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Report Highlights: Total Brazilian MY 2003/04 orange crop is projected at 387 Mbx, down 14 percent from previous season. The Sao Paulo commercial area should contribute 300 Mbx, due to weather related problems which negatively affected blossoming, fruit setting and overall yields. Total FCOJ production for MY 2003/04 is forecast at 1.02 mmt, 65 Brix, down 330 tmt from previous MY due to expected lower volume of fruits for processing (250 Mbx). FCOJ exports for MY 2003/04 are projected stable at 1.176 mmt.

Includes PSD changes: Yes
Includes Trade Matrix: No
Semi-Annual Report
Sao Paulo [BR3], BR

TABLE OF CONTENTS

FRESH ORANGES	1
PS&D Table	1
Production	2
PS&D Tables	2
General	3
Yields	3
Crop Area and Tree Inventory	4
Diseases	8
Producers' Prices	9
Consumption	11
Trade	11
FCOJ	12
PS&D Table	12
Production	12
PS&D Tables	12
General	13
Consumption	14
Trade	14
Stocks	15
NFC (Not From Concentrated)	15
Policy	17
Exchange Rate	17

FRESH ORANGES**PS&D Table**

Country	Brazil					
Commodity	Fresh Oranges		(HECTARES)(1000 TREES)(1000 MT)			
	2000	Revised	2001	Estimate	2002	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		07/2001		07/2002		07/2003
Area Planted	768700	775700	765700	792900	755700	805400
Area Harvested	717800	724800	699800	727200	689800	727900
Bearing Trees	207000	209000	202000	210000	200000	210000
Non-Bearing Trees	19000	19000	24000	24000	24000	28000
TOTAL No. Of Trees	226000	228000	226000	234000	224000	238000
Production	14729	14729	18197	18360	16524	15790
Imports	0	0	0	0	0	0
TOTAL SUPPLY	14729	14729	18197	18360	16524	15790
Exports	122	122	61	41	102	41
Fresh Dom. Consumption	5100	5100	5080	4896	4998	4896
Processing	9507	9507	13056	13423	11424	10853
TOTAL DISTRIBUTION	14729	14729	18197	18360	16524	15790

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 marketing years (MY) 2001/02, 2002/03 and 2003/04 (July-June).

Sao Paulo: Fresh Oranges PS&D (Jul-Jun) (1,000 ha, million trees & million 40.8 kg boxes)			
Item/Marketing Year	2001/02	2002/03	2003/04
(Bloom/Harvest)	(00/01)	(01/02)	(02/03)
Area Planted	590.0	600.0	609.0
Area Harvested	547.0	542.0	539.0
Bearing Trees	161.0	160.0	159.0
Non-Bearing Trees	15.0	20.0	24.0
Total Trees	176.0	180.0	183.0
Production	280.0	365.0	300.0
Exports	3.0	1.0	1.0
Domestic Consumption	51.0	45.0	43.0
Processing FCOJ	220.0	305.0	240.0
Processing NFC (exports)	6.0	14.0	16.0

Brazil: Fresh Oranges PS&D (Jul-Jun) (1,000 ha, million trees & million 40.8 kg boxes)			
Item/Marketing Year	2001/02	2002/03	2003/04
(Bloom/Harvest)	(00/01)	(01/02)	(02/03)
Area Planted	775.7	792.9	805.4
Area Harvested	724.8	727.2	727.9
Bearing Trees	209.0	210.0	210.0
Non-Bearing Trees	19.0	24.0	28.0
Total Trees	228.0	234.0	238.0
Total Production	361.0	450.0	387.0
Sao Paulo	280.0	365.0	300.0
Others	81.0	85.0	87.0
Exports	3.0	1.0	1.0
Domestic Consumption	125.0	120.0	120.0
Processing FCOJ	227.0	315.0	250.0
Sao Paulo	220.0	305.0	240.0

Others	7.0	10.0	10.0
Processing NFC (exports)	6.0	14.0	16.0

General

The U.S. Agricultural Trade Office (ATO), Sao Paulo, projects total Brazilian orange production for marketing year (MY) 2003/04 (July-June) at 387 million 40.8 kg boxes (Mbx), down 14 percent from adjusted figure for MY 2002/03 (450 Mbx). The orange production estimate for the commercial area of Sao Paulo and western Minas Gerais is 300 Mbx, down 20 Mbx from previous projection, whereas production coming from other orange growing regions is estimated at 87 Mbx, up 2 Mbx relative to former figure, according to updated information provided by the Brazilian Geography and Statistics Institute (IBGE).

In spite of the overall improved crop management due to favorable prices received by growers, mainly during the past two years, major factors that explain the expected drop in production in the commercial areas of the State of Sao Paulo and Minas Gerais include:

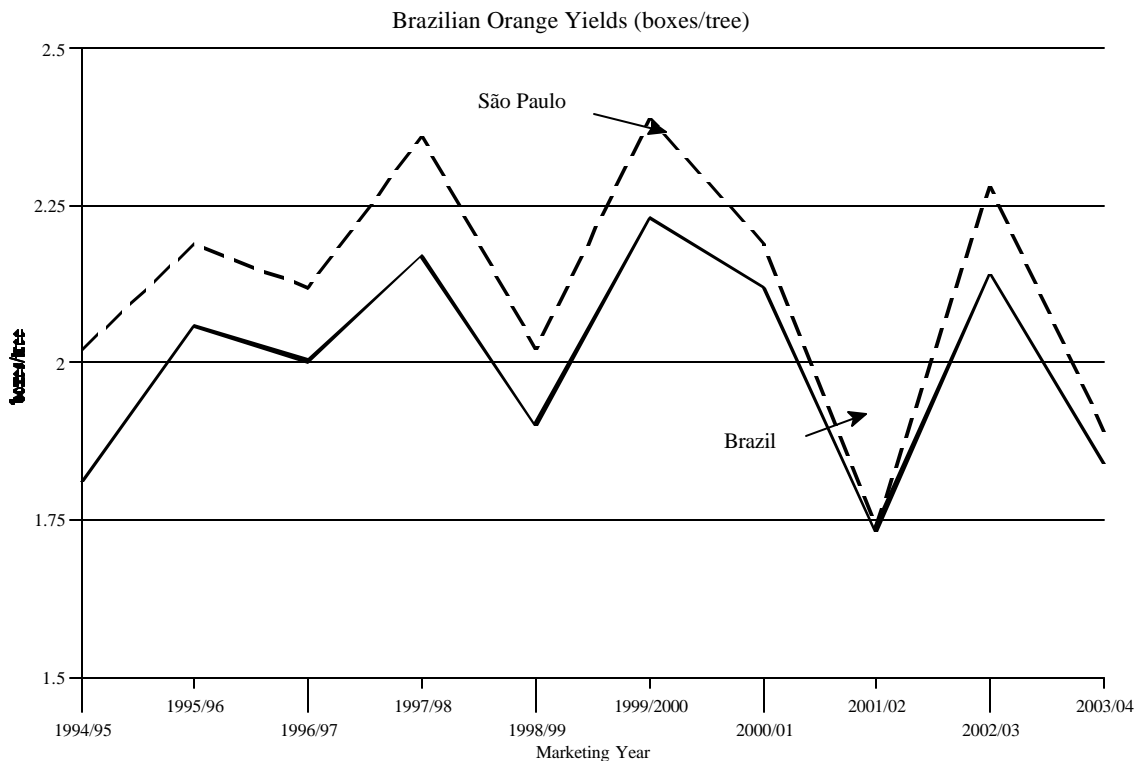
1. Dry weather in September and October 2002 associated with high temperatures in the latter month resulted in above average flower abortion and damaged fruit setting and development from the large and major blossoming occurred in September. Historically, the first flowering represents 60 to 70 percent of total crop size, but according to post contacts, this should not represent more than 30 percent for the 03/04 harvest season. The second flowering in December 2002 should contribute over 60 percent of total crop;
2. Early (Hamlim) and late season (Natal and Valencia) varieties have limited potential to recover production, approximately 25 and 60 percent, respectively, if the first blossoming is compromised
3. The off-year of biennial cycle of the Hamlim and Valencia varieties;
4. Reduced number of bearing trees in the growing areas as a result of citrus canker and sudden death of citrus (MSC), especially in western Minas Gerais.

The Sao Paulo State Institute of Agricultural Economics (IEA) of the Sao Paulo State Secretariat of Agriculture released the results of the fourth citrus crop survey (April 2003) for the 2002/03 crop (MY 2003/04). The 2002/03 São Paulo crop, for both commercial and non-commercial areas, is estimated at approximately 335,6.1 Mbx, down 26.1 Mbx compared to the final 2001/2 crop estimate (361.7). Note that the IEA takes into account the entire state of São Paulo, while the ATO estimate follows the citrus industry methodology considering only the commercial area of the state plus the western part of Minas Gerais. According to the Brazilian Association of Citrus Exporters (Abecitrus), the size of the MY 03/04 crop for the Sao Paulo commercial area is currently estimated at 290 Mbx. Industry sources place the figure between 280 to 310 Mbx, including both the commercial areas of Sao Paulo and Minas Gerais.

Yields

As a consequence of the aforementioned factors affecting production in the Sao Paulo and Minas Gerais commercial areas, the Brazilian orange yield for the 2002/2003 crop (MY 2003/04) is projected at 1.84 boxes (40.8 Kg) per tree, down 14 percent from the previous crop (2.14 boxes per tree). The Sao Paulo commercial area is expected to yield 1.89 boxes per tree for MY 2003/04. Note that the IEA projects average orange yields for the state of Sao Paulo at

1.80 boxes per tree (April 2003). This number is similar to the expected 1.84 boxes per tree in the commercial orange released by Abecitrus last April. The graph below shows historical yields for Brazil and the commercial area of São Paulo and western Minas Gerais.



Crop Area and Tree Inventory

ATO/Sao Paulo has revised upward total Brazilian area and tree inventory for MY 2001/02, 2002/03 and 2003/04 to better reflect updated information provided by industry contacts and IBGE. Figures are shown in the table below. Figures for Sao Paulo reflect citrus groves over 200 trees in the commercial areas of Sao Paulo and western Minas Gerais. The expansion in new plantings in the state of Sao Paulo during the past years is a consequence of good prices received by producers, as well as the need to use the seedlings marketed by unprotected nurseries before January 2003, when according to the new state legislation this would not be allowed.

According to IEA, the tree inventory for the entire state of Sao Paulo is estimated at approximately 22.7 million non-bearing trees and 186.4 million bearing trees, consequently resulting in a large crop number for MY 2003/04. Orange juice processing companies have independently conducted field surveys to update such figures since year 2000 when Abecitrus discontinued the release of such numbers. Since the IEA figures are notably conflicting with the industry figures for the MY 2003/04 crop, Abecitrus released its own crop figure based on a tree inventory of 150 to 155 million bearing trees for the Sao Paulo commercial area.

Brazilian area planted to oranges and tree inventory (1,000 ha, million trees)			
Item/Marketing Year	2001/02	2002/03	2003/04
Area Planted	775.7	792.9	805.4
Sao Paulo 1/	590.0	600.0	609.0
Others	185.7	192.9	196.4
Area Harvested	724.8	727.2	727.9
Sao Paulo 1/	547.0	542.0	539.0
Others	177.8	185.2	188.9
Bearing Trees	209.0	210.0	210.0
Sao Paulo 1/	161.0	160.0	159.0
Others	48.0	50.0	51.0
Non-Bearing Trees	19.0	24.0	28.0
Sao Paulo 1/	15.0	20.0	24.0
Others	4.0	4.0	4.0
Total Trees	228.0	234.0	238.0
1/ Refers to commercial area of Sao Paulo and western Minas Gerais			

The IEA and processing plants set different geographical scopes and definitions to survey the tree inventory and project the size of crop, as follows:

1. IEA includes orange groves from both commercial and non-commercial areas of the entire state of Sao Paulo, but not the commercial area of western Minas Gerais. The citrus industry considers the commercial areas of Sao Paulo and western Minas Gerais, but not the non-commercial areas of Sao Paulo;
2. IEA includes all orange varieties in the projections (Hamlim, Pera, Natal, Valencia, Bahia, Lima, etc.), while the citrus industry primarily consider only those related to processing (Hamlim, Pera, Natal and Valencia) when conducting the tree inventory. On the other hand, the citrus industry traditionally processes some tangerines and "other" oranges (Bahia, lima, etc) and these are usually included in the crop projections;
3. As reported by different sources, all orange groves are considered including those with less than 200 trees, whereas the citrus industry takes into account groves over 200 trees.

Below are some considerations about the methodological differences between the industry and IEA. Firstly, the geographical scope is the most significant variable and could potentially explain such differences in projected crop size. The non-commercial orange areas of the state of Sao Paulo taken into account by IEA include the Rural Development Offices (EDR) of Assis, Braganca Paulista, Dracena, Franca, Guaratingueta, Marilia, Mogi das Cruzes, Orlandia, Ourinhos, Pindamonhangaba, Presidente Prudente, Presidente Venceslau, Registro, Sao Paulo and Tupa. Tree inventory for such EDRs are approximately 1.06 million non-bearing trees and 4.1 million bearing trees resulting in 6 Mbx of oranges for MY 03/04 (April 2003 survey). According to information provided by individual orange juice companies, these areas are virtually not considered by the juice manufacturers.

The IEA estimates also include the EDRs of Avare, Bauru, Itapeva and Sorocaba which are partially located in the non

commercial citrus area of Sao Paulo. The tree inventory for these EDRs is comprised of nearly 1.24 million non-bearing trees and 7.6 million bearing trees yielding about 17.5 Mbx of oranges for MY 2003/04 (April 2003 survey). As reported by industry sources, the orange juice manufacturers include the major citrus growing areas within such EDRs in their estimates, thus only a small area including counties with no tradition in orange production is disregarded by the industry. Consequently, most part of the tree inventory and orange production of the aforementioned EDRs are already included in the industry projections. Roughly and conservatively assuming that 75 percent of total tree inventory is included in the industry analysis, the remaining 25 percent would be exclusively part of IEA analysis resulting in an extra 310,000 non-bearing trees, 1.9 million bearing trees and nearly 4.4 Mbx of oranges.

According to the former considerations, the tree inventory considered by IEA in the state of Sao Paulo, but not included in the industry statistics, is comprised of approximately 1.37 million non-bearing trees and 6 million bearing trees resulting in a 10.4 Mbx of orange production estimate for MY 2003/04. On the other hand, and as reported by different industry sources, the tree inventory of western Minas Gerais included in the industry statistics, but not in the IEA analysis comprises between 5 to 8 million bearing trees with projected production at 10-15 Mbx of orange for the same MY.

Therefore, the differences regarding the geographical scope are partially balanced and this variable should not be taken as the reason to explain the divergences, since the estimated extra production coming from western Minas Gerais, at least offsets the production projection related to the non-commercial orange area in the state of Sao Paulo, and eventually exceed such projection by 5 Mbx of oranges.

The second variable taken into account is related to the orange varieties considered by IEA and the industry to set the crop size. IEA includes all orange varieties in the projections (Hamlim, Pera, Natal, Valencia, Bahia, Lima, etc.), while the citrus industry consider only those related to processing (Hamlim, Pera, Natal and Valencia). According to different sources, the orange varieties not for processing (Bahia, Lima, etc) roughly represent nearly 4 million trees (both bearing and non-bearing trees). Assuming the 89 percent ratio between total bearing orange and total tree inventory, as reported by the IEA April 2003 survey, total orange not for processing (Bahia, Lima, etc.) are approximately 3.56 million bearing trees yielding 6.4 Mbx of oranges (1.80 boxes per tree, IEA April 2003 survey). This number should be subtracted from the IEA total projected crop size in order to make comparison to industry figures, leading to the IEA adjusted projection of 329.2 Mbx of oranges (Hamlim, Pera, Natal and Valencia).

Note that the IEA crop figure does not include lime and tangerine productions. The table below shows preliminary tree inventory and production figures for MY 2003/04 for the state of Sao Paulo, as reported by IEA. However, historically, approximately 2 percent of total fruit delivered for crushing represent tangerines and "other" orange varieties (Bahia, Lima, etc). These volumes are usually included both in the orange crop and fruit for crushing projections conducted by the industry.

Lime and Tangerine Production in the state of Sao Paulo for the 2002/03 crop (MY 2003/04; 1,000 trees, 1,000 40.8 kg box)			
Product	Non bearing trees	Bearing trees	Production
Limes	1,398	7,573	23,701
Tangerines	860	7,529	18,799
Tangerinas	56	816	2,024
Poncan	453	4,527	11,408
Murcote	274	1,638	4,037
Mexerica	77	548	1,330
Source; IEA, November 2002 survey.			

As for the third methodological difference between IEA and the citrus industry, according to the LUPA project, developed by the Sao Paulo State Secretariat of Agriculture in 1995/96, 92 percent of the state of Sao Paulo agricultural production units (Unidade de Producao Agropecuaria, UPA) containing citrus groves were classified as small units with 200 to 20,000 citrus trees. Medium sized units (20,000 to 100,000 citrus trees) accounted for 7 percent of the total, whereas the remaining 1 percent was sorted as large producing units with over 100,000 citrus trees. Note that data informed by the LUPA project does not include units with less than 200 trees because they did not represent any expressive economical importance. Therefore, the less than 200 orange groves considered by IEA when projecting the size of the crop for Sao Paulo should not represent a significant volume of oranges out of the projected total, thus representing a non-significant variable that could explain the distinct.

An initial analysis show that differences in the geographical scope and definitions regarding varieties and size of the orange grove are not significant to explain such differences. The conflicting crop size estimates are mainly related to the number of bearing trees that both IEA and the citrus industry take into account in the **commercial area of the state of Sao Paulo**, since expected yields are similar to both IEA and the industry.

The São Paulo State Fund for Defense of Citriculture (Fundecitrus) reported a total of 558 nurseries were inspected in May 2003 as opposed to 985 inspected nurseries in May 2002 . The results indicate that 496 nurseries were in operation. Unprotected nurseries, in which seedling are kept without screened enclosures, represented only 9.3 percent of total nurseries in operation, whereas protected nurseries account for almost 91 percent. The lower number of nurseries in operation as well as the shift toward protected plants are a consequence of the new legislation related to seedlings (see BR1024 for further information). The number of inspected seedlings totaled 8,271,173 (53,596 from unprotected nurseries and 8,217,577 from protected nurseries).

Diseases

The table below shows the evolution of citrus canker for 2002 and 2003 (January-May), as reported by the Defense Fund for Citriculture (Fundecitrus). Cumulative eradication in 2002 reached 100,252 trees for commercial groves (blocks) and 43,552 trees for non-commercial groves, much lower compared to the 2000 outbreak when over 990,000 trees from commercial groves were eradicated. Nonetheless, partial figures for 2003 show that citrus canker still represents a potential problem for growers, since cumulative number of trees eradicated in the January-May 2003 period are up 75 percent compared to the same period last year.

Evolution of Citrus Canker in the State of Sao Paulo, 2002											
Month	Block				Domestic Grove				Nurseries		
	New	Recontamination	Total	Plants eradicated	New	Recontamination	Total	Plants Eradicated	New	Total	Plants Eradicated
January	11	10	21	3,141	104	87	191	2,267	0	0	0
February	8	15	23	15,245	89	24	113	2,338	0	0	0
March	10	19	29	19,009	21	11	32	3,024	2	2	0
April	18	25	43	15,580	37	10	47	1,265	0	0	51
May	10	16	26	9,161	143	33	176	823	1	1	49,300
June	9	13	22	6,953	72	5	77	6,826	0	0	0
July	14	11	25	13,617	79	26	105	590	0	0	0
August	5	9	14	7,858	68	39	107	4,373	0	0	0
September	8	9	17	875	60	24	84	2,132	0	0	0
October	5	4	9	7,052	22	21	43	2,030	0	0	0
November	4	3	7	82	72	5	77	3,693	0	0	0
December	5	5	10	1,679	44	5	49	14,191	0	0	0
Total	107	139	246	100,252	811	290	1,101	43,552	3	3	49,351

Source: Sao Paulo State Fund for Defense of Citriculture (FUNDECITRUS).

Evolution of Citrus Canker in the State of Sao Paulo, 2003											
Month	Block				Domestic Grove				Nurseries		
	New	Recontamination	Total	Plants eradicated	New	Recontamination	Total	Plants Eradicated	New	Total	Plants Eradicated
January	6	6	12	11,869	36	5	41	2,027	0	0	0
February	16	10	26	27,821	103	5	108	7,796	0	0	0
March	13	23	36	30,073	15	1	16	2,535	0	0	0
April	27	22	49	18,928	25	5	30	658	0	0	0
May	27	23	50	20,184	30	8	38	13,147	0	0	0
Total	89	84	173	108,875	209	24	233	26,163	0	0	0

Source: Sao Paulo State Fund for Defense of Citriculture (FUNDECITRUS).

The Ministry of Agriculture, Livestock and Supply (MAPA), the Sao Paulo State Secretariat of Agriculture and Fundecitrus created a task-force against the Sudden Death of Citrus ("Morte Subita dos Citros" - MSC) disease (see BR2014 and 2027 for more information about MSC). According to preliminary results from the June-August 2002 survey conducted by Fundecitrus, approximately 330,000 plants were infected by the disease. Unofficial estimates show that currently roughly 1 to 3 million plants could be potentially affected by the new citrus disease. According to press releases, R\$ 35 million will be used to fund the planned actions against MSC during the next 12 months. Actions include:

1. a 6 month "sweeping process" in the growing areas of the state of Sao Paulo, major Brazilian citrus producer;
2. Establishment of norms and regulations to avoid the propagation of MSC, such as the prohibition for moving seedlings and rootstock out of infected regions; the production of seedlings in protected nurseries, etc;
3. an orientation campaign to teach citrus growers about the disease, how to recognize the symptoms and what to do if any infected tree is found in the grove;
4. Scientific research to identify the cause of MSC and how it propagates to healthy trees. Several research institutions in Brazil and abroad, including the USDA are involved.

Producers' Prices

The Orange Index price series released by the University of São Paulo's College of Agriculture "Luiz de Queiroz" (ESALQ) for both the fresh domestic market and product delivered to orange juice plants in the state of São Paulo follow. Both series track orange prices since September 1994. Prices for the fresh market are for fruit on the tree. Note the significant increase in orange prices in the state of Sao Paulo as of October 2002 as a consequence of lower expected production for MY 2003/04.

Orange Prices received by Producers in the Domestic Market (Pera Variety, average prices in Reais - R\$, 40.8 kg box, fruits on the tree)									
Month	1995	1996	1997	1998	1999	2000	2001	2002	2003
Jan	4.47	1.74	3.65	4.44	6.70	2.17	4.15	11.29	13.48
Feb	3.98	1.61	5.29	5.50	8.14	2.61	6.33	10.62	13.76
Mar	4.84	2.03	5.69	5.67	8.13	4.54	9.97	10.50	15.69
Apr	5.48	2.70	4.49	4.32	6.15	4.79	9.82	10.07	14.16
May	3.72	2.42	3.06	3.48	4.33	3.41	8.51	8.86	11.04
Jun	2.67	2.05	2.44	3.72	3.52	2.22	7.88	8.07	--
Jul	2.52	2.09	2.38	4.31	2.85	2.18	8.31	7.92	--
Aug	2.18	2.25	2.31	5.06	2.25	2.50	9.27	8.45	--
Sep	2.18	2.48	2.41	5.24	1.81	2.72	10.34	8.96	--
Oct	1.96	2.76	2.80	5.41	1.42	2.75	11.30	10.91	--
Nov	1.93	2.82	3.45	5.55	1.29	3.43	11.69	12.62	--
Dec	1.66	2.82	4.07	5.87	1.52	3.79	11.62	12.79	--
Source: CEPEA/ESALQ									

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	1995	1996	1997	1998	1999	2000	2001	2002	2003
Jan	3.03	1.44	2.62	3.24	3.91	1.47	3.98	8.71	10.07
Feb	2.68	1.29	2.58	3.54	3.89	1.46	5.11	7.19	7.58
Mar	2.60	1.32	2.50	3.80	3.96	1.61	5.46	6.00	6.25
Apr	2.36	1.41	2.50	3.80	--	1.80	5.50	5.80	5.67
May	2.18	1.47	2.50	3.94	--	1.70	5.50	5.04	5.78
Jun	1.97	1.53	2.50	4.30	--	1.68	--	5.55	--
Jul	1.66	1.81	2.50	4.76	2.72	1.66	6.97	7.75	--
Aug	1.56	1.95	2.50	5.21	2.47	1.58	7.16	8.25	--
Sep	1.58	2.11	2.49	5.25	2.06	1.66	7.44	8.49	--
Oct	1.54	2.48	2.59	5.19	1.87	2.01	8.08	10.86	--
Nov	1.61	2.46	2.83	5.20	1.65	2.48	8.97	11.21	--
Dec	1.50	2.50	3.08	4.78	1.52	2.94	9.27	10.98	--

Source: CEPEA/ESALQ

In spite of the good prices in Reais (domestic currency) received by producers, the current devaluation of the U.S. dollar vis-a-vis the Real (see section Exchange Rate), represents a net loss for orange growers, since most of the contracts are set in U.S. dollars. The average exchange rate during the July-December 2002 period was R\$ 3.52/US\$ 1.00. The current exchange rate is approximately R\$ 2.87/US\$ 1.00, down 18 percent compared to the second semester of 2002.

According to the Center for Advanced Studies in Applied Economics (CEPEA)/ESALQ, orange producers set on average, 3-year contracts for delivering orange to the processing plants. Set prices depend on the beginning year of the contract as follow. New contracts set during the May-June 2003 period were negotiated at approximately US\$ 3.00 per 40.8 kg box and just for one year. Many contracts are expected to be renegotiated during 2003 to 2005.

Orange contracts set between orange producers and industry	
Beginning Year	Price (US\$ per 40.80 kg box)
MY 2001/02	2.70 - 3.70
MY 2002/03	3.00 - 3.80
MY 2003/04	2.80 - 3.50

Source: CEPEA

Consumption

ATO/Sao Paulo forecasts total Brazilian domestic orange consumption for MY 2003/04 stable at 120 Mbx, equivalent to revised estimate for MY 2002/03, due to the overall decrease in consumers purchasing power associated to increased orange prices in the retail market. Note that 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 juice production for the domestic market is also included in these figures. Domestic consumption estimates are taken as the difference between production estimates and the volume of oranges delivered to processors for FCOJ and NFC produced for export.

Trade

ATO/Sao Paulo projects total fresh orange exports for MY 2003/04 stable at 1 Mbx, similar to revised estimate for MY 2002/03, based on recent information from the Brazilian Secretariat of Foreign Trade (SECEX). The table below shows official fresh orange exports (NCM 0805.10.00) by country of destination for MY 2001/02 and 2002/03 (July-May), according to SECEX.

Brazilian Fresh oranges Exports (MT and US\$ 1,000 FOB)						
Country	MY 2001/02		MY 2001/02 1/		MY 2002/03 1/	
	Quantity	Value	Quantity	Value	Quantity	Value
Netherlands	50,780	10,090	50,274	9,984	15,089	3,172
Spain	29,602	6,248	29,602	6,248	9,534	2,063
UK	16,872	2,655	16,770	2,635	6,867	1,009
U.A.E.	9,069	1,860	9,069	1,860	3,963	839
Portugal	11,351	2,348	11,329	2,339	2,398	528
Kuwait	1,362	279	1,314	270	1,070	227
Indonesia	373	82	214	63	397	111
Saudi Arabia	91	25	0	0	87	24
France	0	0	0	0	60	19
Cape Verde	10	2	3	1	17	6
Others	4,956	960	4,955	959	9	6
Total	124,467	24,547	123,531	24,358	39,492	8,004
Source: Brazilian Secretariat of Foreign Trade (SECEX), NCM 0805.10.00 1/ July to May.						

FCOJ**PS&D Table**

Country	Brazil				65	Degrees Brix	
Commodity	Juice, Orange				(MT)		
	2000	Revised	2001	Estimate	2002	Forecast	
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		07/2001		07/2002		07/2003	
Deliv. To Processors	9507	9507	13056	13423	11424	10853	
Beginning Stocks	263000	263000	151000	151000	186000	291000	
Production	978000	978000	1306000	1351000	1086000	1021000	
Imports	0	0	0	0	0	0	
TOTAL SUPPLY	1241000	1241000	1457000	1502000	1272000	1312000	
Exports	1075000	1075000	1256000	1196000	1136000	1176000	
Domestic Consumption	15000	15000	15000	15000	15000	15000	
Ending Stocks	151000	151000	186000	291000	121000	121000	
TOTAL DISTRIBUTION	1241000	1241000	1457000	1502000	1272000	1312000	

Production**PS&D Tables**

The following tables provide revised PS&D data for the state of São Paulo and total Brazilian frozen concentrated orange juice (FCOJ) for MY 2001/02, 2002/03 and 2003/04 (July-June)

Sao Paulo: FCOJ PS&D (Jul-Jun)			
(Million 40.8 kg boxes, TMT, 65 degrees brix)			
Item/Marketing Year	2001/02	2002/03	2003/04
(Bloom/Harvest)	(00/01)	(01/02)	(02/03)
Delivered to Processors	220.0	305.0	240.0
Beginning Stocks	263.0	151.0	291.0
Production	953.0	1,315.0	985.0
Total Supply	1,216.0	1,466.0	1,276.0
Exports	1,050.0	1,160.0	1,140.0
Domestic Consumption	15.0	15.0	15.0
Ending Stocks	151.0	291.0	121.0

Total Distribution	1,216.0	1,466.0	1,276.0
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Brazil: FCOJ PS&D (Jul-Jun) (Million 40.8 kg boxes, TMT, 65 degrees brix)			
Item/Marketing Year	2001/02	2002/03	2003/04
(Bloom/Harvest)	(00/01)	(01/02)	(02/03)
Delivered to Processors	227.0	315.0	250.0
Sao Paulo	220.0	305.0	240.0
Others	7.0	10.0	10.0
Beginning Stocks *	263.0	151.0	291.0
Total Production	978.0	1,351.0	1,021.0
Sao Paulo	953.0	1,315.0	985.0
Others	25.0	36.0	36.0
Total Supply	1,241.0	1,502.0	1,312.0
Exports	1,075.0	1,196.0	1,176.0
Sao Paulo	1,050.0	1,160.0	1,140.0
Others	25.0	36.0	36.0
Domestic Consumption	15.0	15.0	15.0
Ending Stocks	151.0	291.0	121.0
Total Distribution	1,241.0	1,502.0	1,312.0
* Sao Paulo stocks.			

General

Total Brazilian FCOJ production estimate for MY 2002/03 has been revised upward to 1.351 million metric tons (mmt), 65 Brix, up 45 thousand metric tons (tmt) from previous estimate, due to the larger amount of fruits delivered for processing (315 Mbx) than formerly estimated. The commercial areas of the State of Sao Paulo and western Minas Gerais contributed 305 Mbx of oranges, while the remainder came from other producing states. Note that during the past couple of seasons, there has been a steady flow of fruits from North-Northeastern producing states (Sergipe, Bahia and Para) to the Sao Paulo processing plants and fresh market, stimulated by the attractive prices paid by such players (see subsection Producers Price). Thus, a small part of the processed fruit includes fruit from the aforementioned producing regions.

ATO/Sao Paulo projects total Brazilian MY 2003/04 FCOJ production at 1.021 mmt, 65 Brix, down 330 tmt from revised figure for previous MY. The state of São Paulo should process 985 mmt, whereas other states production should remain stable at 36 tmt. The commercial areas of Sao Paulo and western Minas Gerais should contribute 240 Mx of oranges for crushing. Expected lower fruit availability and the likely lower industrial yields as a consequence of non uniform flowerings are the major factors explaining the smaller production forecast. Other orange growing regions should amount 10 Mbx of total oranges for processing.

The harvest season has already begun, but processing plants are not fully operating due to limited fruit supply. Some companies decided to run only the smaller plants. The sector is expected to increase its operations only in September when the fruit from the second blossoming will be ready for picking. Moreover, the harvest season for processing is likely to be extended to January and February as approximately 60 to 65 percent of the crop will come to the second blossoming. Major processors include Cutrale, Citrusuco (Fischer), Citrovita, Cargill, Louis Dreyfus Corporation (Coinbra), Bascitrus, Sucorrico and Kiki.

Consumption

ATO estimates Brazilian FCOJ domestic consumption for MY 2002/03 and 2003/04 stable at 15 tmt, 65 Brix.

Trade

ATO/Sao Paulo has revised downward total FCOJ exports for MY 2002/03 (July-June) to 1.196 mmt, 65 Brix, down 60 tmt from the previous estimate, based on updated information received from industry contacts and SECEX. The Sao Paulo state should account for 1.16 mmt of total Brazilian FCOJ exports, whereas the remainder should come from other producing regions. According to the industry, the traditional western Europe export markets did not show any growth in demand. China and some countries in eastern Europe are the exceptions with increasing volumes of juice exported to such countries. Brazilian FCOJ exports for MY 2003/04 are projected stable at 1.176 mmt, 65 Brix as a consequence of relatively stable worldwide demand. The São Paulo producing region should export 1.14 mmt, and the remainder should be exported from other producing regions.

As reported by trade sources, current FCOJ export prices have been set at US\$ 1,100 - 1,200 per metric ton (bulk). FCOJ buyers did not promptly react to the expected lower size of the Brazilian crop for MY 2003/04, since current stock levels show that the availability of the product is guaranteed at least for the current season.

The table below shows official FCOJ exports (NCM 2009.11.00) by country of destination for MY 2001/02 and 2002/03 (July-May), as reported by the Brazilian Secretariat of Foreign Trade (SECEX).

Frozen Concentrated/Non-concentrated Oranges Juice Exports (MT and US\$ 1,000 FOB)						
Country	MY 2001/02		MY 2001/02 1/		MY 2002/03 1/	
	Quantity	Value	Quantity	Value	Quantity	Value
Belgium	374,483	266,199	351,683	248,182	395,015	330,716
United States	126,804	94,863	106,769	78,740	200,053	169,768
Netherlands	350,102	276,997	334,666	262,304	185,598	172,326
Japan	73,306	65,769	70,290	62,591	71,334	70,466
South Korea	33,590	28,007	33,574	27,993	31,308	27,758
Australia	17,928	12,598	17,228	11,973	23,915	21,341
China	10,370	8,131	10,202	7,990	14,052	12,399
Puerto Rico	9,726	8,983	8,279	7,513	8,685	9,153
Switzerland	7,646	7,138	7,041	6,516	6,970	6,920
New Zealand	5,836	4,412	5,345	3,994	3,297	2,866
Others	23,836	19,575	22,124	17,929	22,238	20,741
Total	1,033,628	792,672	967,201	735,726	962,465	844,454

Source: Brazilian Secretariat of Foreign Trade (SECEX), NCM 2009.11.00
1/ July to May.

Stocks

The orange juice industry has rebuilt the FCOJ carry over stocks for MY 2002/03 due to the larger amount of fruit delivered for processing. ATO/Sao Paulo estimates MY 2002/03 ending stocks at 291 tmt, 65 Brix. Carry over stocks for MY 2003/04 are projected at 121 tmt, 65 Brix, since the industry is expected to use part of existing stocks to supply the international demand for the product. Brazilian owned FCOJ carry over stocks worldwide are reported at approximately 350,000 for MY 2002/03.

NFC (Not From Concentrated)

There is no official estimate for NFC supply and demand in Brazil. ATO/Sao Paulo estimates that nearly 14 Mbx of oranges were crushed for MY 2002/03 NFC exports, up 8 Mbx from the previous MY. Projections for MY 2003/04 show a more modest growth with 16 Mbx of oranges for crushing. Note that current PS&D tables consider NFC production for exports as a different entry (see Tables in PS&D section).

The table below shows "Orange Juice, Not Concentrated and Brix under 20" (NCM 2009.12.00) and "Other Orange Juice" (NCM 2009.19.00) exports by country of destination for MY 2001/02 and 2002/03 (July-May), according to the Brazilian Secretariat of Foreign Trade (SECEX). Note that the category NCM 2009.12.00 was added to the

Brazilian Foreign Trade System (SISCOMEX) as of January 1, 2002.

Brazilian Orange Juice Exports, Brix under 20 (MT and US\$ 1,000 FOB)						
Country	MY 2001/02		MY 2001/02 1/		MY 2002/03 1/	
	Quantity	Value	Quantity	Value	Quantity	Value
Belgium	21,440	4,824	21,440	4,824	135,336	30,451
Netherlands	1,930	692	340	136	20,384	6,903
Chile	92	41	70	30	308	163
Ghana	0	0	0	0	36	19
Angola	0	0	0	0	6	3
Senegal	0	0	0	0	2	1
Singapore	0	0	0	0	1	1
Japan	0	0	0	0	1	1
Paraguay	0	0	0	0	0	0
Argentina	187	79	166	71	0	0
Others	0	0	0	0	40,396	8,645
Total	23,649	5,636	22,017	5,061	196,471	46,186
Source: Brazilian Secretariat of Foreign Trade (SECEX), NCM 2009.12.00 1/ July to May.						

Brazilian Orange Juice Exports, Others (MT and US\$ 1,000 FOB)						
Country	MY 2001/02		MY 2001/02 1/		MY 2002/03 1/	
	Quantity	Value	Quantity	Value	Quantity	Value
Netherlands	18,107	12,979	6,071	2,314	213,254	190,320
United States	12,884	2,900	12,884	2,900	9,662	2,174
Belgium	92,582	21,809	85,849	20,219	1,031	325
Argentina	3,258	1,539	3,258	1,539	248	160
Angola	116	45	92	36	141	62
Chile	427	221	427	221	90	71
Canada	52	76	52	76	55	45
Portugal	102	46	102	46	39	18
Spain	55	33	55	33	36	26
Uruguay	116	83	106	75	17	13
Others	137	96	136	95	24,068	21,850
Total	127,836	39,827	109,031	27,555	248,641	215,064
Source: Brazilian Secretariat of Foreign Trade (SECEX), NCM 2009.19.00 1/ July to May.						

Policy

In June 2003, the Brazilian orange juice companies and the Florida Department of Citrus reached an agreement regarding the equalizing excise tax imposed by the State of Florida upon the processing of imported citrus products. According to the agreement, the tax will be reduced by two thirds and the companies which filed the complaint with the Florida Department of Justice will receive US\$ 1.5 million indemnification.

Exchange Rate

Exchange Rate (R\$/US\$1.00 - official rate, last day of period)						
Month	1998	1999	2000	2001	2002	2003
January	1.12	1.92	1.80	1.97	2.42	3.53
February	1.13	2.03	1.77	2.04	2.35	3.56
March	1.14	1.77	1.75	2.16	2.32	3.35
April	1.14	1.66	1.81	2.22	2.36	2.89
May	1.15	1.72	1.82	2.36	2.52	2.97
June	1.16	1.77	1.80	2.30	2.84	2.87
July	1.16	1.79	1.78	2.43	3.43	--
August	1.18	1.81	1.82	2.55	3.02	--
September	1.19	1.92	1.84	2.67	3.89	--
October	1.19	1.95	1.91	2.71	3.65	--
November	1.20	1.92	1.98	2.53	3.59	--
December	1.21	1.79	1.96	2.32	3.53	--
Source: Gazeta Mercantil						

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