CalMed Workshop

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Mediterranean products in the global market

The global market for citrus: issues and prospects

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The presentations are focused on the role of NTB on trade of citrus fruit from a AOP perspective.

In this perspective there are relevant NTB arising from:

- phitosanitary regulation;
- food safety regulation (Russia);
- technical barrier to trade (US).

Moreover the presentations addresses the environmental costs linked to transportation of traded citrus fruits.

What can be said from an academic perspective?

I want to highlight the role of non price competition factors, particularly of organization, in the trade of citrus in contrast with tariffs and preferential trade agreements, by comparing changes in EU-15 imports of citrus and Russia and Switzerland imports (the two most relevant countries for EU exports).

In the EU oranges imported from:

- Morocco and Egypt benefit of a zero tariff preferences with a reduced EP within an import quota.
- Turkey benefit of zero tariff.

EU imports of citrus fruits from Morocco and Turkey have been declining.

Egypt has been a relevant exception:

- increasing exports;
- binding quota (300%);
- no trigger entry price undercut.

This performance is also observed for products not benefiting of preferences.

Egypt is now the major exporter of F&V to the EU.

Changes in Russia and Switzerland markets of oranges

Russia imports of oranges grew very considerably (no matter of food safety regulation), particularly in the last five years.

In this market imports of oranges from Morocco and Egypt increased considerably while imports from the EU decreased.

The decrease of export refunds granted by EU, as well as Euro evaluation, may have had a role.

Changes in Switzerland imports are closer to the evolution of trade in the EU member states.

What is behind such performances?

The EU, as well as Switzerland, F&V market is growingly dominated by large retiling chains.

In this framework it is relevant:

- production organized on large scale;
- integration of agricultural production in logistic chains;
- adoption of private food safety protocols (es. Eurep/Gap).

Spain citrus sector is highly competitive and integrated in such system.

The growth of Russian market is relatively recent and price competition is probably more important.

However more research is needed to understand such trade patterns.

Considerations on transportation

In the EU there is a growing concern on carbon emission related to food transportation.

In the last 15 years trade of fruit has doubled, while production is increased 50%. This performance is the effect of:

- opening of markets;
- innovation in logistic activities (transportation, ICT, etc.).

However, given transportation costs only high quality produce are exported.

Actually consumer have larger opportunity of choice while producer increased their opportunities.

Are these concerns a new form of protectionism?

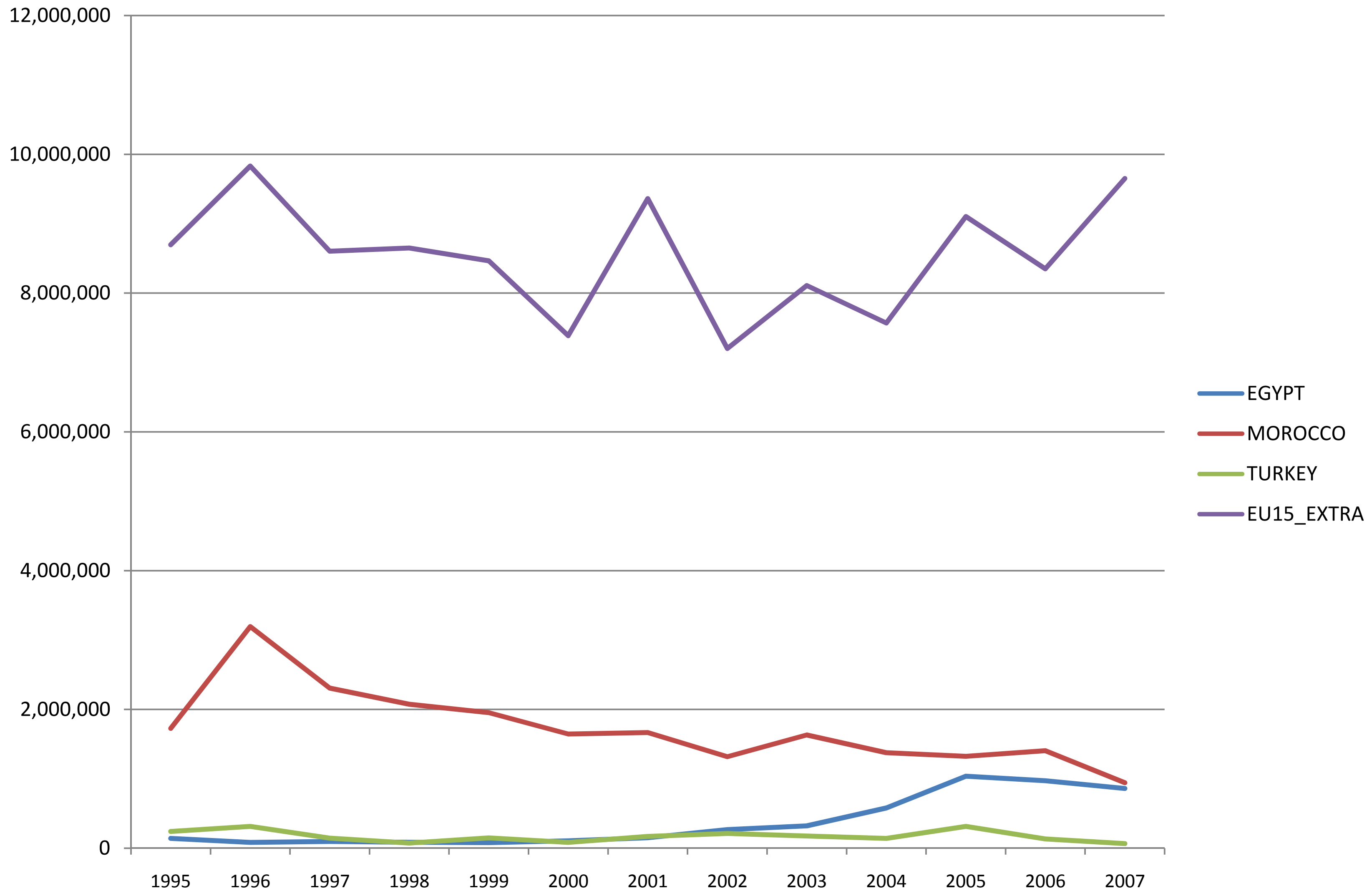
Zero tariff and reduced EP import quotas to Med countries

(tons)

Produce	Period	Israel	Morocco	Tunisia	Egypt	Jordan
Fresh Oranges	1/12 - 31/5	200000	306800	35123	34000	3350
Mandarins	1/1 - 31/12	21000	168000			
Clementines	15/3 - 30/9	14000	143700			
Citrus	1/1 - 31/12	7700				
Limes	1/1 - 31/12	1000				

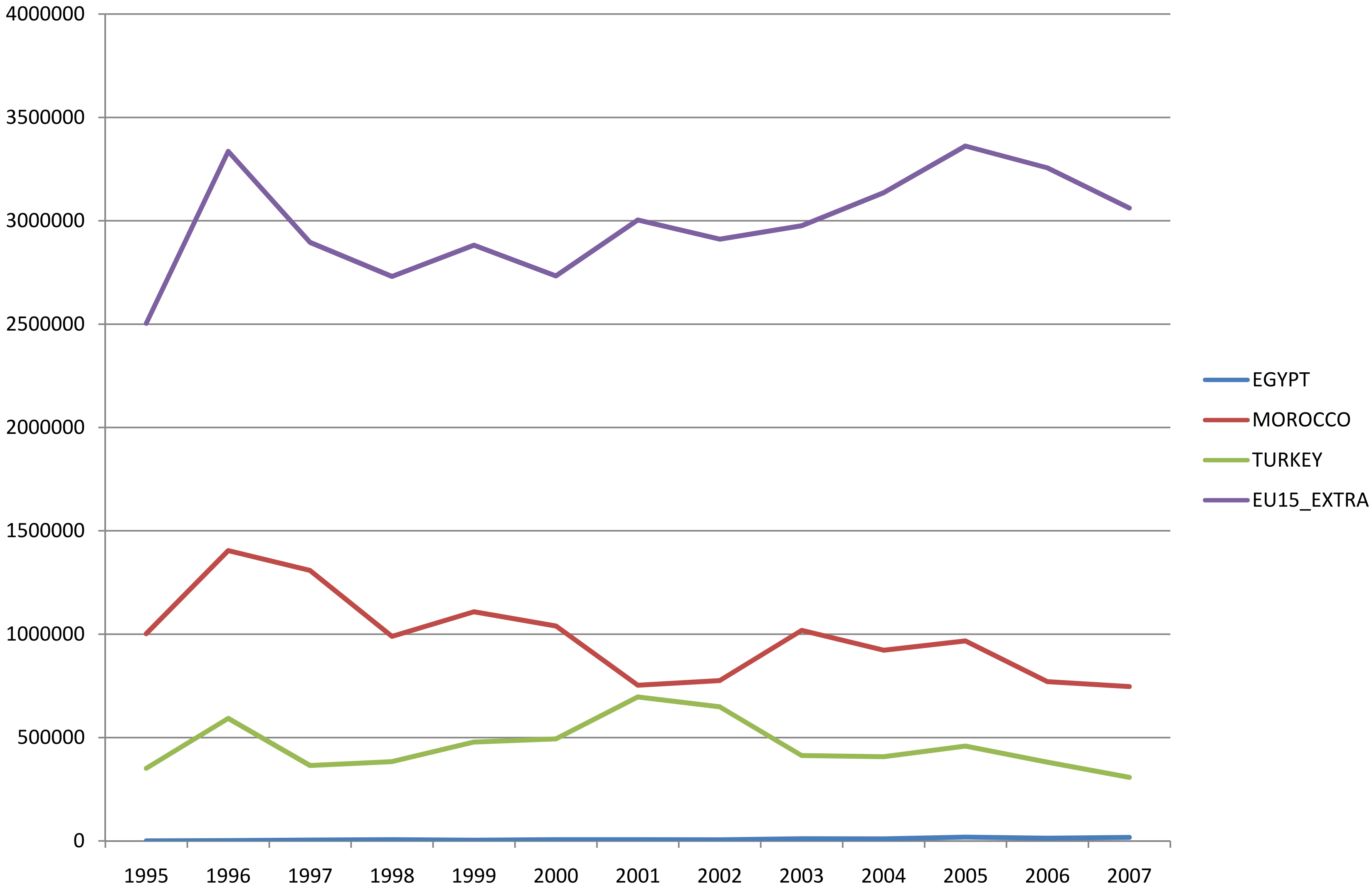
Imports of oranges of the EU-15

(quintali)



Imports of mandarins of the EU-15

(quintali)



Imports of oranges by Russia in 1996 and 2006 and average % var.

	1996		2006	
Greece	39.990.588	Morocco	65.927.040	33,8%
Turkey	13.304.283	Egypt	57.052.907	29,5%
Israel	11.113.173	Turkey	53.874.557	15,0%
Morocco	6.249.785	South Africa	49.622.497	
Egypt	4.300.160	Argentina	37.915.746	
Spain	3.579.070	China	3.787.091	
Other C.	31.149.325	Spain	2.837.005	-2,3%
		Other C.	10.342.161	
	109.686.384		281.359.004	9,9%