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Citrus

Citrus Semi-Annual Report

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Report Highlights:
ATO/Sao Paulo's MY 1998/99 Brazilian orange production estimate unchanged at 368 million 40.8 kg boxes. Oranges for processing should be harvested through December 1998. FCOJ production estimate for MY 1998/99 increased to 1.068 million tons (65 brix), due to higher amount of oranges processed. FCOJ exports for MY 1998/99 increased to 1.178 million tons (65 brix). Drop in MY 1998/99 domestic orange consumption estimate to 106 million boxes due to lower availability and increased volume to processing.

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

Executive Summary

The Agricultural Trade Office (ATO)/Sao Paulo estimate for the total Brazilian 1997/98 orange crop (Marketing Year 1998/99, Jul-Jun) remains unchanged at 368 million 40.8 kilogram (kg) boxes (M Boxes), a 21 percent decrease compared to the previous season. The Sao Paulo commercial area should contribute 320 M Boxes. The harvest season in the Sao Paulo commercial area is in progress and oranges for processing should be harvested through December 1998.

No forecast for the 1998/99 orange crop has yet been announced. However, there is a consensus that the next orange crop will be higher than the current season. The blossomings are considered good so far stimulated by good weather conditions (temperature, rainfall and humidity) as well as good crop management which has been supported by steady, favorable producers prices. Tree plantings have been mostly to replace old citrus groves and/or areas affected by CVC.

The estimate for Brazilian orange domestic consumption for MY 1998/99 has been revised downward to 106 M Boxes, a 23 percent reduction compared to the previous projection, due to higher volume of fruits delivered for processing, thus decreasing the availability for the domestic market. Recent economic measures taken by the Brazilian Government to control the public and trade balance deficits are likely to promote a slowdown in domestic consumption of goods, including fresh oranges.

ATO/Sao Paulo revised upward total Brazilian frozen concentrated orange juice (FCOJ) production for MY 1998/99 to 1.068 million metric tons (mmt), 65 brix, a 15 percent increase compared to the previous projection, based on higher volume of oranges delivered for processing. The ATO/Sao Paulo MY 1998/99 estimate for oranges for crushing has been revised upward to 260 M Boxes.

ATO/Sao Paulo has revised upward total Brazilian MY 1998/99 FCOJ exports to 1.178 million tons (65 brix), a 13 percent increase compared to the previous estimate. The Russia crisis is not likely to directly affect export operations, since the country does not represent a major destination for Brazilian FCOJ. Last October, Brazilian FCOJ prices in the European Union were set at USD$ 1,825 per ton, a 12 percent increase compared to the previous price (USD$ 1,625 per ton). Post contacts report that the increase in FCOJ prices will affect the European FCOJ consumption by mid-1999, since current contracts run until June 1999.

Fresh Oranges PS&D

PSD Table						
Country:	Brazil					
Commodity:	Oranges					
		1995		1996		1997
	Old	New	Old	New	Old	New
Market Year Begin		07/1996		07/1997		07/1998
Area Planted	860000	860000	854000	854000	805000	805000
Area Harvested	752000	752000	769000	769000	738000	738000
Bearing Trees	208000	208000	214000	214000	205000	205000
Non-Bearing Trees	34000	34000	26000	26000	21000	21000
TOTAL No. Of Trees	242000	242000	240000	240000	226000	226000
Production	16973	16973	18972	18972	15014	15014
Imports	0	0	0	0	0	0
TOTAL SUPPLY	16973	16973	18972	18972	15014	15014
Exports	82	82	98	98	82	82
Fresh Dom. Consumption	5589	5589	5410	5410	5589	4325
Processing	11302	11302	13464	13464	9343	10607
TOTAL DISTRIBUTION	16973	16973	18972	18972	15014	15014

Note: Units of Measure: hectare, 1,000 trees, 1,000 metric tons.

Orange Juice PS&D

PSD Table						
Country:				65	Degrees Brix	
Commodity:						
		1995		1996		1997
	Old	New	Old	New	Old	New
Market Year Begin						
Deliv. To Processors	11302	11302	13464	13464	9343	10607
Beginning Stocks	172000	172000	126000	126000	235500	235500
Production	1152000	1152000	1390000	1390000	925000	1068000
Imports	0	0	0	0	0	0
TOTAL SUPPLY	1324000	1324000	1516000	1516000	1160500	1303500
Exports	1181000	1181000	1265000	1265000	1045000	1178000
Domestic Consumption	17000	17000	15500	15500	15500	15500
Ending Stocks	126000	126000	235500	235500	100000	110000
TOTAL DISTRIBUTION	1324000	1324000	1516000	1516000	1160500	1303500

Note: Units of Measure: metric tons.

Fresh Tangerines PS&D

PSD Table						
Country:	Brazil					
Commodity:	Fresh Tangerines					
		1995		1996		1997
	Old	New	Old	New	Old	New
Market Year Begin		07/1996		07/1997		07/1998
Area Planted	29340	29340	33356	34352	38580	38724
Area Harvested	23680	23680	26436	27204	31056	30660
Bearing Trees	5920	5920	6609	6801	7764	7665
Non-Bearing Trees	1415	1415	1730	1787	1881	2016
TOTAL No. Of Trees	7335	7335	8339	8588	9645	9681
Production	560	560	670	693	753	745
Imports	0	0	3	4	3	4
TOTAL SUPPLY	560	560	673	697	756	749
Exports	8	8	9	10	9	10
Fresh Dom. Consumption	402	402	494	517	627	569
Processing	150	150	170	170	120	170
TOTAL DISTRIBUTION	560	560	673	697	756	749

Note1: Units of Measure: hectare, 1,000 trees, 1,000 metric tons.
Note2: Changes in area, tree inventory and production based on the Institute of Agricultural Economics (IEA) of the Sao Paulo State Secretariat of Agriculture. Changes in trade data based on the Brazilian Department of Foreign Trade (DECEX).

Fresh Citrus, Others PS&D

PSD Table						
Country:	Brazil					
Commodity:	Fresh Citrus,Other					
		1995		1996		1997
	Old	New	Old	New	Old	New
Market Year Begin		07/1996		07/1997		07/1998
Area Planted	36520	36520	37709	37709	54350	39886
Area Harvested	27270	27270	28227	28227	44536	30023
Bearing Trees	6000	6000	6210	6210	9798	6605
Non-Bearing Trees	2035	2035	2086	2086	2159	2170
TOTAL No. Of Trees	8035	8035	8296	8296	11957	8775
Production	656	656	707	707	796	779
Imports	0	0	0	1	0	1
TOTAL SUPPLY	656	656	707	708	796	780
Exports	0	0	0	2	0	2
Fresh Dom. Consumption	610	610	661	660	750	732
Processing	46	46	46	46	46	46
TOTAL DISTRIBUTION	656	656	707	708	796	780

Note1: Units of Measure: hectare, 1,000 trees, 1,000 metric tons.
Note2: Changes in area, tree inventory and production based on the Institute of Agricultural Economics (IEA) of the Sao Paulo State Secretariat of Agriculture. Changes in trade data based on the Brazilian Department of Foreign Trade (DECEX).

Fresh Lemons PS&D

PSD Table						
Country:	Brazil					
Commodity:	Fresh Lemons					
		1995		1996		1997
	Old	New	Old	New	Old	New
Market Year Begin		07/1996		07/1997		07/1998
Area Planted	2440	2440	2530	2530	2620	2620
Area Harvested	2210	2210	2300	2300	2380	2380
Bearing Trees	520	520	540	540	560	560
Non-Bearing Trees	55	55	55	55	55	55
TOTAL No. Of Trees	575	575	595	595	615	615
Production	70	70	73	73	75	75
Imports	0	0	0	0	1	1
TOTAL SUPPLY	70	70	73	73	76	76
Exports	1	1	1	1	1	1
Fresh Dom. Consumption	0	0	0	0	0	0
Processing	69	69	72	72	75	75
TOTAL DISTRIBUTION	70	70	73	73	76	76

Note1: Units of Measure: hectare, 1,000 trees, 1,000 metric tons.
Note2: There are no changes to the Fresh Lemons PS&D.

Production

Fresh Oranges

PS&D Tables

The following tables provide revised data for the Sao Paulo and total Brazilian fresh oranges PS&Ds for the Marketings Years (MY) 1996/97, 1997/98 and 1998/99 (Jul-Jun).

Sao Paulo: Fresh Oranges PS&D (Jul-Jun)			
(1,000 ha, million trees & million 40.8 kg boxes)			
Item/Marketing Year	1996/97	1997/98	1998/99
(Bloom/Harvest)	(95/96)	(96/97)	(97/98)
Area Planted	712	702	653
Area Harvested	618	631	600
Bearing Trees 1/	173	178	169
Non-Bearing Trees	30	22	17
Total Trees	203	200	186
Production	366	420	320
Exports	2	2.4	2
Domestic Consumption	95	97.6	63
Processing	269	320	255
Note: 1/ Trees 4 years of age and older.			

Brazil: Fresh Oranges PS&D (Jul-Jun)			
(1,000 ha, million trees & million 40.8 kg boxes)			
ITEM/MARKETING YEAR	1996/97	1997/98	1998/99
(Bloom/Harvest)	(95/96)	(96/97)	(97/98)
Area Planted	860	854	805
Area Harvested	752	769	738
Bearing Trees 1/	208	214	205
Non-Bearing Trees	34	26	21
Total Trees	242	240	226
Total Production	416	465	368
Sao Paulo	366	420	320
Others	50	45	48
Exports	2	2.4	2
Sao Paulo	2	2.4	2
Others	0	0	0
Domestic Consumption	137	132.6	106
Processing	277	330	260
Sao Paulo	269	320	255
Others	8	10	5
Note: 1/ Trees 4 years of age and older.			

General

The Agricultural Trade Office (ATO)/Sao Paulo estimate for the total Brazilian 1997/98 orange crop (Marketing Year 1998/99, Jul-Jun) remains unchanged at 368 million 40.8 kilogram (kg) boxes (M Boxes), a 21 percent decrease compared to the previous season. The Sao Paulo commercial area should contribute 320 M Boxes, a 24 percent drop compared to MY 1997/98, while other producing states should account for 48 M Boxes.

The harvest season in the Sao Paulo commercial area is in progress and, according to information provided by post contacts, oranges for processing should be harvested through December 1998. However, smaller processing plants are likely to extend harvesting through January. No significant harvest for crushing is expected for the Feb-May 1999 period, although late bloom occurred in December 1997 and January 1998. The Feb-May orange harvest should be directed to the domestic fresh market.

The Brazilian Association of Citrus Exporters (ABECITRUS) estimate for orange production remains unchanged at 298 M Boxes. The Institute of Agricultural Economics (IEA) of the Sao Paulo State Secretariat of Agriculture is conducting a field survey to estimate the 1997/98 crop as well as forecast 1998/99 (MY 1999/2000). No ABECITRUS or IEA forecasts for the 1998/99 orange crop have yet been announced.

However, there is a consensus that the next orange crop will be higher than the current season. The September flowering occurred in some orange production regions. The second flowering occurred in October and is considered a good one. Good weather conditions (temperature, rainfall and humidity) prevailed during the past months, as well as good crop management, supported by steady, good current season prices (see Orange Prices for Producers). In addition, the late bloom varieties, "Natal" and "Valencia", will be on their "on-year" of the biannual production cycle.

Crop Area and Tree Inventory

The ATO/Sao Paulo estimate for the Brazilian area planted to citrus for MY 1998/99 remains unchanged at 805,000 hectares. Post places the MY 1998/99 citrus tree inventory at 226 million trees (205 million bearing trees and 21 million non-bearing trees). The Sao Paulo commercial area accounts for 186 million citrus trees (169 million bearing trees and 17 million non-bearing trees).

The Secretariat of Agriculture of the state of Sao Paulo has a seedling certification program to guarantee the breeding and use of healthy seedlings in an effort to control the Citrus Chlorosis Variegated (CVC or "amarelinho") and canker diseases. According to data provided by the Sao Paulo State Fund for Defense of Citriculture (FUNDECITRUS), approximately 36 percent of nurseries are registered, although only 2 percent of them have screen protection and are able to produce certified seedlings. As reported by FUNDECITRUS, these nurseries have a 400,000 seedling per year production capacity, while annual seedling demand for the Sao Paulo commercial area is roughly 10 million units. The major constraint to effective control is related to the small amount of vegetative material ("borbulha") needed to propagate seedlings.

Growers have been buying orange seedlings mostly to replace old citrus groves and/or areas affected by CVC. According to post contacts, new planting and area expansion is expected to be limited to large citrus producers and processors.

Yields

The ATO/Sao Paulo estimate for the Brazilian orange yield for the 1997/98 crop (MY 1998/99) remains unchanged at 1.8 boxes per tree, a 17 percent decrease from the previous season, due to weather-related problems and stresses plants not fully recovered from the 1996/97 crop. The orange yield estimate for the Sao Paulo commercial area is placed at 1.89 boxes per tree, a 20 percent reduction compared to the previous season.

Quality

According to post contacts, the 1997/98 crop (MY 1998/99) is characterized by a lower brix than usual. The ratio is considered average. The size of the fruit is larger than average due to the smaller crop and good rainfall that occurred during fruit development.

Diseases

According to FUNDECITRUS, the 1998 CVC field survey shows that approximately 30 percent of the sampled trees are affected by the Citrus Chlorosis Variegated (CVC) disease. The results also show that the percentage of severely affected plants (level 3: emaciated plant, widespread small fruit) is 3.8 percent compared to 2.3 percent in the 1997 survey (see BR8013 for correlation between level and symptoms). However, as reported by technicians, the presence of CVC has been stabilized through the effective use of pruning and control of the "cigarrinha", the insect that transmits the bacterium. The breeding and sale of disease free seedlings through the aforementioned seedling certification program is another big step in moving to bring the spread of CVC under control.

The table below shows the evolution of citrus canker in the state of Sao Paulo in the past few years. The Secretariat of Agriculture of the state of Sao Paulo and FUNDECITRUS launched a major campaign to make citrus growers aware of the seriousness of the problem in 1998 (see BR8013). The biological control of "Citrus Leaf Miner" worm, which provides an easier access to the canker bacterium, through the spread of wasps in citrus groves and the breeding of disease free seedlings through the seedling certification program represent actions taken by the citrus sector to address the spread of citrus canker.

Evolution of Citrus Canker in the State of Sao Paulo					
Year	Number of	Number of	Infected	Affected	Affected
	Towns	Areas	Plants	Plants 1/	Seedlings
1992	4	9	934	7,733	--
1993	6	14	342	10,433	--
1994	12	144	746	10,165	8,000
1995	11	25	8,253	38,230	200,512
1996	22	45	3,512	30,394	1,310,000
1997	39	190	39,014	197,353	256,439
1998 2/	60	397	76,524	545,824	160,000
Source: FUNDECITRUS					
1/ Plants affected in a 30 meter radius from the infected plant.					
2/ January to October 30 period, inspection and eradication of plants in progress					

Cost of Production

Following are operational production costs for three orange production areas in the state of Sao Paulo, according to IEA. The study considers the 1996/97 crop (MY 1997/98) and compares costs for specific and non-specific control related to CVC, black spot disease (Guignardia citricarpa) and colletotrichum. Note the average increase of approximately 8 percent when including specific control toward the aforementioned diseases.

Operational Production Costs for Orange Groves in Sao Paulo 1/						
(Bearing trees, 260 trees/ha, MY 1997/98, USD$)						
Region	Cost/ha		Cost/tree		Cost/box	
	a	b	a	b	a	b
Campinas	793.82	921.14	3.05	3.54	1.15	1.34
S.J.Rio Preto	1026.17	1078.03	3.95	4.14	1.48	1.56
Barretos	1053.58	1105.44	4.05	4.25	1.64	1.72
	957.86	1034.87	3.68	3.97	1.43	1.54
Average						
1/ including labor, fertilizer, pesticides, machinery, depreciation, social and financial costs.						
a. non-specific control related to CVC, black spot and colletotrichum.						
b. specific control related to CVC, black spot and colletotrichum.						
Source: Institute of Agricultural Economics (IEA).						

Orange Prices for Producers

The tables below show average monthly prices received by producers 1994 to 1998 (Jan-Jul) for both oranges for processing and fresh market, as reported by IEA. Note that orange prices for processing increased in 1998 compared to 1996 and 1997 due to lower availability, which is also reflected in the lower differential in orange prices for processing and fresh market. Note that the average Jun-Jul price variation between both destinations in 1998 was 14.5 percent compared to 36 percent in 1997 and 66.5 percent in 1996, indicating a relatively strong processor demand vis-a-vis available supply and competition from the fresh fruit market.

Average Prices Received by Producers in the state of Sao Paulo 1/					
(Oranges for processing, R$/40.8-kg box)					
Month	1994	1995	1996	1997	1998
January	2.21	3.45	1.44	2.33	2.70
February	2.34	3.07	1.49	2.41	3.01
March	2.23	n/a	1.10	2.30	2.91
April	2.23	2.91	1.45	2.46	2.89
May	2.70	2.72	1.12	2.22	3.08
June	3.45	2.65	1.45	2.22	3.54
July	4.01	1.95	1.41	2.23	3.75
August	3.97	1.77	1.69	2.23	--
September	3.88	1.67	1.88	2.17	--
October	3.71	1.58	1.94	2.15	--
November	3.88	1.57	2.17	2.38	--
December	3.49	1.58	2.20	2.49	--
1/ Deflator: IGP-DI (July 1998) of Fundacao Getulio Vargas.					
Source: Institute of Agricultural Economics (IEA).					

Average Prices Received by Producers in the state of Sao Paulo 1/					
(Oranges for the fresh market, R$/40.8-kg box)					
Month	1994	1995	1996	1997	1998
January	6.09	6.15	2.10	3.39	4.37
February	6.20	5.48	1.98	4.25	4.60
March	5.18	6.21	1.98	4.43	5.06
April	4.96	6.50	2.70	4.29	4.44
May	4.07	5.34	2.16	3.65	3.84
June	4.79	4.05	2.38	3.05	4.12
July	4.93	3.30	2.38	3.01	4.25
August	5.01	2.84	2.45	2.83	--
September	5.26	2.92	2.79	2.81	--
October	5.90	2.83	2.83	2.85	--
November	6.48	2.92	3.10	3.14	--
December	7.19	2.42	2.95	3.63	--
1/ Deflator: IGP-DI (July 1998) of Fundacao Getulio Vargas.					
Source: Institute of Agricultural Economics (IEA).					

Orange Juice

PS&D Tables

The following tables provide revised data for the Sao Paulo and total Brazilian frozen concentrated orange juice (FCOJ) PS&Ds for MY 1996/97, 1997/98 and 1998/99.

Sao Paulo: FCOJ PS&D (Jul-Jun)			
(Million 40.8 kg boxes, TMT, 65 degrees brix)			
Item/Marketing Year	1996/97	1997/98	1998/99
(Bloom/Harvest)	(95/96)	(96/97)	(97/98)
Delivered to Processors	269	320	255
Beginning Stocks	172	126	235.5
Production	1,122	1,353	1,050
Total Supply	1,294	1,479	1,285.5
Exports	1,151	1,228	1,160
Domestic Consumption	17	15.5	15.5
Ending Stocks	126	235.5	110
Total Distribution	1,294	1,479	1,285.5
FCOJ yields (kg/box)	4.17	4.23	4.12

Brazil: FCOJ PS&D (Jul-Jun)			
(Million 40.8 kg boxes, TMT, 65 degrees brix)			
Item/Marketing Year	1996/97	1997/98	1998/99
(Bloom/Harvest)	(95/96)	(96/97)	(97/98)
Delivered to Processors	277	330	260
Sao Paulo	269	320	255
Others	8	10	5
Beginning Stocks *	172	126	235.5
Total Production	1,152	1,390	1,068
Sao Paulo	1,122	1,353	1,050
Others	30	37	18
Total Supply	1,324	1,516	1,303.5
Exports	1,181	1,265	1,178
Sao Paulo	1,151	1,228	1,160
Others	30	37	18
Domestic Consumption	17	15.5	15.5
Ending Stocks	126	235.5	110
Total Distribution	1,324	1,516	1,303.5
FCOJ Yields (kg/box)	4.16	4.21	4.11
* Sao Paulo stocks.			

General

ATO/Sao Paulo revised upward total Brazilian frozen concentrated orange juice (FCOJ) production for MY 1998/99 to 1.068 million metric tons (mmt), 65 brix, a 15 percent increase compared to the previous projection, based on higher volume of oranges delivered for processing. The ATO/Sao Paulo MY 1998/99 estimate for oranges for crushing was revised upward to 260 M Boxes, a 14 percent increase compared to the previous projection. The Sao Paulo commercial area is expected to contribute 255 M Boxes of orange for processing, a 13 percent increase compared to the previous estimate.

The orange crushing pace for MY 1998/99 is quite similar to the past one, despite the fact that the current crop is smaller. ABECITRUS reported that the cumulative Sao Paulo FCOJ production for MY 1998/99 was 956,116 metric tons (66 brix) through November 8 compared to 998,298.2 tons in MY 1997/98. According to post contacts, most companies will likely end the processing season in December, with orange crushing slowing down by late November/ early December, as the availability of oranges and high orange prices in the fresh market reduce movements to processors.

Last September, Citrovita, one of the Brazilian FCOJ processing companies, acquired the Cambuhy and Montecitrus FCOJ processing plant. The acquisition makes Citrovita the third largest FCOJ enterprise in Brazil, with a 17 percent share of domestic production, as reported by post contacts. According to the reported purchase agreement, Cambuhy and Montecitrus will have a long-term contract to deliver their own orange production to Citrovita which will manage FCOJ operations. Post contacts report that Citrovita will have a great availability of fruit coming from Montecitrus, Cambuhy and their own groves (40 M boxes approximately), thus depending less and less on independent suppliers.

Consumption

Fresh Oranges

The ATO/Sao Paulo estimate for MY 1998/99 Brazilian fresh orange consumption has been revised downward to 106 M Boxes, a 23 percent reduction compared to the previous projection, due to higher volume of fruit delivered for processing. Recent economic measures taken by the Brazilian Government to control the public and trade balance deficits, such as an increase in taxes, are likely to promote a slowdown in the purchase of goods, further negatively affecting domestic orange consumption. Note that these figure includes actual domestic consumption plus losses from harvesting, hauling and packing. Domestic consumption estimates are the difference between production estimates and the volume of oranges delivered for processing.

Orange Juice

The ATO/Sao Paulo estimate for total MY 1998/99 domestic FCOJ consumption remains unchanged at 15,500 metric tons (65 brix), based on information provided by post contacts. According to data provided by ABECITRUS, the MY 1998/99 cumulative domestic FCOJ consumption was 6,194.4 tons (66 brix) through November 8.

Trade

Fresh Oranges

ATO/Sao Paulo’s estimate for MY 1997/98 Brazilian fresh orange exports remains unchanged at 2.4 M boxes. The table below shows official fresh orange exports (NCM 0805.10.00) by country of destination for MY 1996/97 and MY 1997/98 (Jul-Jun) and Calendar Year (CY) 1998 (Jan-Jun), as reported by the Brazilian Department of Foreign Trade (DECEX). Post estimate for MY 1998/99 fresh orange exports remains unchanged at 2 M Boxes.

Fresh Orange Exports by Country of Destination (MT & USD$ 1,000 FOB)						
Destination	MY 1996/97		MY 1997/98		CY 1998 1/	
	Quantity	Value	Quantity	Value	Quantity	Value
Netherlands	58,135	11,766	72,337	17,715	6,252	1,470
UAE	5,741	1,047	8,701	2,290	--	--
United Kingdom	4,000	894	5,569	1,300	--	--
Russia	3,527	1,049	3,363	1,023	--	--
Spain	--	--	2,897	762	--	--
Portugal	2,007	459	2,329	748	--	--
Kuwait	--	--	1,795	472	--	--
Saudi Arabia	1,800	332	726	191	--	--
Dutch Antilles	--	--	162	33	--	--
Cape Verde	9	2	38	16	8	4
Sweden	--	--	9	3	9	3
Uruguay	1	4	3	13	1	4
Indonesia	--	--	3	1	--	--
Chile	1	3	0	0	0	0
Germany	--	--	1	2	1	2
Argentina	0	0	0	1	0	1
Lithuania	963	304	--	--	--	--
Total	76,184	15,860	97,932	24,573	6,271	1,485
SOURCE: Brazilian Department of Foreign Trade (DECEX), NCM 0805.10.00						
1/January to June period.						
Numbers may not add due to rounding, "--" means no trade, "0" less than 500 kg or UDS$ 500.						

Orange Juice

ATO/Sao Paulo revised upward total MY 1998/99 Brazilian FCOJ exports to 1.178 million metric tons (65 brix), a 13 percent increase compared to the previous estimate, based on information provided by post contacts. According to ABECITRUS, cumulative exports through the Port of Santos for MY 1998/99 through November 8 are 409,518.9 metric tons (66 brix). According to post contacts, the Russia crisis will not directly affect export operations, since that market does not represent a major destination for Brazilian FCOJ.

Last October, Brazilian FCOJ prices in the European Union were set at USD$ 1,825 per metric ton, a 12 percent increase compared to the previous price (USD$ 1,625 per metric ton). Post contacts report that the increase in FCOJ prices will affect the European FCOJ consumption by mid-1999, since current contracts run through June

1999.

The table below shows official frozen concentrated and non-concentrated orange juice exports (NCM 2009.11.00) by country of destination for MY 1997/88 (Jul-Jun) and CY 1998 (Jan-Jun), as reported by the Brazilian Department of Foreign Trade (DECEX).

Frozen Concentrated/Non-Concentrated Orange Juice Exports.				
(MT and USD$ 1,000 FOB).				
Destination	MY 1997/98		CY 1998 1/	
	Quantity	Value	Quantity	Value
Belgium	470,661	406,203	261,286	234,669
Netherlands	422,736	365,555	163,456	152,984
United States	208,488	186,476	77,058	73,208
Japan	73,106	68,260	39,921	39,946
United Kingdom	27,156	24,160	21,290	19,258
South Korea	25,121	22,998	10,217	9,938
Australia	17,962	15,142	4,369	4,040
Puerto Rico	7,574	9,341	4,276	5,013
New Zealand	5,357	4,386	1,471	1,341
Chile	3,162	3,014	1,936	1,950
Finland	2,601	2,209	848	774
Hungary	1,700	1,437	1,000	887
Argentina	1,858	1,700	963	949
Hong Kong	2,197	2,084	1,287	1,231
Taiwan	1,664	1,467	938	861
North Korea	1,128	982	38	47
Singapore	1,289	1,183	622	631
Venezuela	854	972	465	622
Canada	903	486	556	181
Malaysia	821	775	355	375
Colombia	669	720	411	462
Indonesia	464	406	125	119
China	401	367	125	129
Germany	334	313	--	--
Portugal	428	373	194	185

(cont)

(cont)

Frozen Concentrated/Non-Concentrated Orange Juice Exports.				
(MT and USD$ 1,000 FOB).				
Destination	MY 1997/98		CY 1998 1/	
	Quantity	Value	Quantity	Value
Philippines	349	337	127	142
Norway	613	550	459	425
Paraguay	216	197	100	97
Dominican Rep.	168	140	--	--
India	156	128	--	--
Thailand	173	203	98	132
Spain	132	113	56	49
Latvia	114	79	--	--
Switzerland	74	72	--	--
Peru	94	123	94	123
Uruguay	42	34	24	20
Israel	24	20	24	20
Sweden	19	17	19	17
Ecuador	38	42	19	25
Greece	18	13	--	--
Virgin Islands	18	14	--	--
France	18	27	--	--
Bolivia	9	16	7	11
Cape Verde	4	2	--	--
Egypt	1	1	1	1
Angola	0	0	--	--
Austria	--	--	--	--
Nigeria	3	3	3	3
Total	1,280,921	1,123,143	594,238	550,863
Source: Brazilian Department of Foreign Trade (DECEX), NCM 2009.11.00.				
1/January to June period.				
Numbers may not add due to rounding.				
--" means no trade, "0" means less than 500 kg or 500 USD$.				

Citrus Pulp Pellets

As reported by ABECITRUS, the contamination of citrus pulp pellets (CPP) by dioxin (see BR8013) proved to be caused by the lime used in the pellet drying process. The results were found by Ergo Laboratory in Hamburg, Germany. The initial suspicions that related the dioxin contamination to the burning of oil during the processing of the pellets were eliminated, according to analysis conducted by MRI Laboratory, Kansas City, Missouri, United States. No CPP has been exported since the contamination was detected in April 1998. The Brazilian Ministry of Agriculture sent the results to the European Union Phytosanitary Commission for analysis. According to post contacts, the re-starting of CPP exports to the European Union will depend on the agreement between Brazilian exporters and European importers, regarding financial costs and logistical aspects of disposing of the contaminated CPP already located in the EU.

Stocks

Orange Juice

ATO/Sao Paulo's estimate of MY 1998/99 FCOJ carry-over stocks has been adjusted upward to 110,000 tons (65 brix), a 10 percent increase compared to the previous estimate, due to expected higher FCOJ production.

Exchange Rate

Exchange Rate (Real/USD$1.00 - last day of period).				
Month	1995	1996	1997	1998
January	0.84	0.98	1.05	1.12
February	0.85	0.98	1.05	1.13
March	0.90	0.99	1.06	1.14
April	0.91	0.99	1.06	1.14
May	0.90	1.00	1.07	1.15
June	0.91	1.00	1.08	1.16
July	0.94	1.01	1.08	1.16
August	0.95	1.02	1.09	1.18
September	0.95	1.02	1.10	1.19
October	0.96	1.03	1.10	1.19
November	0.97	1.03	1.11	--
December	0.99	1.04	1.12	--