

Globally Speaking – Can You Compete?

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Citrus Showcase 2004

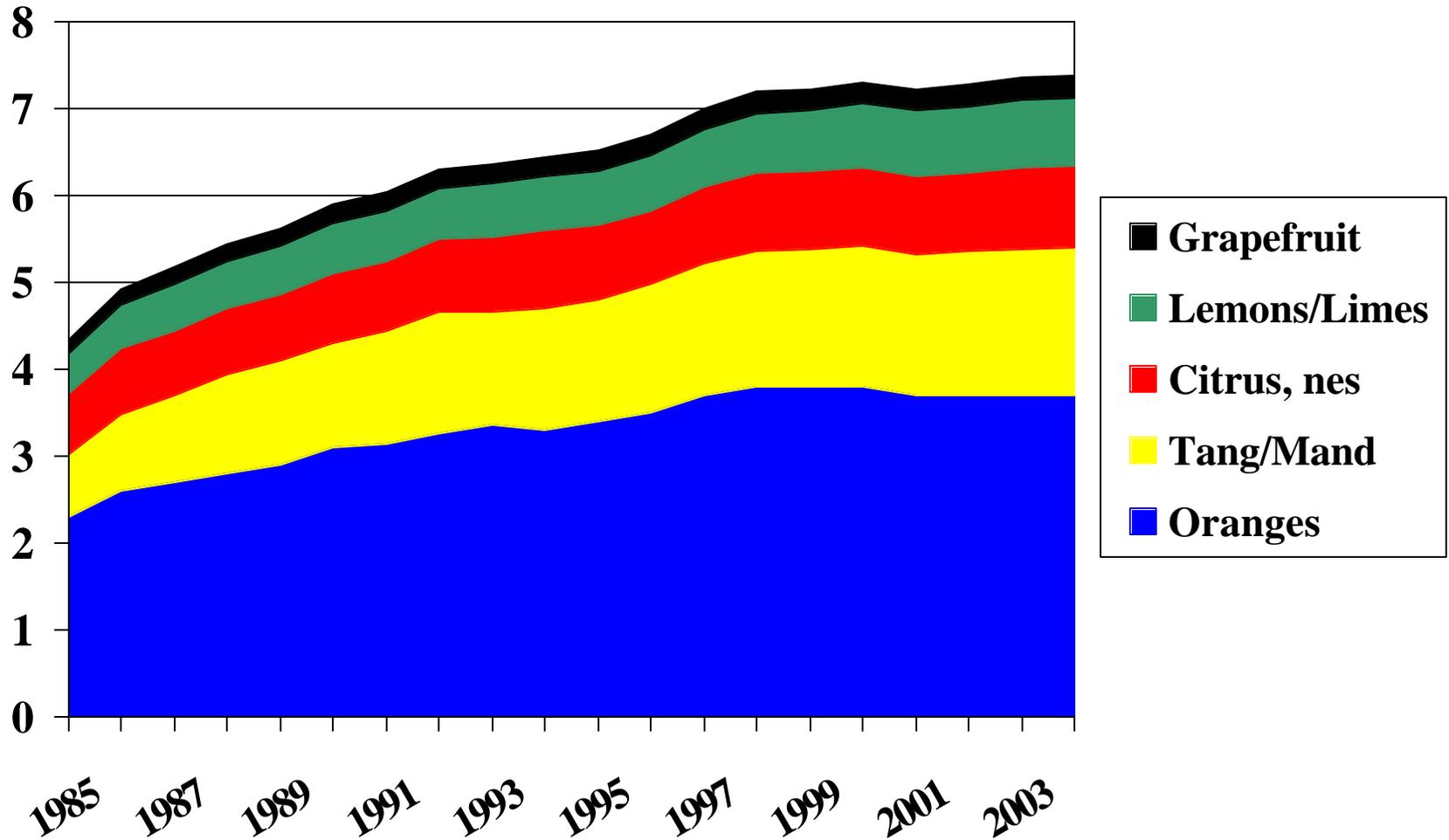
March 11, 2004

Globally Speaking

- World Supply Situation
- U.S. Export Situation
- Competition
- Import Markets
- Policy Issues

World Citrus Harvested Area

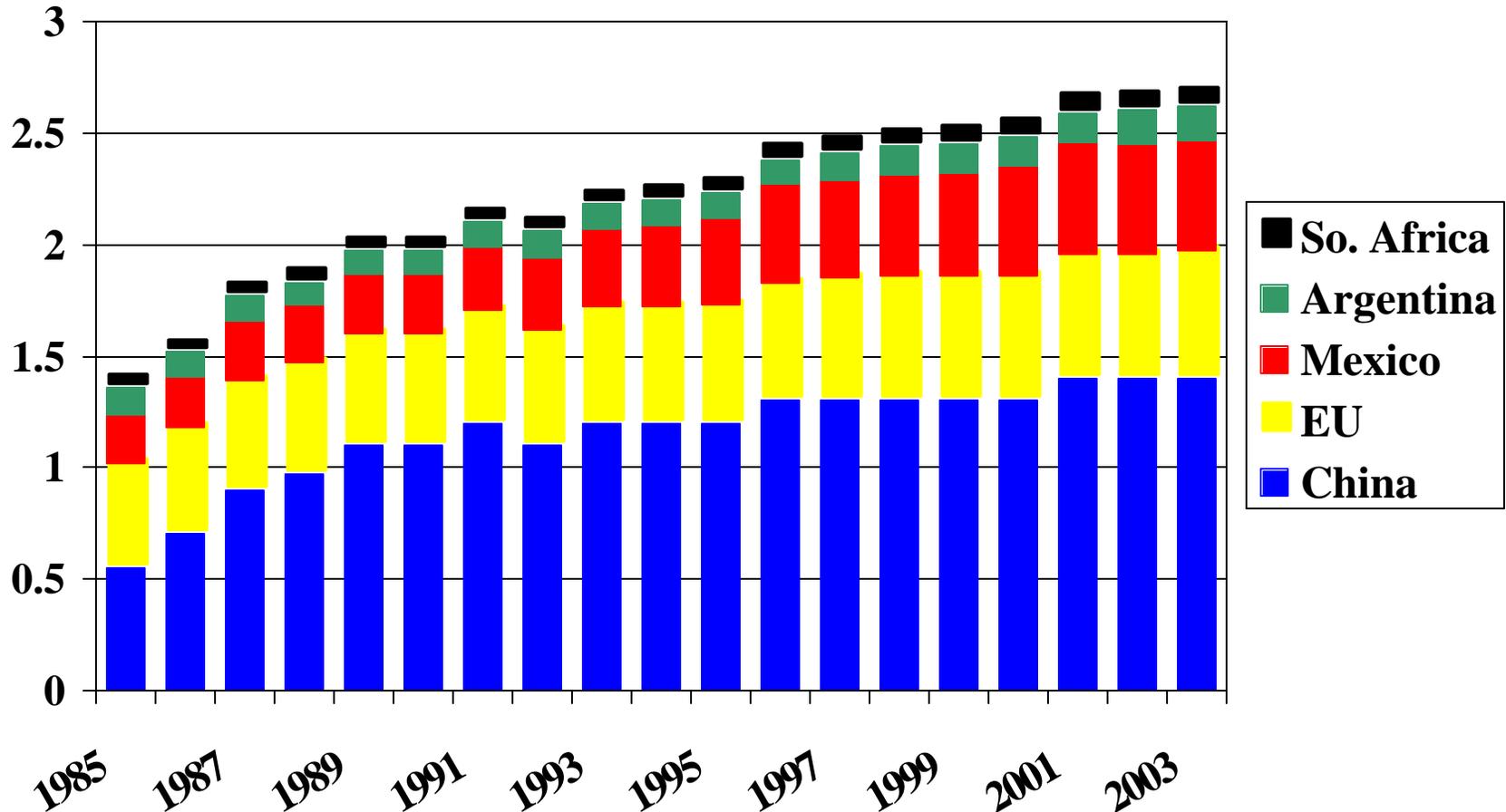
Mil. Hectares



Source: FAO

World Citrus Harvested Area by Selected Countries

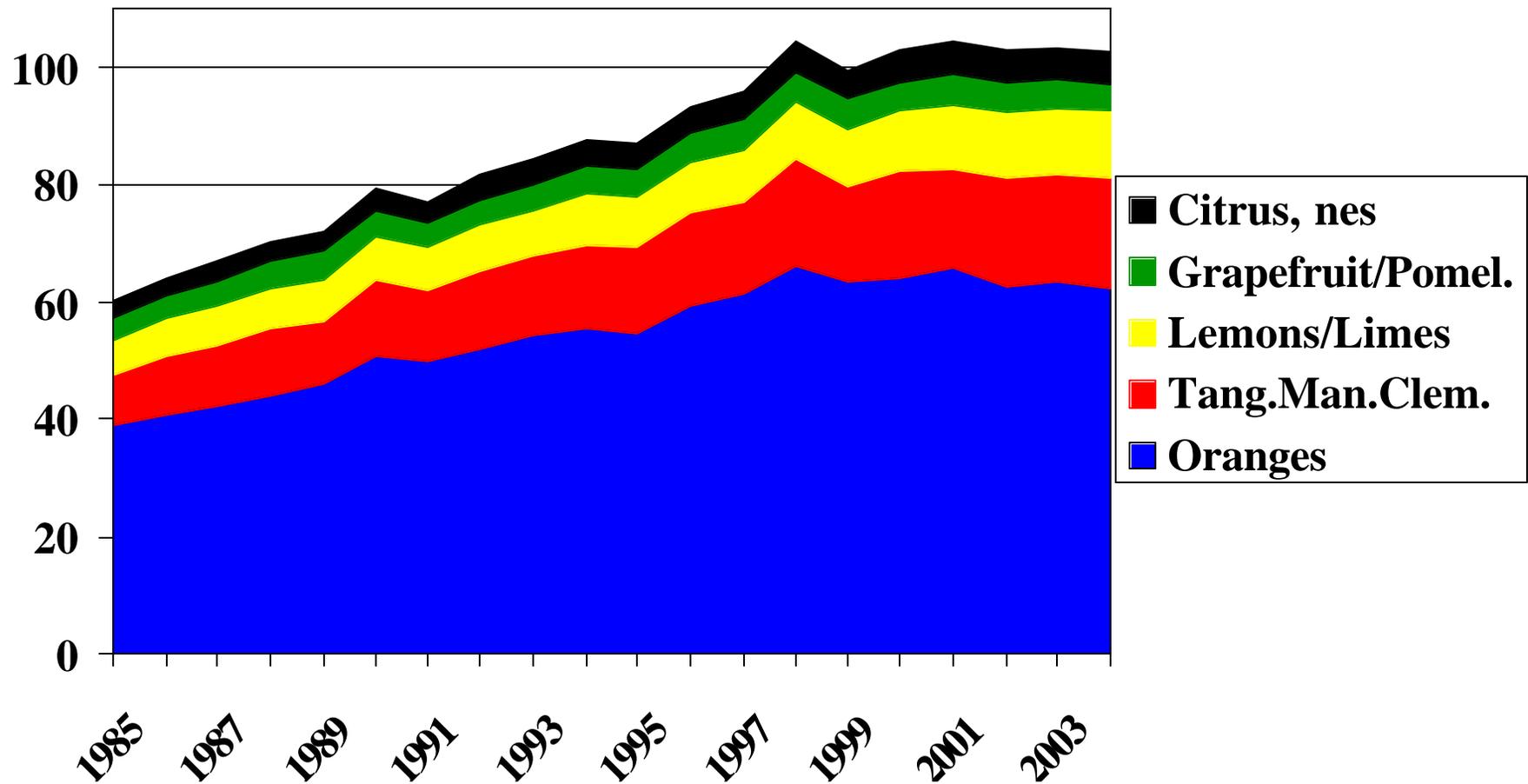
Mil. Hectares



Source: FAO

World Citrus Production by Type of Citrus

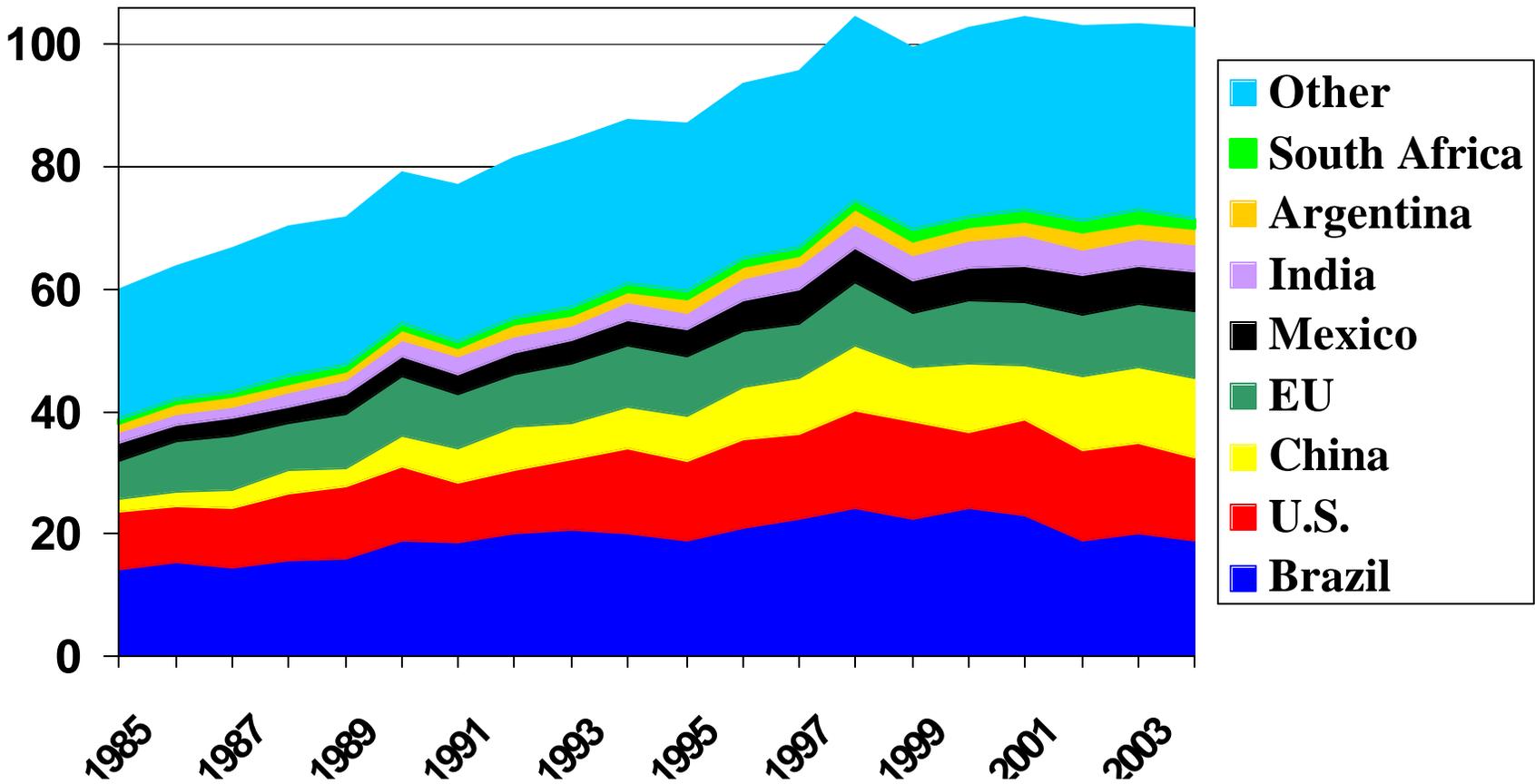
MMT



Source: FAO

World Citrus Production by Major Producer

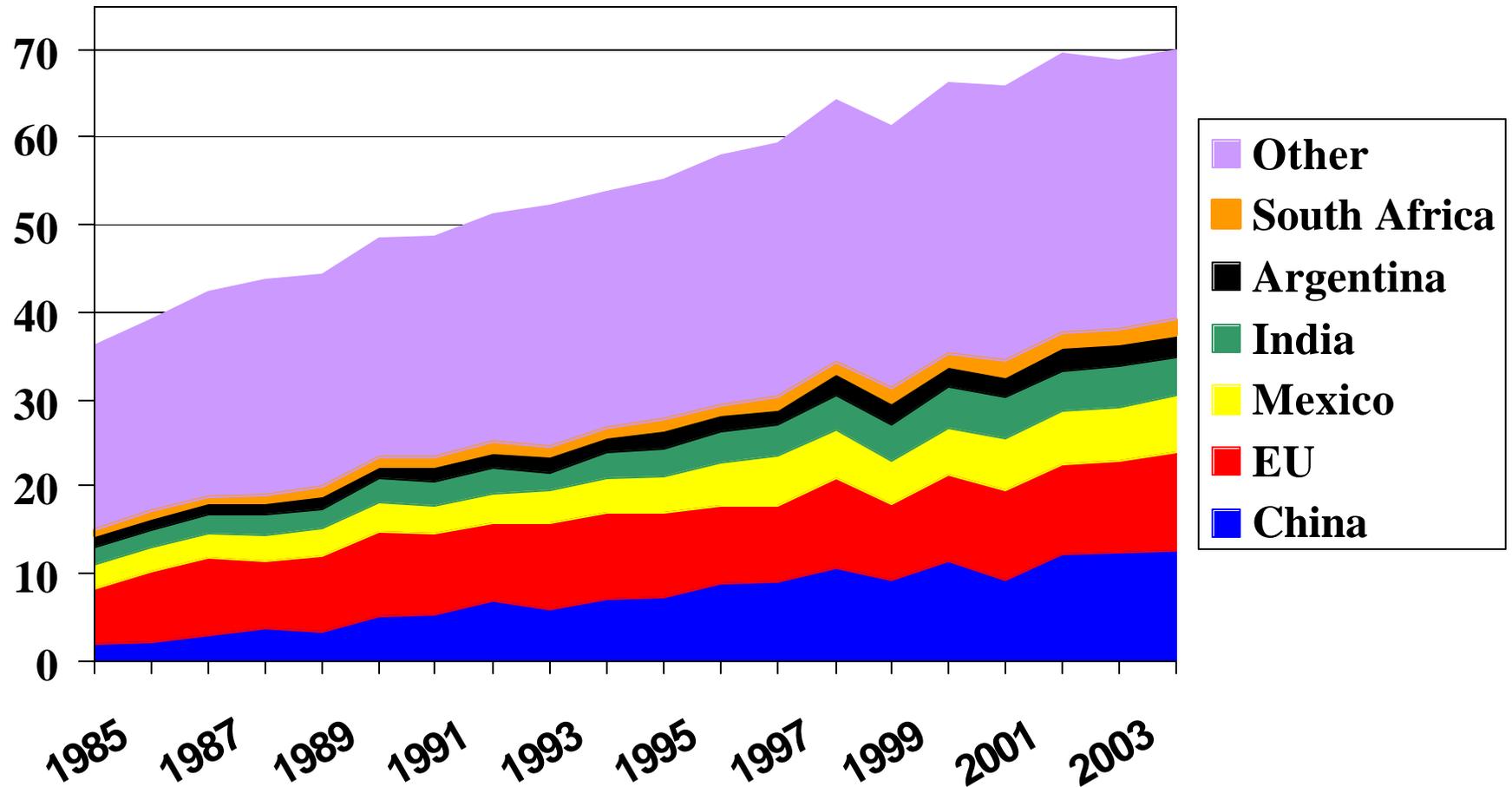
MMT



Source: FAO

World Citrus Production Excl. Brazil & U.S.

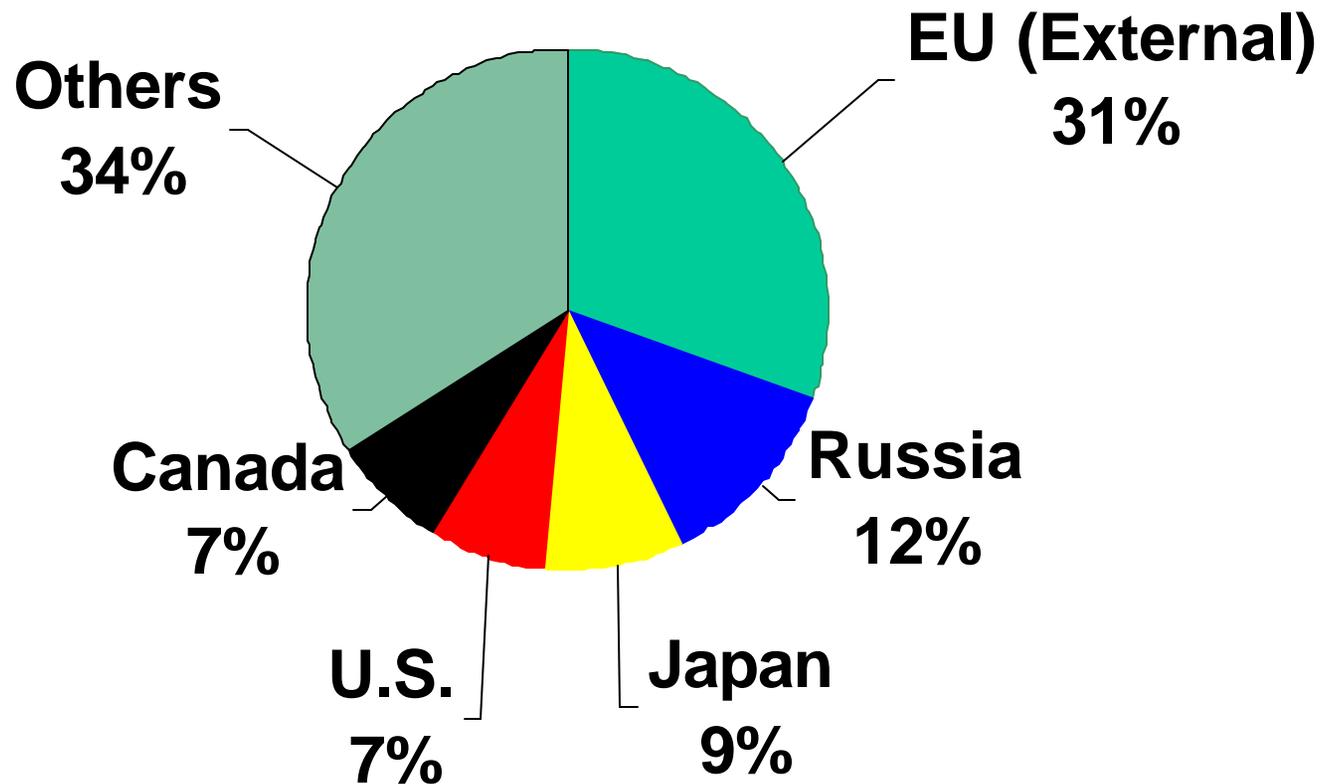
MMT



Source: FAO

World Citrus Imports by Country

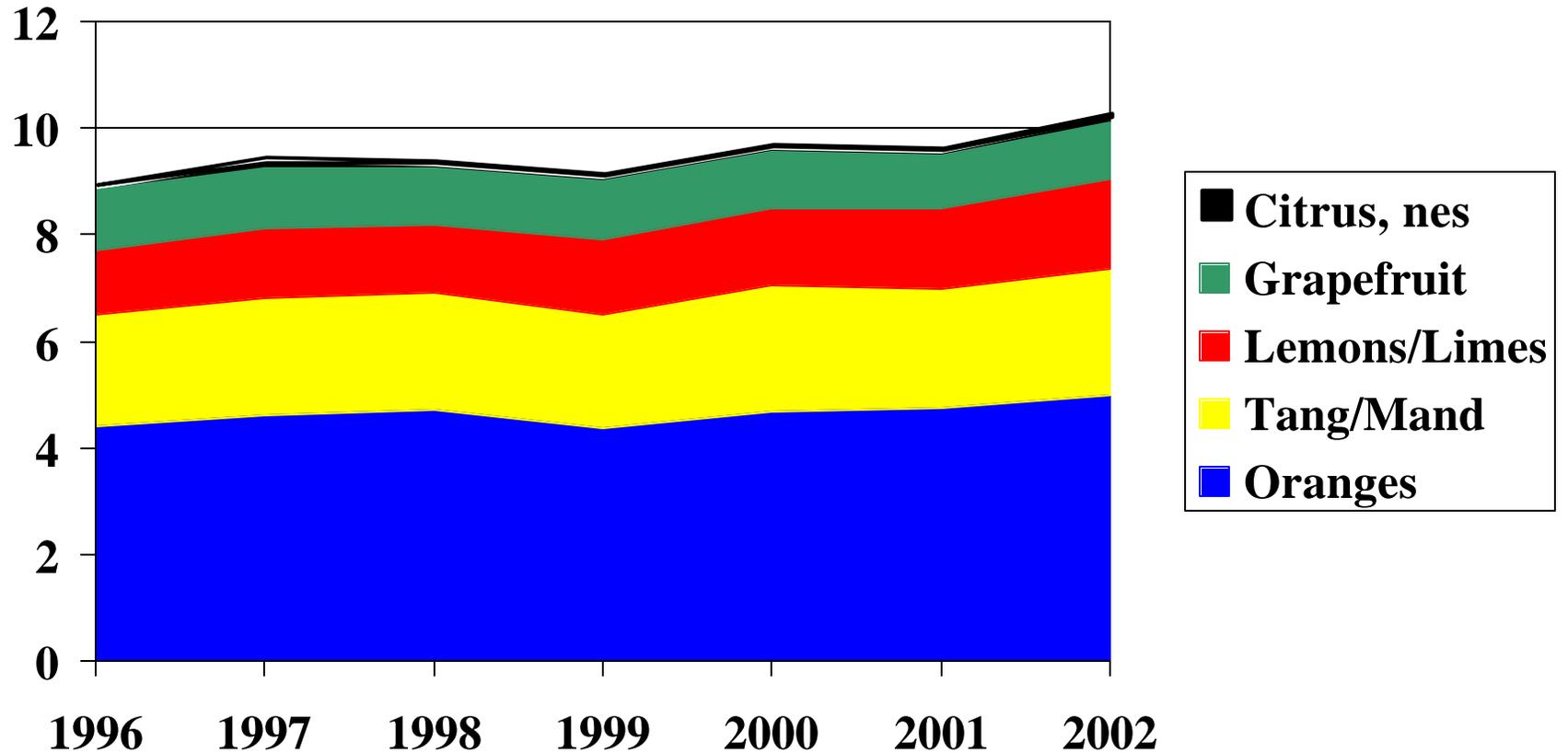
Based on Quantity—CY 2002



Source: Global Trade Atlas. EU External Trade.

World Citrus Imports by Type

Mil. Metric Tons

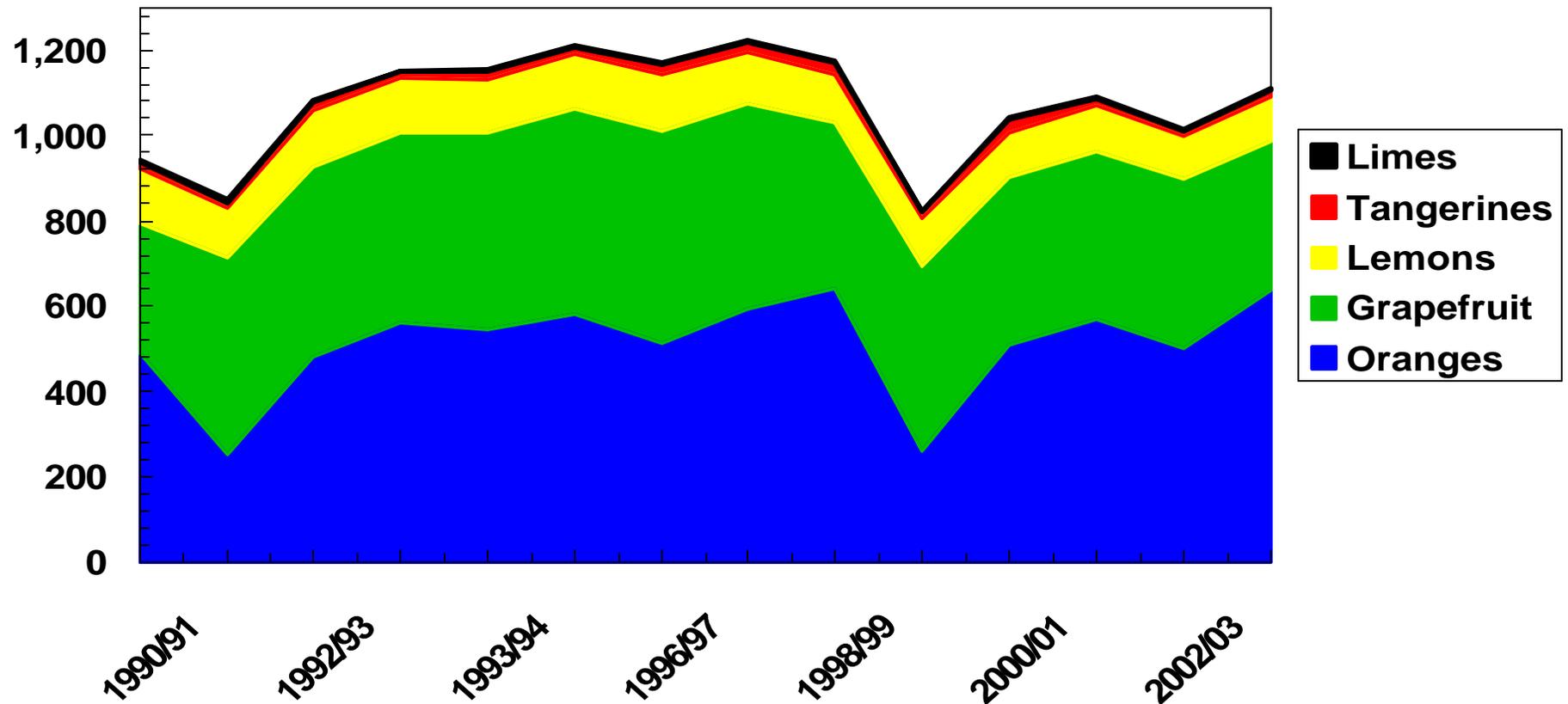


Source: FAO

Volume of U.S. Citrus Exports

Fiscal Years

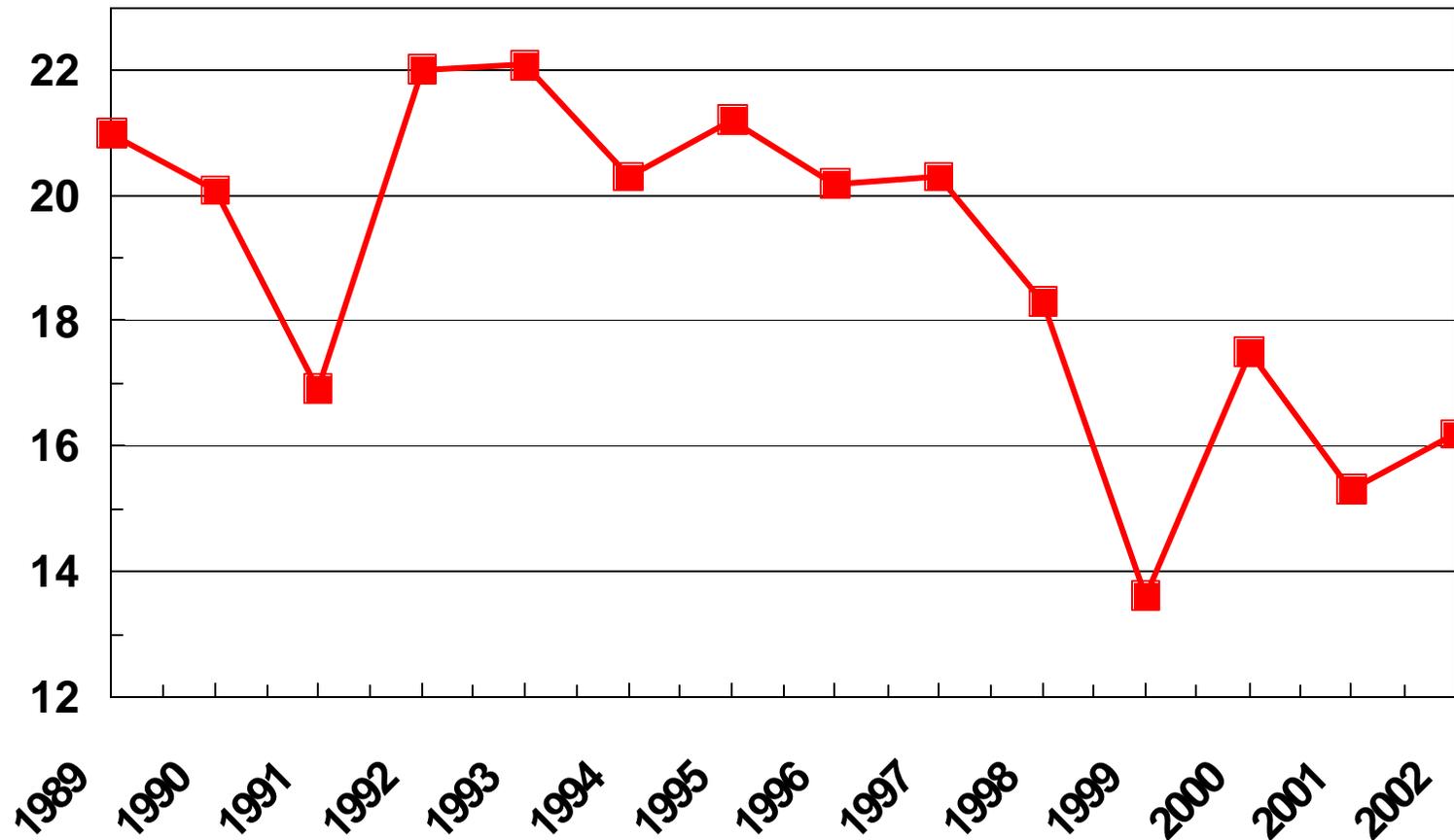
1,000 Metric Tons



Source: U.S. Bureau of the Census

U.S. Market Share of World Exports of Fresh Citrus

Percent



Source: FAO

California Agriculture: Value and Costs of Production

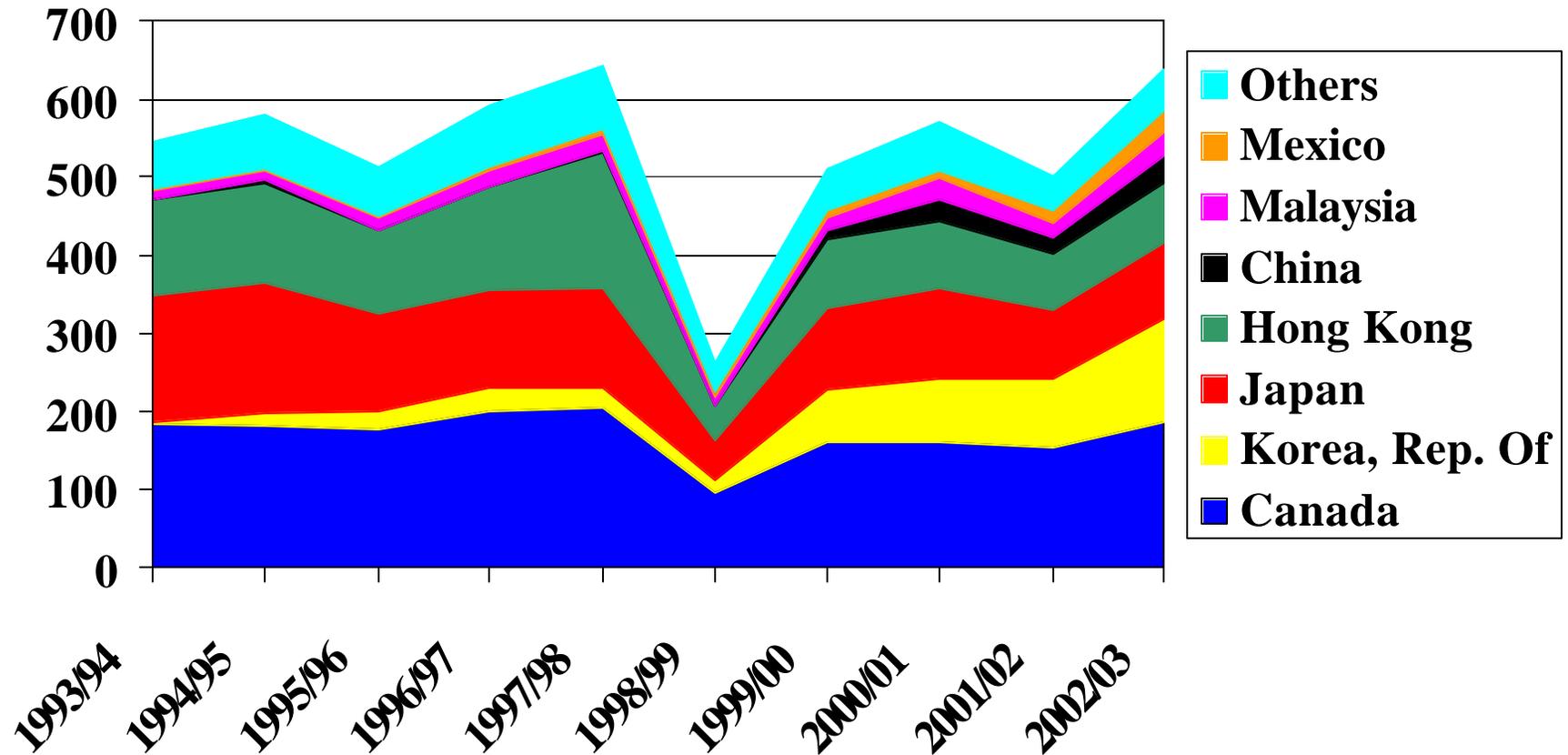
	1990 \$ Billion	1995 \$ Billion	2002 \$ Billion	% Change 1990/2002
Total Ag Value	20.3	23.7	27.6	+36
-- of which, F/V/Misc.	11.5	14.8	18.2	+58
Major Costs of Prod: --Purchased Inputs	8.7	12.2	14.5	+67
(Contract Labor)	.7	1.0	1.6	+129
Net Agricultural Farm Income	5.9	5.2	5.2	-12

Source: ERS/USDA

Key U.S. Orange Markets

Fiscal Years

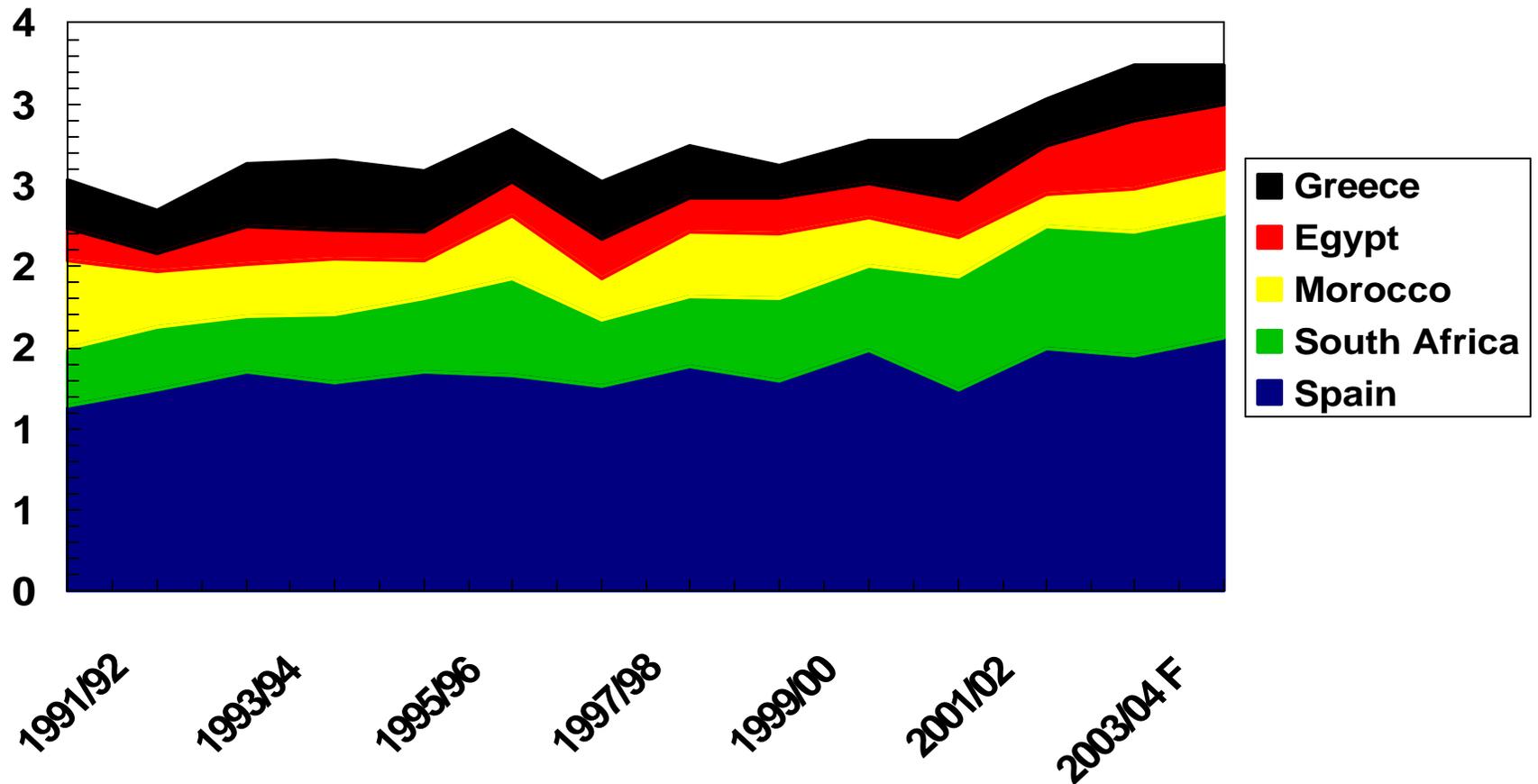
1,000 MT



Source: U.S. Bureau of the Census

Other Key Exporters of Oranges

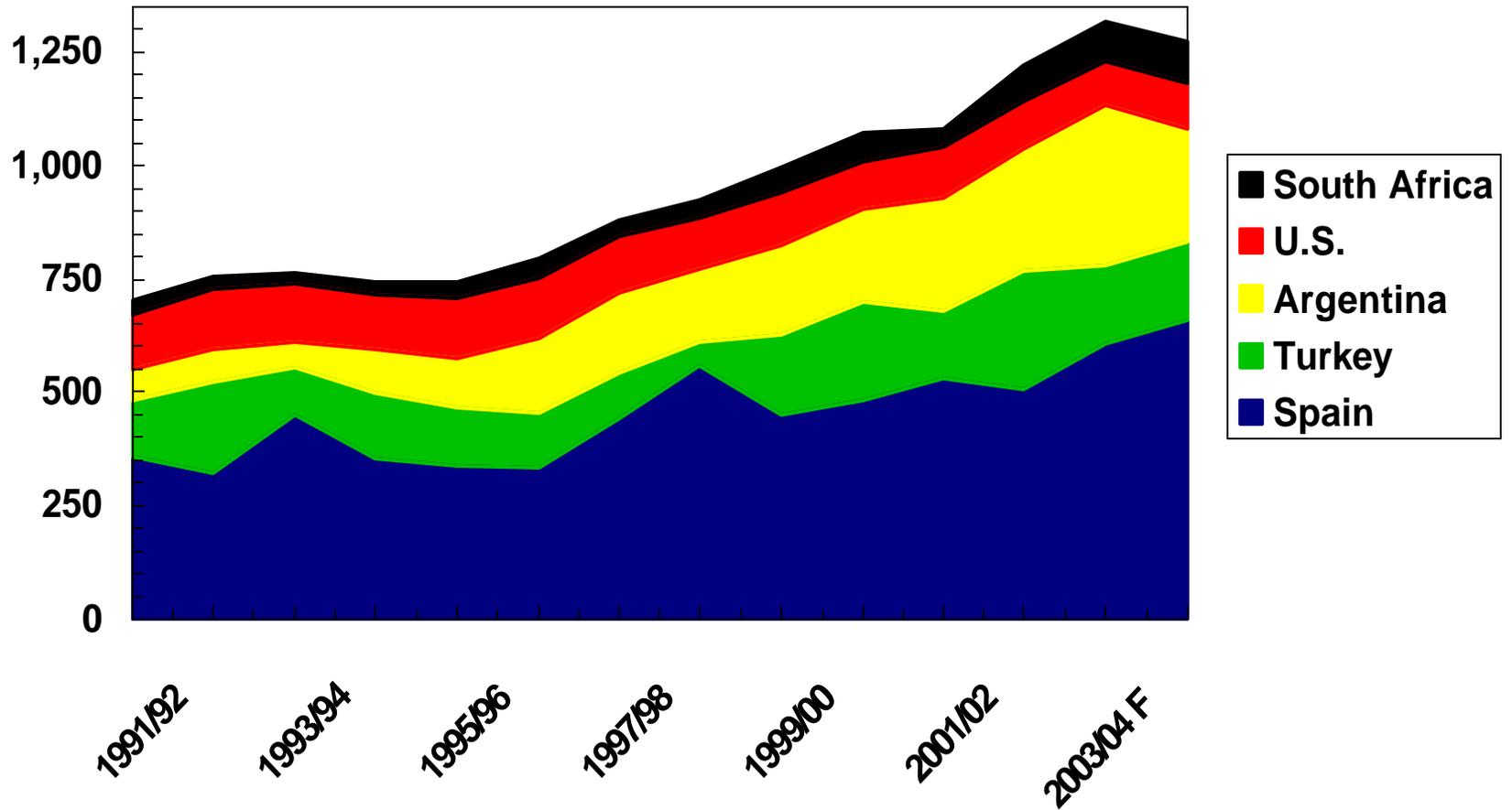
Million Metric Tons



Source: U.S. Agricultural Attaché Reports

Key Exporters of Lemons

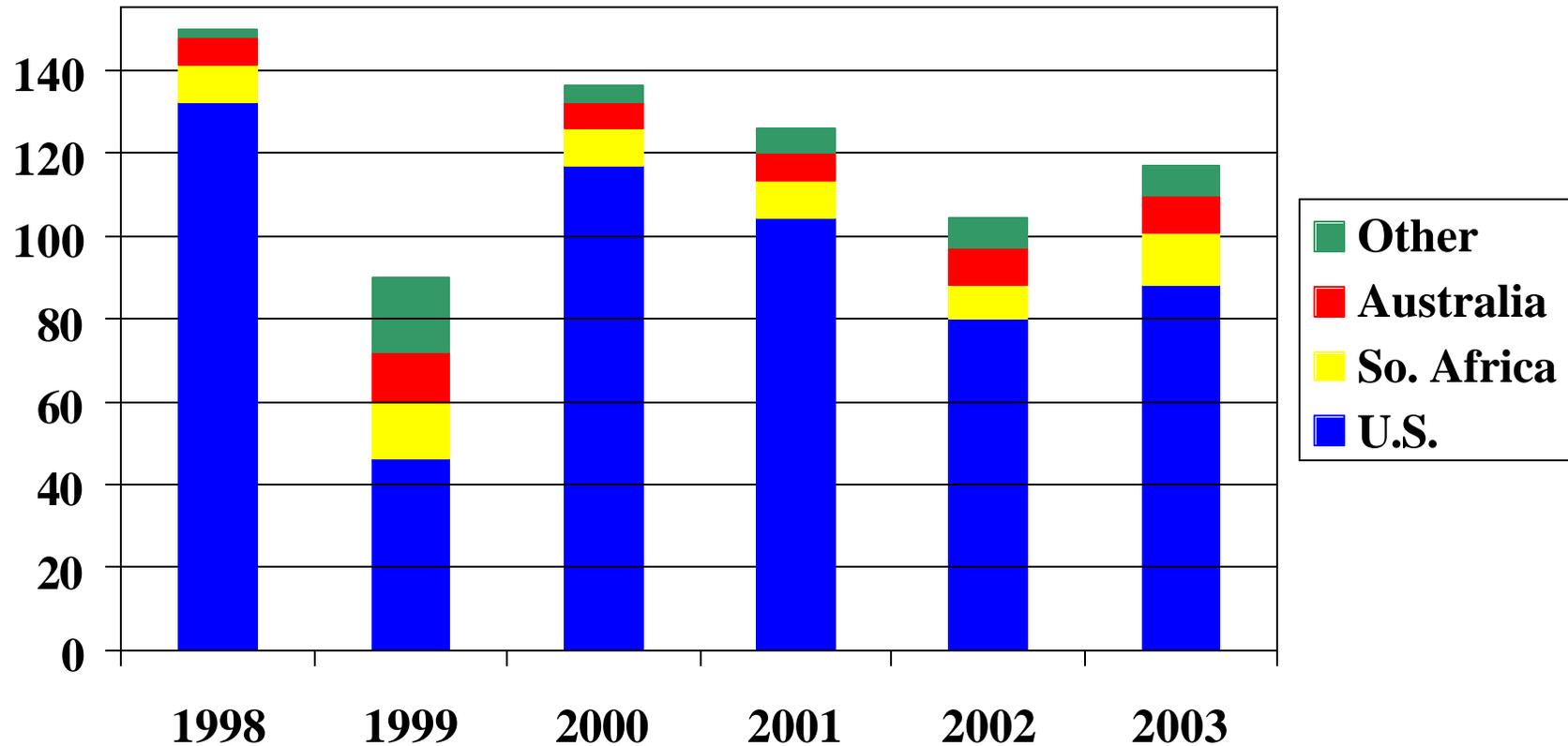
1,000 Metric Tons



Source: U.S. Agricultural Attaché Reports

Japan's Imports of Oranges by Country of Origin

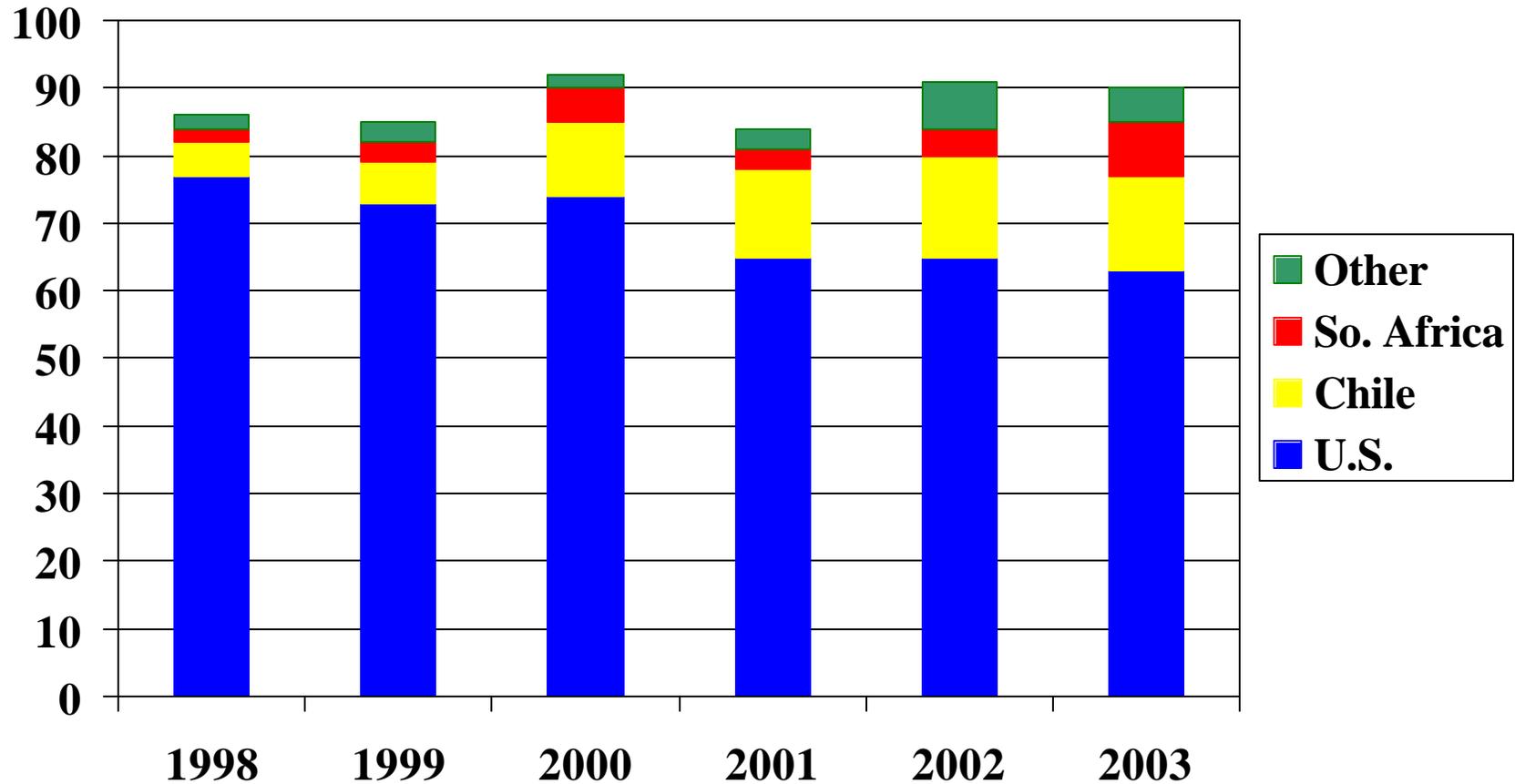
1,000 MT



Source: Global Trade Atlas, Japan's Statistics

Japan's Imports of Lemons by Country of Origin

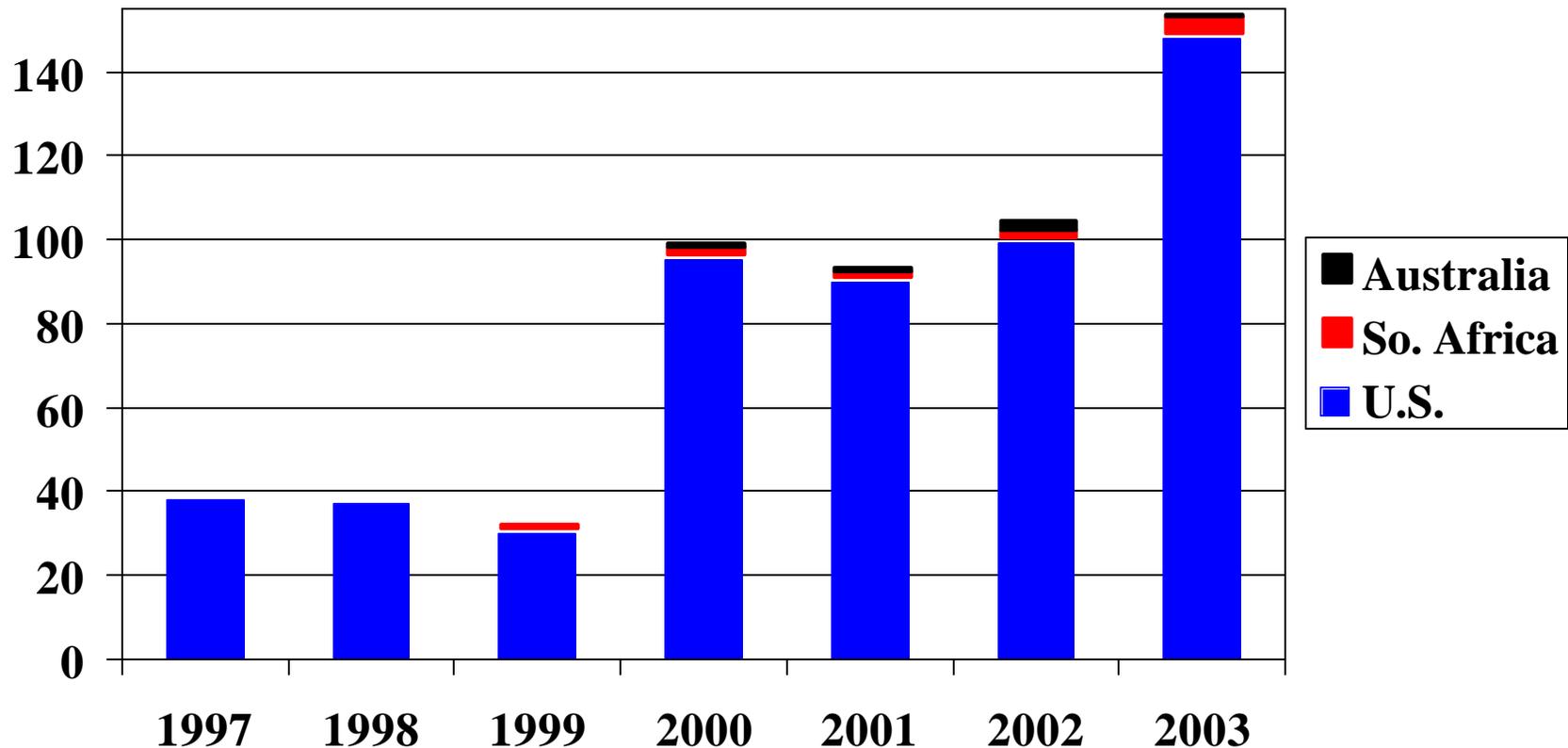
1,000 MT



Source: Global Trade Atlas, Japan's Statistics

Korea's Imports of Oranges by Country of Origin

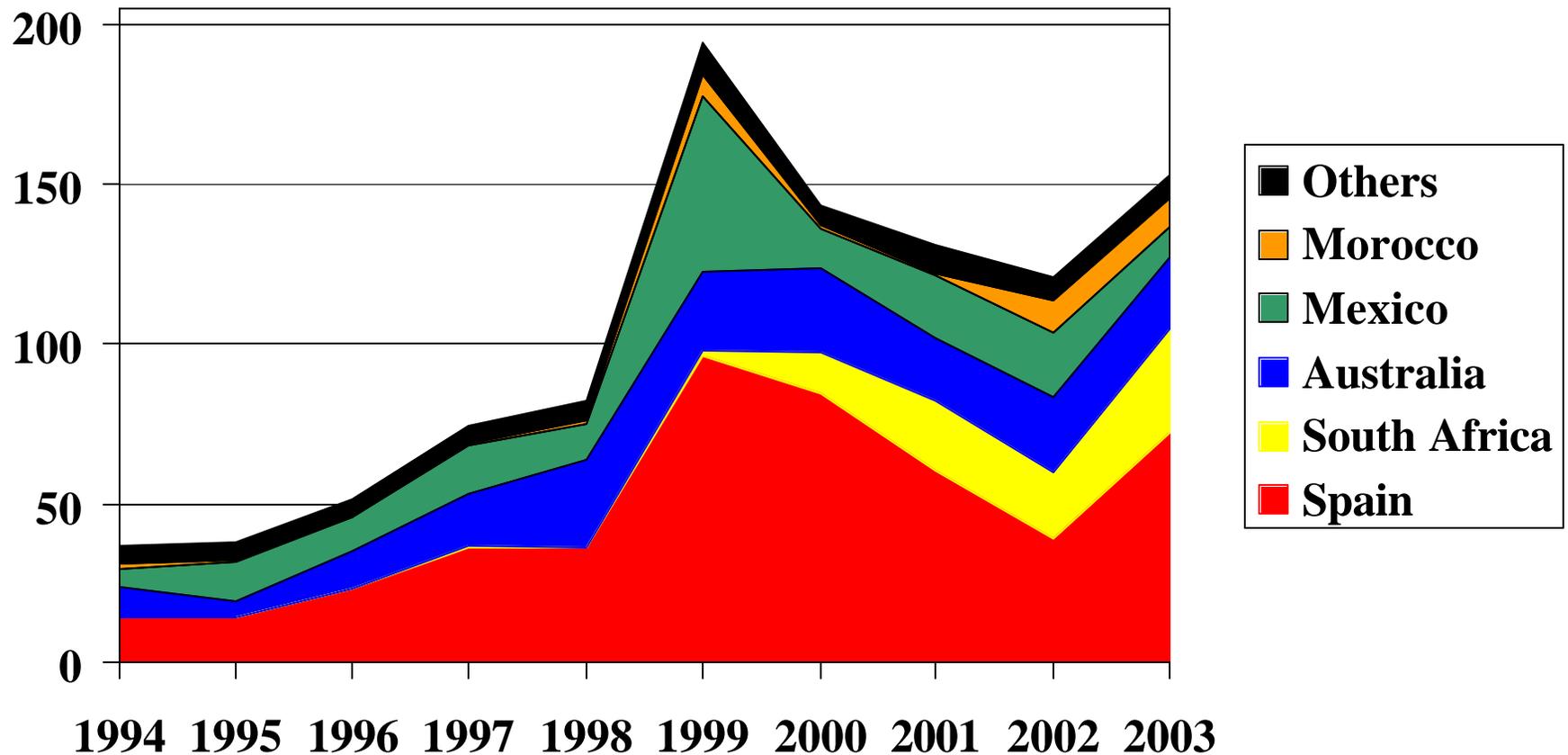
1,000 MT



Source: Global Trade Atlas, Korea's Statistics

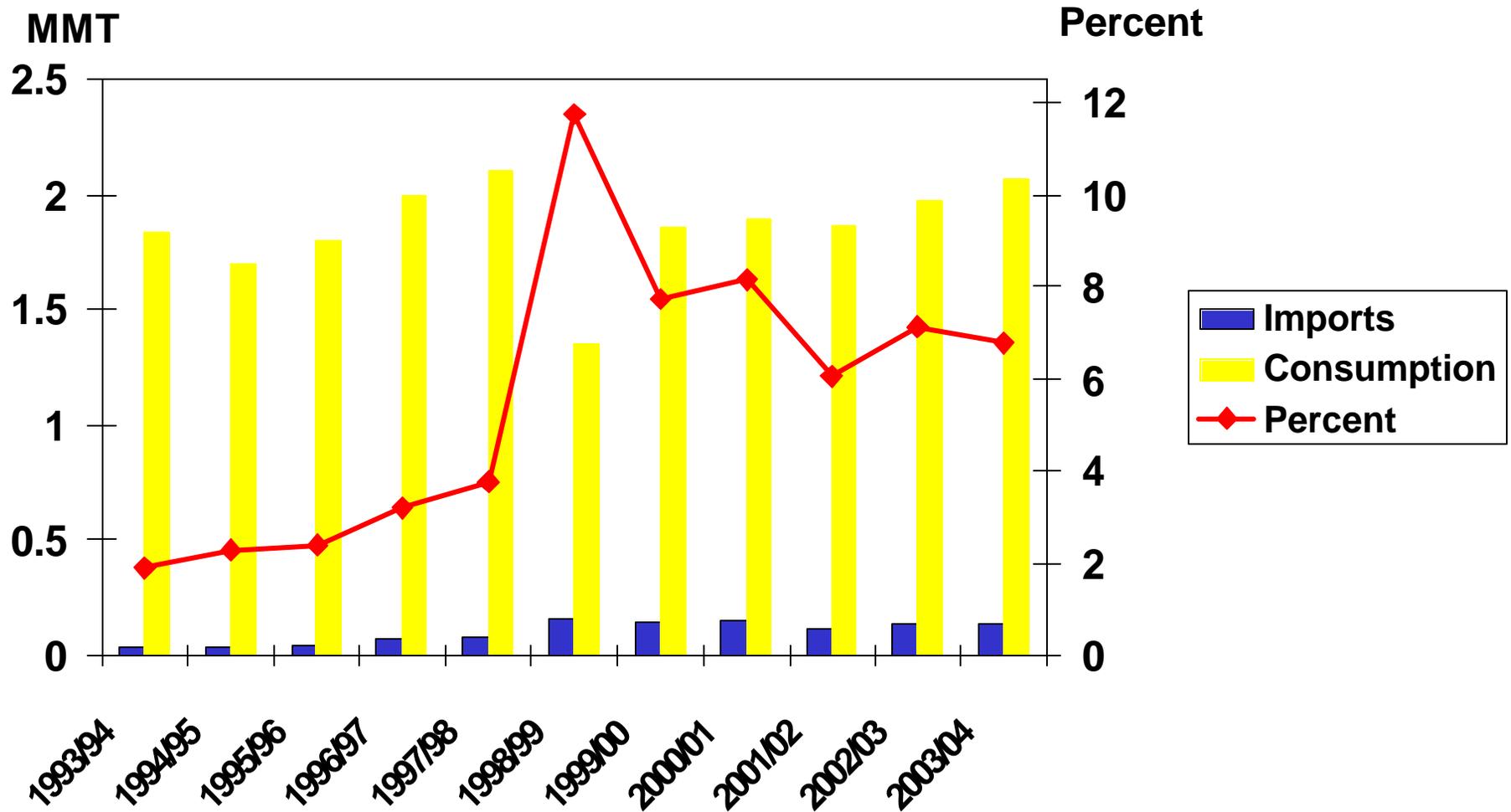
Origins of U.S. Imported Oranges and Mandarins Combined

1,000 Metric Tons



Source: U.S. Bureau of the Census.

U.S. Orange and Mandarin Imports and Market Share of Domestic Consumption

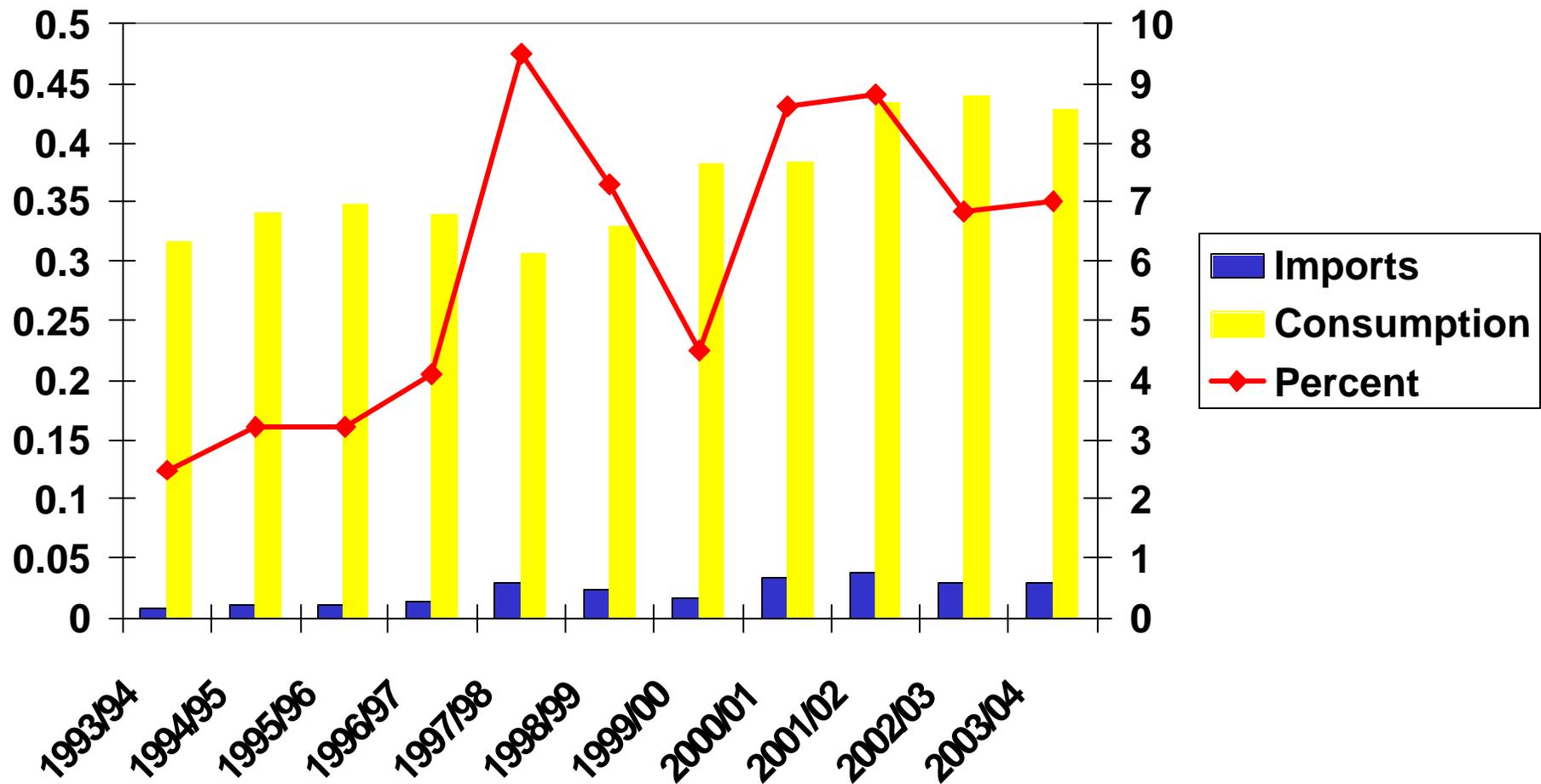


Source: U.S. Bureau of the Census and USDA

U.S. Lemon Imports and Market Share of Domestic Consumption

Million Metric Tons

Percent

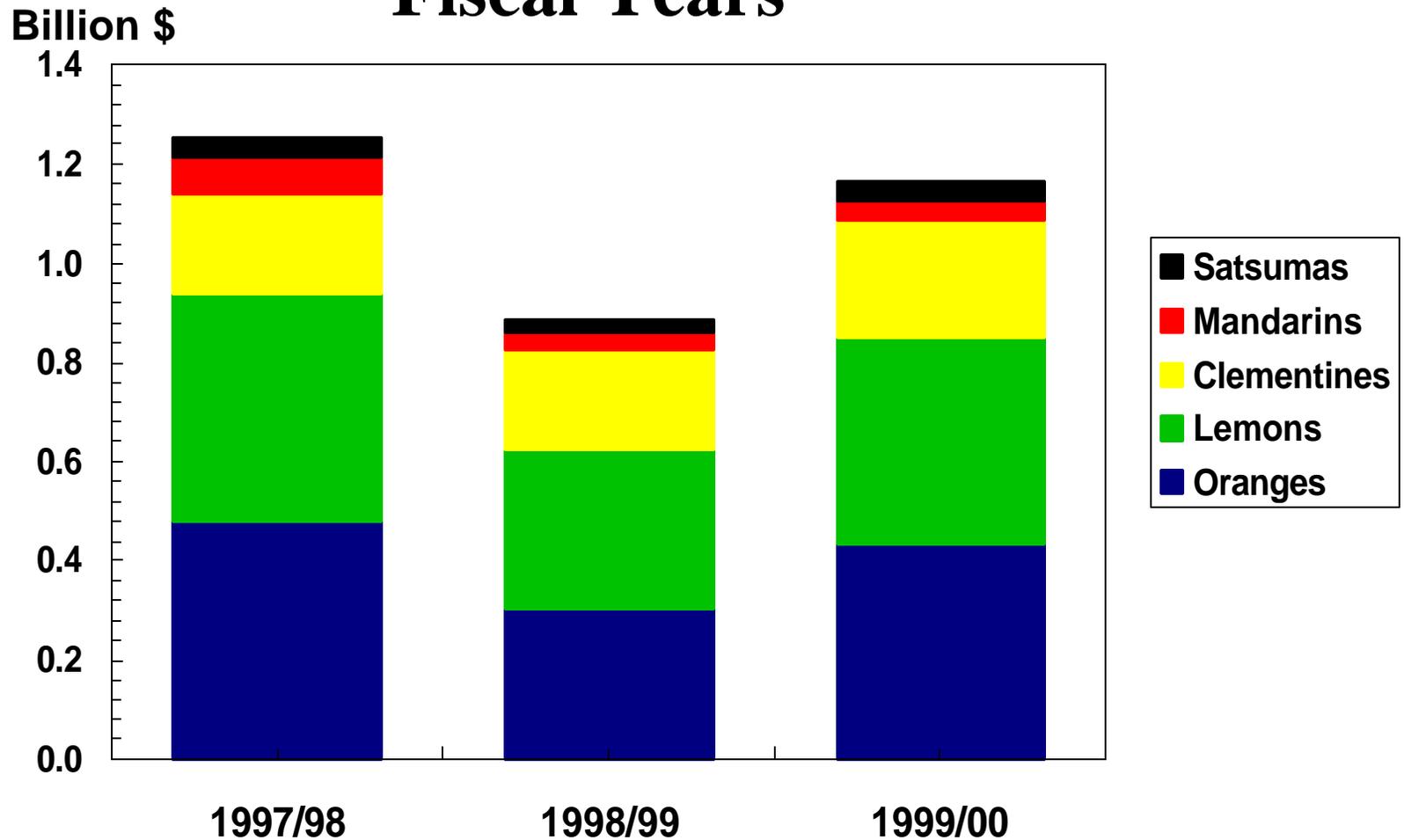


Trade Policy Update: Multilateral

- U.S. Objectives Remain the Same
 - Eliminate export subsidies
 - Substantial reduction in trade distorting domestic support
 - Improve market access

“Competition for Liberalization”

EU Citrus Support 1/ Fiscal Years



1/ The product-specific Aggregate Measurement of Support (AMS) includes market price support, direct payments, and other product-specific support.

Source: WTO, Committee on Agriculture

Global Tariffs in Citrus Sector Still High

Ad valorem, unless otherwise noted

Commodity	Oranges	Grapefruit	Lemons
EU	3.2-16 1/	1.5-2.4	6.4 2/
Argentina	12	12	12
Brazil	12.5	12.5	12.5
China	16.8 + 13 VAT	17.6 + 13 VAT	16.8 + 13 VAT
Japan	32 (12/1-5/31) 16(6/1-11/30)	10	0
India	46	30	45.6
Korea	IQ & OQ-50	32	32
Taiwan	40	40	40
Turkey	54.6	54.6	54.6
U.S.	5.7	19.2-32.1	6.6

1/ + entry price 12/1-5/31: max 71 EUR/ton. 2/ +entry price: max 256 EUR/ton. 3/ + 206 EUR/ton.

Source: Individual Countries' Tariff Schedules

Regional and Bilateral Agreements - FTAs

- FTAA: 800 million consumers and \$13 trillion GDP
- CAFTA: 35 million and \$1.3 billion market
- Other FTAs: SACU, Andean, Morocco, Thailand, Panama & Bahrain
- Australia: completed

FAS Export Program Support to California Citrus Industry

- \$2.6 Million in MAP funds in FY 2003
- \$19,500 for Citrus Research Board under TASC
- TAA – Acceptance of Petition by 5 CA Citrus Producers
- ‘Specialty Crop Competitiveness Act’