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Brazil

Citrus

Annual

2000

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Report Highlights: Brazilian 1999/2000 orange crop (MY 2000/01) forecast at 405 MBx, down 8 percent from previous season due to dry weather in the São Paulo commercial production area. Oranges for processing forecast at 274 MBx. São Paulo processing plants are expected to crush 260 MBx. FCOJ exports for MY 2000/01 forecast at 1.1 MMT, down 110,000 tons (metric) from MY 1999/2000 due to stable demand in Europe and an expected increase in the Floridian crop. FCOJ stocks for MY 2000/01 forecast at 244,000 tons, down 68,000 tons from current stocks.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Annual Report
São Paulo [BR3], BR

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Executive Summary

Brazilian 1999/2000 orange crop (MY 2000/01) forecast at 405 million boxes (MBx), down 8 percent from previous season due to dry weather in the São Paulo commercial area. Oranges for processing forecast at 274 MBx. São Paulo processing plants are expected to crush 260 MBx. Frozen concentrated orange juice (FCOJ) exports for MY 2000/01 are forecast at 1.1 million metric tons (MMT), down 110,000 tons (metric) from marketing year (MY) 1999/2000 (July-June) due to stable demand in Europe and an expected increase in the Florida crop. FCOJ stocks for MY 2000/01 forecast at 244,000 tons, down 68,000 from current stocks.

FRESH ORANGES

Statistical Tables

PSD Table						
Country	Brazil					
Commodity	Fresh Oranges				(HECTARES)(1000 TREES)(1000 MT)	
	Revised	1997	Preliminary	1998	Forecast	1999
	Old	New	Old	New	Old	New
Market Year Begin		07/1998		07/1999		07/2000
Area Planted	805000	805000	768000	768300	0	804300
Area Harvested	738000	738000	717000	717500	0	728500
Bearing Trees	205000	205000	198000	198000	0	201000
Non-Bearing Trees	21000	21000	16000	15600	0	23600
TOTAL No. Of Trees	226000	226000	214000	213600	0	224600
Production	15912	15912	17952	17952	0	16524
Imports	0	0	0	0	0	0
TOTAL SUPPLY	15912	15912	17952	17952	0	16524
Exports	82	82	82	102	0	102
Fresh Dom. Consumption	4080	4080	5467	5039	0	5243
Processing	11750	11750	12403	12811	0	11179
TOTAL DISTRIBUTION	15912	15912	17952	17952	0	16524

Prices Table			
Country	Brazil		
Commodity	Fresh Oranges for Processing.		
Prices in	Reais (R\$)	per uom	40.8 KG box
Year	1998	1999	% Change
Jan	2.7	4.18	54.81%
Feb	3.01	4.53	50.50%
Mar	2.91	4.46	53.26%
Apr	2.89	4.46	54.33%
May	3.08	3.81	23.70%
Jun	3.54	2.98	-15.82%
Jul	3.75	2.59	-30.93%
Aug	4.13	2.37	-42.62%
Sep	4.35	2.25	-48.28%
Oct	4.38	2.04	-53.42%
Nov	4.42	1.95	-55.88%
Dec	4.17	1.67	-59.95%
Exchange Rate	1.8	Local currency/US \$	

Export Trade Matrix			
Country	Brazil		
Commodity	Fresh Oranges		
Time period	Jan-Dec.	Units:	Metric Tons
Exports for:	1998		1999
U.S.	0	U.S.	0
Others		Others	
Netherlands	52431		70962
United Kingdom	1787		9218
U.A.E.	5389		6976
Portugal	2621		5248
Spain	0		6044
Russia	1871		3014
Kuwait	1488		1438
Bahrain	0		57
Saudi Arabia	0		54
Uruguay	3		19
Others not Listed	24		56

Grand Total	65614		103086
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Production

PS&D Tables

The following tables provide revised data for the São Paulo and total Brazilian fresh orange production, supply and demand (PS&Ds) for MY 1998/99, 1999/2000 and 2000/01 (July-June).

São Paulo: Fresh Oranges PS&D (Jul-Jun, 1,000 Ha, million trees & million 40.8 KG boxes)				
Item/Marketing Year	1998/99	1999/2000	1999/2000	2000/01
(Bloom/Harvest)	(97/98)	(98/99)	(98/99)	(99/00)
Area Planted	653.0	616.0	616.0	653.0
Area Harvested	600.0	579.0	579.0	590.0
Bearing Trees	169.0	162.0	162.0	165.0
Non-Bearing Trees	17.0	12.0	12.0	20.0
Total Trees	186.0	174.0	174.0	185.0
Production	342.0	395.0	395.0	360.0
Exports	2.0	2.0	2.5	2.5
Domestic Consumption	60.0	98.0	92.5	97.5
Processing	280.0	295.0	300.0	260.0

Brazil: Fresh Oranges PS&D (Jul-Jun, 1,000 Ha, million trees & million 40.8 KG boxes)				
Item/Marketing Year	1998/99	1999/2000	1999/2000	2000/01
(Bloom/Harvest)	(97/98)	(98/99)	(98/99)	(99/00)
Area Planted 1/	805.3	768.3	768.3	805.3
Area Harvested	738.5	717.5	717.5	728.5
Bearing Trees	205.0	198.0	198.0	201.0
Non-Bearing Trees	20.6	15.6	15.6	23.6
Total Trees	225.6	213.6	213.6	224.6
Total Production	390.0	440.0	440.0	405.0
São Paulo	342.0	395.0	395.0	360.0
Others	48.0	45.0	45.0	45.0
Exports	2.0	2.0	2.5	2.5
São Paulo	2.0	2.0	2.5	2.5
Others	0.0	0.0	0.0	0.0
Domestic Consumption	100.0	138.0	123.5	128.5
Processing	288.0	300.0	314.0	274.0
São Paulo	280.0	295.0	300.0	260.0

Others	8.0	5.0	14.0	14.0
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General

The Agricultural Trade Office (ATO)/São Paulo estimate for total Brazilian 1998/99 orange crop (MY 1999/2000) remains unchanged at 440 million 40.8 kilogram (KG) boxes (MBx), up 50 MBx from the previous season. The commercial production area of the state of São Paulo plus the western part of Minas Gerais accounted for 395 MBx, while the remainder came mainly from northeastern and southern states. As reported by the Institute of Agricultural Economics (IEA) of the São Paulo State Secretariat of Agriculture, the final estimate for the state of São Paulo 1998/99 crop is approximately 400 MBx. Note that the IEA estimate takes into account the whole state of São Paulo, while Post estimate considers only the commercial area of the state plus the western part of Minas Gerais.

ATO/São Paulo forecasts the total Brazilian orange crop for MY 2000/01 (1999/2000 crop) at 405 MBx, down 8 percent from the previous crop. The commercial area of the state of São Paulo plus the western part of the state of Minas Gerais should yield 360 MBx, down 35 MBx from previous season. Production for other producing regions, such as the states of Bahia, Sergipe and Parana, should remain stable at 45 MBx.

Orange production in São Paulo and Minas Gerais has been negatively affected by the dry weather and high temperatures that prevailed during flowering and fruit set. The lack of rainfall during the second semester of 1999 affected the first and second blossoms, thus resulting in delayed flowering and smaller size fruits. A third and larger blossom occurred in late December and January as a result of intense rainfall during that period. Post contacts estimate that approximately 25 to 30 percent of the 1999/2000 crop will come from the third flowering.

Fruit development during the first semester of 2000 was somewhat affected by below average rainfall and high temperatures which stressed trees in several growing regions. Crop management factors, such as the use of fertilizers and agri-chemicals, were also affected by the water deficit in citrus growing areas. Many producers were able to use fertilizers only twice during the short rainfall season (late November-April), instead of three times. Many producers also used lower cost and lower quality inputs due to lower orange prices received during 1999. As a consequence, a smaller size fruit is expected for the 1999/2000 crop. Disease related problems such as Citrus Chlorosis Variegated (CVC) and Citrus Canker also negatively impacted the 1999/2000 crop.

The new crop harvest season for processing started at a slower than normal pace. Post contacts report that crushing plants will be fully operating only in August, rather than July, due to the delay in fruit maturation. If the quality of the fruit resulting from the third bloom is good, crushing operations should be extended through the first couple of months of 2001. Generally, the annual processing season is largely over in late December.

The IEA has just released the fourth citrus crop survey (April 2000) for the 1999/2000 crop. The 1999/2000 São Paulo crop, commercial and non-commercial areas, is estimated at approximately 367 MBx, down from 380.6 MBx forecast after the third survey (February 2000). The Brazilian Association of Citrus Exporters (ABECITRUS) recently announced that the association will no longer release crop forecasts.

Crop Area and Tree Inventory

The ATO/São Paulo forecast for the Brazilian orange area for MY 2000/01 is 804,300 hectares (Ha.), up 36,000 Ha. from last season, due mainly to an increase in planting. Tree density estimates used to calculate planted area are: 280 trees per hectare for established commercial groves in the state of São Paulo; 205 trees per hectare for established groves in the northeast; 260 trees per hectare for established groves in other states; 320 trees per hectare for new commercial planting in São Paulo; 415 trees per hectare for new planting in the northeast; and, 285 trees per hectare for new planting in other states.

The ATO/São Paulo estimate for the total Brazilian orange tree inventory for MY 1999/2000 remains unchanged at 213.6 million trees (198 million bearing trees and 15.6 million non-bearing trees). The commercial area of São Paulo plus western part of Minas Gerais accounts for 162 million bearing trees and 12 million non-bearing trees. ATO/São Paulo forecasts the MY 2000/01 total Brazilian orange trees inventory at 224.6 million trees, up 11 million trees from last season, based on information from post contacts. The commercial area of the State of São Paulo should account for 165 million bearing trees and 20 non-bearing trees, up 3 million bearing trees and 8 million non-bearing trees from previous season.

As reported by the IEA in the April 2000 crop survey, the orange tree inventory for the state of São Paulo for MY 2000/01 is estimated at 222.6 million trees (197 million bearing trees and 25 million non-bearing trees). Post contacts report that these figures include approximately 20 to 25 million bearing trees that should be eradicated in the next couple of years due to abandonment.

Yields

The ATO/São Paulo estimate for the Brazilian 1998/99 orange crop yield (MY 1999/2000) remains unchanged at 2.22 boxes (40.8 KG) per tree. ATO/São Paulo forecasts total Brazilian orange crop yield for MY 2000/01 at 2.01 boxes per tree, a 10 percent decrease compared to previous season due to below average rainfall, lower utilization of fertilizers and use of low quality agri-chemicals, due to restrained prices during 1999.

Diseases

The São Paulo State Fund for the Defense of Citri culture (FUNDECITRUS) conducted a survey in August and September 1999 to evaluate the incidence of Citrus Chlorosis Variegated (CVC) in the São Paulo commercial growing areas. Results show an increase in affected trees compared to previous years. As reported by FUNDECITRUS, approximately 36 percent of the sampled trees (444 trees) are affected by the bacteria *Xylella fastidiosa* (20.95 percent of the trees showed minor symptoms, while approximately 15 percent showed severe symptoms). Note, however, that the size of the sample is 8 times smaller than the previous year. According to information provided by local contacts, it is estimated that about 5 million trees will be eradicated in the next couple of years due to CVC. Dry weather that prevailed during the season also contributed to increase the number of trees affected. The table below shows the evolution of the disease from 1996 to 1999, as reported by FUNDECITRUS.

Citrus Chlorosis Variegated (CVC) - Estimated Prevalence of Symptoms (percentage of total sample).					
Level 1/	1996 2/	1997 2/	1998 3/	1998 4/	1999 5/
0	76.4	66.0	79.9	77.7	63.93
1	16.8	23.6	15.8	14.6	20.95
2	5.2	8.1	3.9	6.7	13.54
3	1.6	2.3	0.3	1.0	1.58

Source: São Paulo State Fund for Defense of Citri culture (FUNDECITRUS).

1/ Level 0: no symptoms observed; Level 1: some leaves with symptoms in some branches
 Level 2: several leaves with symptoms in several branches, some emaciated branches, small fruit;
 Level 3: emaciated plant, widespread small fruit

2/ Sample = 7,000 marked trees
 3/ Sample = 3,500 marked trees of the original sample (1996).
 4/ Sample = 3,500 new sampling trees.
 5/ Sample = 444 samples.

The Secretariat of Agriculture of the State of São Paulo and FUNDECITRUS swept through citrus growing areas in the state of São Paulo and part of Minas Gerais between May and November 1999 to identify and eradicate citrus trees affected by Citrus Canker. Thousands of properties, including small, medium and large size farms, were visited by approximately 4,000 inspectors in order to control the disease. FUNDECITRUS during the past two years has also increased the number of visits and reinspection to farms noted previously as being affected by the disease, since a farm is considered cleared only after the second year with no infected tree found. The results of the inspections show that 169.3 million citrus trees were inspected, and that approximately 20.3 million trees exhibited Canker symptoms, mainly in the central, northwest and northern parts of the commercial citrus area. The number of new sites affected by the disease was 3,346, while recontamination occurred in 342 locations. The table below shows the evolution of Citrus Canker for 1999 as well as previous years. Note that approximately 1.7 million trees were eradicated during 1999.

Evolution of Citrus Canker in the State of São Paulo					
Year	Number of Counties	Number of Areas	Infected Trees	Affected Trees 1/	Affected 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	64	457	91,602	667,382	828,420
1999	132	4,180	299,856	1,737,545	194,333

Source: São Paulo State Fund for Defense of Citri culture (FUNDECITRUS).

1/ Includes trees affected in a 30 meter radius of the infected tree.

As of August 1999, the methodology adopted to control Canker-infected citrus groves changed. The new methodology considers the number of blocks ("talhões") within the citrus property affected by the disease. A block represents a section within a citrus grove delineated by rows, roads, fences or any other means used by the owner to separate one part from the others. The previous methodology considered the number of areas affected as the number of properties infected by Citrus Canker. The table below shows the evolution of Citrus Canker during January-May 2000 using the new methodology to track infected areas. The methodology also encompasses commercial groves, non-commercial groves and nurseries. According to data reported by FUNDECITRUS, approximately 410,000 and 32,700 trees were eradicated from commercial and non-commercial groves, respectively, during the January-May 2000 period. Post contacts report that approximately 1 million trees should be eradicated during 2000.

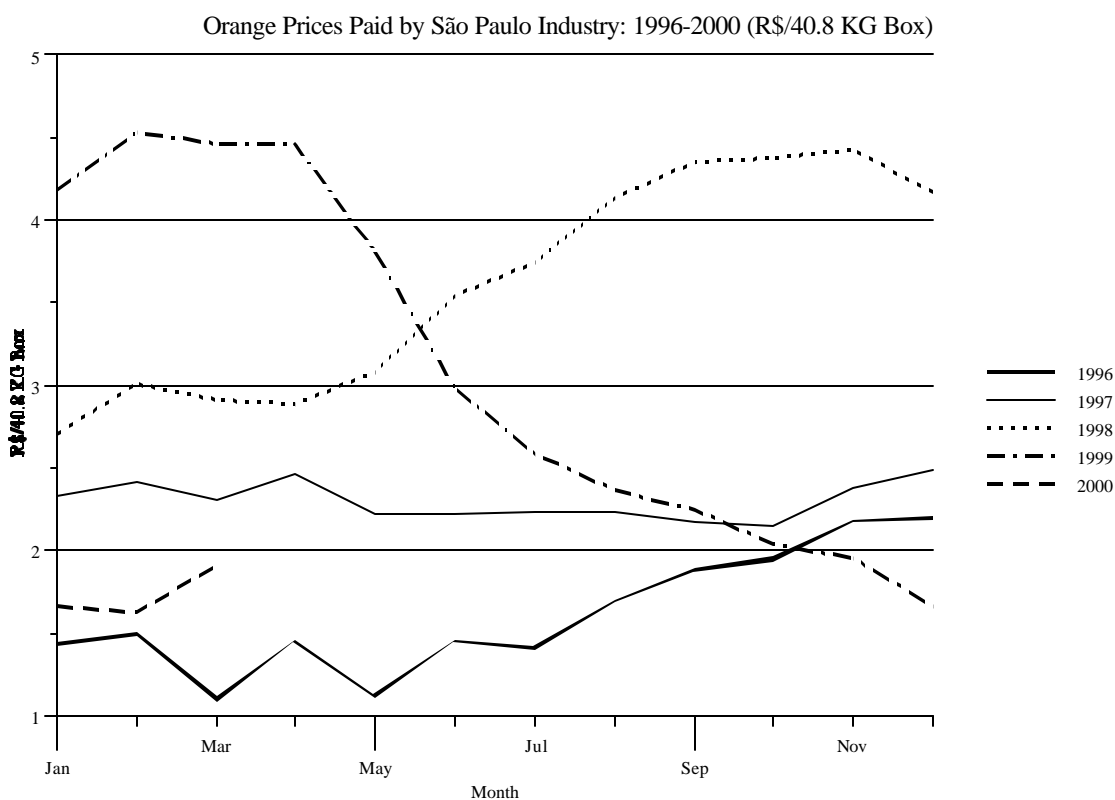
Evolution of Citrus Canker in the State of São Paulo, 2000.				
Month	New	Recontamination	Total	Plants Eradicated
Block				
January	45	148	193	85,892
February	56	143	199	79,631
March	69	138	207	66,063
April	48	108	156	91,033
May	68	117	185	87,293
Non-Commercial Groves				
January	1	1	2	21423
February	19	10	29	6668
March	2	4	6	1599
April	0	5	5	1002
May	33	5	38	1993
Nurseries				
January	2	--	2	41700
February	2	--	2	3909
March	0	--	0	0
April	0	--	0	0
May	2	--	2	--
Source: São Paulo State Fund for Defense of Citri culture (FUNDECITRUS).				

Quality

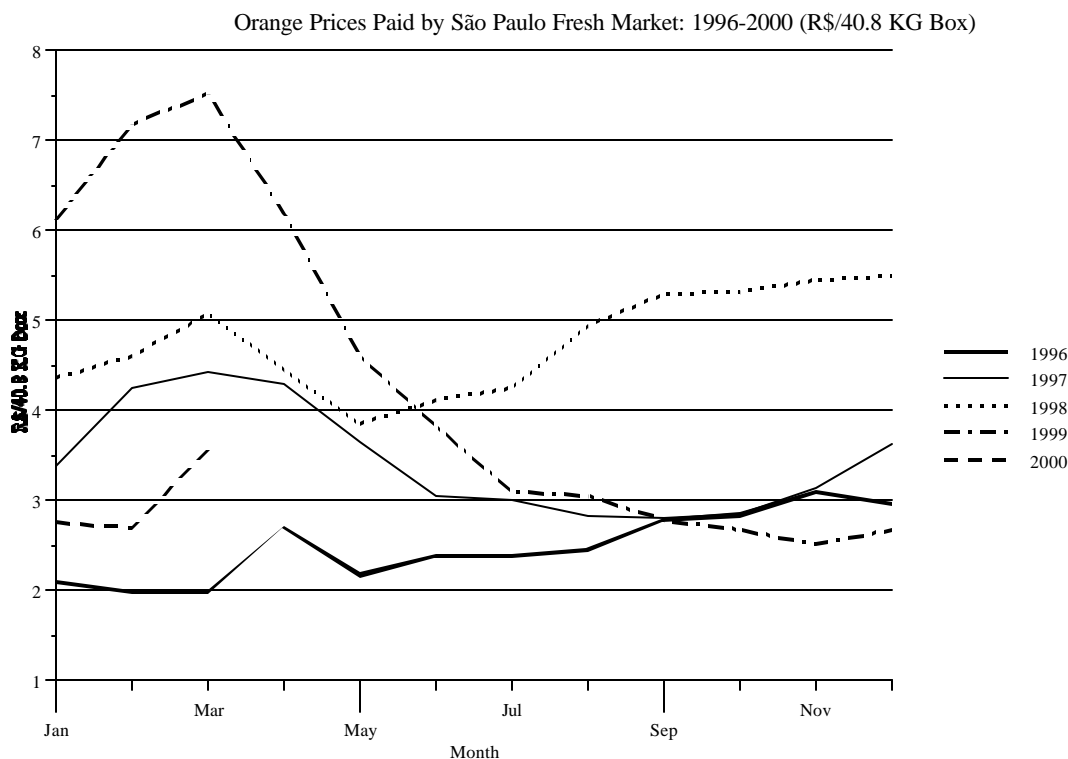
Post contacts report that fruit size for the 1999/2000 crop should be smaller than average. Brix content is expected to be higher than average due to below average rainfall. The quality of the fruits resulting from the third bloom is not known yet, but historically fruits harvested in January-February show lower than average quality. Consequently, fruit for crushing in 2001 will depend upon the availability of fruit which meet processing standards for Brix and ratio.

Prices for Producers

The graphs below show average monthly prices received by producers 1996 through March 2000 for both processing and the fresh market, as reported by IEA. Note that prices paid by the industry in 1999 were lower than 1998 due to reduced demand for fruit. Orange prices in the fresh market have also been running well below those of the past couple of seasons due to restrained demand. Prices for current season (MY 2000/01) are subject to availability of quality fruits for processing plus domestic fresh market demand. The orange supply in the market will be extended to March 2001 due to the third bloom which occurred in late December 1999 and January 2000. Post contacts report that many supply contracts between crushing plants and citrus growers have expired. The industry has made no major effort thus far to establish new contract with growers. Current industry prices for processing are Real (R\$) 1.30 per box of Hamlin variety and R\$ 1.80 per box of Pera variety.



1/ Deflator: IGP-DI (July 1998) of Fundacao Getulio Vargas.
 Source: Institute of Agricultural Economics (IEA), São Paulo State Sec. of Ag.



1/ Deflator: IGP-DI (July 1998) of Fundação Getúlio Vargas.
 Source: Institute of Agricultural Economics (IEA), São Paulo State Sec. of Ag.

According to a study conducted by the Advanced Studies Center for Applied Economics (CEPEA) of the São Paulo State College of Agriculture "Luiz de Queiroz" (ESALQ), orange prices paid to producers in the São Paulo market are affected by changes in product supply and demand at the production and retail levels, respectively. Packing-houses, wholesalers and distributors do not play a significant role in determining local producer prices.

Findings indicate the orange supply is related to the availability of fruit in the market as determined by the size of the crop in the state of São Paulo (the dominant Brazilian production area), marketing strategies adopted by FCOJ manufacturers (more or less fruits for processing) and, product seasonality (prices are higher during the January-June period). Fresh orange demand is related solely to the retail sector. Retail chains have increased their purchasing power during the past couple of years, thus imposing changes in pricing. These price fluctuations are a consequence of changes in final consumer demand. Final consumer demand is reportedly difficult to evaluate but varies according to changes in family income, price of the product and period of the year, according to the study.

The CEPEA study also reports that FCOJ prices in the international market do not directly affect domestic producer prices, as processing companies can absorb more or less fruits and, thus, reduce or increase domestic market supply. Therefore, good prices in the international FCOJ market do not necessarily translate into good local orange prices to producers.

Consumption

The ATO/São Paulo estimate for MY 1999/2000 Brazilian fresh orange consumption has been revised downward to 123.5 MBx, off 10.5 MBx from the previous estimate, mainly due to higher volume delivered for processing. ATO/São Paulo forecasts MY 2000/01 Brazilian fresh orange consumption at 128.5 MBx, up 5 MBx from the previous season. Note that these figures include actual domestic consumption plus losses from harvesting, hauling and packing. Domestic consumption estimates, thus, are taken as the difference between production estimates and the volume of oranges delivered to processors.

According to information provided by industry contacts, fruit droppage last season (MY 1999/2000) was approximately 10 to 12 percent in the São Paulo commercial area. Higher droppage occurred due to weather conditions (dry and hot temperatures) that prevailed during the season, which sped up fruit development. According to this information approximately 40 to 50 MBx dropped during the season. Thus, actual domestic consumption originating from São Paulo and western Minas Gerais commercial groves is unofficially estimated between 42.5 and 52.5 MBx.

Actual MY 2000/01 fresh orange consumption of fruit originating from the São Paulo commercial groves is estimated to increase to 80 MBx, considering an average 5 percent droppage rate. The expected recovery of the Brazilian economy, as noted by the projected 4 percent growth in the Brazilian Gross Domestic Product (GDP) for 2000, the expected reduction in unemployment and the increase of the official minimum wage should support higher consumption.

According to ABECITRUS, Brazilian consumption of pasteurized orange juice is estimated at 160 million liters for 1999, 1 liter of pasteurized juice per capita. Domestic consumption for 2000 is forecast at 200 million liters and trade sources expect that pasteurized orange juice consumption will reach a 1 billion liters by 2003. Current, domestic orange juice consumption originated from fresh fruits is estimated at 20 liters per capita.

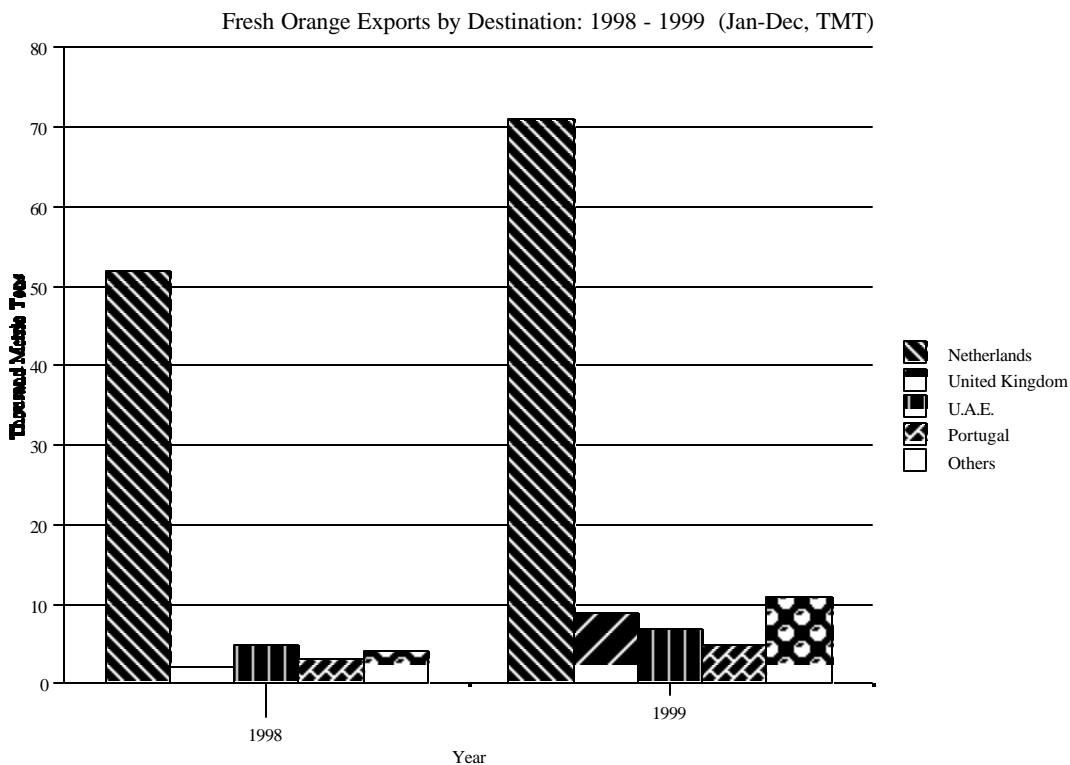
Trade

Exports

The ATO/São Paulo estimate for MY 1999/2000 orange exports has been revised upward to 2.5 MBx, according to 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 1998/99 and 1999/2000 (July-June), as reported by SECEX. The graphs below shows fresh oranges exports to major destinations for 1998 and 1999 (January-December), according to SECEX. ATO/São Paulo forecasts fresh orange exports for MY 2000/01 stable at 2.5 MBx.

Fresh Orange Exports by Country of Destination (Metric Tons & US\$ 1,000 FOB)						
Destination	MY 1998/99		MY 1998/99 1/		MY 1999/2000 1/	
	Quantity	Value	Quantity	Value	Quantity	Value
Netherlands	50,452	10,696	46,179	9,847	66,689	12,907
United Kingdom	2,287	557	1,787	444	8,724	1,670
U.A.E.	5,810	1,284	5,389	1,123	6,555	1,449
Spain	20	3	0	0	6,024	1,367
Portugal	2,725	798	2,621	770	5,145	1,367
Russia	1,871	364	1,871	364	3,014	832
Kuwait	1,488	310	1,488	310	1,438	296
Paraguay	n/a	n/a	0	0	66	3
Saudi Arabia	0	0	0	0	54	21
Bahrein	0	0	0	0	48	19
Others	38	29	8	18	72	40
Total	64,691	14,041	59,344	12,877	97,830	19,972

Source: Brazilian Secretariat of Foreign Trade (SECEX), NCM 0805.10.00
1/ July to April.



Source: SECEX

Imports

According to information provided by SECEX, fresh orange imports for the July-April period of MY 1999/2000 are 884.3 tons (21,700 boxes), down 65 percent from the same period last MY. Orange imports for 1999 are approximately 1,140 tons, down 68 percent from 1998 imports (3,531 tons).

Marketing

Last year, FUNDECITRUS launched a campaign in the states of São Paulo, Rio de Janeiro and the capital, Brasília, to stimulate consumption of fresh oranges. ABECITRUS and other elements of the citrus sector, such as input and equipment companies, have invested approximately US\$ 1.55 million (R\$ 3 million) in the promotional effort.

FUNDECITRUS contracted the University of São Paulo to conduct a study to identify all participants in the citrus chain. With the findings, the institution created the Citrus Production Chain Committee to centralize all marketing efforts. This committee should include the entire citrus complex, including orange farmers and processors, fertilizer, agri-chemical and equipment companies, and others.

According to study results, the citrus industry generates revenues of approximately US\$ 3 billion per year. This figure aggregates its major players, e.g., producers, FCOJ companies and input suppliers. In addition, the citrus production chain also includes other indirect players, including transport, warehouses, packaging and machinery industries. These indirect players annually pay US\$ 1.5 billion in taxes to the federal and state governments and employ about 400,000 workers. Orange juice exports yield US\$ 1.5 billion per year and fresh fruit exports approximately US\$ 160 million to the national trade balance.

The study also reports that the agri-chemical sector profit from citrus production in 1999 is estimated at US\$ 160 million, while the fertilizer sector profited US\$ 70 million from citrus production. Further, approximately US\$ 17 million was transferred to government and private sector highway companies through road tolls and US\$ 20 million was transferred to the Port of Santos, the dominant FCOJ and fresh orange export point, through tariffs and fees.

The Secretariat of Agriculture of the State of São Paulo has also been concerned about the steady nature of the state's citrus sector and takes into account social aspects such as the employment of thousands of rural workers in citrus areas.

Citrus producers, wholesalers, researchers and supermarket representatives, coordinated by São Paulo State Markets and Warehouse Company, CEAGESP (Companhia de Entrepósitos e Armazéns Gerais do Estado de São Paulo), developed a set of norms to identify and categorize oranges to be marketed in the local market. According to these rules, the fruit will be labeled with information regarding variety, diameter, weight and other attributes. Such norms will allow the market to differentiate prices based on the quality characteristics of the fruit. The Ministry of Agriculture reports that the norms are not mandatory but that orange producers and the retail sector will be encouraged to use them.

ORANGE JUICE**Statistical Tables**

PSD Table						
Country	Brazil			65 Degrees Brix		
Commodity	Juice, Orange				(Metric Tons)	
	Revised	1997	Preliminary	1998	Forecast	1999
	Old	New	Old	New	Old	New
Market Year Begin		07/1998		07/1999		07/2000
Deliv. To Processors	11750	11750	12403	12811	0	11179
Beginning Stocks	235500	235500	263000	263000	360000	312000
Production	1184000	1184000	1271000	1275000	0	1050000
Imports	0	0	0	0	0	0
TOTAL SUPPLY	1419500	1419500	1534000	1538000	360000	1362000
Exports	1138000	1138000	1156000	1210000	0	1100000
Domestic Consumption	18500	18500	18000	16000	0	18000
Ending Stocks	263000	263000	360000	312000	0	244000
TOTAL DISTRIBUTION	1419500	1419500	1534000	1538000	0	1362000

Export Trade Matrix			
Country	Brazil		
Commodity	Juice, Orange		
Time period	Jan-Dec.	Units:	Metric Tons
Exports for:	1998		1999
U.S.	186332	U.S.	213977
Others		Others	
Belgium	525605		400772
Netherlands	349362		394562
Japan	68346		73878
United Kingdom	31127		20474
South Korea	19756		17024
Puerto Rico	8255		9924
Australia	14225		11847
New Zealand	3198		3171
Argentina	2089		2674
Chile	3734		2554

Others not Listed	15842		17279
Grand Total	1227872		1168135

Production

PS&D Tables

The following tables provide revised data for the state of São Paulo and total Brazilian FCOJ PS&Ds for the MY 1998/99, 1999/2000 and 2000/01 (July-June).

São Paulo: FCOJ PS&D (Jul-Jun)			
(Million 40.8 KG boxes, TMT, 65 degrees Brix)			
Item/Marketing Year	1998/99	1999/2000	2000/01
(Bloom/Harvest)	(97/98)	(98/99)	(99/00)
Delivered to Processors	280.0	300.0	260.0
Beginning Stocks	235.5	263.0	312.0
Production	1,156.0	1,225.0	1,000.0
Total Supply	1,391.5	1,488.0	1,312.0
Exports	1,110.0	1,160.0	1,050.0
Domestic Consumption	18.5	16.0	18.0
Ending Stocks	263.0	312.0	244.0
Total Distribution	1,391.5	1,488.0	1,312.0

Brazil: FCOJ PS&D (Jul-Jun)			
(Million 40.8 KG boxes, TMT, 65 degrees Brix)			
Item/Marketing Year	1998/99	1999/2000	2000/01
(Bloom/Harvest)	(97/98)	(98/99)	(99/00)
Delivered to Processors	288.0	314.0	274.0
São Paulo	280.0	300.0	260.0
Others	8.0	14.0	14.0
Beginning Stocks 1/	235.5	263.0	312.0
Total Production	1,184.0	1,275.0	1,050.0
São Paulo	1,156.0	1,225.0	1,000.0
Others	28.0	50.0	50.0
Total Supply	1,419.5	1,538.0	1,362.0
Exports	1,138.0	1,210.0	1,100.0
São Paulo	1,110.0	1,160.0	1,050.0
Others	28.0	50.0	50.0
Domestic Consumption	18.5	16.0	18.0

Ending Stocks	263.0	312.0	244.0
Total Distribution	1,419.5	1,538.0	1,362.0
1/ São Paulo stocks.			

General

The ATO/São Paulo estimate for MY 1999/2000 total Brazilian FCOJ production has been adjusted upward slightly to 1.275 MMT, 65 Brix, up 4,000 tons from the previous estimate. The increased FCOJ production for states other than São Paulo was offset by a reduction of production in the São Paulo commercial area (1.225 MMT).

Total oranges delivered for processing for MY 1999/2000 has been revised upward to 314 MBx, up 10 MBx from the previous estimate. The São Paulo commercial area contributed an additional 5 MBx, totaling 300 MBx for processing. Other states contributed 14 MBx.

According to the Brazilian Association of Citrus Exporters (ABECITRUS), cumulative FCOJ production for MY 1999/2000 was 1,207,443 tons (66 Brix) compared to 1,138,502.3 tons (66 Brix) in MY 1998/99. No late season crushing is reported.

ATO/São Paulo forecasts total MY 2000/01 Brazilian FCOJ production at 1.05 MMT, a 225,000 ton decrease compared to last season, due to expected lower volume of oranges for processing. São Paulo FCOJ plants should provide 1 MMT, while the remainder is expected to come from other states. The volume of oranges for processing is forecast at 274 MBx. The São Paulo commercial area is expected to contribute 260 MBx.

In spite of the reported high stocks of FCOJ (see Stocks) and the financial costs involved, FCOJ processors could choose to process a higher volume of oranges if the quality of the fruit allows. Currently, orange prices are not forecast to increase and FCOJ processors could take advantage of such low prices to build stocks. According to post contacts, storage capacity does not presently represent a problem to processors' operational options.

Consumption

Post estimates total MY 1999/2000 domestic FCOJ consumption at 16,000 tons (65 Brix), down 2,000 tons from the previous estimate, due to recent information from trade sources. As reported by ABECITRUS, the MY 1999/2000 cumulative domestic FCOJ consumption was 15,790 tons (66 Brix). Domestic consumption for MY 2000/01 is forecast at 18,000 tons (65 Brix).

Trade

Exports

Post revised total Brazilian FCOJ exports for MY 1999/2000 to 1.21 MMT (65 Brix), up 54,000 from the previous

estimate, due to higher volume of oranges for crushing both in São Paulo and other states. FCOJ exports from the São Paulo production are estimated at 1.160 MMT (65 Brix), while other states should contribute 50,000 tons. According to ABECITRUS, cumulative exports through the Port of Santos for MY 1999/2000 are 1,141,816 tons (66 Brix).

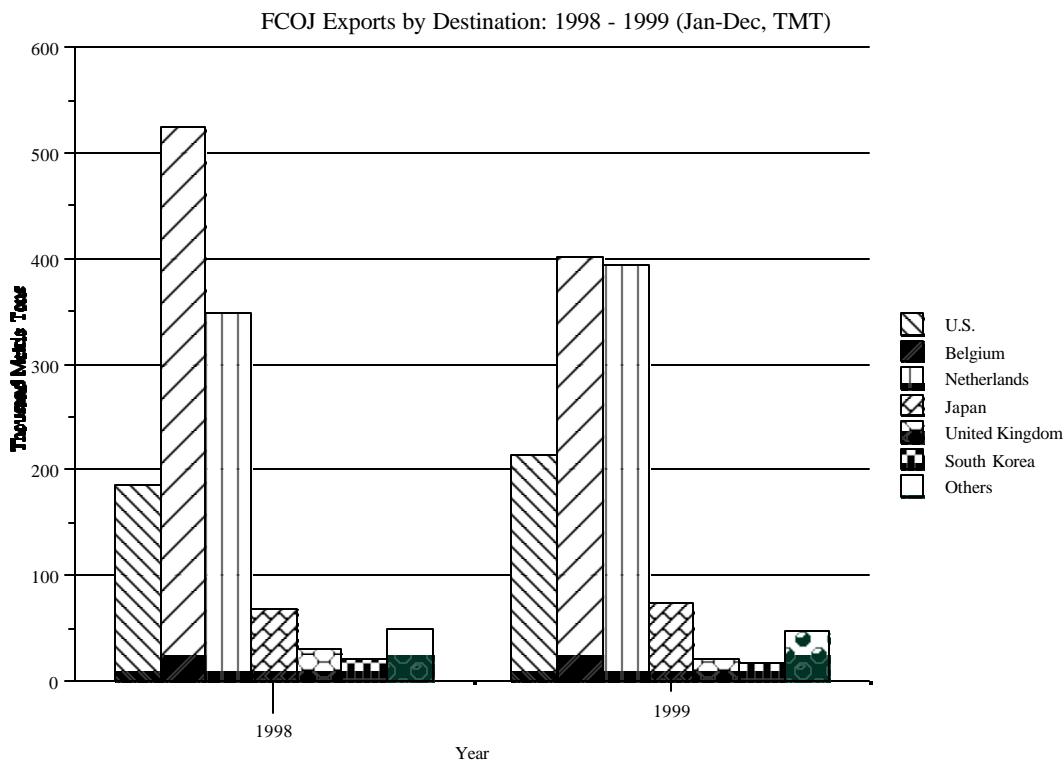
Brazilian FCOJ exports for MY 2000/01 are forecast at 1.1 MMT (65 Brix), down 110,000 tons from last season, due to stable demand in the European Union and an expected increase in Florida orange production. Trade sources report that exports to European Union (EU) countries should be about 800,000 tons, while North American countries are likely to absorb 200,000 tons. Japan, South Korea and other countries should import the remaining 100,000 tons. According to trade sources, current FCOJ prices are US\$ 1,200 to 1,300 per ton. FCOJ prices could decrease during the season to US\$ 800 to 900 per ton for exports to the EU, US\$ 700 to 800 per ton for exports to the U.S. and US\$ 800 per ton for exports to Asia, due to the surplus of the product and the expected good Floridian crop.

The table below shows official FCOJ and non-concentrated orange juice exports (NCM 2009.11.00) by country of destination for MY 1998/99 (July-June) and MY 1998/99 and 1999/2000 (July-April), as reported by the Brazilian Secretariat of Foreign Trade (SECEX).

Frozen Concentrated/Non-Concentrated Orange Juice Exports (Metric Tons and US\$ 1,000 FOB).						
Destination	MY 1998/99		MY 1998/99 1/		MY 1999/2000 1/	
	Quantity	Value	Quantity	Value	Quantity	Value
Netherlands	331,879	385,277	293,702	340,930	386,549	388,973
Belgium	466,286	508,484	378,657	413,788	337,276	331,788
United States	190,895	210,301	159,047	180,204	232,067	214,566
Japan	72,057	76,040	50,598	54,331	57,723	55,760
United Kingdom	14,561	14,964	14,357	14,791	27,545	27,263
South Korea	17,158	19,760	13,156	15,322	20,782	20,920
Australia	15,942	16,818	13,460	14,364	11,999	11,946
Puerto Rico	8,969	10,933	7,379	8,776	8,315	9,972
Argentina	2,193	2,837	2,019	2,637	4,071	4,537
New Zealand	2,911	3,192	2,465	2,613	3,046	3,176
Taiwan	n/a	n/a	429	487	2,713	2,931
Others	17,755	19,829	14,326	15,905	20,151	21,076
Total	1,140,606	1,268,434	949,595	1,064,148	1,112,236	1,092,909

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

The graph below shows official frozen concentrated and non-concentrated orange juice exports (NCM 2009.11.00) by country of destination for 1998 and 1999 (January-December), as reported by (SECEX).



Source: SEXEC

Imports

SECEX reports that Brazilian FCOJ and non-concentrated orange juice imports (NCM 2009.11.00) for 1998 and 1999 (January-December) were 0.675 and 75 tons, respectively.

Stocks

Post estimates MY 1999/2000 FCOJ ending stocks at 312,000 tons (65 Brix), up 49,000 tons from the previous season. In spite of higher export volumes, stocks increased due to higher beginning stocks and higher FCOJ production compared to the previous crushing season. ATO/São Paulo forecasts FCOJ ending stocks for MY 2000/01 down at 244,000 tons (65 Brix), due to expected lower FCOJ production and expected lower exports. Note that these figures do not include FCOJ stored in processors' tanks located offshore in the EU, U.S. and Asia, and in transit.

Exchange Rate

Exchange Rate (R\$/US\$1.00 -- official rate, last day of period)				
Month	1997	1998	1999	2000
January	1.05	1.12	1.92	1.80
February	1.05	1.13	2.03	1.77
March	1.06	1.14	1.77	1.75
April	1.06	1.14	1.66	1.81
May	1.07	1.15	1.72	1.82
June	1.08	1.16	1.77	1.80
July	1.08	1.16	1.79	--
August	1.09	1.18	1.81	--
September	1.10	1.19	1.92	--
October	1.10	1.19	1.95	--
November	1.11	1.20	1.92	--
December	1.12	1.21	1.79	--

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