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**Date:**

**GAIN Report Number:**

## Brazil

## Citrus Annual

## Enter a Descriptive Report Name

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**Report Highlights:**

This report updates BR12007. In U.S. MY 2012/13, the Brazilian orange crop is projected at 455 MBx, down 47 MBx from U.S. MY 2011/12, assuming regular weather conditions prevail during fruit setting and development. The Sao Paulo and western Minas Gerais commercial areas should produce 340 MBx. Total FCOJ production (65 Brix equivalent) for U.S. MY 2012/13 is forecast at 1.255 mmt (65 Brix), up 45,000 mt compared to the previous marketing year. FCOJ equivalent exports for U.S. MY 2012/13 are projected at 1.215 mmt (65 Brix), up 4 percent from the previous season.

*There is a one year lag between the Brazilian (BR) marketing year (MY) and the U.S. marketing year (MY). For example, BR MY 2013/2014 is equivalent to U.S. MY 2012/2013. As such and to ensure data continuity, the current Brazilian MY 2013/14 will be referred to as U.S. MY 2012/13 throughout this report.*

Post: ATO Sao Paulo

**Commodities:**

Citrus, Other, Fresh

**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) 2010/11, 2011/12, 2012/13 (July-June) and the initial forecast for MY 2013/14*, which are equivalent to *U.S. MY 2009/10, 2010/11, 2011/12 and 2012/13*, respectively.

*Note: There is a one year lag between the Brazilian marketing year and the U.S. marketing year. For example, BR MY 2013/2014 is equivalent to U.S. MY 2012/2013. As such and to ensure data continuity, the current Brazilian MY 2013/14 will be referred to as U.S. MY 2012/13 throughout this report.*

| <b>Brazil: Fresh Oranges PS&amp;D (Jul-Jun)</b>              |                |                |                |                |
|--|----------------|----------------|----------------|----------------|
| <b>(1,000 ha, million trees &amp; million 40.8 kg boxes)</b> |                |                |                |                |
| <b>Item/ U.S. Marketing Year</b>                             | <b>US09/10</b> | <b>US10/11</b> | <b>US11/12</b> | <b>US12/13</b> |
| <b>Item/Brazilian MY</b>                                     | <b>2010/11</b> | <b>2011/12</b> | <b>2012/13</b> | <b>2013/14</b> |
| Area Planted   | 800.0          | 810.0          | 800.0          | 790.0          |
| Sao Paulo  | 600.0          | 610.0          | 600.0          | 590.0          |
| Others   | 200.0          | 200.0          | 200.0          | 200.0          |
| Area Harvested   | 724.6          | 734.6          | 712.6          | 707.6          |
| Sao Paulo  | 532.0          | 542.0          | 520.0          | 515.0          |
| Others   | 192.6          | 192.6          | 192.6          | 192.6          |
| Bearing Trees  | 219.0          | 223.0          | 225.0          | 222.0          |
| Sao Paulo  | 167.0          | 171.0          | 173.0          | 170.0          |
| Others   | 52.0           | 52.0           | 52.0           | 52.0           |
| Non-Bearing Trees  | 40.0           | 40.0           | 46.0           | 44.0           |
| Sao Paulo  | 36.0           | 36.0           | 42.0           | 40.0           |
| Others   | 4.0            | 4.0            | 4.0            | 4.0            |
| Total Trees  | 259.0          | 263.0          | 271.0          | 266.0          |
| Total Production   | 388.0          | 554.0          | 502.0          | 455.0          |
| Sao Paulo  | 285.0          | 444.0          | 390.0          | 340.0          |
| Others   | 103.0          | 110.0          | 112.0          | 115.0          |
| Exports  | 1.0            | 1.0            | 1.0            | 1.0            |
| Sao Paulo  | 1.0            | 1.0            | 1.0            | 1.0            |
| Domestic Consumption   | 118.0          | 134.0          | 184.0          | 138.0          |
| Delivered to processors                                      | 269.0          | 419.0          | 317.0          | 316.0          |
| Sao Paulo (FCOJ+NFCexp)                                      | 257.0          | 395.0          | 295.0          | 292.0          |
| Others   | 12.0           | 24.0           | 22.0           | 24.0           |

## **General**

The Agricultural Trade Office in Sao Paulo (ATO/Sao Paulo) forecasts the total Brazilian orange crop for MY 2012/13 (July/June), at 455 Million boxes (MBx), a 10 percent decrease compared to the current crop (MY 2011/12), assuming that good weather conditions prevail as of December 2012 to support fruit setting and development. The commercial area in the state of Sao Paulo and the western part of Minas Gerais should account for 340 MBx. 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 Poncan which are used for processing juice. Production from other states is projected at 115 MBx.

It is still too early to project the orange production for MY 2012/13. More accurate numbers should be available only during the first quarter of 2013. The current forecast is based on the two average blossomings in the majority of the citrus areas and the fact that citrus trees are stressed from two good crops in 2011 and 2012.

ATO/Sao Paulo revised the Brazilian orange crop estimate for MY 2011/12 to 502 MBx, up 35 MBx compared to the previous estimate (467 MBx). The commercial citrus area in Sao Paulo should account for 390 MBx, up 7 percent compared to the previous figure due to likely higher size of the fruits. The harvest should extend through February 2013. The production estimate for states other than Sao Paulo is 112 MBx, according to updated information provided by the Brazilian Geography and Statistics Institute (IBGE).

In August 2012, the Sao Paulo State Institute of Agricultural Economics (IEA) released the first orange crop survey for the 2012 crop (BR MY 2012/13). The Sao Paulo state crop, including both commercial and non-commercial areas, is estimated at 363.2 MBx. Note that IEA takes 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 222.2 million trees (190.9 million bearing trees and 31.3 million non-bearing trees).

## **Area, Tree Inventory and Yields**

The Brazilian agricultural yield for MY 2012/13 is projected at 2.05 boxes/tree, an 8 percent decrease compared to the current season (2.23 boxes/tree), assuming normal weather conditions as of December 2012. The Sao Paulo commercial grove yield for MY 2011/12 was revised upward to 2.25 boxes/tree, due to larger fruit size than previously estimated.

Total orange area for MY 2012/13 is forecast at 790,000 hectares (ha), down 10,000 ha compared to last season, due to a higher number of trees per hectare and some substitution of citrus groves for sugarcane fields. Total Brazilian tree inventory for MY 2012/13 is projected at 222 million trees, down 3 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 report stable area and tree population for "Other" states based on uniform production figures provided by IBGE.

## **Diseases**

According to the 2012 greening survey conducted by the Citriculture Defense Fund (Fundecitrus), 64.1 percent of the sampled blocks are affected by greening. The number of affected trees is 6.91 percent. The eastern and central regions are the most affected citrus growing areas with 14.8 and 9.89 percent of affected trees, respectively.

## **Producer 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.

| <b>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).</b> |             |             |             |             |             |             |
|--|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Month</b>   | <b>2007</b> | <b>2008</b> | <b>2009</b> | <b>2010</b> | <b>2011</b> | <b>2012</b> |
| <b>Jan</b>   | 15.46       | 13.46       | 6.80        | 7.70        | 15.59       | n/a         |
| <b>Feb</b>   | 15.50       | 12.39       | 5.92        | 9.77        | 15.00       | n/a         |
| <b>Mar</b>   | 13.68       | 9.66        | 4.95        | 10.17       | 15.00       | n/a         |
| <b>Apr</b>   | 8.79        | 8.38        | 4.50        | 8.24        | 15.00       | n/a         |
| <b>May</b>   | 7.88        | 8.27        | 4.05        | 13.00       | n/a         | n/a         |
| <b>Jun</b>   | 7.97        | 9.72        | 3.68        | 14.70       | n/a         | n/a         |
| <b>Jul</b>   | 10.93       | 10.95       | 3.65        | 14.88       | n/a         | 7.00        |
| <b>Aug</b>   | 10.16       | 9.71        | 5.04        | 14.90       | n/a         | 7.00        |
| <b>Sep</b>   | 9.78        | 9.33        | 5.66        | 15.19       | n/a         | 7.01        |
| <b>Oct</b>   | 9.89        | 9.57        | 5.86        | 15.23       | n/a         | 6.97        |
| <b>Nov</b>   | 11.77       | 8.63        | 6.41        | 15.35       | n/a         | 6.53        |
| <b>Dec</b>   | 12.61       | 7.27        | 6.95        | 15.66       | n/a         | --          |

Source: CEPEA/ESALQ.

| <b>Orange Prices received by Producers in the Domestic Market (Pera Variety, average prices in Reais - R\$, 40.8 kg box, fruits on the tree).</b> |             |             |             |             |             |             |
|---|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Month</b>  | <b>2007</b> | <b>2008</b> | <b>2009</b> | <b>2010</b> | <b>2011</b> | <b>2012</b> |
| <b>Jan</b>  | 15.08       | 15.38       | 10.00       | 10.89       | 22.86       | 8.43        |
| <b>Feb</b>  | 17.10       | 16.95       | 9.82        | 17.22       | 25.33       | 8.41        |
| <b>Mar</b>  | 19.02       | 17.03       | 11.13       | 19.17       | 26.32       | 12.72       |
| <b>Apr</b>  | 16.60       | 14.65       | 10.46       | 16.50       | 19.62       | 12.82       |
| <b>May</b>  | 13.82       | 12.04       | 9.13        | 14.49       | 14.78       | 9.34        |
| <b>Jun</b>  | 11.28       | 11.39       | 7.66        | 15.13       | 12.17       | 6.88        |
| <b>Jul</b>  | 10.98       | 11.38       | 6.48        | 14.90       | 11.05       | 5.99        |
| <b>Aug</b>  | 11.06       | 11.01       | 6.47        | 14.94       | 10.15       | 5.54        |
| <b>Sep</b>  | 10.48       | 10.64       | 7.04        | 16.83       | 9.75        | 5.61        |
| <b>Oct</b>  | 11.48       | 10.83       | 7.58        | 19.17       | 10.20       | 5.65        |
| <b>Nov</b>  | 13.45       | 10.24       | 8.48        | 19.93       | 9.92        | 5.74        |
| <b>Dec</b>  | 14.10       | 9.70        | 8.94        | 20.15       | 9.13        | --          |

Source: CEPEA/ESALQ

The current citrus crop has been problematic for citrus growers. A significant number of producers do not have contracts with orange juice processors and part of the fruit has been lost (not harvested) given that the juice processors have not been purchasing fruit, especially the Hamlin variety. It is estimated that approximately 40 MBx of the aforementioned variety has been lost.

In order to provide support to citrus growers during the 2012 crop, on September 19, the Brazilian Government released "Portaria Ministerial" # 841/2012 which set the Subsidy Auction (PEP) and Equalization Premium Paid to the Producer (PEPRO) Programs for the citrus industry for the current crop.

Through the PEP program, the government pays the difference between the prevailing market price and the minimum reference price of the product set at R\$ 10.10/box of orange. The federal government through the National Supply Company (CONAB ) conducts public auctions to set a premium for the buyers (orange juice processors and packing houses). These buyers then contact producers interested in selling their production at the minimum support price in force. Buyers must transport the product to the destination previously established by the program.

PEPRO is a premium granted to the citrus growers who sell their products at public auction, where the government pays the difference between the minimum reference price set at R\$ 10.10/box of oranges and the prevailing market price (the price paid by orange juice processors).

Portaria Ministerial #841/2012 set total funds available for the operation at R\$120 million and each individual grower can sell up to 40,000 boxes of oranges through the programs. Regular auctions have been held since the release of the government measure. The PEP premium has been set roughly at R\$ 5.80/box and PEPRO premium varies between R\$ 3.10 and R\$ 3.40/box of oranges.

In 2011, the Brazilian government established, through Resolution #3,9801/11 from the National Monetary Council, a Special Line of Credit (Linha Especial de Credito – LEC) valued at R\$280 million. (See BR110027). Repayment of any funds from the line of credit was due in three installments: December 2011, January 2012, and February 2012. However, the government recently extended those due dates. As a concession, processors agreed to pay 25 percent of the loaned amounts by December 2012, January 2013 or February 2013, and postpone the remainder (75 percent) for one year. As part of the agreement, orange juice processors must not sell the orange juice “LEC stocks” which are estimated at 311,000 mt (66 Brix, FCOJ equivalent) during this period.

In mid-April, representatives of the Brazilian Rural Society (SRB) and the Brazilian Association of Citrus Exporters (CitrusBR) created the Brazilian Council of Orange Producers and Orange Juice Processors (Consecitrus). One of the major goals of Consecitrus is set a reference price for oranges in the future taking into account orange juice and byproduct prices, production costs to grow oranges and production prices to process orange juice.

In October, Consecitrus released the first Consecitrus Index price at R\$ 9.64/box of oranges, using July 2012 as the reference month. According to Consecitrus, the cost of production was R\$ 8.64/box for producers and R\$ 7.63/box for orange juice processors, totaling R\$ 16.27/box. The gross income was R\$ 19.07/box taking into account the prices of orange juice (US\$ 2,200/ton of FCOJ and US\$ 565/ton of NFC) plus sales of byproducts. The net income was estimated at R\$ 2.81/box and the profit share for citrus growers and orange juice processors was set at roughly 36 and 64 percent, respectively. To date, the Consecitrus methodology has not been used as a price reference for the citrus industry. It has been under review by the government of Brazil’s Economic Defense Council.

### **Consumption:**

During MY 2012/13, total Brazilian orange consumption is forecast at 138 MBx, down 46 MBx compared to MY 2011/12 (184 MBx). These figures include actual domestic consumption plus losses from natural drop, harvesting, transportation and packing. Post contacts report that 50 to 60 million boxes of oranges, mostly Hamlin, were not crushed by orange juice processors during the season nor were they absorbed by the domestic market during MY 2011/12, therefore resulting in significant losses in citrus growers’ profitability.

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 exports for MY 2012/13 are forecast at 1 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 BR MY 2011/12 (July-June), and BR MY 2012/13 (July-October), according to SECEX.

| <b>Brazilian Fresh Orange Exports (MT and US\$ 1,000 FOB)</b>          |                    |              |                    |              |                    |              |
|--|--------------------|--------------|--------------------|--------------|--------------------|--------------|
|  | <b>MY 11/12 1/</b> |              | <b>MY 11/12 2/</b> |              | <b>MY 12/13 2/</b> |              |
| <b>Country</b>   | <b>Quantity</b>    | <b>Value</b> | <b>Quantity</b>    | <b>Value</b> | <b>Quantity</b>    | <b>Value</b> |
| <b>Netherlands</b>   | 10,066             | 4,736        | 8,997              | 4,324        | 6,535              | 2,840        |
| <b>Spain</b>   | 8,534              | 4,294        | 8,363              | 4,201        | 5,199              | 2,689        |
| <b>United Kingdom</b>  | 5,783              | 2,712        | 5,523              | 2,575        | 2,204              | 806          |
| <b>Portugal</b>  | 3,205              | 1,628        | 3,205              | 1,628        | 0                  | 1            |
| <b>Paraguay</b>  | 2,846              | 350          | 0                  | 0            | 470                | 30           |
| <b>Russian Federation</b>  | 844                | 336          | 844                | 336          | 0                  | 0            |
| <b>Saudi Arabia</b>  | 729                | 334          | 417                | 158          | 52                 | 23           |
| <b>Ireland</b>   | 574                | 268          | 549                | 254          | 231                | 121          |
| <b>Denmark</b>   | 513                | 284          | 304                | 167          | 404                | 227          |
| <b>Italy</b>   | 469                | 248          | 469                | 248          | 26                 | 14           |
| <b>Others</b>  | 793                | 464          | 640                | 373          | 705                | 335          |
| <b>Total</b>   | 34,355             | 15,653       | 29,311             | 14,262       | 15,826             | 7,086        |
| Source : Brazilian Department of Foreign Trade (SECEX), NCM 0805.10.00 |                    |              |                    |              |                    |              |
| Note : 1/ July - June 2/ July - Oct                                    |                    |              |                    |              |                    |              |

#### **Production, Supply and Demand Data Statistics:**

Production, Supply and Demand Data Statistics

| <b>Oranges, Fresh<br/>Brazil</b> | <b>2009/2010</b>              | <b>2010/2011</b>              | <b>2011/2012</b>              | <b>2012/2013</b>              |
|----------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
|                                  | <b>MY Begin: Jul<br/>2010</b> | <b>MY Begin: Jul<br/>2011</b> | <b>MY Begin: Jul<br/>2013</b> | <b>MY Begin: Jul<br/>2013</b> |
|                                  | <b>New Post</b>               | <b>New Post</b>               | <b>New Post</b>               | <b>New Post</b>               |
| <b>Area Planted</b>              | 800,000                       | 810,000                       | 803,000                       | 790,000                       |
| <b>Area Harvested</b>            | 724,600                       | 734,600                       | 712,600                       | 707,600                       |
| <b>Bearing Trees</b>             | 219,000                       | 223,000                       | 225,000                       | 222,000                       |
| <b>Non-Bearing Trees</b>         | 40,000                        | 40,000                        | 46,000                        | 44,000                        |
| <b>Total No. Of Trees</b>        | 259,000                       | 263,000                       | 271,000                       | 266,000                       |
| <b>Production</b>                | 15,830                        | 22,603                        | 20,482                        | 18,564                        |
| <b>Imports</b>                   | 0                             | 0                             | 0                             | 0                             |
| <b>Total Supply</b>              | 15,830                        | 22,603                        | 20,482                        | 18,564                        |
| <b>Exports</b>                   | 41                            | 41                            | 41                            | 41                            |
| <b>Fresh Dom. Consumpt</b>       | 4,814                         | 5,467                         | 7,507                         | 5,631                         |
| <b>For Processing</b>            | 10,975                        | 17,095                        | 12,934                        | 12,892                        |
| <b>Total Distribution</b>        | 15,830                        | 22,603                        | 20,482                        | 18,564                        |
| Hectares, 1000 Trees, 1,000 MT   |                               |                               |                               |                               |

## Commodities:

### 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 marketing years 2010/11, 2011/12, 2012/13 (July-June) and the initial forecast for MY 2013/14*, which are equivalent to *U.S. MY 2009/10, 2010/11, 2011/12 and 2012/13*, respectively.

*Note: There is a one year lag between the Brazilian marketing year and the U.S. marketing year. For example, BR MY 2013/2014 is equivalent to U.S. MY 2012/2013. As such and to ensure data continuity, the current Brazilian MY 2013/14 will be referred to as U.S. MY 2012/13 throughout this report.*

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.

| Brazil: FCOJ PS&D (Jul-Jun)                   |         |         |         |         |
|---|---------|---------|---------|---------|
| (Million 40.8 kg boxes, TMT, 65 degrees brix) |         |         |         |         |
| Item/ U.S. Marketing Year                     | US09/10 | US10/11 | US11/12 | US12/13 |
| Item/Brazilian MY                             | 2010/11 | 2011/12 | 2012/13 | 2013/14 |
| Delivered to Processors                       | 269.0   | 419.0   | 317.0   | 316.0   |
| Sao Paulo (FCOJ + NFC exports)                | 257.0   | 395.0   | 295.0   | 292.0   |
| Others  | 12.0    | 24.0    | 22.0    | 24.0    |
| Beginning Stocks *                            | 128.0   | 65.0    | 440.0   | 436.0   |
| Total Production                              | 1,145.0 | 1,600.0 | 1,210.0 | 1,255.0 |
| Sao Paulo FCOJ                                | 920.0   | 1,325.0 | 940.0   | 960.0   |
| Sao Paulo NFC (FCOJ equiv)                    | 185.0   | 185.0   | 190.0   | 205.0   |
| Others  | 40.0    | 90.0    | 80.0    | 90.0    |
| Total Supply                                  | 1,273.0 | 1,665.0 | 1,650.0 | 1,691.0 |
| Exports                                       | 1,173.0 | 1,185.0 | 1,170.0 | 1,215.0 |
| Sao Paulo FCOJ                                | 948.0   | 910.0   | 900.0   | 920.0   |
| Sao Paulo NFC (FCOJ equiv)                    | 185.0   | 185.0   | 190.0   | 205.0   |
| Others FCOJ                                   | 40.0    | 90.0    | 80.0    | 90.0    |
| Domestic Consumption                          | 35.0    | 40.0    | 44.0    | 48.0    |
| Ending Stocks                                 | 65.0    | 440.0   | 436.0   | 428.0   |
| Total Distribution                            | 1,273.0 | 1,665.0 | 1,650.0 | 1,691.0 |
| * Sao Paulo FCOJ equiv stocks only.           |         |         |         |         |

## General

ATO/Sao Paulo forecasts total Brazilian FCOJ 65 Brix equivalent production for MY 2012/13 at 1.255 million metric tons (mmt), up 45,000 mt relatively to MY 2011/12, assuming higher crushing yields, i.e., fewer boxes of oranges per ton of orange juice. The Sao Paulo industry is expected to process 292 MBx of oranges for orange juice production (240 MBx and 52 MBx for FCOJ and NFC production, respectively), accounting for 1.165 mmt of juice (960,000 mt and 205,000 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 2011/12 is estimated at 1.21 mmt, a 390,000 mt drop compared to the previous season, due to lower availability of fruit for processing. The Sao Paulo industry should account for 295 MBx for crushing, whereas other states should contribute 22MBx. The end of the crushing season is expected for February 2013.

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 2012/13 is forecast at 48,000 mt, 65 Brix, up 4,000 mt from MY 2011/12, due to the growing trend in consumption of ready to go orange juice and nectars.

#### **Trade:**

In MY 2012/13, total Brazilian FCOJ 65 Brix equivalent exports are projected at 1.215 mmt, up 35,000 mt vis-à-vis MY 2011/12 (1.17 mmt), assuming a slightly recovery in FCOJ consumption in western Europe, minor growth in new markets and the steady increase in NFC consumption. The Sao Paulo industry should contribute 1.125mt, 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 BR MY 2011/12 (July-June), and BR MY 2012/13 (July-October), 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

| <b>Frozen/Unfermented Orange Juice Exports ( MT and US\$ 1,000 FOB)</b> |                    |              |                    |              |                    |              |
|---|--------------------|--------------|--------------------|--------------|--------------------|--------------|
|   | <b>MY 11/12 1/</b> |              | <b>MY 11/12 2/</b> |              | <b>MY 12/13 2/</b> |              |
| <b>Country</b>  | <b>Quantity</b>    | <b>Value</b> | <b>Quantity</b>    | <b>Value</b> | <b>Quantity</b>    | <b>Value</b> |
| <b>Belgium</b>  | 152,903            | 304,084      | 56,634             | 112,014      | 68,763             | 137,413      |
| <b>United States</b>  | 69,297             | 136,668      | 31,649             | 62,528       | 31,220             | 54,599       |
| <b>Japan</b>  | 55,783             | 129,658      | 12,636             | 30,099       | 22,245             | 45,300       |
| <b>Netherlands</b>  | 51,113             | 104,891      | 22,444             | 46,465       | 27,786             | 46,658       |
| <b>China</b>  | 45,916             | 104,387      | 14,601             | 30,471       | 11,186             | 25,524       |
| <b>Switzerland</b>  | 20,485             | 42,218       | 5,417              | 11,176       | 5,586              | 10,408       |
| <b>Israel</b>   | 11,127             | 25,021       | 3,664              | 8,170        | 1,531              | 3,023        |
| <b>South Korea</b>  | 8,121              | 17,999       | 3,802              | 9,312        | 1,020              | 2,543        |
| <b>Australia</b>  | 6,338              | 15,180       | 1,528              | 3,621        | 5,318              | 11,046       |
| <b>Chile</b>  | 5,596              | 13,867       | 1,554              | 3,852        | 1,607              | 3,616        |
| <b>Others</b>   | 36,617             | 82,439       | 9,518              | 21,290       | 20,250             | 40,440       |
| <b>Total</b>  | 463,297            | 976,411      | 163,446            | 338,998      | 196,511            | 380,570      |
| Source : Brazilian Department of Foreign Trade (SECEX), NCM 2009.11.00  |                    |              |                    |              |                    |              |
| Note : 1/ July - June 2/ July - Oct                                     |                    |              |                    |              |                    |              |

| <b>Brazilian Orange Juice Exports, Not Frozen and Brix Under 20 (MT and US\$ 1,000 FOB)</b> |                    |              |                    |              |                    |              |
|---|--------------------|--------------|--------------------|--------------|--------------------|--------------|
|   | <b>MY 11/12 1/</b> |              | <b>MY 11/12 2/</b> |              | <b>MY 12/13 2/</b> |              |
| <b>Country</b>  | <b>Quantity</b>    | <b>Value</b> | <b>Quantity</b>    | <b>Value</b> | <b>Quantity</b>    | <b>Value</b> |
| <b>Belgium</b>  | 458,339            | 184,854      | 157,915            | 64,249       | 144,277            | 56,418       |
| <b>United States</b>  | 264,565            | 103,530      | 128,530            | 49,624       | 120,219            | 48,975       |
| <b>Netherlands</b>  | 214,520            | 88,165       | 85,005             | 34,563       | 127,366            | 56,939       |
| <b>Switzerland</b>  | 6,932              | 2,655        | 0                  | 0            | 0                  | 0            |
| <b>China</b>  | 52                 | 41           | 0                  | 0            | 0                  | 0            |
| <b>Japan</b>  | 37                 | 42           | 0                  | 0            | 12                 | 13           |

|  |         |         |         |         |         |         |
|--|---------|---------|---------|---------|---------|---------|
| <b>Greece</b>  | 26      | 59      | 26      | 59      | 0       | 0       |
| <b>French Guiana</b>   | 10      | 10      | 5       | 5       | 1       | 1       |
| <b>Paraguay</b>  | 5       | 6       | 1       | 1       | 0       | 0       |
| <b>Uruguay</b>   | 1       | 1       | 0       | 0       | 0       | 0       |
| <b>Total</b>   | 944,488 | 379,362 | 371,481 | 148,500 | 391,874 | 162,344 |
| Source : Brazilian Department of Foreign Trade (SECEX), NCM 2009.12.00 |         |         |         |         |         |         |
| Note : 1/ July - June 2/ July - Oct                                    |         |         |         |         |         |         |

| <b>Brazilian Orange Juice Exports, Others (MT and US\$ 1,000 FOB)</b>  |                    |              |                    |              |                    |              |
|--|--------------------|--------------|--------------------|--------------|--------------------|--------------|
|  | <b>MY 11/12 1/</b> |              | <b>MY 11/12 2/</b> |              | <b>MY 12/13 2/</b> |              |
| <b>Country</b>   | <b>Quantity</b>    | <b>Value</b> | <b>Quantity</b>    | <b>Value</b> | <b>Quantity</b>    | <b>Value</b> |
| <b>Belgium</b>   | 250,553            | 552,246      | 85,433             | 185,073      | 54,797             | 111,714      |
| <b>Netherlands</b>   | 145,841            | 285,288      | 47,976             | 94,685       | 38,094             | 73,631       |
| <b>United Kingdom</b>  | 46,069             | 96,620       | 17,952             | 36,169       | 7,031              | 15,012       |
| <b>United States</b>   | 36,123             | 81,171       | 15,117             | 31,836       | 17,591             | 35,584       |
| <b>Japan</b>   | 10,549             | 26,416       | 0                  | 0            | 2,378              | 5,232        |
| <b>Switzerland</b>   | 9,089              | 18,972       | 5,219              | 10,922       | 283                | 507          |
| <b>Australia</b>   | 7,029              | 16,954       | 0                  | 0            | 0                  | 0            |
| <b>Puerto Rico</b>   | 5,033              | 10,879       | 3,018              | 5,539        | 0                  | 0            |
| <b>Ireland</b>   | 857                | 1,570        | 324                | 574          | 286                | 381          |
| <b>Venezuela</b>   | 332                | 741          | 86                 | 218          | 8                  | 37           |
| <b>Others</b>  | 963                | 1,492        | 408                | 583          | 413                | 663          |
| <b>Total</b>   | 512,437            | 1,092,348    | 175,533            | 365,600      | 120,881            | 242,762      |
| Source : Brazilian Department of Foreign Trade (SECEX), NCM 2009.19.00 |                    |              |                    |              |                    |              |
| Note : 1/ July - June 2/ July - Oct                                    |                    |              |                    |              |                    |              |

#### **Stocks:**

Ending stocks for MY 2012/13 are projected at 428,000 mt, 65 Brix, similar to MY 2011/12 (436,000 mt). Note that ending stocks for MY 2009/10 (65,000 mt) and MY 2010/11 (440,000 mt) were revised upward to reflect updated information from the industry. These 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 662,452 metric tons (66 Brix) in June 30, 2012. Inventories include stocks in Brazil (461,829 mt), e.g., storage tanks at processing plants and port terminals in Brazil; and stocks abroad (200,623 mt), e.g., 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 using the following conversion factor: 1 metric ton of FCOJ 65 Brix equals 5.6 metric tons of NFC 11.6 Brix.

| <b>Orange Juice<br/>Brazil</b> | <b>2009/2010</b>              | <b>2010/2011</b>              | <b>2011/2012</b>              | <b>2012/2013</b>              |
|--------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
|                                | <b>MY Begin: Jul<br/>2010</b> | <b>MY Begin: Jul<br/>2011</b> | <b>MY Begin: Jul<br/>2013</b> | <b>MY Begin: Jul<br/>2013</b> |
|                                | <b>New Post</b>               | <b>New Post</b>               | <b>New Post</b>               | <b>New Post</b>               |
| <b>Deliv. To Processors</b>    | 10,975,000                    | 17,095,000                    | 12,934,000                    | 12,892,000                    |
| <b>Beginning Stocks</b>        | 128,000                       | 65,000                        | 440,000                       | 436,000                       |
| <b>Production</b>              | 1,145,000                     | 1,600,000                     | 1,210,000                     | 1,255,000                     |

|                             |           |           |           |           |
|-----------------------------|-----------|-----------|-----------|-----------|
| <b>Imports</b>              | 0         | 0         | 0         | 0         |
| <b>Total Supply</b>         | 1,273,000 | 1,665,000 | 1,650,000 | 1,691,000 |
| <b>Exports</b>              | 1,173,000 | 1,185,000 | 1,170,000 | 1,215,000 |
| <b>Domestic Consumption</b> | 35,000    | 40,000    | 44,000    | 48,000    |
| <b>Ending Stocks</b>        | 65,000    | 440,000   | 436,000   | 428,000   |
| <b>Total Distribution</b>   | 1,273,000 | 1,665,000 | 1,650,000 | 1,691,000 |
| MT                          |           |           |           |           |

**Author Defined:**

Exchange Rate

| <b>Exchange Rate (R\$/US\$1.00 - official rate, last day of period)</b> |             |             |             |             |             |             |             |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Month</b>  | <b>2006</b> | <b>2007</b> | <b>2008</b> | <b>2009</b> | <b>2010</b> | <b>2011</b> | <b>2012</b> |
| <b>January</b>  | 2.22        | 2.12        | 1.76        | 2.32        | 1.87        | 1.67        | 1.74        |
| <b>February</b>   | 2.14        | 2.12        | 1.68        | 2.38        | 1.81        | 1.66        | 1.71        |
| <b>March</b>  | 2.17        | 2.05        | 1.75        | 2.25        | 1.78        | 1.62        | 1.82        |
| <b>April</b>  | 2.09        | 2.03        | 1.69        | 2.18        | 1.77        | 1.57        | 1.89        |
| <b>May</b>  | 2.30        | 1.93        | 1.63        | 1.97        | 1.81        | 1.57        | 2.02        |
| <b>June</b>   | 2.16        | 1.93        | 1.64        | 1.95        | 1.80        | 1.56        | 2.02        |
| <b>July</b>   | 2.18        | 1.88        | 1.57        | 1.87        | 1.75        | 1.56        | 2.05        |
| <b>August</b>   | 2.14        | 1.96        | 1.63        | 1.88        | 1.75        | 1.59        | 2.04        |
| <b>September</b>  | 2.17        | 1.84        | 1.92        | 1.78        | 1.69        | 1.85        | 2.03        |
| <b>October</b>  | 2.14        | 1.74        | 2.12        | 1.74        | 1.70        | 1.69        | 2.03        |
| <b>November</b>   | 2.17        | 1.78        | 2.33        | 1.75        | 1.71        | 1.85        | 2.10        |
| <b>December 1/</b>  | 2.14        | 1.77        | 2.34        | 1.74        | 1.66        | 1.88        | 2.11        |