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## **Costa Rica**

### **Citrus**

## **Orange Juice Production and Trade**

### **2001**

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#### **Report Highlights:**

**Area planted to oranges in Costa Rica is estimated at 20,000 ha. Orange production reached 7.7 million 90 pound boxes during marketing year 2000/2001. Total exports of frozen orange juice concentrate amounted to 57.5 million sse gallons in calendar year 2000. Costa Rica's main export market is the United States.**

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Unscheduled Report  
San Jose [CS1], CS

## **COSTA RICA: ORANGE JUICE PRODUCTION AND TRADE**

According to the latest available information from industry sources, area planted to oranges in Costa Rica is estimated at 20,000 ha. Area planted increased rapidly in the early 1990's, from 10,575 ha. in 1990 to 22,500 ha. in 1995. Since then, area planted has stabilized at the current level as many smaller producers abandoned orange production or switched to other crops, while the larger, more established producers continued to increase area planted although at a much slower rate. According to industry sources, there are 4.7 million orange trees planted in Costa Rica for an average of 235 trees per hectare. However, the number of trees planted per hectare varies widely among plantations and production regions. Of the total number of trees planted, 4,052,093 were planted before 1994. This indicates that most of the area planted to oranges is now nearing optimal fruit yields. The most widely planted variety of oranges by far is the Valencia type. Pineapple variety is also being planted in some areas mainly to take advantage of its complementary ripening and harvesting time that allows for higher utilization of processing capacity. The harvest takes place mainly from January to May, with peak production reached in March and April.

Orange production reached 7,739,353 boxes of 40.824 kg. in 2000/2001. Production is expected to grow in 2001/2002 as a result of new trees coming into production, particularly in a new and fairly large farm on the Nicaraguan side of the border. Also, productivity is expected to increase as a result of trees reaching full production and better crop management practices. Trees in the main production regions were observed during a recent field trip in very good condition with what seemed to be a large number of fruits. Nevertheless, the two major producers would like to wait about two months before providing more accurate production forecasts for next year.

The outlook for the next 3 to 5 years is for increasing production, although at a lower rate than observed over the last few years.

The majority of oranges produced in Costa Rica are processed for juice concentrate. According to information supplied by PROCOMER (Costa Rica's Trade Promotion Board), total frozen and concentrate orange juice exports reached 41,292 MT or roughly 57.5 million sse gallons, valued at \$48.2 million during the year 2000. According to the same source, exports to the United States reached 26,822 MT or 37.3 million sse gallons, valued at \$36.2 million. U.S. Customs data, however, indicate that Costa Rica exported 40.4 million sse gallons to the United States, a difference of almost 3 million sse gallons between the two sources. The Netherlands is the second export market for Costa Rica although exports to that market are mainly pasteurized orange juice, rather than concentrate. Export volume of frozen and concentrate orange juice almost doubled in the year 2000 from 22,948 MT in 1999.

Although exports of fresh oranges have increased rapidly over the last three years, they only amounted to 3,226 tons in 2000. The main destination was Nicaragua.

According to official statistics, Costa Rica imported 1,624 tons of frozen and concentrate orange juice in 1999 and 1,772 tons in 2000.

The origin of those imports in order of importance was: Nicaragua (334 tons), Puerto Rico (284 tons), Panama (171 tons) in 1999, and Nicaragua (1,114 tons), Puerto Rico (352 tons) and the United States (109 tons) in 2000. Imports from Brazil were negligible in both years.

These imports are most likely used by the local juice production industry for sales in the domestic market since the two large processors sell most of their juice production overseas.

There are two large processors/exporters of orange juice concentrate in Costa Rica, TicoFruit and Del Oro. TicoFruit's processing plant is located in Muelle, San Carlos in the province of Alajuela, about 3 hours from San Jose. Oranges are planted in the area near Muelle, but mostly to the north along the road that leads to Los Chiles and the border with Nicaragua. TicoFruit owns approximately 4,200 ha. of oranges. Del Oro is located in Guanacaste, near the border with Nicaragua and is a newer operation, partly owned by the British "Commonwealth Development Corporation". Del Oro owns 2,949 ha. of oranges. Both companies promote orange production in their respective areas, through agreements with independent producers.

Although TicoFruit and Del Oro directly own plantations, there are many independent growers in the region with contracts to sell fruit to the two processing plants. The largest independent producer in the country, Personna de Costa Rica, owns roughly 4,300 ha. of oranges. Because of its size and lower relative production costs, this company claims to be fairly competitive even under current international price conditions. According to its manager, an orange farm is profitable in Costa Rica if it can produce 3 boxes or 15 pounds of solids per tree. Producers are paid based on international concentrate prices and receive premiums for higher Brix levels. Production costs per tree for the two larger processing companies are estimated to be about \$3.25, but are lower at a company such as Personna, given their lower overhead. Different sources mentioned that it is difficult for a producer with less than 100 ha. to make a profit under current price conditions.

The quality of Costa Rica's orange juice in general is graded A according to U.S. standards. Most of Costa Rica's orange juice concentrate exports go to the United States through Tampa, Florida. Costa Rica's concentrate enters the U.S. duty free under the Caribbean Basin Initiative.