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Israel

CITRUS ANNUAL

Annual Report

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Report Highlights:
In 2009/10, citrus production in Israel is forecast at 627,000 tons, a 10 percent increase compared to the previous year. The expected increase in production is due to an increase in local easy peelers (mainly Or variety) and red grapefruit production. Citrus exports are expected to increase about 3-6 percent from the previous year, and delivery to processing plants is expected to increase about 15 percent.

Executive Summary:
In 2009/10, total citrus production is forecast at about 627,000 tons, a 10 percent increase compared to the previous year. Out of the total production, approximately 183,000 tons (29 percent) is expected to be exported, 260,000 processed (42 percent), and the remainder consumed fresh. The expected increase is mainly due to increased yields of Or variety (easy

peeler) and red grapefruit.

In 2008/9, despite the global economic recession combined with unfavorable exchange rates of the euro and U.S. dollar (mainly between September-December), and clients boycott especially increased from the Scandinavian countries, England and France, citrus exports increased 1 percent to 173,400 tons.

In August 2009, planted area totaled 17,724 ha, of which 14,748 ha (83 percent) were fruit-bearing. In 2008 and 2009, about 1,436 ha of fresh citrus were planted, mainly easy peelers (Or and Ora), red grapefruit (Star-Ruby and Rio-Red), and newhole (oranges). On the other hand, due to low profitability about 1,633 ha of citrus were uprooted in 2008 and 2009 mainly white grapefruit, sweetie, shamouti oranges, and pomelo (white & chandler).

Commodities:

Select

Production:

The forecast for 2009/10 is for a total production of about 627,000 MT, a ten percent increase compared to the previous year. Due to continued increase in the local planted area for red grapefruit and Or (easy peeler), it is estimated that in 2009/10 the yield for red grapefruit and Or will increase by about 20-30 tmt and 10-15 tmt, respectively.

Due to the cold spell that hit Israel in mid January 2008, there were some continued negative effects on citrus yields, and citrus production in MY 2008/9 increased only slightly and totaled 567,000 tmt.

Table 1: Citrus Production by Varieties, Thousand Tons

MY	Total Production	Orange	Easy Peelers	Lemon and Lime	Grapefruit	Other Citrus [1]
2005/6	566.0	143.5	118.0	28.5	265.0	11.0
2006/7	634.0	188.0	140.0	51.0	242.0	13.0
2007/8	560.0	125.0	145.0	35.0	242.0	13.0
2008/9	567.0	155.0	139.0	29.0	232.0	12.0
2009/10*	627.0	160.0	153.0	55.0	244.0	14.7

Source: The Plants Production and Marketing Board, Citrus division, Israel
*Forecast: Based on information collected

Table 2: Species Share Out of Total Production, Percent

MY	Oranges	Easy Peelers	Lemon and Lime	Grapefruit	Other Citrus	Total
2005/6	25.4	20.8	5.0	46.8	1.9	100
2006/7	29.7	22.1	8.0	38.2	2.1	100
2007/8	22.3	25.9	6.3	43.2	2.3	100
2008/9	27.3	24.5	5.1	40.9	2.2	100
2009/10*	25.5	24.4	8.9	38.9	2.3	100

Table 3: Citrus Disposition, by Destination, Tons

Period	Total Exports		Delivery to Processors		Local Fresh Market		
MY	Quantity	%	Quantity	%	Quantity	%	Total Percent
2005/6	141,000	24.9	265,000	46.8	160,000	28.3	100
2006/7	177,224	27.7	283,000	44.7	175,000	27.6	100
2007/8	172,059	30.7	212,097	37.9	175,844	31.4	100
2008/9	173,413	30.6	223,310	39.4	170,277	30.0	100
2009/10*	183,000	29.2	260,000	41.5	184,000	29.3	100

Source: The Plants Production and Marketing Board, Citrus division, Israel
*Forecast: Based on information collected

Planted Area

In August 2009, planted area totaled 17,724 ha, of which 14,748 ha (83 percent) were fruit-bearing. In 2008 and 2009, about 1,436 ha of fresh citrus were planted, mainly easy peelers (Or & Ora), red grapefruit (Star-Ruby & Rio-Red), and newhole (oranges). On the other hand, about 1,633 ha of fresh citrus were uprooted, mainly white grapefruit, sweetie, Shamouti (oranges), and pomelo (white & chandler).

Most of the citrus planted area is grown along the coastal plain, mostly in central and southern parts of the country (see chart 1, orange spots).

Table 4: Planted Area, by Variety, CY 2009

	Ha	%
Easy Peelers	5,883.8	33
Grapefruit	4,897.0	28
Oranges	4,618.4	26
Lemons and Lime	1,710.7	10
Others	614.1	3
Total	**17,724**	**100**

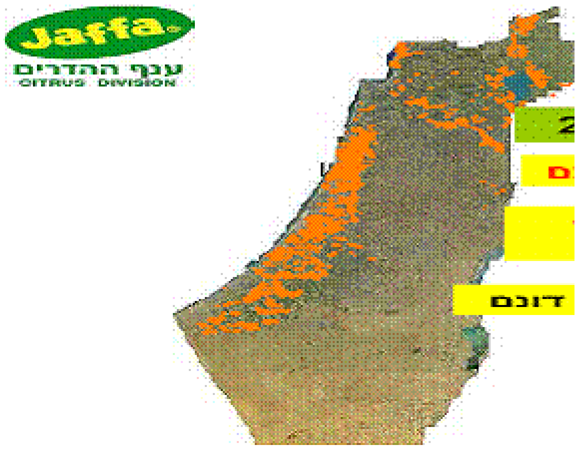
Source: The Plants Production and Marketing Board, Citrus Division, Israel

Table 5: Planted Area by Main Fresh Citrus Species, Ha, CY

	Ha			
	2009	2008	2007	2009 Percent Change Compared to 2007
Newhole (Oranges)	1,148.2	782.9	730.0	57%
Shamouti (Oranges)	2,100.7	2,505.5	2,900	-28%
Red Grapefruit	2,763.3	2,807.2	2,388.5	16%
White Grapefruit	1,306.5	1,757.9	1,680	-22%
Sweetie	791.0	1,079.3	1,072.9	-26%
Or (Easy peeler)	2,248.0	1,664.0	1,616.4	39%
Ora (Easy Peeler)	296.4	202.3	197.5	50%
White Pomelo	199.0	234.2	300.0	-34%
Chandler Pomelo	136.5	222.3	213.7	-36%

Source: The Plants Production and Marketing Board, Citrus Division, Israel

Chart 1: Planted Area by Area, Israel



[1] Other Citrus- Kumquat, Ethrog (Citron), Red & White Pomelo, Limquat.

Consumption:

Local Fresh Citrus Market

In 2009/10, it is estimated that local consumption of fresh citrus will total approximately 180 tmt, a 4-8 percent increase from the previous year. The expected slight increase in local consumption is mainly due to the increase in local citrus production. In recent years, local consumption has not changed significantly and it is estimated that local consumption will be about 165-185 tmt in the forthcoming years.

The Processing Industry

The forecast for 2009/10 is for deliveries of about 260,000 MT to the processing plants, 16 percent increase compared to the previous year. The expected increase is a result of a higher domestic supplies combined with expected higher prices for white grapefruit paid by the Israeli industry in 2009/10.

In MY 2008/9, deliveries of citrus to the processing plants increased by 5 percent compared to the previous MY. Due to higher prices for oranges paid by the local industry in MY 2008/9 deliveries of oranges (mainly Valencia) increased by 27 percent compared to MY 2007/8. On the other hand, due to low prices for white grapefruit paid by the Israeli industry grapefruit deliveries did not increase in MY 2008/9. Out of total white grapefruit production, about 90 percent are delivered to the processing industry. In recent years, the demand for easy peelers by the local processing plants has increased significantly and it's expected to continue to grow in the near future.

Table 6: Delivery to the Processing Plants, MY, Tons

	2008/9		**2007/8**	
	Tons	**%**	**Tons**	**%**
Oranges	53,500	24	42,121	20
Grapefruit	141,674	63	144,241	68
Easy Peelers and Others	28,136	13	25,735	12
Total	**223,310**	**100**	**212,097**	**100**

Source: The Plants Production and Marketing Board, Citrus Division, Israel

Citrus Products, Production, Consumption and Trade

The Israeli processors produce mainly concentrates, juice, bases, puree and slices. About 70 percent of all their citrus products are exported (mainly to the EU) and the rest in consumed in the local market. The annual local consumption of juices and nectars per capita stands at 4-5 liters and has been increasing in recent years a result of a decrease in consumption of carbonated soft drinks. In MY 2008/09, local OJ production increased by about 32 percent due to higher availability of oranges for processing. On the other hand, due to the global and local recession, imports and exports of OJ decreased in MY 2008/09. On the other hand, led by recovering global economy and higher availability of local oranges for processing, it is expected that local OJ production, imports and exports of OJ will increase in MY 2009/10.

Trade:

Trade

Exports are forecast to increase about 3-6 percent (about 183,000 tons) compared to the previous year. The expected slight increase in exports is mainly due to the increase in local red grapefruit and easy peelers production.

In 2008/9, despite of the following reason, citrus exports increased slightly in MY 2008/09; global economic recession combined with unfavorable exchange rates of the euro and U.S. dollar (mainly between September-December), and increased clients boycott from Scandinavian countries, England and France.

Out of total citrus exports in 2008/9, 48.9 percent and 31.3 percent were the grapefruit and easy-peelers varieties, respectively. On the other hand, the market share for oranges has decreased by nearly 20 percent, from 19.9 percent market share in 2006/7 to 16.0 percent market share in 2008/9.

Oranges – due to continued competition from other oranges suppliers combined with decreased growers' revenues from oranges exports, exports of oranges in MY 2008/9 decreased by 21 percent compared MY 2006/7.

Easy Peelers – In recent years, easy peelers exports have increased and it's expected to continue to increase in the forthcoming years. Post estimates that Or variety exports will continue to increase significantly in the near future (in MY 2008/9 Or exports totaled nearly 18,000 tons). In addition, Suntina variety exports reached a record high of 17,627 tons in 2008/9. It is estimated that Suntina exports will increase about 5-10 percent in 2009/10.

Grapefruit – In 2008/9, exports of red grapefruit (Sunrise variety) increased by 10 percent compared to the previous year and red grapefruit exports are expected to continue to grow by 5-10 percent in 2009/10. Exports of White grapefruit in 2008/9 were unchanged from the previous year and totaled 11,520 mt, of which 20 percent was exported to Italy. On the other hand, exports of sweetie variety decreased 10 percent compared to the previous year. The decrease was mainly due to decrease in sweetie exports to Japan.

Other Citrus - Due to continued competition from China, post estimates that exports of the white and red pomelo varieties to Europe and Japan will continue to decrease in MY 2009/10. As a result of increased demand for Lime in the local market, there was not any export of Lime in MY 2008/9. However, due to increase in local Lime production in 2009/10 combined with increasing demand for Lime in Europe, post estimates that in 2009/10 Lime exports will total about 500-700 tons.

Japan - Exports of the sweetie variety to Japan in 2008/9 decreased by 35 percent compared to the previous year (from 427,250 cases to 277,936 cases). In addition, due to increased competition from China, no exports of red pomelo to Japan were recorded in 2008/9. On the other hand, due to decreased grapefruit production in Florida in 2008/9, exports of Israeli white grapefruit to Japan totaled 4,064 cases compared to 0 and 1,328 cases in 2007/8 and 2006/7, respectively.
Post estimates that due to the continued decrease in grapefruit production in Florida, Israeli white grapefruit exports to Japan are forecast to continue to increase in 2009/10.

Table 7: Fresh Citrus Exports by Varieties, Tons, MY 2008/9

Variety	2006/7	2007/8	2008/9	2008/9 Percent Change Compared to 2007/8	2008/9 Percent Change Compared to 2006/7
Shamouti	24,576	16,892	17,405	3.0%	-29.2%
Valencia	8,880	11,902	8,502	-28.6%	-4.3%
Navels	1,721	1,521	1,843	21.2%	7.1%
Total Oranges	**35,177**	**30,315**	**27,750**	**-8.5%**	**-21.1%**
White Grapefruit	10,265	11,895	11,520	-3.2%	12.2%
Sunrise	58,991	54,506	60,107	10.3%	1.9%
Sweetie	12,873	14,708	13,219	-10.1%	2.7%
Total Grapefruit	**82,129**	**81,109**	**84,846**	**4.6%**	**3.3%**
Topaz	5,725	5,428	6,449	18.8%	12.6%
Minneola	9,363	9,261	6,901	-25.5%	-26.3%
Suntina	16,302	16,911	17,627	4.2%	8.1%
Admoni	0	142	0	-100.0%	-----
Chasuma	1,029	968	169	-82.5%	-83.6%
Winnola	199	53	43	-18.9%	-78.4%
Merav	50	24	111	362.5%	122.0%
Mor	2,356	1,699	389	-77.1%	-83.5%
Or	13,199	11,484	17,960	56.4%	36.1%
Ora	665	1,312	1,665	26.9%	150.4%
Michal	802	1,066	644	-39.6%	-19.7%
Rishon	487	543	220	-59.5%	-54.8%
Morcot	990	1,104	1,804	63.4%	82.2%
Hadas	478	118	283	139.8%	-40.8%
Total Easy Peelers	**51,645**	**50,113**	**54,265**	**8.3%**	**5.1%**
Total Lemon	**2,316**	**4,024**	**1,827**	**-54.6%**	**-21.1%**
Lime	357	246	0	-100.0%	-100.0%
White Pomelo	2,202	2,553	905	-64.6%	-58.9%
Red Pomelo	2,631	2,895	3,132	8.2%	19.0%
Limquat	25	30	15	-50.0%	-40.0%
Kumquat	742	693	655	-5.5%	-11.7%
Total Other Citrus	**5,957**	**6,417**	**4,707**	**-26.6%**	**-21.0%**
Grand Total	**177,224**	**171,978**	**173,395**	**0.8%**	**-2.2%**

Source: The Plants Production and Marketing Board, Citrus Division, Israel

Table 8: Export Markets, Market Share and Tons, MY 2008/9

	Tons	Market Share
Western Europe	73,853	42%
Russia	38,987	22%
England	28,756	17%
Scandinavian Countries	16,558	10%
Far East	6,445	4%
Eastern Europe	2,706	2%
North America	2,083	1%
Other	4,091	2%

Source: The Plants Production and Marketing Board, Citrus Division, Israel

Table 9: Israeli Fresh Citrus Export to Japan, Cases, MY 2008/9

MY	2006/7	2007/8	2008/9	2008/9 Percent Change Compared to 2007/8
Sweetie	498,512	427,250	277,936	-35%
Red Pomelo	7,890	2,688	0	-100%
Shamouti	280,772	0	0	----
Valencia	243,376	0	0	----
White Grapefruit	1,328	0	4,064	*Compared to 2006/7* – 206%

Source: The Plants Production and Marketing Board, Citrus Division, Israel

Production, Supply and Demand Data Statistics:

PSD TABLES:

Oranges, Fresh Israel

Oranges, Fresh Ha 1000 trees 1000 tons	2007 2007/2008 Market Year Begin: Oct. 2007 Annual Data Displayed		New Post Data	2008 2008/2009 Market Year Begin: Oct. 2008 Annual Data Displayed		New Post Data	2009 2009/2010 Market Year Begin: Oct. 2009 Annual Data Displayed		Jan Data
	Official	Post		Official	Post		Official	Post	
Area Planted	5,920	5,920	0	6,000	6,000	4,650			4,618
Area Harvested	5,540	5,540	0	5,650	5,650	4,150			4,100
Bearing Trees	0	0	0	0	0	0			0
Non-Bearing Trees	0	0	0	0	0	0			0

Total No. Of Trees	0	0	0	0	0	0			0
Production	125	125	125	170	170	155			160
Imports	0	0	0	0	0	0			0
Total Supply	125	125	125	170	170	155			160
Exports, Fresh	25	25	30	35	34	28			29
Fresh Dom. Consumption	59	59	53	74	75	73			65
For Processing	41	41	42	61	61	54			66
Total Distribution	125	125	125	170	170	155			160

Tangerines/Mandarins, Fresh Israel

Tangerines, Fresh **Ha** **1000 trees** **1000 tons**	**2007** **2007/2008** **Market Year Begin: Oct. 2007**			**2008** **2008/2009** **Market Year Begin: Oct. 2008**			**2009** **2009/2010** **Market Year Begin: Oct. 2009**		
	Annual Data Displayed		**New Post Data**	**Annual Data Displayed**		**New Post Data**	**Annual Data Displayed**		**Jan**
	Official	**Post**		**Official**	**Post**		**Official**	**Post**	**Data**
Area Planted	5,632	5,632	0	6,232	6,232	5,200			5,884
Area Harvested	5,320	5,320	0	5,340	5,340	4,700			4,900
Bearing Trees	0	0	0	0	0	0			0
Non-Bearing Trees	0	0	0	0	0	0			0
Total No. Of Trees	0	0	0	0	0	0			0
Production	145	145	0	140	139	139			153
Imports	0	0	0	0	0	0			0
Total Supply	145	145	0	140	139	139			153
Exports, Fresh	50	50	0	50	52	54			58
Fresh Dom. Consumption	65	65	0	56	53	59			60
For Processing	30	30	0	34	34	26			35
Total Distribution	145	145	0	140	139	139			153

Grapefruit, Fresh Israel

Grapefruit, Fresh **Ha** **1000 trees** **1000 tons**	**2007** **2007/2008** **Market Year Begin: Oct. 2007**			**2008** **2008/2009** **Market Year Begin: Oct. 2008**			**2009** **2009/2010** **Market Year Begin: Oct. 2009**		
	Annual Data Displayed		**New Post Data**	**Annual Data Displayed**		**New Post Data**	**Annual Data Displayed**		**Jan Data**
	Official	**Post**		**Official**	**Post**		**Official**	**Post**	
Area Planted	5,700	5,700	5,000	6,170	6,170	4,850			4,897
Area Harvested	5,340	5,340	4,100	5,360	5,360	4,200			4,250
Bearing Trees	0	0	0	0	0	0			0
Non-Bearing Trees	0	0	0	0	0	0			0
Total No. Of Trees	0	0	0	0	0	0			0
Production	242	242	242	240	238	232			244
Imports	0	0	0	0	0	0			0
Total Supply	242	242	242	240	238	232			244

Exports, Fresh	81	81	81	80	79	85			86
Fresh Dom. Consumption	15	15	17	5	5	5			5
For Processing	146	146	144	155	154	142			153
Total Distribution	242	242	242	240	238	232			244

Lemons, Fresh Israel

Lemons, Fresh **Ha** **1000 trees** **1000 tons**	**2007** **2007/2008** **Market Year Begin: Oct. 2007** **Annual Data Displayed**			**2008** **2008/2009** **Market Year Begin: Oct. 2008** **Annual Data Displayed**			**2009** **2009/2010** **Market Year Begin: Oct. 2009** **Annual Data Displayed**		
	Official	**Post**	**New Post Data**	**Official**	**Post**	**New Post Data**	**Official**	**Post**	**Jan Data**
Area Planted	1,853	1,853	1,720	1,900	1,900	1,660			1,711
Area Harvested	1,700	1,700	1,250	1,660	1,660	1,300			1,500
Bearing Trees	0	0	0	0	0	0			0
Non-Bearing Trees	0	0	0	0	0	0			0
Total No. Of Trees	0	0	0	0	0	0			0
Production	35	35	35	30	30	30			55
Imports	0	0	0	0	0	0			0
Total Supply	35	35	35	30	30	30			55
Exports, Fresh	4	4	4	2	2	2			5
Fresh Dom. Consumption	28	28	28	25	25	26			46
For Processing	3	3	3	3	3	2			4
Total Distribution	35	35	35	30	30	30			55

Other Citrus, Fresh Israel

Citrus, Other, Fresh **Ha** **1000 trees** **1000 tons**	**2007** **2007/2008** **Market Year Begin: Oct. 2007** **Annual Data Displayed**			**2008** **2008/2009** **Market Year Begin: Oct. 2008** **Annual Data Displayed**			**2009** **2009/2010** **Market Year Begin: Oct. 2009** **Annual Data Displayed**		
	Official	**Post**	**New Post Data**	**Official**	**Post**	**New Post Data**	**Official**	**Post**	**Jan Data**
Area Planted	695	688	720		700	735			614
Area Harvested	650	650	590		655	600			580
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	17	13	13		13	12			15
Imports	0	0	0		0	0			0
Total Supply	17	13	13		13	12			15
Exports, Fresh	6	6	6		6	5			5
Fresh Dom. Consumption	11	7	7		7	7			8
For Processing	0	0	0		0	0			2

Total Distribution	17	13	13	13	12	15

Orange Juice, Israel

Orange Juice Israel	2007 2007/2008 Market Year Begin: Oct. 2007			2008 2008/2009 Market Year Begin: Oct. 2008			2009 2009/2010 Market Year Begin: Oct. 2009		
	Annual Data Displayed		New Post	Annual Data Displayed		New Post	Annual Data Displayed		Jan
	Official	Post	Data	Official	Post	Data	Official	Post	Data
Deliv. To Processors	41,000	41,000	42,000	61,000	61,000	54,000			66,000
Beginning Stocks	660	660	660	260	260	360			460
Production	3,600	3,600	3,700	5,500	5,500	4,900			5,900
Imports	28,500	28,500	28,500	26,700	26,700	26,700			27,200
Total Supply	32,760	32,760	32,860	32,460	32,460	31,960			33,560
Exports	17,000	17,000	17,000	16,000	16,000	15,800			17,000
Domestic Consumption	15,500	15,500	15,500	15,700	15,700	15,700			16,000
Ending Stocks	260	260	360	760	760	460			560
Total Distribution	32,760	32,760	32,860	32,460	32,460	31,960			33,560
TS=TD			0			0			0
Comments									
AGR Number									
Comments To Post									