



منظمة الأغذية
والزراعة
للأمم المتحدة

联合国
粮食及
农业组织

Food
and
Agriculture
Organization
of
the
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Nations

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des
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Unies
pour
l'alimentation
et
l'agriculture

Organización
de las
Naciones
Unidas
para la
Agricultura
y la
Alimentación

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COMMITTEE ON COMMODITY PROBLEMS

Sixty-fifth Session

REPORT OF THE THIRTEENTH SESSION OF THE INTERGOVERNMENTAL GROUP ON CITRUS FRUIT Havana, Cuba, 20-23 May 2003

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I. INTRODUCTION

1. The Thirteenth Session of the Intergovernmental Group on Citrus Fruit was held in Havana, Cuba from 20 to 23 May 2003. It was attended by 77 delegates from the following members: Argentina, Belize, Brazil, Cuba, Dominican Republic, Ecuador, Egypt, Germany, Guatemala, Guinea, India, Indonesia, Iran (Islamic Republic of), Italy, Jamaica, Mexico, Netherlands, Senegal, Spain and Trinidad and Tobago. In addition, observers from the following organizations attended: the Common Fund for Commodities, Freshfel Europe, the Interamerican Citrus Network (IACNET), the International Society of Citriculture (ISC) and the Liaison Committee for Mediterranean Citrus Fruit Culture (CLAM).
2. The opening ceremony was presided by Mrs María del Carmen Pérez Hernández, Vice-Minister, Ministry of Agriculture, Cuba. Mr Roberto Arias Milla, FAO Representative in Cuba, welcomed the participants on behalf of the Director-General of FAO and expressed appreciation to the Government of Cuba for hosting the Session.
3. The Group elected Mr Percy Ruiz Medina (Cuba) as Chairperson and Mr Hagen Streichert (Germany) as Vice-Chairperson.
4. The Session adopted the provisional agenda, circulated as document CCP: CI 03/1.

II. ECONOMIC AND TRADE ISSUES

A. MARKET SITUATION AND SHORT-TERM OUTLOOK

5. The Group assessed the conditions in the global citrus economy in 2001/2002 and 2002/2003 with the aid of document CCP: CI 03/CRS.1 and CCP: CI 03/CRS.4. CLAM questioned the rationale for including the Californian Valencia late oranges in the output of the Southern Hemisphere in the statistics provided by the Secretariat. It was explained that the production of this variety from California is marketed during the summer of the Northern Hemisphere, as is the production of the Southern Hemisphere. CLAM informed the Group that the same situation prevails for the commercialization of the Valencia late produced in the Mediterranean area and other Northern Hemisphere origins.
6. The situation of the market for fresh citrus and citrus juices in China was examined (including the current situation and prospects) aided by document CCP: CI 03/5. Delegates welcomed the statistics provided. India requested information about organic citrus production in China. Cuba requested some clarification on the markets for Chinese citrus production, on imports and on the diseases affecting citrus in China. Guinea raised a question about the citrus varieties grown. Argentina enquired about investments by foreign direct investors in citrus plantations and processing facilities in China. Immediate responses were provided to these queries.
7. The Group reviewed the new trends in world production and trade in easy peelers. CLAM questioned the last paragraph of document CCP: CI 03/7, pointing out that the cold treatment protocol Morocco used for exports to North America was the same as that enjoyed by Spain. Speaking on behalf of the European Community (EC), the delegate of Spain noted that the term “tangerinas” may not be the correct translation for the English term “easy peelers”, and suggested that “grupo mandarinas” may be more appropriate. He also emphasized that the EC market is an open market for all origins. CLAM has undertaken to prepare a paper on the subject for submission to FAO in order to clarify this terminology. CLAM called attention to the temporary ban which took place in 2001 on imports of Spanish clementines into the United States. Delegates requested more detail on trade statistics for the various varieties of tangerines.
8. Mrs Pérez Hernández presented document CCP: CI 03/9, *Cuba’s citrus industry: growth and trade prospects*. One delegate asked if there had been comparative economic studies of

organic and conventional production in Cuba. The Cuban delegation explained that the studies showed that organic production could be more profitable than conventional citrus production, provided costs could be reduced. The main problem is the lack of capital. Other problems include the insufficiency of organic matter for fertilization and of modern irrigation systems, as well as limited access to markets. India welcomed the presentation by Mrs Pérez Hernández and asked for clarifications on the type of irrigation systems used. The Cuban delegation explained that the systems used include drip- and micro-irrigation, based on local conditions.

B. MEDIUM-TERM OUTLOOK FOR FRESH AND PROCESSED CITRUS FRUIT

9. As part of its function of evaluating the long-term market outlook, the Group assessed the prospects for production, consumption and trade of fresh and processed citrus fruit to the year 2010 aided by the document CCP: CI 03/2.

C. ORGANIC CITRUS

10. The Group examined the world markets for organic citrus fruits in document CCP: CI 03/4. Delegates argued that the organic market was very dynamic and that there was increasing competition among organic exporters, therefore innovations made by organic producers today soon become minimum standards tomorrow.

11. Spain welcomed FAO's work and informed the Secretariat that updated figures on organic production in Spain were available. The delegate noted that organic and 'integrated' agriculture are different and requested the Secretariat to provide statistics for both organic and integrated production separately. He finally pointed out that organic production is driven by consumer demand and not by government subsidies. The Secretariat informed the Group that FAO has begun working on voluntary guidelines for Good Agricultural Practices. One speaker mentioned that there are many standards and certification programmes, and this causes problems to farmers. He went on to suggest that the Group and FAO take this issue to relevant international trade fora such as the WTO.

D. POLICY DEVELOPMENTS AFFECTING THE CITRUS MARKET

12. The Group analysed the current multilateral trade negotiations and their potential impacts on international citrus trade with the assistance of document CCP: CI 03/6 which projected the likely impacts of the so-called 'Swiss 25' formula for tariff reduction. Spain and Cuba thanked the Secretariat for this study and requested its assessment of the impacts of other types of tariff-reduction formulas proposed in the current round of multilateral trade negotiations. Cuba requested the Secretariat to do similar simulations not only on citrus but on an array of agricultural products. The Secretariat informed the Group of its current work on the Agricultural Trade Policy Simulation Model. The model will be made available to all countries so that they can assess the possible impacts of trade liberalization proposals on their economies.

E. PHYTOSANITARY ISSUES AND CITRUS TRADE AND PRODUCTION

13. The Group reviewed current citrus phytosanitary problems and policies in the main exporting and importing countries with the assistance of document CCP: CI 03/3 presented by Mr Richard Lee, University of Florida. The delegate of Guinea thanked Mr Lee for his presentation and requested his assistance in the identification of pests and diseases that affect citrus production in his country. The Interamerican Citrus Network (IACNET) offered to assist other countries, notably by sharing its protocols with them. Mrs Pérez Hernández proposed to make alliances with other regional networks and help them set up national certification programmes. The Secretariat indicated that no regional system similar to IACNET existed in Africa and recommended that delegates from this region take this opportunity to learn from the

experience of IACNET. It said it would explore means of assisting African countries in confronting pest and disease problems.

III. INTERGOVERNMENTAL ACTION ON CITRUS

A. STATUS OF PROJECTS RELATED TO THE COMMON FUND FOR COMMODITIES

14. The item covering progress on citrus projects submitted to the Common Fund for Commodities (CFC) was introduced by the Secretariat with the assistance of document CCP: CI 03/8. Mr Nolasco of the Centro de Citricultura do Algarve made a presentation on the outcomes of project FIGC/03 “New Approach for Diagnosis and Prevention of Tristeza Outbreaks”. He informed delegates that the diagnostic techniques used by the project had been published in a CD-ROM available to delegates. He pointed out that thanks to the extension of the project to 31 January 2005 there is an opportunity to train more technicians in the use of the test kit developed by the project. Several delegates stated their willingness to take up the opportunity to send technicians for training, including Guinea and India.

15. The representative of the CFC provided an update on the status of the project entitled “In-Depth Development of Citrus in Kaixian County, Chongqing, China.” The Secretariat announced that all project agreement documents for project “Integrated Pest Management for Citrus Production in Latin America and the Caribbean” have been signed. Several delegations thanked FAO and the CFC for finalization of what is deemed by the Caribbean and Central American region to be a very important project. It was decided to hold meetings later in the week of the IGG in order to launch the project and work on details.

16. Although no new project proposals were submitted, in the context of CFC project possibilities, Guinea outlined the need for assistance in combating diseases. IACNET offered a helping hand in training and technical assistance, and the Secretariat offered to explore the possibility of assistance under the Technical Cooperation Programme, as the problem has become urgent as an element in the food security situation in Guinea. The delegate of Senegal indicated that his country is also affected by pests and diseases, in particular by nematodes. He requested technical assistance to fight pests and diseases and promote agricultural diversification, in particular through the development of citriculture.

17. The proposal to adopt a list of vegetables and fruits for purposes of Common Fund project work led to several interventions by the delegate of Germany, who questioned the relevance of these orphan commodities to the Group and CFC goals in making this request, and expressed concern over the risks in adopting all the proposals, a possible loss of transparency in projects going directly to the CFC, and the possible drain on CFC funds. The delegate of the CFC and the Secretariat addressed these concerns in the context of the CFC primary goal of eliminating rural poverty and fostering diversification. The Group accepted the proposal to adopt the additional commodities in document CCP: CI 03/8, with the caveat that prior to final consideration by the CFC Executive Board of projects for these newly adopted commodities, the Group would have to provide its endorsement for each project, and that the Group would act with caution.

B. ACTIVITIES OF OTHER INTERNATIONAL ORGANIZATIONS CONCERNING CITRUS

18. The Liaison Committee for Mediterranean Citrus Fruit Culture (CLAM) presented statistical information about production, imports, exports and consumption of citrus in the European Community, as well as in the countries of Central and Eastern Europe. The CIRAD member of the CLAM delegation presented projections of citrus consumption in the ten countries that will join the European Community in 2004. The delegate of Italy congratulated the Secretariat and the representative of CLAM on these presentations, and expressed doubts that the projections could prove to be too optimistic. There was a discussion on whether higher tariffs in

those countries from 2004 as a result of their accession to the EC would result in higher citrus prices to consumers, mitigating the expected rise in consumption.

19. IACNET informed the group about its activities. The delegate of India presented an extensive overview of the citrus industry in his country and document CCP: CI 03/CRS.10 was circulated to participants.

IV. DATE AND PLACE OF THE NEXT SESSION

20. The date and place of the next Session of the Group will be determined by the Director-General in consultation with the Chairman of the Group. However, the Group welcomed the possibility raised by the delegate of Senegal that the next meeting might be held in Dakar.

ANNEX

LIST OF DOCUMENTS

CCP: CI 03/1	Provisional Agenda
CCP: CI 03/2	Projections of world production and consumption of citrus to 2010
CCP: CI 03/3	Review of current citrus phytosanitary problems and control policies employed
CCP: CI 03/4	Major markets for organic citrus and citrus juices
CCP: CI 03/5	Citrus production, consumption and trade in China since the 1990s: development and outlook
CCP: CI 03/6	Current multilateral trade negotiations on international citrus trade
CCP: CI 03/7	New trends in production and trade in easy peelers
CCP: CI 03/8	Progress report on citrus projects submitted to the Common Fund for Commodities
CCP: CI 03/9	Cuba's citrus industry: growth and trade prospects
CCP: CI 03/10	Systems for producing disease-free citrus plants in Cuba
CCP: CI 03/12	Effects of multilateral trade liberalization on fresh and processed citrus fruit trade

Information documents

CCP: CI 03/Inf.1	Information note on arrangements
CCP: CI 03/Inf.2	Statement of competence and voting rights submitted by the European Community (EC) and its Member States
CCP: CI 03/Inf.3	List of Delegates and Observers

Conference Room Series

CCP: CI 03/CRS.1	Statistical tables – projections
CCP: CI 03/CRS.2	Economic and financial comparison of organic and conventional citrus-growing systems
CCP: CI 03/CRS.3	Extract from the report of the Sixty-fourth session of the Committee on Commodity Problems
CCP: CI 03/CRS.4	Citrus Statistical Bulletin
CCP: CI 03/CRS.5	Statistical tables – easy peelers
CCP: CI 03/CRS.6	List of pathogens posing a threat to continued citrus production
CCP: CI 03/CRS.7	Current multilateral trade negotiations on international citrus trade
CCP: CI 03/CRS.8	Main challenges of citrus production in Latin America and the Caribbean - Summary
CCP: CI 03/CRS.9	World markets for organic citrus and citrus juices – Current market situation and medium-term prospects
CCP: CI 03/CRS.10	Scenario of citrus industry in India
CCP: CI 03/CRS.11	Comments on meeting documents by the Indonesian delegation