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Brazil

Citrus Semi-annual

Approved By:
Michael Fay, Director

Prepared By:
Sergio Barros, Agricultural Specialist

Report Highlights:

Brazilian orange crop for 2014/15 is projected at 425 million boxes, up almost 6 percent from the previous year. Total frozen concentrate orange juice (FCOJ) production is projected stable at 1.078 million metric tons. FCOJ ending stocks are forecast at 160,000 metric tons, 65 Brix, down 139,000 metric tons from last season due to projected higher exports compared to production.

FRESH ORANGES

Production

PS&D Tables

The following tables provide revised data for Sao Paulo and total Brazilian fresh orange production, supply and demand (PS&D) for *Brazilian (BR) marketing years (MY) 2012/13, 2013/14 and 2014/15 (July-June)*, which are equivalent to *U.S. MY 2011/12, 2012/13, 2013/14*, respectively.

Brazil: Fresh Oranges PS&D (Jul-Jun)			
(1,000 ha, million trees & million 40.8 kg boxes)			
Item/U.S. Marketing Year	**US 11/12**	**US 12/13**	**US 13/14**
Item/ Brazilian Marketing Yaer	**2012/13**	**2013/14**	**2014/15**
Area Planted	800.0	740.0	715.0
Sao Paulo	600.0	540.0	515.0
Others	200.0	200.0	200.0
Area Harvested	712.6	682.6	657.6
Sao Paulo	520.0	490.0	465.0
Others	192.6	192.6	192.6
Bearing Trees	225.0	209.0	205.0
Sao Paulo	173.0	157.0	153.0
Others	52.0	52.0	52.0
Non-Bearing Trees	46.0	29.0	29.0
Sao Paulo	42.0	25.0	25.0
Others	4.0	4.0	4.0
Total Trees	271.0	238.0	234.0
Total Production	502.0	401.0	425.0
Sao Paulo	390.0	290.0	310.0
Others	112.0	111.0	115.0
Exports	0.5	0.5	0.5
Sao Paulo	0.5	0.5	0.5
Domestic Consumption	177.5	132.5	141.5
Delivered to processors	324.0	269.0	289.0
Sao Paulo (FCOJ + NFC exports)	304.0	245.0	265.0
Others	20.0	24.0	24.0

* *There is a one year lag between the Brazilian (BR) marketing year (MY) and the U.S.*

marketing year (MY). For example, BR MY 2014/2015 is equivalent to U.S. MY 2013/2014. As such and to ensure data continuity, the current Brazilian MY 2014/15 will be referred to as U.S. MY 2013/14 throughout this report

General

Total Brazilian orange crop for MY 2013/14 (July/June) is projected at 425 Millon 40.8-kg boxes (MBx), a 6 percent increase compared to the current crop (MY 2012/13).

The commercial area of the state of Sao Paulo and the western part of Minas Gerais should produce 310 MBx, down 10 MBx from previous figure. The crop should result mainly from the first blossoming, however a second blossoming in the majority of the growing areas will also partially contribute to the total output. N*ote that this figure takes into account the four major varieties of citrus used for processing orange juice (Hamlin, Pera Rio, Natal and Valencia) plus a limited volume of other citrus varieties such as Lima, Bahia, Murcorte and others which are used for processing juice.*

Information was collected from a field trip to the Sao Paulo citrus belt in May 2014, government sources, state departments of agriculture, growers' associations, orange juice processors, consultants, traders, research institutions, and others.

Production for MY 2013/14 from other states is projected at 115 MBx, according to updated information provided by the Brazilian Geography and Statistics Institute (IBGE).

The National Supply Company (CONAB) did not release the first orange crop survey for 2014/2015 yet. The Sao Paulo State Institute of Agricultural Economics (IEA) released the February 2014 survey for the 2014/15 orange crop in the State of Sao Paulo at 291 MBx, including both commercial and non-commercial areas based on data collected in February 2014. Note that IEA take into account the entire state of Sao Paulo and all varieties of oranges, while ATO estimates follow the citrus industry methodology which includes the commercial area of the state plus the western part of Minas Gerais and the four major citrus varieties for juice processing. IEA reports that the state of Sao Paulo orange tree inventory is estimated at 191 million trees (168 million bearing trees and 23 million non-bearing trees).

Last May, the Brazilian Orange Juice Exporters Association (CitrusBr) released the estimate for the 2014/15 orange crop in the Sao Paulo citrus commercial belt which also includes the western part of Minas Gerais at 308.8 MBx., up 18.9 MBx from the previous season.

Area, Tree Inventory and Yields

The Brazilian agricultural yield for MY 2013/14 is estimated at 2.07 boxes/tree, an 8 percent increase compared to the current season (1.92 boxes/tree). Total orange area for MY 2013/14 remains unchanged at 715,000 hectares (ha).

Total Brazilian tree inventory for MY 2013/14 is projected at 234 million trees, down 4 million trees compared to the previous season. Sao Paulo is the only state that compiles data on tree planted and tree inventory. ATO/Sao Paulo estimates stable area and tree population for "Other" states based on uniform production figures provided by IBGE.

Producers' Prices

The Orange Index price series is published by the University of Sao Paulo's College of Agriculture "Luiz de Queiroz" (ESALQ) for both the fresh domestic market and product delivered to orange juice processing plants in the state of Sao Paulo. Both series track orange prices from September 1994. Prices for the fresh market are for fruit on the tree.

Orange Prices paid by Sao Paulo industry - spot market (Pera, Natal, Valencia varieties, average prices in Reais - R$, 40.8 kg box, fruits delivered to the processing plant).						
Month	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**
Jan	6.80	7.70	15.59	n/a	5.85	8.45
Feb	5.92	9.77	15.00	n/a	5.98	9.09
Mar	4.95	10.17	15.00	n/a	6.43	9.81
Apr	4.50	8.24	15.00	n/a	6.78	--
May	4.05	13.00	n/a	n/a	6.50	--
Jun	3.68	14.70	n/a	n/a	6.57	--
Jul	3.65	14.88	n/a	7.00	6.79	--
Aug	5.04	14.90	n/a	7.00	6.88	--
Sep	5.66	15.19	n/a	7.01	7.10	--
Oct	5.86	15.23	n/a	6.97	7.47	--
Nov	6.41	15.35	n/a	6.53	8.00	--
Dec	6.95	15.66	n/a	5.88	8.32	--
Source: CEPEA/ESALQ.						

Orange Prices received by Producers in the Domestic Fresh Market (Pera Variety, average prices in Reais - R$, 40.8 kg box, fruits on the tree).						
Month	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**
Jan	10.00	10.89	22.86	8.43	8.94	18.98
Feb	9.82	17.22	25.33	8.41	10.45	21.65
Mar	11.13	19.17	26.32	12.72	13.07	22.06
Apr	10.46	16.50	19.62	12.82	11.66	17.92
May	9.13	14.49	14.78	9.34	7.92	12.59
Jun	7.66	15.13	12.17	6.88	6.67	--
Jul	6.48	14.90	11.05	5.99	6.19	--
Aug	6.47	14.94	10.15	5.54	7.30	--
Sep	7.04	16.83	9.75	5.61	9.28	--
Oct	7.58	19.17	10.20	5.65	10.79	--
Nov	8.48	19.93	9.92	5.74	12.08	--
Dec	8.94	20.15	9.13	6.73	13.60	--
Source: CEPEA/ESALQ						

Until early June, a significant share of the producers does not have long term contracts with the orange juice processors. The three major processors have been crushing their own fruit and have not gone to the market to buy third party oranges.

Consumption

Total Brazilian orange consumption for MY 2013/14 is forecast at 141.5 MBx, up 9 MBx from MY 2012/13. These figures include actual domestic consumption plus losses from natural drop, harvesting, transportation and packing.

Fruit delivered to processors for "not from concentrated (NFC)" orange production for the domestic market is also included in these figures. Domestic consumption estimates are calculated as the difference between production estimates and the volume of oranges delivered to processors for FCOJ and NFC produced for exports.

Trade

Total fresh orange export estimate for MY 2013/14 remains unchanged at 0.5 MBx, similar to the current season. The majority of exports occur during the harvest of the commercial crop (June-December). The table below shows official fresh orange exports (NCM 0805.10.00) by country of destination, for 2013 and BR MY 2012/13 and BR MY 2013/14 (July- April), according to SECEX.

Brazilian Fresh Orange Exports (MT and US$ 1,000 FOB)						
	Jan-Dec 2013		July 2012-April 2013		July 2013-April 2014	
Country	**Quantity**	**Value**	**Quantity**	**Value**	**Quantity**	**Value**
Spain	7,174	3,437	5,199	2,689	6,403	3,081
United Kingdom	4,161	1,598	2,285	818	3,830	1,427
Netherlands	4,036	1,418	7,184	3,044	3,733	1,316
France	2,094	1,022	0	0	2,094	1,022
Germany	1,386	792	52	30	1,176	624
Denmark	1,238	573	404	227	842	369
Sweden	1,162	397	162	53	1,162	397
Russia	443	164	0	0	0	0
Saudi Arabia	312	151	52	23	312	151
United Arab Emirates	396	132	0	0	347	116
Others	806	282	2,274	498	1,357	247
Total	23,208	9,967	17,612	7,381	21,256	8,749
Source : Brazilian Department of Foreign Trade (SECEX), NCM 0805.10.00						

Production, Supply and Demand Data Statistics

Oranges, Fresh Brazil	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Jul 2012		Market Year Begin: Jul 2013		Market Year Begin: Jul 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	800,000	800,000	740,000	740,000	715,000	715,000
Area Harvested	712,600	712,600	682,600	682,600	657,600	657,600
Bearing Trees	225,000	225,000	214,000	209,000	207,000	205,000
Non-Bearing Trees	46,000	46,000	29,000	29,000	29,000	29,000
Total No. Of Trees	271,000	271,000	243,000	238,000	236,000	234,000
Production	20,563	20,482	16,361	16,361	17,750	17,340
Imports	12	0	12	0	12	0
Total Supply	20,575	20,482	16,373	16,361	17,762	17,340
Exports	20	20	20	20	20	20
Fresh Dom. Consumption	7,079	7,242	5,447	5,406	5,501	5,773
For Processing	13,476	13,220	10,906	10,935	12,241	11,547
Total Distribution	20,575	20,482	16,373	16,361	17,762	17,340
HECTARES, 1000 TREES, 1000 MT						

ORANGE JUICE

Production

PS&D Tables

The following tables provide revised data for Sao Paulo and total Brazilian orange juice production, supply and demand (PS&D) for *Brazilian (BR) marketing years (MY) 2012/13, 2013/14 and 2014/15 (July-June)*, which are equivalent to *U.S. MY 2011/12, 2012/13, 2013/14*, respectively.

The tables include NFC production for exports converted to Frozen Concentrated Orange Juice (FCOJ), 65 Brix equivalent, using the following conversion factor: 1 metric ton of FCOJ 65 Brix equals 5.6 metric tons of NFC 11.6 Brix. Note that for U.S. MY 2012/13 the conversion factor was 1 metric ton of FCOJ 65 Brix equals 6 metric tons of NFC 11.6 Brix

Brazil: FCOJ PS&D (Jul-Jun)			
(Million 40.8 kg boxes, TMT, 65 degrees brix)			
Item/U.S. Marketing Year	**US 11/12**	**US 12/13**	**US 13/14**
Item/ Brazilian Marketing Yaer	**2012/13**	**2013/14**	**2014/15**
Delivered to Processors	324.0	269.0	289.0
Sao Paulo	304.0	245.0	265.0
Others	20.0	24.0	24.0
Beginning Stocks - Total	440.0	509.0	299.0
Total Production	1,263.0	960.0	1,078.0
Sao Paulo FCOJ	993.0	675.0	788.0
Sao Paulo NFC (FCOJ equiv)	190.0	195.0	200.0
Others	80.0	90.0	90.0
Total Supply	1,703.0	1,469.0	1,377.0
Exports	1,150.0	1,125.0	1,170.0
Sao Paulo FCOJ	905.0	890.0	930.0
Sao Paulo NFC (FCOJ equiv)	190.0	195.0	200.0
Others	55.0	40.0	40.0
Domestic Consumption	44.0	45.0	47.0
Ending Stocks - Total	509.0	299.0	160.0
Total Distribution	1,703.0	1,469.0	1,377.0

General

ATO/Sao Paulo estimates total Brazilian FCOJ 65 Brix equivalent production for MY 2013/14 at 1.078 million metric tons (mmt), a 12 percent increase compared to MY 2012/13, due to higher expected fruit availability for crushing. The Sao Paulo industry is expected to process 265 MBx of oranges for orange juice production (213 MBx and 52 MBx for FCOJ and NFC production, respectively), accounting for 988,000 mt of juice (788,000 mt and 200,000 metric tons of FCOJ and NFC, respectively). Other producing states should deliver 24 MBx for processing.

Total Brazilian FCOJ 65 Brix equivalent production for MY 2012/13 is estimated at 960,000 mt, a 24 percent drop relative to the previous crop, due to lower availability of fruit for processing and low industrial yields. The Sao Paulo industry should account for 245 MBx for crushing (195 MBx and 50 MBx for FCOJ and NFC production, respectively), whereas other states should contribute 24 MBx.

Orange juice figures include NFC production for exports converted to FCOJ 65 Brix equivalent. There is no official estimate for NFC supply and demand in Brazil.

Consumption

FCOJ domestic consumption for MY 2013/14 is forecast at 47,000 mt, 65 Brix, up 2,000 mt from MY 2012/13, due to steady growing trend in consumption of ready to go orange juice and nectars.

Trade

Total Brazilian FCOJ 65 Brix equivalent exports for MY 2013/14 are forecast at 1.17 million metric ton (mmt), similar to MY 2012/13 (1.13 mmt). The Sao Paulo industry should contribute 930,000 mt, 65 Brix equivalent.

The tables below show official orange juice exports (NCM 2009.11.00, NCM 2009.12.00 and 2009.19.00) by country of destination for 2013 and BR MY 2012/13 and BR MY 2013/14 (July-April), according to SECEX. The "Others" category includes both FCOJ and NFC exports. Post considers the average monthly price by country of destination for the "Others" category as a criterion to distinguish between FCOJ and NFC exports

Frozen / Unfermented Orange Juice Exports (MT and US$ 1,000 FOB)						
	Jan-Dec 2013		**July 2012-April 2013**		**July 2013-April 2014**	
Country	**Quantity**	**Value**	**Quantity**	**Value**	**Quantity**	**Value**
Belgium	188,660	366,892	172,763	351,406	136,042	249,240
United States	139,970	230,013	120,961	201,509	117,186	194,439
Japan	54,469	102,292	45,665	91,344	48,359	86,529
China	37,591	78,465	30,150	66,352	31,562	64,549
Switzerland	39,886	75,046	14,538	28,372	25,538	47,183
Netherlands	41,109	69,151	51,305	85,831	30,897	52,614
Australia	14,277	27,976	12,229	24,793	13,088	24,845
Israel	10,368	19,204	5,584	9,991	11,555	21,966
Puerto Rico	10,051	19,194	8,111	15,917	4,890	8,902
Chile	6,227	12,890	4,989	10,874	5,365	10,704
Others	29,119	56,997	34,089	67,921	27,554	53,508
Total	571,726	1,058,120	500,385	954,312	452,035	814,478
Source : Brazilian Department of Foreign Trade (SECEX), NCM 2009.11.00						

Brazilian Orange Juice Exports, Not Frozen and Brix Under 20 (MT and US$ 1,000 FOB)						
	Jan-Dec 2013		**July 2012-April 2013**		**July 2013-April 2014**	
Country	**Quantity**	**Value**	**Quantity**	**Value**	**Quantity**	**Value**
Belgium	551,962	218,236	424,083	165,543	433,525	172,442
Netherlands	355,014	145,470	292,476	129,079	238,186	91,593
United States	192,246	69,737	262,245	103,351	170,291	58,352
Switzerland	2,527	978	1,008	461	5,520	2,079
Chile	55	49	0	0	116	100
Japan	33	36	23	25	25	28
Germany	5	5	0	0	5	5
Paraguay	4	4	0	0	4	3
China	6	3	6	3	0	0
France	0	1	0	1	0	0
Others	0	0	2	2	9	8
Total	1,101,852	434,520	979,843	398,466	847,679	324,610
Source : Brazilian Department of Foreign Trade (SECEX), NCM 2009.12.00						

Brazilian Orange Juice Exports, Others (MT and US$ 1,000 FOB)						
	Jan-Dec 2013		**July 2012-April 2013**		**July 2013-April 2014**	
Country	**Quantity**	**Value**	**Quantity**	**Value**	**Quantity**	**Value**
Netherlands	208,401	363,112	118,071	224,515	165,460	278,390
Belgium	150,454	284,600	137,946	266,162	106,515	203,476
United Kingdom	43,554	77,266	27,710	57,713	28,761	48,894
United States	40,917	72,088	31,185	56,440	27,324	51,232
Switzerland	1,990	3,382	733	1,343	3,998	6,797
Ireland	570	741	779	1,021	232	306
Turkey	273	464	0	0	327	553
Denmark	212	361	0	0	212	361
Italy	217	264	163	201	131	199
New Zealand	125	229	178	331	0	0
Others	118	221	2,955	6,135	177	320
Total	446,830	802,728	319,720	613,862	333,138	590,527
Source : Brazilian Department of Foreign Trade (SECEX), NCM 2009.19.00						

Stocks

Ending stocks for MY 2013/14 are projected at 160,000 mt, 65 Brix, down 139,000 mt from MY 2012/13), due to projected higher exports relative to production. Ending stocks for MY 2011/12 were revised to 509,000 mt based on updated production, supply and demand figures. Stock figures include only stocks in the storage tanks of orange juice facilities (processing plants, port terminals, etc) in Brazil. They do not include stocks owned by Brazilian companies abroad, e.g., in transit and port terminals in the U.S., Europe and Japan.

According to the Brazilian Association of Citrus Exporters (CitrusBR), global Brazilian orange juice inventories were 765,924 metric tons (66° Brix) in June 30, 2013. CitrusBr projects global orange juice inventories as of June 30, 2014 at 517,109 mt. CitrusBR global inventories include orange juice in storage tanks at processing plants and port terminals in Brazil; and stocks abroad (vessels and port facilities worldwide).

Production, Supply and Demand Data Statistics

The tables include Not From Concentrate (NFC) production for exports converted to Frozen Concentrated Orange Juice (FCOJ) 65 Brix equivalent.

Orange Juice Brazil	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Jul 2012		Market Year Begin: Jul 2013		Market Year Begin: Jul 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Deliv. To Processors	13,464,000	13,219,200	10,893,600	10,975,200	12,241,000	11,791,200
Beginning Stocks	440,000	440,000	474,000	509,000	205,000	299,000
Production	1,268,000	1,263,000	981,000	960,000	1,160,000	1,078,000
Imports	0	0	0	0	0	0
Total Supply	1,708,000	1,703,000	1,455,000	1,469,000	1,365,000	1,377,000
Exports	1,190,000	1,150,000	1,200,000	1,125,000	1,220,000	1,170,000
Domestic Consumption	44,000	44,000	50,000	45,000	52,000	47,000
Ending Stocks	474,000	509,000	205,000	299,000	93,000	160,000
Total Distribution	1,708,000	1,703,000	1,455,000	1,469,000	1,365,000	1,377,000
MT						

Exchange Rate

Exchange Rate (R$/US$1.00 - official rate, last day of period)							
Month	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**
January	1.76	2.32	1.87	1.67	1.74	1.99	2.43
February	1.68	2.38	1.81	1.66	1.71	1.98	2.33
March	1.75	2.25	1.78	1.62	1.82	2.01	2.26
April	1.69	2.18	1.77	1.57	1.89	2.00	2.24
May	1.63	1.97	1.81	1.57	2.02	2.13	2.24
June	1.64	1.95	1.80	1.57	2.02	2.22	--
July	1.57	1.87	1.75	1.56	2.05	2.29	--
August	1.63	1.88	1.75	1.59	2.04	2.37	--
September	1.92	1.78	1.69	1.85	2.03	2.23	--
October	2.12	1.74	1.70	1.69	2.03	2.20	--
November	2.33	1.75	1.71	1.81	2.10	2.32	--
December	2.34	1.74	1.66	1.88	2.04	2.34	--
Source : Gazeta Mercantil and BACEN (as of October 2006)							