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Italy

Citrus

Semi-Annual

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Report Highlights: Italian Citrus production for 2003/4 is down 3.8% from the previous marketing year, but higher than previously forecasted. Adverse climatic conditions in the producing regions affected especially tangerines and grapefruits production. An increasing demand for pigmented varieties is creating some competition between fresh uses and processing in Sicily.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
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Market Outlook

Italian Citrus production for 2003/4 is down 3.8% from the previous marketing year, but higher than forecasted in December (see annual report IT3026). Although the season for lemons is not yet over, the production breakdown should result as shown in the following tab.

000MT	**2002/3**	**2003/4**	
Oranges	1723	1677	-2.7%
Tangerines	540	459	-15.0%
Lemons	486	512	5.3%
Grapefruits	30	26	-13.3%
TOTAL	2779	2674	-3.8%

The reduction has been mainly determined by adverse climatic conditions (i.e drought in the summer/fall 2003) and, to a lesser extent, by the reduced acreage. In the last two seasons Italian citrus output resulted far below the country average due to climatic events that severely affected production. Farmers' organizations and some of the regional administrations are now calling for government intervention to assist farmers affected by the sector's crisis.

Oranges

Production

The two main producing regions, Sicily and Calabria, show different results. In Sicily, where about ½ of Italian oranges are produced, planted acreage is stable and yield per hectare is up by 2% vis-à-vis 2002/3. In Calabria both acreage (-1.1%) and yield are down, with an 8.5% reduction in production compared to previous year.

The country average yield per plant (61.7 kilos) marked a –2.7% from 2002/3.
According to a survey conducted by Ismea (the national agricultural market institute), 76% of the farmers consider this year's fruit size satisfacory, 16% above the average. The sugar content is generally considered satisfactory.

There haven't been any major phytosanitary concerns or related losses during the campaign.

Marketing

Marketing
About 61% of all oranges produced are pigmented Tarocco and Moro varieties, 14% are Navel, while Biondo Comune (Blond) represents about 11%.
Pigmented varieties (or blood oranges) have dark red pulp and skin. They represent a large share of the Sicilian production (about 1 mln Tons in standard years) and are used for both fresh consumption and juice processing.

Sicilian Blood Oranges have met with good market demand in the campaign both domestically and internationally, reaching satisfactory market prices. Other non-pigmented varieties have had greater difficulties to face price competition from producers of other EU (mainly Spain) and non-EU (mainly South Africa) countries.

Trade

Although official trade data for the first quarter of 2004 are not yet available, exports are expected to recover from last year's level, but yet to remain under 2001/2 level. Germany and Estern European countries are target markets for Italian oranges.

On the import side, Spain and South Africa are confirmed to be the main suppliers of fresh oranges. Volumes are expected in line with last year's.

Domestic Consumption

Domestic consumption of oranges has been declining in the last 3 years in line with the trend shown by all fresh fruits.

Prices

Despite the reduced output in the last two years, prices are in line with previous years due to increased imports of fresh product from Spain and South Africa.

Orange Juice

Production

Orange processing shows a growth trend following an increased demand for blood orange juice both in the domestic and in the international markets. Annual production of blood orange juice alone averages 50,000 tons of single strength and 5,500 tons of concentrated (65 Brix).

The increased demand for pigmented oranges for processing has lead to some competition with fresh uses in Sicily, where producers have not been able to deliver the contracted volumes to processors.

Marketing

The domestic market is showing an increasing demand for refrigerated single strength juice. Pigmented concentrated juice meets an increasing demand by domestic and North European producers of mixed "red" juices and other beverages.

Domestic production of non-pigmented juice (both single strength and concentrated) is under competitive pressure from increasing imports of concentrated juice from Brazil.

Tangerines

Production

The 2003/4 campaign for tangerines ended with a 15% drop in production from the already-low 2002/3 level. The reduction was mainly due to adverse weather conditions in the Calabria region (and especially in the Cosenza area) that resulted in very low yields per hectare.

Average yield per tree is down to 45 kilos for clementines (-10.6% from 2002/3) and to 51.2 kilos for mandarins (-3% from 2002/3).

Harvested acreage is slightly down, mainly because of reduced mandarins' plantations.

Marketing

Domestic consumption is declining in line with other fresh fruit. Consumers show increasing preference for seedless fruits with easy peels.

Trade

The poor results of the last two campaigns have largely affected international trade. Imports for 2003/4 are expected in line with 2002/3, about 30% higher than 2001/2. Spanish exports are expected to benefit from this trend, therefore gaining share in the Italian market. Exports on the contrary are expected down to less than ½ than the 2001/2 level. Italian exports of tangerines are sharply declining in Eastern European countries as well as in Germany and in other Northern European markets.

Tangerine Juice

Although no official statistics are available, tangerine juice production is expected down from last year's. This is due to scarce availability of fresh product for processing and to low market demand for the processed product.

Lemons

Production

Data on acreage and production showed in the annual report have been updated as revised data were made available from the Italian statistical office. Unlike other citrus products, the lemon campaign has not yet closed as spring production is still pending.

Winter lemon production has been quite good. The spring crop is forecasted scarce because of drought during the flowering period. The overall output is expected to be 5% up from 2002/3 but still below the country average.

Trade

The trade picture is not expected to show significant movements. Imports are forecasted down from the previous campaign due to recovery of the domestic production. Exports are slightly up and mainly oriented to Northern European countries.

Lemon Juice

Although no official data is available on lemon juice, fresh fruit deliveries for juice production are expected in line with the previous year at about 290,000 tons.
According to industry sources, about 120,000 tons were delivered as of March 2004. Just like fresh lemons, the campaign for lemon juice is not yet closed.

Grapefruits and Juice

Grapefruit production is down by 8% from 2003/4 due to adverse climatic conditions. The lowered domestic production is expected to be balanced by increased imports.

No official data is available on grapefruit juice, as processing is generally considered as a marginal activity for grapefruit. Industry sources estimate deliveries of fresh product to processors at about 2,000 tons for 2003/4, in line with previous years.

PSD TABLES

Oranges

PSD Table

Country	**Italy**					
Commodity	**Fresh Oranges**			(HECTARES)(1000 T		
	2001	Revised	2002	Estimate	2003	Forecast
	USDA Official [	Estimate [I	DA Official [	Estimate [I	DA Official [	Estimate [I
Market Year Begin		11/2001		11/2002		11/2003
Area Planted	108076	108076	106433	109266	106434	108783
Area Harvested	108076	108076	106433	109266	106434	108783
Bearing Trees	0	0	0	0	0	49714
Non-Bearing Trees	0	0	0	0	0	0
TOTAL No. Of Trees	0	0	0	0	0	49714
Production	1724	1724	1663	1723	1437	1677
Imports	77	87	88	113	90	110
TOTAL SUPPLY	1801	1811	1751	1836	1527	1787
Exports	148	133	128	87	65	103
Fresh Dom. Consumptior	970	995	815	979	815	884
Processing	683	683	808	770	647	800
TOTAL DISTRIBUTION	1801	1811	1751	1836	1527	1787

Orange Juice

PSD Table

Country	**Italy**			65	Degrees Brix	
Commodity	**Juice, Orange**			(MT)		
	2001	Revised	2002	Estimate	2003	Forecast
	USDA Official [	Estimate [I	DA Official [	Estimate [I	DA Official [	Estimate [I
Market Year Begin		11/2001		11/2002		11/2003
Deliv. To Processors	683000	683000	808000	770000	647000	800000
Beginning Stocks	9536	29605	9595	24595	12342	25000
Production	38383	31521	45292	35536	37048	36920
Imports	16906	16394	15811	19957	20005	20000
TOTAL SUPPLY	64825	77520	70698	80088	69395	81920
Exports	16061	13375	18009	13335	19955	15000
Domestic Consumption	39169	39550	40347	41753	39091	41920
Ending Stocks	9595	24595	12342	25000	10349	25000
TOTAL DISTRIBUTION	64825	77520	70698	80088	69395	81920

Tangerines

PSD Table

Country	Italy					
Commodity	Fresh Tangerines				(HECTARES)(1000 T	
	2001	Revised	2002	Estimate	2003	Forecast
	USDA Official [	Estimate [	DA Official [	Estimate [	DA Official [	Estimate [
Market Year Begin		11/2001		11/2002		11/2003
Area Planted	37000	34998	37000	34998	37500	34198
Area Harvested	35000	33752	35000	33734	35500	33713
Bearing Trees	0	0	0	0	0	14756
Non-Bearing Trees	0	0	0	0	0	0
TOTAL No. Of Trees	0	0	0	0	0	14756
Production	611	611	548	540	450	459
Imports	65	67	76	98	99	99
TOTAL SUPPLY	676	678	624	638	549	558
Exports	71	70	51	30	28	30
Fresh Dom. Consumptior	475	477	455	480	450	465
Processing	130	131	118	128	71	63
TOTAL DISTRIBUTION	676	678	624	638	549	558

Lemons

PSD Table

Country	Italy					
Commodity	Fresh Lemons				(HECTARES)(1000 T	
	2001	Revised	2002	Estimate	2003	Forecast
	USDA Official [	Estimate [	DA Official [	Estimate [	DA Official [	Estimate [
Market Year Begin		10/2001		10/2002		10/2003
Area Planted	34599	34599	34500	33382	34500	31492
Area Harvested	34599	34599	34500	33207	34500	31313
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
TOTAL No. Of Trees	0	0	0	0	0	0
Production	570	547	573	486	570	512
Imports	68	86	89	99	80	75
TOTAL SUPPLY	638	633	662	585	650	587
Exports	34	26	29	32	25	35
Fresh Dom. Consumptior	258	281	283	263	283	262
Processing	346	326	350	290	342	290
TOTAL DISTRIBUTION	638	633	662	585	650	587

Lemon Juice

PSD Table

Country	**Italy**					
Commodity	**Juice, Lemon**			(MT)		
	2001	Revised	2002	Estimate	2003	Forecast
	USDA Official [	Estimate [I	DA Official [	Estimate [I	DA Official [	Estimate [I
Market Year Begin		10/2001		10/2002		10/2003
Deliv. To Processors	346291	346291	350000	290000	342000	342000
Beginning Stocks	13000	13000	13424	7424	12667	5567
Production	77231	77231	78050	75000	76266	80000
Imports	0	0	0	0	0	0
TOTAL SUPPLY	90231	90231	91474	82424	88933	85567
Exports	807	6807	807	2857	0	4000
Domestic Consumption	76000	76000	78000	74000	78000	75000
Ending Stocks	13424	7424	12667	5567	10933	6567
TOTAL DISTRIBUTION	90231	90231	91474	82424	88933	85567

Grapefruit

PSD Table

Country	**Italy**					
Commodity	**Fresh Grapefruit**			(HECTARES)(1000 T		
	2001	Revised	2002	Estimate	2003	Forecast
	USDA Official [	Estimate [I	DA Official [	Estimate [I	DA Official [	Estimate [I
Market Year Begin		06/2001		06/2002		06/2003
Area Planted	1400	1400	1450	1450	1450	1450
Area Harvested	1200	1200	1250	1250	1300	1300
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
TOTAL No. Of Trees	0	0	0	0	0	0
Production	30	30	30	30	30	26
Imports	30	29	36	32	38	38
TOTAL SUPPLY	60	59	66	62	68	64
Exports	8	5	5	4	5	5
Fresh Dom. Consumptior	45	49	55	55	57	57
Processing	7	5	6	3	6	2
TOTAL DISTRIBUTION	60	59	66	62	68	64

TRADE MATRIXES

Oranges

Exports

Export Trade Matrix

Country Italy

Commodit Fresh Oranges

Time Period	MY	Units:	MT
Exports for:	2001		**2002**
U.S.	0	U.S.	0
Others		Others	
Germany	38067	Germany	22746
Austria	19065	Switzerland	16688
Switzerland	16566	Austria	14875
Poland	7100	Croatia	3205
Albania	5160	Belgium	3162
Czech Rep	4937	France	2613
France	4902	Sweden	2711
Croatia	4087	Slovenia	1892
Bosnia Herz.	4080	Malta	1929
Belgium	3752	Slovakia	1865
Total for Others	98734		71686
Others not Liste	25379		15384
Grand Total	124113		87070

Imports

Import Trade Matrix

Country Italy

Commodit Fresh Oranges

Time Period	MY	Units:	MT
Imports for:	2001		**2002**
U.S.	0	U.S.	0
Others		Others	
Spain	46613	Spain	60870
S. Africa	19594	S. Africa	23789
France	4585	Netherlands	6257
Netherlands	4493	France	6168
Belgium	2608	Belgium	2621
Uruguay	2184	Egypt	2540
Egypt	1648	Morocco	2397
Germany	1029	Argentina	2293
Greece	774	Greece	1995
Cyprus	674	Uruguay	1876
Total for Others	84202		110806
Others not Liste	3350		2230
Grand Total	87552		113036

Tangerines

Exports

Export Trade Matrix

Country	Italy		
Commodit	Fresh Tangerines		
Time Period	MY	Units:	MT
Exports for:	2001		**2002**
U.S.		U.S.	106
Others		Others	
Poland	23953	Poland	6265
Germany	7215	Bosnia	3742
Hungary	6919	Germany	3351
Czeck Rep	4313	Hungary	3299
Slovenia	4248	Slovenia	2816
Bosnia	3870	Slovakia	1639
Slovack	3340	Austria	1461
Austria	2670	France	1352
Latvia	2883		
Albania	2090		
Total for Others	61501		23925
Others not Liste	8575		5749
Grand Total	70076		29780

Imports

Import Trade Matrix

Country	Italy		
Commodit	Fresh Tangerines		
Time Period	MY	Units:	MT
Imports for:	2001		**2002**
U.S.		U.S.	
Others		Others	
Spain	60059	Spain	85786
France	3707	France	7595
Ciprus	1656	Ciprus	1730
Morocco	747	Greece	1522
Total for Others	66169		96633
Others not Liste	874		1887
Grand Total	67043		98520

PRICES

Oranges

Prices Table

Country Italy

Commodity Fresh Oranges

Prices in Euro/Kg per uom Kg

Year	2003	2004	% Change
Jan	0.26	0.27	4%
Feb	0.26	0.27	4%
Mar	0.29	0.32	10%
Apr	0.31		-100%
May	0.28		-100%
Jun			
Jul			
Aug			
Sep			
Oct	0.4		-100%
Nov	0.32		-100%
Dec	0.3		-100%

Exchange Rate 1.195 Local Currency/US $
Date of Quote 04/30/04 MM/DD/YYYY

Tangerines

Prices Table

Country Italy

Commodity Fresh Tangerines

Prices in Euro per uom Kg

Year	2003	2004	% Change
Jan	0.28	0.33	18%
Feb	0.24	0.33	38%
Mar	0.42	0.33	-21%
Apr			
May			
Jun			
Jul			
Aug			
Sep			
Oct	0.46		-100%
Nov	0.34		-100%
Dec	0.3		-100%

Exchange Rate 1.195 Local Currency/US $
Date of Quote 04/30/04 MM/DD/YYYY

Lemons

Prices Table

Country Italy

Commodity Fresh Lemons

Prices in Euros per uom Kilo

Year	2003	2004	% Change
Jan	0.23	0.25	9%
Feb	0.21	0.22	5%
Mar	0.2	0.21	5%
Apr	0.21		-100%
May	0.23		-100%
Jun	0.27		-100%
Jul	0.27		-100%
Aug	0.28		-100%
Sep	0.28		-100%
Oct	0.31		-100%
Nov	0.32		-100%
Dec	0.28		-100%

Exchange Rate	1.195	Local Currency/US $
Date of Quote	04/30/04	MM/DD/YYYY