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Brazil

Fresh Deciduous Fruit

Brazilian Apple Production and Trade Outlook

2000

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Report Highlights:

Brazil's 1999/00 apple harvest will likely reach 800,000 metric tons and set another record production. Good weather and resulting higher yields, particularly in Rio Grande do Sul State, are credited with the 14 production increase expected. Apple imports are expected to drop by 25 percent in 2000, while apple exports will likely increase by 46 percent.

Includes PSD changes: No
Includes Trade Matrix: Yes
Unscheduled Report
Brasilia [BR1], BR

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Executive Summary

Brazilian apple production during 1999/00 is expected to set another record, likely reaching 800,000 metric tons. Imports in 2000 are expected to drop by 25 percent, while apple exports will likely increase by 47 percent and set another record.

Production

The harvest of the Brazilian 1999/00 apple crop has just began in the producing areas of the South, and current estimates call for a record of 800,000 metric tons, nearly 14 percent above last year's crop. The increase in production is mostly attributed to an overall good weather in the producing areas of the south and higher yields in the apple orchards of Rio Grande do Sul. The size, color and quality of the 1999/00 apple crop are considered excellent.

Santa Catarina remains as the main apple producer with 51 percent of production, followed by Rio Grande do Sul, while other states account for the remaining 4 percent. The two most important varieties cultivated in Brazil are Gala and Fuji.

In view of the good results of the past two apple crops, and the long-term goal of reaching 1.2 million metric tons in apple production by the 2003/04 crop year, apple packers are planning more than US\$ 20 million in investments to build cold storage. It is expected that by the next crop year, total cold storage capacity for apples will increase from 35 to 50 percent of total apple production.

Brazil: Area and Production of Apples for the 1999/00 crop:

State	Area Harvested (ha)	Production (mt)
Santa Catarina	15,550	405,000
Rio Grande do Sul	12,100	365,000
Parana	1,870	27,000
Others	530	3,000

Total	30,050	800,000
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Source: Trade

Consumption

The apparent consumption of apples in Brazil is expected to increase this year due to expected lower prices as a result of the record crop supply.

In 1999, domestic consumption dropped due to high retail prices for apples, including imported apple prices which were firm by the devaluation of the Brazilian currency. The expected economic recovery in Brazil will also contribute to expected increased consumption.

Brazilian Apple Market: Basic Supply and Demand data (in metric tons):

Year	1996	1997	1998	1999	2000 (a)
Production	545,000	669,000	709,000	704,000	800,000
Imports	341,783	120,386	126,165	66,377	50,000
Exports	3,309	20,725	10,706	59,000	75,000
Apparent Consumption	883,474	768,661	824,479	714,402	775,000

a) Estimate

Trade

Overview of 1999: Final trade data for 1999 is not yet available, but it is estimated that exports of apples reached an all time record of 59,000 metric tons valued at US\$32 million. The Netherlands and the United Kingdom accounted for 75 percent of Brazilian apple exports. Apple imports dropped by 47 percent, as a result of two factors:

- a) the devaluation of the Brazilian Real in mid-January 1999; and
- b) competition from a near-record Brazilian apple crop.

Outlook for 2000: Current estimates made our trade sources call for an increase of 27 percent in apple exports, and another drop in apple imports of 25 percent. Again, the main factors are 1999's the devaluation of the Brazilian currency which makes exports more competitive, and imports more costly to Brazilian consumers. The continued improved quality of the Brazilian apple crop is also expected to help to boost exports.

Attachments:**Table I: Brazilian Imports of Fresh Apples by Country of Origin,1995-98.**

	1995		1996		1997		1998	
Country of Origin	MT	US\$1000	MT	US\$1000	MT	US\$1000	MT	US\$1000
Argentina	201,969	66,291	234,738	61,926	95,089	46,038	97,896	44,295
Chile	21,555	9,484	86,312	12,243	11,663	4,035	19,571	6,933
USA	9,808	5,010	20,733	10,065	8,459	4,434	5,445	2,666
Spain	289	165	280	156	91	43	18	14
France	6,814	4,367	1,512	870	3,215	1,880	2,064	981
Hungary	115	63	117	81	211	127	0	0
Italy	1,036	520	529	411	540	302	140	74
Paraguay	100	45	100	45	64	10	38	6
Portugal	146	107	440	278	46	23	18	14
Venezuela	340	93	270	78	165	50	99	30
Uruguay	979	454	1,746	765	410	230	780	398
New Zealand	601	227	202	69	0	0	0	0
Others	1,280	723	8,663	169	433	129	116	22
Total	245,032	87,549	341,783	84,234	120,386	57,301	126,185	55,433
Notes:								
(1) Harmonized Tariff System (HTS) Code: 0808.10.00								
(2) Import Duty (ad valorem): 13 percent								
(3) Phytosanitary Requirement: Yes								

Table II: Brazilian Exports of Fresh Apples by Country of Destination,1995-98.

	1995		1996		1997		1998	
Country of Destination	MT	US\$1000	MT	US\$1000	MT	US\$1000	MT	US\$1000
Netherlands	9,648	4,796	2,258	1,083	18,256	9,912	6,989	3,463
U.K.	1,160	728	670	395	1,158	731	3,587	2,147
Italy	0	0	0	0	0	0	108	47
Argentina	0	0	0	0	11	6	21	10
Portugal	0	0	0	0	592	322	0	0
Indonesia	0	0	0	0	250	126	0	0
U.S.	1,268	658	381	309	280	114	0	0
Others	9	8	0	0	178	86	1	1
Total	12,085	6,190	3,309	1,787	20,725	11,297	10,706	5,668