

Florida grapefruit industry members have expressed concern and surprise in regard to the tariffs recently imposed by the EU.

Even though some industry members aren't heavily focused on the European market, they told FreshFruitPortal.com they are worried about where the potential surplus of citrus will go if it doesn't go to the EU.

The EU recently hit the U.S. with \$4 billion of tariffs on various goods and services in response to WTO's findings that Boeing was receiving illegal subsidies.

The agricultural imports that the EU decided to put tariffs on include blueberries, grapefruit, sweet potatoes and table grapes among many more.

"We were not expecting it, and it comes as our season has already started, giving us little time to react," Sydney Allison, Director of Sales at IMG Citrus sent in comments to FreshFruitPortal.com.

It also comes with a feeling of déjà vu for Dan Richey, President of Riverfront Packing. "Our first reaction was surprise, but you know it happens," he said.

Andrew Meadows, spokesman for the Florida Citrus Mutual said: "This is all part of a larger issue, it has happened to us before as we're a commodity that is traded locally, so when larger trade issues come up we oftentimes get caught in the middle of it."

As it so happens, "agriculture is used as leverage in trade issues", Richey said.

Whether the growers and packers are involved heavily with the European market or not, it is something of major concern.

"These tariffs will have a significant impact on exports to Europe; a 25 percent tariff does not go unnoticed," Allison said.

Although the Florida grapefruit has become a "niche in Europe [...] a 25 percent increase on an already high price will certainly push some customers to alternate origins", she added.

Along with the market in the EU, the domestic market will start to feel the pressure as the fruit destined for Europe may not be sent or will be sent in lesser quantities to avoid the recent tariffs.

"There's a domino effect [that could happen] if the EU stops buying Florida products,"

Meadows said.

This may cause a potential surplus of citrus in the U.S. domestic market, said a representative from Heller Bros who asked to remain anonymous.

“It will be difficult for the U.S. market to absorb the volumes historically shipped to Europe,” Allison said. “We are seeing a strong consumer demand for vitamin C worldwide due to the pandemic and are hopeful that this increased demand will compensate in part for the challenges brought on by the tariff.”

### **Where will Florida ship its surplus grapefruit?**

While some companies will be looking to ship domestically, others may put a stronger focus on the Asian market.

Richey said: “Korea and Japan are very strong markets for us, and we typically undersupply those markets, so we could look to them, as well as the U.S., to take any volume that may not go to Europe.”

However, the Florida citrus industry remains hopeful that an agreement can be made quickly and the tariffs will be resolved before the next season.

To foster confidence that the problem may be resolved promptly, Richey commented: “We have heard, we are as connected as one can be in Washington [D.C.], that Airbus and Boeing have asked for a quick remedy to this also,” showing the urgency of the companies directly involved.

“I remain very optimistic on all fronts that we will find a remedy for this within a reasonable period of time and that I’m absolutely optimistic that no matter what, Florida grapefruit will be on the retail shelf for the European consumer.”

Allison added: “In the meantime, it is key that Florida growers maintain a presence on the European market so as to remain relevant and not lose our shelf space in the market.”