“”

USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.08

Required Report - public distribution

Date: 12/23/2003

GAIN Report Number: IS3008

Israel

Citrus

Annual

2003

Approved by:
ASIF J. CHAUDHRY
CAIRO

Prepared by:
YOSSI BARAK

Report Highlights:
The Israeli citrus industry continued its declining trend during 2002 despite increased demand for new variations of easy peelers, which encouraged some new planting. Intense competition in export markets, low profitability and government's new production policy will continue to prevent expansion in the citrus sector in the future

---

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
Annual Report
Cairo [EG1]
[IS]

Executive Summary

The size of the citrus industry continues its decade long shrinking during MY2002. Production in MY2002 totaled 496 thousand metric tons (tmt), 25,000 tmt lower than the previous year (-5 percent). Out of the total production, 121 tmt were exported (10 percent lower than the previous year), 246 tmt were processed (-5 percent) and 129 tmt were consumed fresh, (same as the previous year). MY2003 total production forecast is between 480,000 to 490,000 tons. Although this is not yet apparent in the field, key people in the industry claim the industry reached a turning point in MY 2003: Summer 2003 was the first for many years in which no citrus was uprooted. More over, there are un official reports that summer 2003 saw new planting of approximately 600 hectares (ha) of citrus. Most of the new planted area is of the easy peelers, especially the new “Mor” and “Or” varieties. In the long term, it is expected that total citrus area will continue to shrink until production no longer exceeds local demands for fresh and processed citrus. This is mainly due to low profitability in export market because of increased competition.

The Sweetie variety exports decreased 15 percent as compared to the previous season. In order to stop the decrease in the exported quantity of the Sweetie it was declared “Organized Specie” in the Japanese and the Korean markets. It enables special treatment to the Sweetie and taking special export measures in those markets.
Good prices in Europe, as result of shortage of citrus, as well as improved quality of the Israeli citrus, and of favorable exchange rate, encouraged Israeli citrus exports this year. In addition, prices in local markets were 25 percent higher than in previous season. The higher income in these two markets improved the profitability of the citrus industry, compared to that in previous marketing season. This situation is not expected to repeat in MY2003, due to the full return of Israel’s main competitors to the markets in Europe. Household expenditure survey for the year 2001 showed that 15 percent of the household expenditure for fruit is spent on citrus. During the winter, 70 percent of households consume fresh citrus.
In its proposal for Fiscal year 2004 budget, the Ministry of Finance included several economic policy steps which could decrease the total income of the Agricultural sector by 5 percent. These new proposals were opposed firmly by the Agricultural administration including the Ministry of Agriculture.

Production

Total Production

Total production in MY 2002/03 totaled 496 thousand tons (tmt), 25 tmt (-4.8%) less than in MY 2001/02. Orange production dropped by 17 tmt (-10.6%) and grapefruit including Sweetie, increased by 3 tmt (1.1%). The reduction in total production is mainly a result of the decrease in the planted with fruit bearing trees.
The forecast for Production in MY 2003/04 can be expected to reach 480-490 tmt, same as in MY 2002/03.

Table 1: Citrus Production by Destination - Thousand Tons

MY	Total Production	Oranges	Easy Peelers	Lemons	Grapefruit	Other Citrus[1]
1997/98	857.4	357.0	120.9	17.0	355.1	7.4
1998/99	634.9	221.0	72.7	13.3	321.4	6.5
1999/00	704.0	265.0	106.0	15.0	311.0	7.0
2000/01	638.0	218.0	80.0	16.0	316.0	8.0
2001/02	521.0	160.0	83.0	19.0	251.0	8.0
2002/03	496.0	143.0	71.0	20.0	254.0	8.0
2003/04*	484.0	133.0	78.0	20.0	245.0	8.0

Source: Citrus Marketing Board of Israel
*Forecast: Based on information collected

Table 2: Species Share Out of Total Production- percent

MY	Oranges	Easy Peelers	Lemons	Grapefruit	Other Citrus	Total
1997/98	41.6	14.1	2.0	41.4	0.9	100.0
1998/99	34.8	11.5	2.1	50.6	1.0	100.0
1999/00	37.6	15.1	2.1	44.2	1.0	100.0
2000/01	34.2	12.5	2.5	49.6	1.2	100.0
2001/02	30.7	16.0	3.6	48.3	1.4	100.0
2002/03	28.9	14.3	4.0	51.2	1.6	100.0
2003/04*	27.5	16.1	4.1	50.6	1.7	100.0

Table 3: Citrus Disposition – by Destination - Thousands Tons, and Percent

Period	Total Exports		Delivery to Processors		Local Fresh Consumption		
MY	Quantity	%	Quantity	%	Quantity	%	Total Percent
1997/98	330.4	38.5	386.0	45.0	141.0	16.5	100.0
1998/99	260.4	41.0	264.5	41.6	110.0	17.4	100.0
1999/00	234.9	33.4	354.1	50.2	115.0	16.4	100.0
2000/01	199.0	31.2	314.0	49.3	125.0	19.5	100.0
2001/02	133.0	25.5	258.0	49.5	130.0	25.0	100.0
2002/03	121.0	24.4	246.0	49.6	129.0	26.0	100.0
2003/04*	117.0	24.2	236.0	48.7	131.0	27.1	100.0

Source: Citrus Marketing Board of Israel
*Forecast: Based on information collected

[1] Other Citrus- Kumquat, Lime, Ethrog (Citron), Pomelo, Limquat.

Planted Area

Approximately 1,000 ha were uprooted during the summer of 2002. Thus, the planted area at the beginning of summer 2003 totaled 17,800 ha of which 16,376 (92%) were fruit bearing. Out of the total area, 400 ha (2.2%) are used for growing organic citrus.
There is an unchecked information of new 600 ha planted during the summer of 2003. According to the sources most of the new plantings are of Easy Peelers, in response to increasing demand in Europe. Post estimate that total planted area in crop year 2004 will exceed slightly 18,000 hectares.

Table 4: Planted Area by Varieties, MY 2001 – hectares and percent

Species	Hectare	%
Oranges	5,300	29.8
Grapefruit	5,200	29.2
Easy-Peelers	4,800	27.0
Lemons	1,700	9.6
Other Citrus	800	4.4

Source: Citrus Marketing Board of Israel

Table 5: Planted Area by Sectors - CY 2002 – hectares and percent

Type of Sector	Hectare	%
Private & Public Companies	3,600	20.2
Private Owners	2,600	14.6
Moshav	8,200	46.0
Kibbutz	3,400	19.2
Total Area	17,800	100.0

Source: Citrus Marketing Board of Israel

One third of the total citrus plantation belongs to the private sector. During the last 3 years, most of the growers who left the citrus industry were from the private sector.

Production Conditions

Most of the citrus industry benefited from favorable production conditions during Crop Year 2002. Average yields remained the same as in the previous season. A heat wave during spring 2002 damaged the blossoming of the Easy-Peelers "Or" and "Mor". The early sechumas were most hurt by these weather conditions: 50 to 90 percent of the crop was damaged.

Production Problems

Due to the increased use of recycled water by the citrus industry, there are some after effects on the long-term yields. There is a rise in the sodium level in the soil, and it is expected to decrease future yields. The new easy peelers "Or" and "Mor" still suffer from fertility problems.

Yields

Average yield in MY 2002 totaled 30.0 tons per hectare. The yield for grapefruit is 53.1 tons/ha, and for oranges it is 29.3 tons for hectare. Organic production on four hundred hectares reached 10,000-12,000 tons. The average yield for the organic crop is 25 tons for hectare. The yield for organic crop is lower than the yield for conventional citrus due to the reduced use of chemicals.

Organic Citrus
Out of the total area, 400 ha (2.2 percent) are grown organically. Most of the organic citrus (70-80 percent) is sold at local markets, and to the processing industry. The rest is exported. The major organic crops are of the Shamuti Oranges and Grapefruit.

Citrus Value Compared to Other Agriculture Sectors
The importance of the citrus industry has decreased significantly during the past years: in 1990 the production value totaled $407.5 million and represented almost 13 percent of the total agricultural production value. During the last few years, production in value decreased to $160 - $170 millions and citrus' share of the total agricultural production (volume) became approximately 5 percent.

Table 6: Agriculture Production Value, CY - $ million

	2001			2002	
Output	Value Nominal Terms	Real Value Terms	%	Value Real Terms	%
Grand Total	3,291.8	3,544.5	100	3,388.8	100
Of which: Citrus	158.9	171.1	4.8	171.4	5

Source: Central Bureau of Statistics- Israel

Outlook for the medium term
Some policy makers consider crop year 2004 to be crucial to the citrus industry: if uprooting stops the total area may remain at its current size (approximately 18,000 ha). However, post anticipates that the area for citrus will continue to decline due to increasing competition and low profitability.

Production Policy
For details see GAIN report #IS2014.
In its new budget plan for CY 2004, the Ministry of Finance included three policies concerning the agricultural sector, which if implemented could have a significant impact on the citrus industry:

1. To raise the price for water by 20 percent, in addition to the 40 percent increase during the last 3 years.

As part of its solution to the high rate of unemployment the Israeli government plans to impose a 20 percent "Employers Tax" on employers who hire foreign laborers. This tax is supposed to reach 40 percent within 3 years. The purpose of the "Employers

2. applied, could have a disastrous impact on the agricultural sector, which relies on Thai workers. In addition, series of small levies were added, in connection with the foreign workers.
3. In its desire to save expenditure by the farming sector and to increase the efficiency in the services provided to the growers, the GOI decided to unify the 4 existing production and marketing boards of Citrus, Flowers, Vegetables and Fruit boards into one board. According to GOI's plan the boards should become divisions in the unified board and be managed by 4 different "industry committees" (For example the Citrus committee).

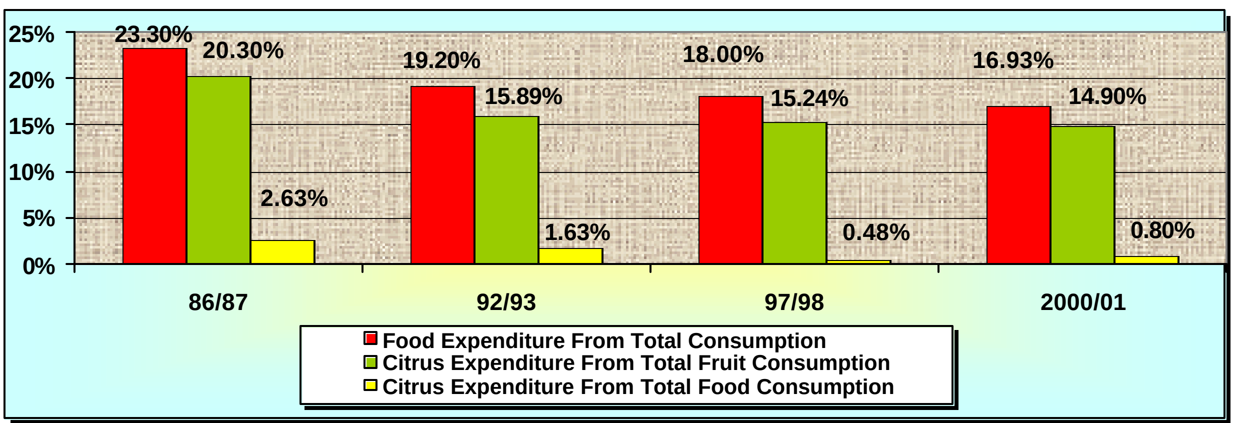
The total additional expenditure for the agricultural sector, as a consequence of these steps was estimated at NS600 million ($136 million). The citrus' share was estimated to be NS45 to NS48 million ($10M to $11M).
All three steps that were described above were opposed firmly by the Agriculture Administration, including the Ministry of Agriculture. Finally, it was decided that price for water will not be raised, the "Employers Tax" will be reduced to 10 percent and will remain

at that level. Out of the three steps offered by the government, only the unification of the boards has been implemented as suggested by the Ministry of Finance. The additional expenditure to the agricultural sector has been reduced by 50 percent.

R&D
Main R&D efforts are focused on development of new Easy Peelers. The big success in recent years was the development of the two popular easy peelers: "Or" and "Mor". Most of the R&D work is executed in "Gilat" research station in the southern part of Israel.

Consumption
According to official figures published by the Citrus Marketing Board of Israel (CMBI), 128 tmt of all kinds of citrus were consumed fresh in the local market. It is assumed that another 15 – 20 tmt are marketed through unofficial channels. Thus, actual annual consumption of fresh citrus is estimated at 140 – 150 tmt. Annual consumption of fresh citrus, per capita stands at 22.0 kg, while consumption in Europe stands on 15.0 kg.
Another 236 tmt were delivered to the processors. Local consumption per capita of processed citrus, in fresh terms, is estimated at 25.0 kg. Local consumption of citrus is expected to remain unchanged this year.

Chart 1: Household Expenditure in Israel – CY



Source: Household Expenditure Survey, Different Years, CBI

Table 7: Household Average Monthly Expenditure on Citrus- by Variety - 2001 - $

Species/Quintiles	1	2	3	4	5	Average
Oranges	1.28	1.05	1.17	1.05	1.19	**1.14**
Easy Peelers	1.43	1.10	1.10	0.96	1.03	**1.12**
Grapefruit	0.11	0.11	0.13	0.20	0.27	**0.16**
Lemon	0.74	0.60	0.63	0.60	**0.67**	**0.65**
Other Citrus	0.06	0.16	0.18	0.25	0.25	**0.18**
Total	**3.62**	**3.02**	**3.21**	**3.06**	**3.41**	**3.26**

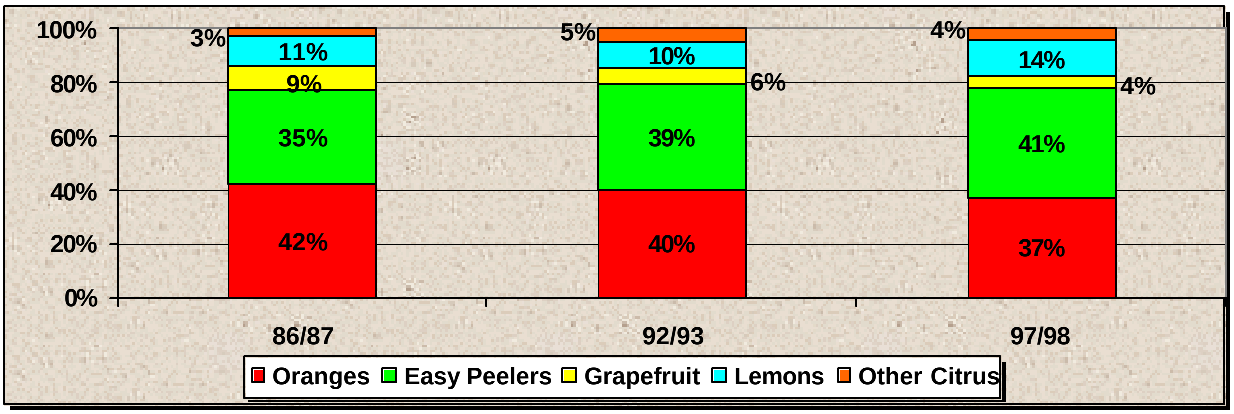
Source: Household Expenditure Survey 2001, CBI

Table 8: Fresh Citrus Consumed by Household's- MY- Percent

Household Kind	Winter[2]			Summer		
	86/87	92/93	97/98	86/87	92/93	97/98
Consumed Citrus	74	72	68	39	36	35
Did Not Consume Citrus	26	28	32	61	64	65
Total	100	100	100	100	100	100

Source: Household Expenditure Survey, Different Years, CBI

Chart 2: Household's Budget Share For Fresh Consumption- Winter –Percent



Source: Household Expenditure Survey, Different Years, CBI

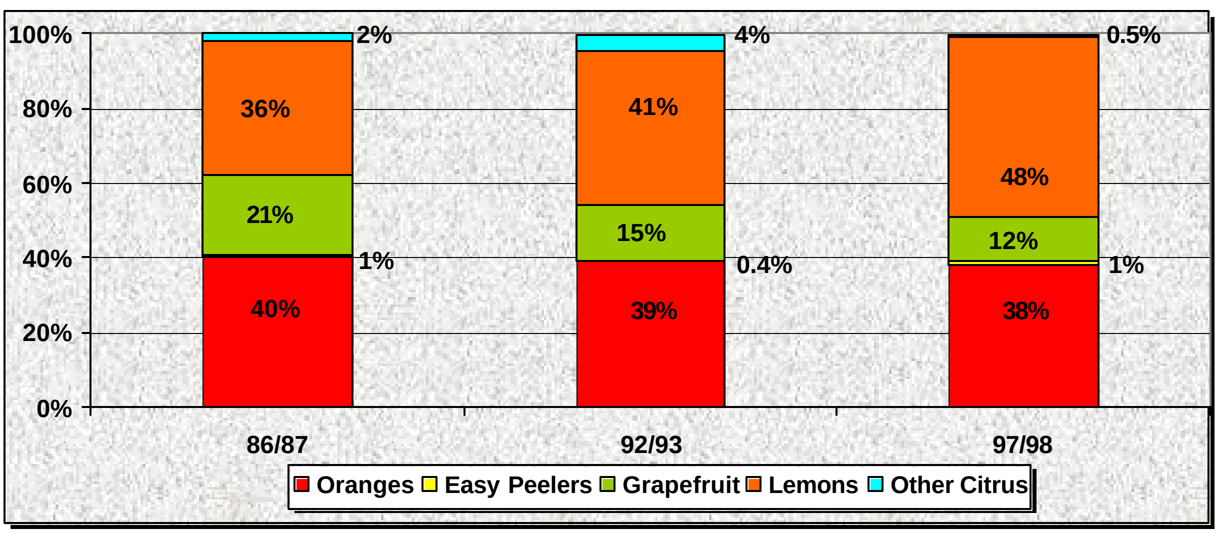
[2] Winter- 9/15-5/31.

Table 9: Household's Budget Share for Fruit During Winter Time - percent

Products	Budget Share 86/7	Budget Share 92/93	Budget Share 97/98	% Change 86/87-97/98
Oranges	15.17	12.16	11.23	-26.0
Easy-Peelers	12.69	11.42	12.01	-5.3
Grapefruit	3.29	1.56	1.40	-57.0
Lemons	4.02	3.42	3.98	-0.9
Other Citrus	1.14	1.42	1.08	-5.2
All Citrus	**36.31**	**29.98**	**29.70**	**-18.2**
Apple	22.42	23.27	21.28	-5.0
Banana	14.39	14.55	17.16	19.2
Watermelon	0.72	1.62	1.18	63.8
Pear	4.33	4.46	5.25	21.2
Mango	2.98	0.84	1.09	-63.4
Grapes	3.63	3.37	3.25	-10.4
Strawberry	3.53	4.02	4.89	38.5
Peach	0.83	1.09	1.26	51.8
Melon	1.71	2.93	2.37	38.6
Other Fruits	9.15	13.87	12.57	37.4
Total	100.0	100.0	100.0	

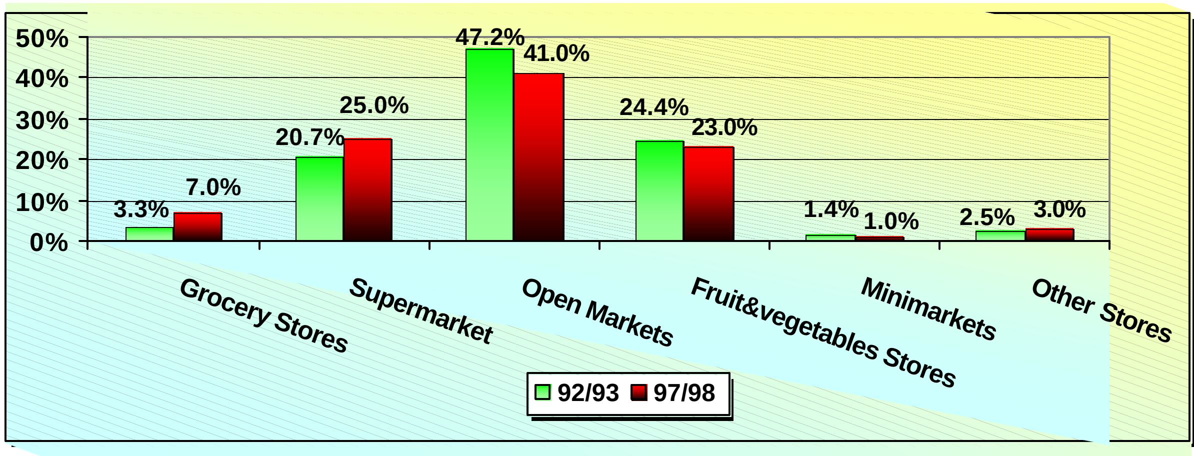
Source: Household Expenditure Survey, Different Years, CBI

Chart 3: Household Expenditure For Fresh Consumption – Summer- Percent



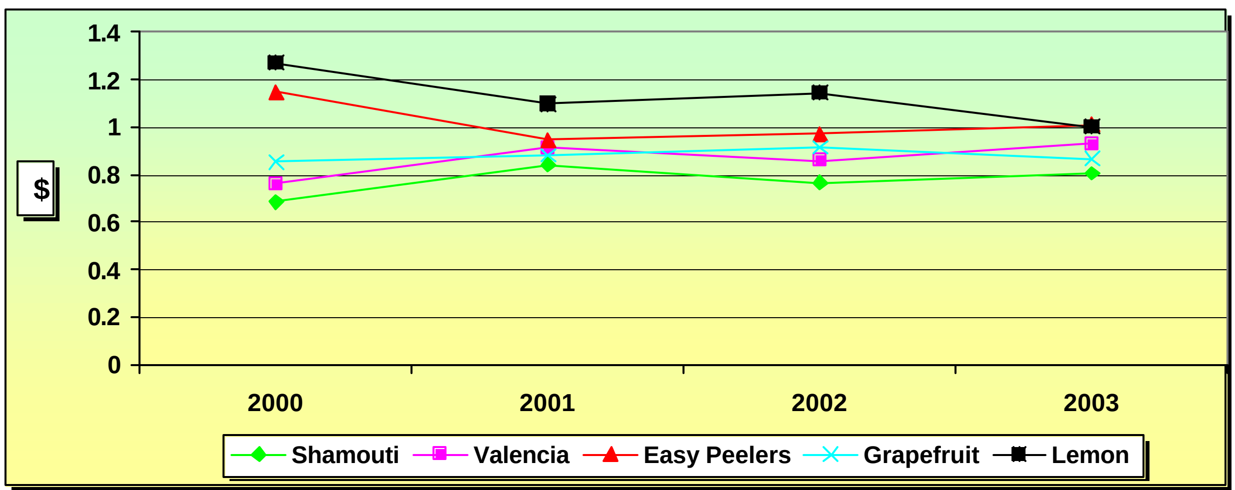
Source: Household Expenditure Survey, Different Years, CBI

Chart 4: Fresh Citrus- Household Purchase by Outlet Type- % of Total Quantity



Source: Household Expenditure Survey, Different Years, CBI

Chart 5: Annual Average Prices in The Local Stores- Fresh Citrus, CY



Source: Price Statistic Monthly, Different Years, CBI

The Processing Industry
See details in GAIN report IS2014.
The declined in total citrus production has contributed to a 5 percent drop in the quantity shipped to the processing plants.
Due to insufficient quantities to operate the facilities in full capacity (their full capacity stands on 600 tmt) the processors focus on high value products like fresh juices (pure citrus or mixed with other fruits).

Table 10: Delivery to the Processing plants, Marketing year – tons

Variety	2000/01	2001/02	2002/03	% Change 02/03-01/02	% Change 02/03-00/01
Shamuti	54,795	37,674	34,328	-8.9	-37.3
Valencia	25,000	23,337	16,711	-28.4	-33.1
Navels, Trovita	4,898	2,799	2,677	-4.3	-45.3
Total Oranges	84,693	63,810	53,716	-15.8	-36.6
White Grapefruit	86,000	75,529	88,659	17.4	-3.1
Red Blush	632	45	35	-21.5	-94.4
Sunrise	72,000	48,314	52,315	8.3	-27.3
Sweetie	43,380	39,428	30,401	-22.9	-29.9
Total Grapefruit	202,012	163,316	171,410	5.0	-15.1
Easy Peelers	9,145	23,296	14,088	-39.5	54.0
Lemon	1,292	3,745	2,983	-20.4	130.9
Other Citrus	16,755	4,824	3,884	-19.5	-76.8
Total	313,897	258,991	246,081	-5.0	-21.6

Source: Citrus Marketing Board of Israel

Trade

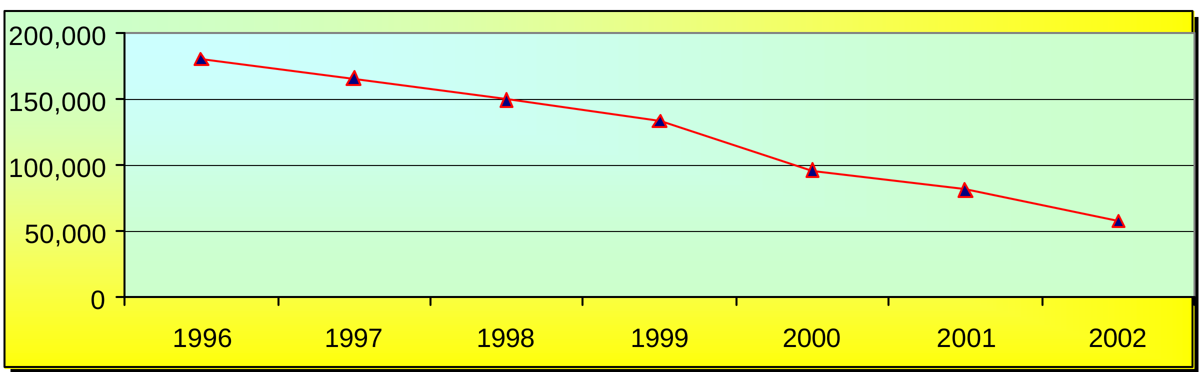
Citrus exports from Israel have dropped by 40 percent during the last two years: from almost 200 tmt in MY 2000 to 120 tmt in MY 2002. Forecast for Marketing Year 2003 is for another decrease of 2.5 percent to a total 117 tmt. . Western Europe is still the major market for Israeli citrus, but demand in Eastern Europe is also increasing. The biggest drop in export was recorded for Oranges (63 percent) during the said period, while the export of lemons grew sharply (3,148 percent), seizing on the opportunity in special niche markets in Europe. Export value of the citrus industry has dropped by 67.9 percent during the last 6 years from $180.5M in CY 1996 to $57.9M in CY 2002.

Table 11: Fresh Citrus Exports by Main Groups, MY – tons

Variety	2000/01	2001/02	2002/03	%Change 02/03-01/02	%Change 02/03-00/01
Shamuti	45,007	23,432	17,177	-27	-62
Valencia	24,490	9,934	8,844	-11	-64
Navels, Trovita	1,523	702	389	-45	-74
Total Oranges	71,020	34,068	26,410	-22	-63
White Grapefruit	12,625	9,287	8,560	-8	-32
Red Blush	0	0	14		
Sunrise	57,875	44,029	41,504	-6	-28
Ray Ruby	598	63	89	41	-85
Sweetie	22,496	14,892	13,412	-10	-40
Total Grapefruit	93,594	68,271	63,579	-7	-32
Easy Peelers	29,729	25,518	23,359	-8	-21
Lemon	47	293	1,527	421	3148
Other Citrus	5,147	4,647	5,178	11	0.6
Total	199,537	132,797	120,053	-10	-40

Source: Citrus Marketing Board of Israel

Chart 6: Citrus Total Exports Value, by Year, CY - $ thousands



Source: Foreign Trade Statistics, Exports, Different Years

Table 12: Exports of Israeli Fresh Oranges by Destination, MY

	Thousand of Tons			% of Total Export		
Destination	99/00	00/01	01/02	99/00	00/01	01/02
France	0.3	0.4	3.0	0.4	0.5	8.8
Germany	4.0	4.8	2.3	5.8	6.8	6.8
Holland	2.3	1.9	0.4	3.3	2.7	1.2
Belgium-Lux	0.9	0.5	0.2	1.3	0.7	0.6
U.K.-Ireland	27.7	33.7	10.2	40.1	47.5	30.1
Denmark	0.9	0.2	1.1	1.3	0.3	3.2
Sweden	5.7	8.5	3.4	8.3	12.0	10.0
Finland	6.2	4.0	2.6	9.0	5.6	7.7
Austria	1.6	1.1	-	2.3	1.5	-
Italy	0.1	0.2	0.8	0.1	0.3	2.3
Others E.U.	-	-	1.4	-	-	4.1
Total E.U.	**49.7**	**55.3**	**25.4**	**72.0**	**77.9**	**74.9**
Norway	3.9	3.9	1.5	5.7	5.6	4.5
Switzerland	1.4	1.0	-	2.0	1.4	-
West Europe	55.0	60.2	26.9	79.7	84.8	79.3
East Europe	5.2	3.6	5.8	7.5	5.0	17.1
Total Europe	**60.2**	**63.8**	**32.7**	**87.2**	**89.9**	**96.5**
America	1.4	0.7	0.4	2.0	1.0	1.1
Far East	-	-	-	-	-	-
Others	7.4	6.5	0.8	10.8	9.1	2.4
Total, Except from Europe	**8.8**	**7.2**	**1.2**	**12.8**	**10.1**	**3.5**
Grand Total	**69.0**	**71.0**	**33.9**	**100.0**	**100.0**	**100.0**

Source: C.L.A.M, Situation 2001-2002

Table 13: Exports of Israeli Fresh Grapefruit by Destination, MY

	Thousand of Tons		% of Total Export	
Destination	00/01	01/02	00/01	01/02
France	18.9	13.5	20.1	19.8
Germany	10.5	8.5	11.2	12.4
Holland	7.4	2.4	7.9	3.5
Belgium-Lux	0.9	0.8	1.0	1.2
U.K.-Ireland	11.8	9.2	12.5	13.5
Denmark	0.4	0.8	0.4	1.1
Sweden	1.5	1.5	1.6	2.2
Finland	0.2	0.5	0.2	0.7
Austria	0.6	0.1	0.6	0.1
Italy	8.7	6.2	9.2	9.0
Others E.U.	-	0.1	-	0.1
Total E.U.	**60.9**	**43.6**	**64.8**	**63.8**
Norway	0.1	0.1	0.1	0.1
Switzerland	2.4	-	2.5	-
West Europe	63.4	43.7	67.4	64.0
East Europe	8.0	10.8	8.6	15.8
Total Europe	**71.4**	**54.5**	**76.0**	**79.8**
America	-	0.1	-	0.1
Far East	-	-	-	-
Others	22.6	13.7	24.0	20.1
Total, Except from Europe	**22.6**	**13.8**	**24.0**	**20.2**
Grand Total	**94.0**	**68.3**	**100.0**	**100.0**

Source: C.L.A.M, Situation 2001-2002

Table 14: Exports of Israeli Fresh Easy-Peelers by Destination, MY

	Thousand of Tons			% of Total Export		
Destination	99/00	00/01	01/02	99/00	00/01	01/02
France	3.1	2.4	3.2	8.8	8.3	12.6
Germany	1.5	1.3	1.5	4.3	4.5	5.9
Holland	3.5	3.2	0.1	10.0	11.0	0.4
Belgium-Lux	0.8	0.7	0.6	2.3	2.4	2.4
U.K.-Ireland	11.1	9.1	5.4	31.7	31.4	21.3
Denmark	0.3	0.4	-	0.8	1.4	-
Sweden	2.1	2.4	2.3	6.0	8.2	9.0
Finland	3.6	2.3	1.3	10.3	7.9	5.1
Austria	0.9	0.8	-	2.6	2.8	-
Italy	-	-	0.5	-	-	2.0
Others E.U.	-	-	-	-	-	-
Total E.U.	**26.9**	**22.6**	**14.9**	**76.8**	**77.9**	**58.7**
Norway	0.3	0.3	0.4	0.9	1.0	1.6
Switzerland	1.6	-	-	4.6	-	-
West Europe	28.8	22.9	15.3	82.3	78.9	60.2
East Europe	3.8	3.7	8.0	10.9	12.7	31.5
Total Europe	**32.6**	**26.6**	**23.3**	**93.2**	**91.7**	**91.7**
America	0.4	0.5	1.1	1.1	1.7	4.3
Far East	-	-	-	-	-	-
Others	2.0	1.9	1.0	5.7	6.6	4.0
Total, Except from Europe	**2.4**	**2.4**	**2.1**	**6.8**	**8.3**	**8.3**
Grand Total	**35.0**	**29.0**	**25.4**	**100.0**	**100.0**	**100.0**

Source: C.L.A.M, Situation 2001-2002

Table 15: Exports of Israeli Fresh Citrus by Type and Destination, CY2002
Value ($ Thousands)

Destination	Orange	Easy Peeler	Grapefruit	Sweetie + Pomelo	Lemon	Other	Total	% of Total Export
France	1,238	716	3,024	-	235	2,092	7,305	12.6
Germany	216	30	886	437	-	161	1,730	3.0
Belgium	1,216	1,049	2,615	623	-	974	6,477	11.2
U.k+Ireland	4,475	2,266	3,214	87	-	312	10,354	17.9
Sweden	2,193	636	303	17	11	12	3,172	5.5
Finland	1,775	797	298	12	-	-	2,882	5.0
Italy	236	115	2,166	149	3	31	2,700	4.7
Other E.U.	1,809	57	1,321	170	13	452	3,882	6.7
Total E.U.	**13,158**	**5,666**	**13,827**	**1,495**	**262**	**4,034**	**38,442**	**66.5**
Norway+ Switzerland	882	164	414	114	-	85	1,659	2.9
Total West Europe	**14,040**	**5,830**	**14,241**	**1,609**	**262**	**4,119**	**40,101**	**69.4**
Russian Federation	338	1,775	2,721	224	-	79	5,137	8.9
Other East Europe	470	1,086	1,589	182	98	152	3,577	6.2
Total East Europe	**808**	**2,861**	**4,310**	**406**	**98**	**231**	**8,714**	**15.1**
Total Europe	**14,848**	**8,691**	**18,551**	**2,015**	**360**	**4,350**	**48,815**	**84.5**
US	112	999	12	48	-	1,512	2,683	4.6
S. America	-	-	75	-	-	13	88	0.1
Japan	-	-	1,890	2,138	-	49	4,077	7.1
Other S. E. Asia	28	177	393	627	84	105	1,414	2.4
Africa	68	317	221	6	-	13	625	1.0
Others	-	9	41	-	-	50	100	0.1
Total Out of Europe	**208**	**1,502**	**2,632**	**2,813**	**84**	**1,742**	**8,981**	**15.5**
Grand Total	**15,056**	**10,193**	**21,183**	**4,828**	**444**	**6,092**	**57,796**	**100**

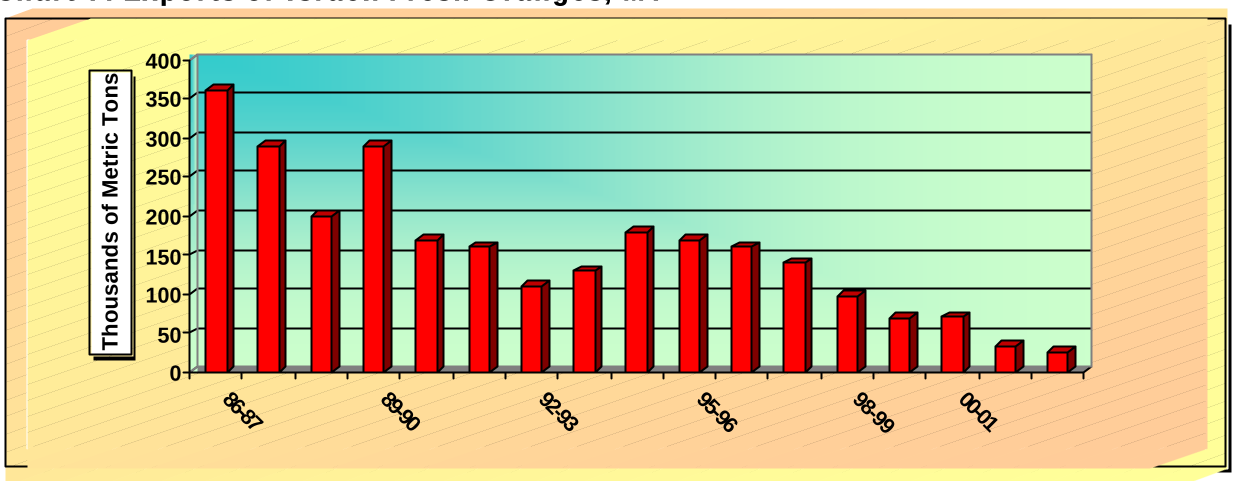
Source: CBI, Foreign Trade Statistics, Exports 2002.

Table 16: Exports of Israeli Fresh Citrus by Type and Destination, CY2001
Value ($ Thousands)

Destination	Orange	Easy Peeler	Grapefruit	Sweetie + Pomelo	Lemon	Other	Total	% of Total Export
France	1,234	1,301	4,649	508	13	2,063	9,768	11.9
Germany	661	1	190	-	-	88	940	1.1
Belgium	2,653	2,149	6,264	998	-	445	12,509	15.2
U.k+Ireland	11,077	3,273	3,169	171	-	267	17,957	21.9
Sweden	3,255	1,364	633	23	-	8	5,283	6.4
Finland	2,140	701	217	3	-	-	3,061	3.7
Italy	396	76	3,012	12	-	8	3,504	4.2
Other E.U.	2,542	95	612	54	-	337	3,640	4.4
Total E.U.	**23,958**	**8,960**	**18,746**	**1,769**	**13**	**3,216**	**56,662**	**69.1**
Norway+ Switzerland	2,186	152	154	26	-	31	2,549	3.1
Total West Europe	**26,144**	**9,112**	**18,900**	**1,795**	**13**	**3,247**	**59,211**	**72.2**
Russian Federation	770	1,578	2,255	92	-	60	4,755	5.8
Other East Europe	1,405	945	2,181	265	-	79	4,875	5.9
Total East Europe	**2,175**	**2,523**	**4,436**	**357**	**-**	**139**	**9,630**	**11.7**
Total Europe	**28,319**	**11,635**	**23,336**	**2,152**	**13**	**3,386**	**68,841**	**83.9**
US	106	496	25	73	-	1,111	1,811	2.2
S. America	590	83	1,176	13	-	16	1,878	2.3
Japan	-	-	2,420	5,279	-	-	7,699	9.4
Other F. E. Asia	201	143	257	422	33	2	1,058	1.3
Africa	197	249	150	13	-	4	613	0.7
Others	1	15	23	-	-	47	86	0.1
Total Out of Europe	**1,095**	**986**	**4,041**	**5,800**	**33**	**1,180**	**13,135**	**16.1**
Grand Total	**29,414**	**12,621**	**27,377**	**7,952**	**46**	**4,566**	**81,976**	**100**

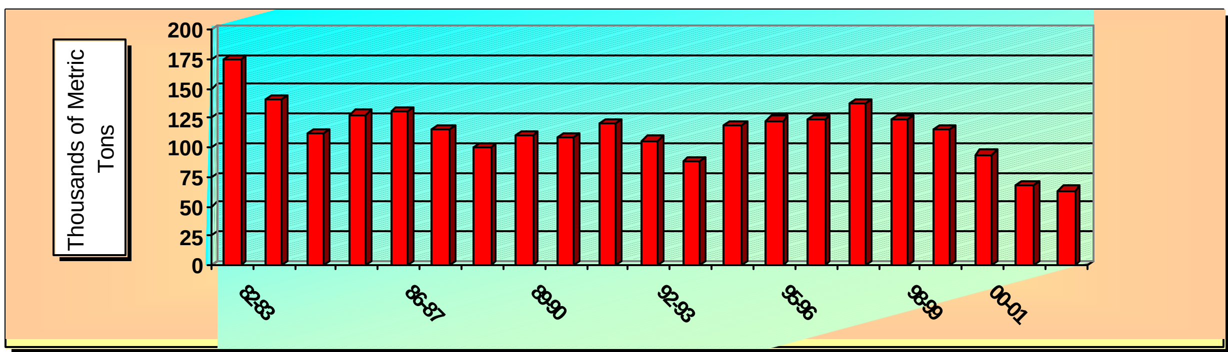
Source: CBI, Foreign Trade Statistics, Exports 2001.

Chart 7: Exports of Israeli Fresh Oranges, MY



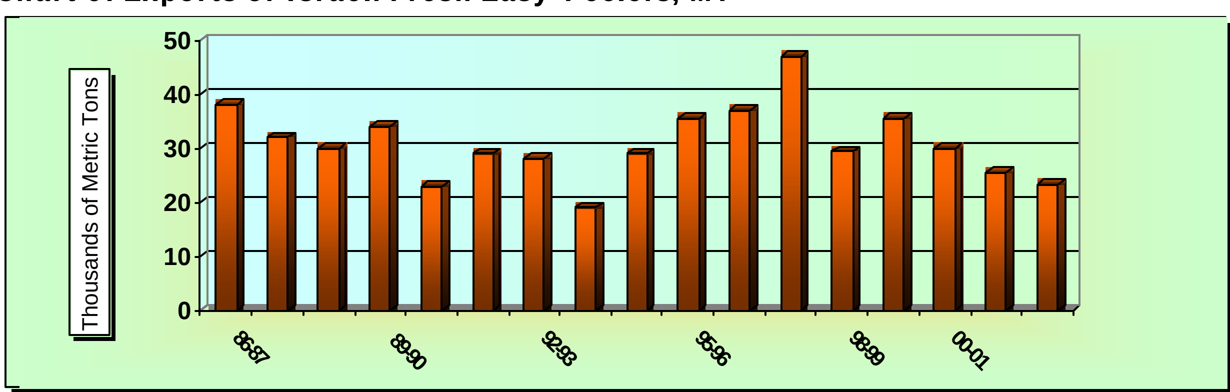
Source: C.L.A.M, Situation 2001-2002

Chart 8: Exports of Israeli Fresh Grapefruit, MY



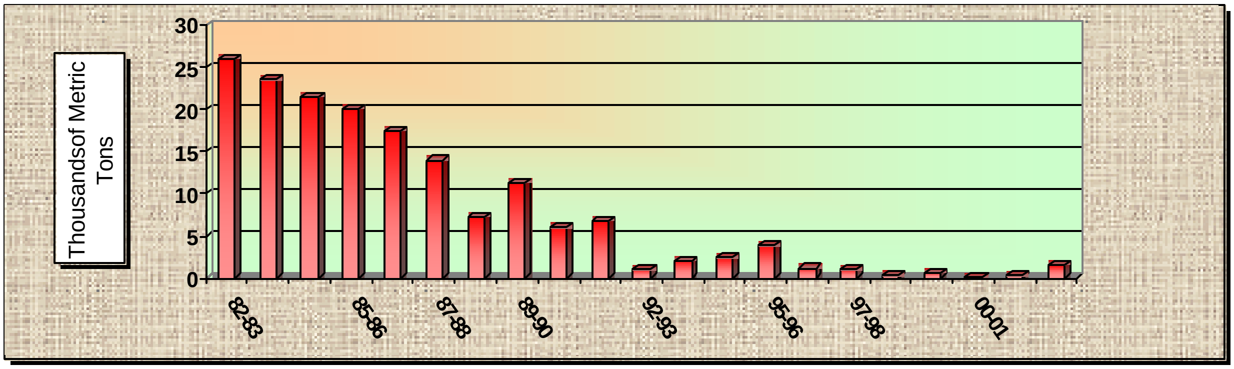
Source: C.L.A.M, Situation 2001-2002

Chart 9: Exports of Israeli Fresh Easy-Peelers, MY



Source: C.L.A.M, Situation 2001-2002

Chart 10: Exports of Israeli Fresh Lemons, MY



Source: C.L.A.M, Situation 2001-2002

Table 17: Export Trade Matrix- Fresh Oranges- MY, 2000, 2001

Export Trade Matrix			
Israel Fresh Oranges		Units:	Tons
Time period:	MY		
Exports for	2000		2001
U.S.	705.8	U.S.	412.82
Others		Others	
United Kingdom	24977.96	United Kingdom	14673.62
Germany	2222.11	Germany	485.13
Austria	854.45	Austria	639.25
Finland	5852.49	Finland	4829.49
Sweden	5575.72	Sweden	2628.93
Norway	4917.24	Norway	2331.91
Switzerland	970.9	Switzerland	585.05
Russia	3555.81	Russia	1361.36
South Africa	163.2	South Africa	99.91
Reunion	652.52	Reunion	903.46
Total for Others	49742.4	Total for Others	28538.11
Others not listed	17106.39	Others not listed	6507.12
Grand Total	67554.59	Grand Total	35458.05

Source: Citrus Marketing Board of Israel

Table 18: Export Trade Matrix- Fresh Grapefruit (Incl. Sweetie)- MY, 2000, 2001

Export Trade Matrix			
Israel Fresh Grapefruit		Units:	Tons
Time period:	MY		
Exports for	2000		2001
U.S.	62.78	U.S.	166.96
Others		Others	
Italy	7101.68	Italy	6900.85
Germany	11676.06	Germany	6031.58
Netherlands	5184.18	Netherlands	3447.06
United Kingdom	8676.27	United Kingdom	9007.77
France	11009.95	France	8920.06
Sweden	1879.24	Sweden	1136.02
Poland	3165.4	Poland	4168.83
Russia	4885.81	Russia	6490.13
Japan	15940.06	Japan	9855.84
Argentina	4572.09	Argentina	1763.37
Total for Others	74090.74	Total for Others	57721.51
Others not listed	10173.67	Others not listed	8928.25
Grand Total	84327.19	Grand Total	66816.72

Source: Citrus Marketing Board of Israel

Table 19: Export Trade Matrix- Fresh Tangerines- MY, 2000, 2001

Export Trade Matrix			
Israel Fresh Tangerines		Units:	Tons
Time period:	MY		
Exports for	2000		2001
U.S.	276.56	U.S.	978.52
Others		Others	
Germany	1845.93	Germany	485.2
Netherlands	1098.65	Netherlands	796.6
United Kingdom	6394.22	United Kingdom	7190.62
France	2928.36	France	2103.61
Sweden	1982.28	Sweden	427.55
Finland	2142.77	Finland	2384.99
Norway	8101.98	Switzerland	427.55
Switzerland	661.57	Russia	4488.39
Russia	3016.78	Ukraine	474.13
Hong-Kong	263.53	Hong-Kong	588.88
Total for Others	28436.07	Total for Others	19367.52
Others not listed	6479.8	Others not listed	4153.61
Grand Total	35192.43	Grand Total	24499.65

Source: Citrus Marketing Board of Israel

Table 20: Export Trade Matrix- Fresh Lemons- MY, 2000, 2001

Export Trade Matrix			
Israel Fresh Lemons		Units:	Tons
Time period:	MY		
Exports for	2000		2001
U.S.	0	U.S.	0
Others		Others	
Sweden	0	Sweden	27.12
Russia	0	Russia	23.76
Hong-Kong	0	Hong-Kong	67.3
Singapore	0	Singapore	159.84
Reunion	0	Reunion	6.66
Thailand	49.35	Thailand	0
Total for Others	49.35	Total for Others	284.68
Others not listed	0	Others not listed	0
Grand Total	49.35	Grand Total	284.68

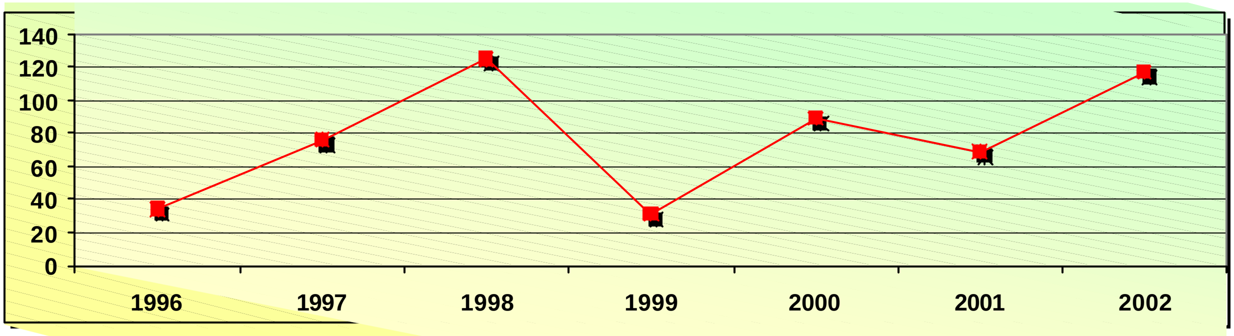
Source: Citrus Marketing Board of Israel

Table 21: Export Trade Matrix- Fresh Citrus - Others- MY, 2000, 2001

Export Trade Matrix			
Israel Fresh Citrus, Other		Units:	Tons
Time period:	MY		
Exports for	2000		2001
U.S.	136.1	U.S.	51.06
Others		Others	
Belgium	656.4	Belgium	486.38
Germany	1190.62	Germany	965.21
Netherlands	753.18	Netherlands	654.86
United Kingdom	220.6	United Kingdom	307.36
France	311	France	329.92
Switzerland	314.71	Switzerland	257.94
Austria	181.57	Austria	134.57
Hong-Kong	183.43	Hong-Kong	207.3
Japan	369.2	Japan	253.09
Russia	354.52	Russia	520.08
Total for Others	4535.23	Total for Others	4116.71
Others not listed	607.2	Others not listed	480.23
Grand Total	5278.53	Grand Total	4648

Source: Citrus Marketing Board of Israel

Chart 11: Total Import of Citrus, CY - Value ($ Thousands)



Source: CBS, Foreign Trade Statistics, Imports, Different Years

Table 22: Import of Fresh Citrus by Type and Origin, CY1996-CY2002
Value ($ Thousands)

Origin/Year	1996	1997	1998	1999	2000	2001	2002
Jordan	-	10	11	-	14	49	19
Egypt	-	-	3	4	7	-	6
Turkey	-	16	73	-	10	4	33
United Kingdom	-	2	-	8	-	-	17
France	-	20	-	-	-	-	-
Taiwan	-	-	-	-	-	-	1
Thailand	-	-	-	-	-	1	-
Guatemala	34	28	38	19	9	15	41
U.S.A	-	-	-	-	49	-	-
Total	**34**	**76**	**125**	**31**	**89**	**69**	**117**

Source: CBS, Foreign Trade Statistics, Imports, Different Years

Marketing

For details see GAIN report #IS2014.
Due to the deep disappointment of the results in the Japanese market for the sweetie, the Citrus Marketing Board for Israel (CMBI), supported by the Ministry of Agriculture, decided to change the marketing policy for the sweetie: the sweetie was declared “Organized Specie” in Japan and in Korea. The new policy calls for the following measures to be taken:

1. The sweetie will be marketed in those markets by only “One Hand” and not by 3 different exporters, as it was done in the past.
2. In Japan only two importers were certified to sell the Israeli sweetie and not 5 as it was in the past (5 importers competed with each other by reducing prices in the market).
3. A quota was fixed for each market: Japan and Korea – 650,000 boxes and is supposed to increase by 50,000 boxes in each of the next 3 years. For the rest of the world a quota of 400,000 boxes was fixed.
4. Promotion and advertising will be done by the CMBI only.
5. The quality of the exported sweetie will be inspected strictly by the CMBI.
6. For the first time, a recommended price will be paid to the growers: for fruit exported to Korea and Japan a minimum farm gate price of $330/ton will be paid, of which $275 will be paid immediately after delivery to the packinghouse.
   For sweetie to other destinations a minimum price of $147/ton will be paid, of which

$122/ton will be paid upon delivery.

Israel Fresh Oranges							
		2001		2002		2003	UOM
	Old	New	Old	New	Old	New	
Market Year Begin		09-2001		09-2002		09-2003	(MM/YYYY)
Area Planted	5600	5700	5300	5500	0	5115	HECTARES
Area Harvested	5500	5650	5100	5400	0	4980	HECTARES
Bearing Trees	0	0	0	0	0	0	(1000 TREES)
Non-Bearing Trees	0	0	0	0	0	0	(1000 TREES)
TOTAL No. Of Trees	0	0	0	0	0	0	(1000 TREES)
Production	160	160	140	143	0	133	(1000 MT)
Imports	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	160	160	140	143	0	133	(1000 MT)
Exports	34	34	19	28	0	25	(1000 MT)
Fresh Dom. Consumption	62	62	56	61	0	61	(1000 MT)
Processing	64	64	65	54	0	47	(1000 MT)
TOTAL DISTRIBUTION	160	160	140	143	0	133	(1000 MT)

Israel Degrees Brix Orange Juice							
		2001		2002		2003	UOM
	Old	New	Old	New	Old	New	
Market Year Begin		09-2001		09-2002		09-2003	(MM/YYYY)
Deliv. To Processors	64000	64000	65000	54000	0	47000	(MT)
Beginning Stocks	16000	15000	13000	15000	0	9000	(MT)
Production	39000	40000	42000	44000	0	35000	(MT)
Imports	48000	45000	40000	35000	0	30000	(MT)
TOTAL SUPPLY	103000	100000	95000	94000	0	74000	(MT)
Exports	56000	37000	53000	40000	0	30000	(MT)
Domestic Consumption	34000	48000	36000	45000	0	35000	(MT)
Ending Stocks	13000	15000	6000	9000	0	9000	(MT)
TOTAL DISTRIBUTION	103000	100000	95000	94000	0	74000	(MT)

Israel
Degrees Brix - Single Strength
Grapefruit Juice

		2001		2002		2003	UOM
	Old	New	Old	New	Old	New	
Market Year Begin		09-2001		09-2002		09-2003	(MM/YYYY)
Deliv. To Processors	199	163	137	171	0	162	(1000 MT)
Beginning Stocks	28	22	16	16	0	7	(1000 MT)
Production	101	81	71	71	0	9	(1000 MT)
Imports	15	12	15	15	0	19	(1000 MT)
TOTAL SUPPLY	144	115	102	102	0	116	(1000 MT)
Exports	105	78	70	70	0	71	(1000 MT)
Domestic Consumption	23	21	25	25	0	29	(1000 MT)
Ending Stocks	16	16	7	7	0	16	(1000 MT)
TOTAL DISTRIBUTION	144	115	102	102	0	116	(1000 MT)

Israel
Degrees Brix - Single Strength
Grapefruit Juice

		2001		2002		2003	UOM
	Old	New	Old	New	Old	New	
Market Year Begin		09-2001		09-2002		09-2003	(MM/YYYY)
Deliv. To Processors	199	163	137	171	0	162	(1000 MT)
Beginning Stocks	28	22	16	16	0	7	(1000 MT)
Production	101	81	71	71	0	9	(1000 MT)
Imports	15	12	15	15	0	19	(1000 MT)
TOTAL SUPPLY	144	115	102	102	0	116	(1000 MT)
Exports	105	78	70	70	0	71	(1000 MT)
Domestic Consumption	23	21	25	25	0	29	(1000 MT)
Ending Stocks	16	16	7	7	0	16	(1000 MT)
TOTAL DISTRIBUTION	144	115	102	102	0	116	(1000 MT)

Israel Fresh Tangerines							
		2001		2002		2003	UOM
	Old	New	Old	New	Old	New	
Market Year Begin		09-2001		09-2002		09-2003	(MM/YYYY)
Area Planted	5000	4900	4730	4900	0	4750	HECTARES
Area Harvested	4900	4750	4550	4800	0	4465	HECTARES
Bearing Trees	0	0	0	0	0	0	(1000 TREES)
Non-Bearing Trees	0	0	0	0	0	0	(1000 TREES)
TOTAL No. Of Trees	0	0	0	0	0	0	(1000 TREES)
Production	83	83	85	71	0	78	(1000 MT)
Imports	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	83	83	85	71	0	78	(1000 MT)
Exports	25	25	28	23	0	24	(1000 MT)
Fresh Dom. Consumption	30	30	30	30	0	31	(1000 MT)
Processing	28	28	27	18	0	23	(1000 MT)
TOTAL DISTRIBUTION	83	83	85	71	0	78	(1000 MT)

Israel Degrees Brix - Single Strength Tangerine Juice							
		2001		2002		2003	UOM
	Old	New	Old	New	Old	New	
Market Year Begin		09-2001		09-2002		09-2003	(MM/YYYY)
Deliv. To Processors	28	28	27	18	0	23	(1000 MT)
Beginning Stocks	2	2	2	2	0	4	(1000 MT)
Production	15	15	15	15	0	10	(1000 MT)
Imports	20	20	25	25	0	20	(1000 MT)
TOTAL SUPPLY	37	37	42	42	0	34	(1000 MT)
Exports	20	20	25	25	0	18	(1000 MT)
Domestic Consumption	15	15	13	13	0	15	(1000 MT)
Ending Stocks	2	2	4	4	0	1	(1000 MT)
TOTAL DISTRIBUTION	37	37	42	42	0	34	(1000 MT)

Commodity: Fresh Lemons							
		2001		2002		2003	UOM
	Old	New	Old	New	Old	New	
Market Year Begin		09-2001		09-2002		09-2003	(MM/YYYY)
Area Planted	1700	1700	1700	1700	0	1690	HECTARES
Area Harvested	1250	1250	1550	1650	0	1400	HECTARES
Bearing Trees	0	0	0	0	0	0	(1000 TREES)
Non-Bearing Trees	0	0	0	0	0	0	(1000 TREES)
TOTAL No. Of Trees	0	0	0	0	0	0	(1000 TREES)
Production	20	19	23	20	0	20	(1000 MT)
Imports	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	20	19	23	20	0	20	(1000 MT)
Exports	1	0	2	3	0	2	(1000 MT)
Fresh Dom. Consumption	15	15	16	15	0	15	(1000 MT)
Processing	4	4	5	2	0	3	(1000 MT)
TOTAL DISTRIBUTION	20	19	23	20	0	20	(1000 MT)

Israel Fresh Citrus, Other							
		2001		2002		2003	UOM
	Old	New	Old	New	Old	New	
Market Year Begin		09-2001		09-2002		09-2003	(MM/YYYY)
Area Planted	830	830	600	600	0	555	HECTARES
Area Harvested	700	700	550	550	0	420	HECTARES
Bearing Trees	0	0	0	0	0	0	(1000 TREES)
Non-Bearing Trees	0	0	0	0	0	0	(1000 TREES)
TOTAL No. Of Trees	0	0	0	0	0	0	(1000 TREES)
Production	12	11	15	8	0	8	(1000 MT)
Imports	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	12	11	15	8	0	8	(1000 MT)
Exports	9	2	10	5	0	5	(1000 MT)
Fresh Dom. Consumption	2	2	2	3	0	3	(1000 MT)
Processing	1	7	3	0	0	0	(1000 MT)
TOTAL DISTRIBUTION	12	11	15	8	0	8	(1000 MT)