	Millions boxes 16kg	0.1	0.2	0.2	0.2	0.2	0.2
Total	**1 000 t**	**255.1**	**252.2**	**230.8**	**212.2**	**197.6**	**181.9**

Source: Cirad-flhor