ORANGE JUICE

Global Juice and Concentrate Trade

Implications and Opportunities

Wayne Prowse

October 2023

Production
1.6 million tonnes
(66’ Brix equiv)
-9% (1 yr.)
USDA Est in 2023

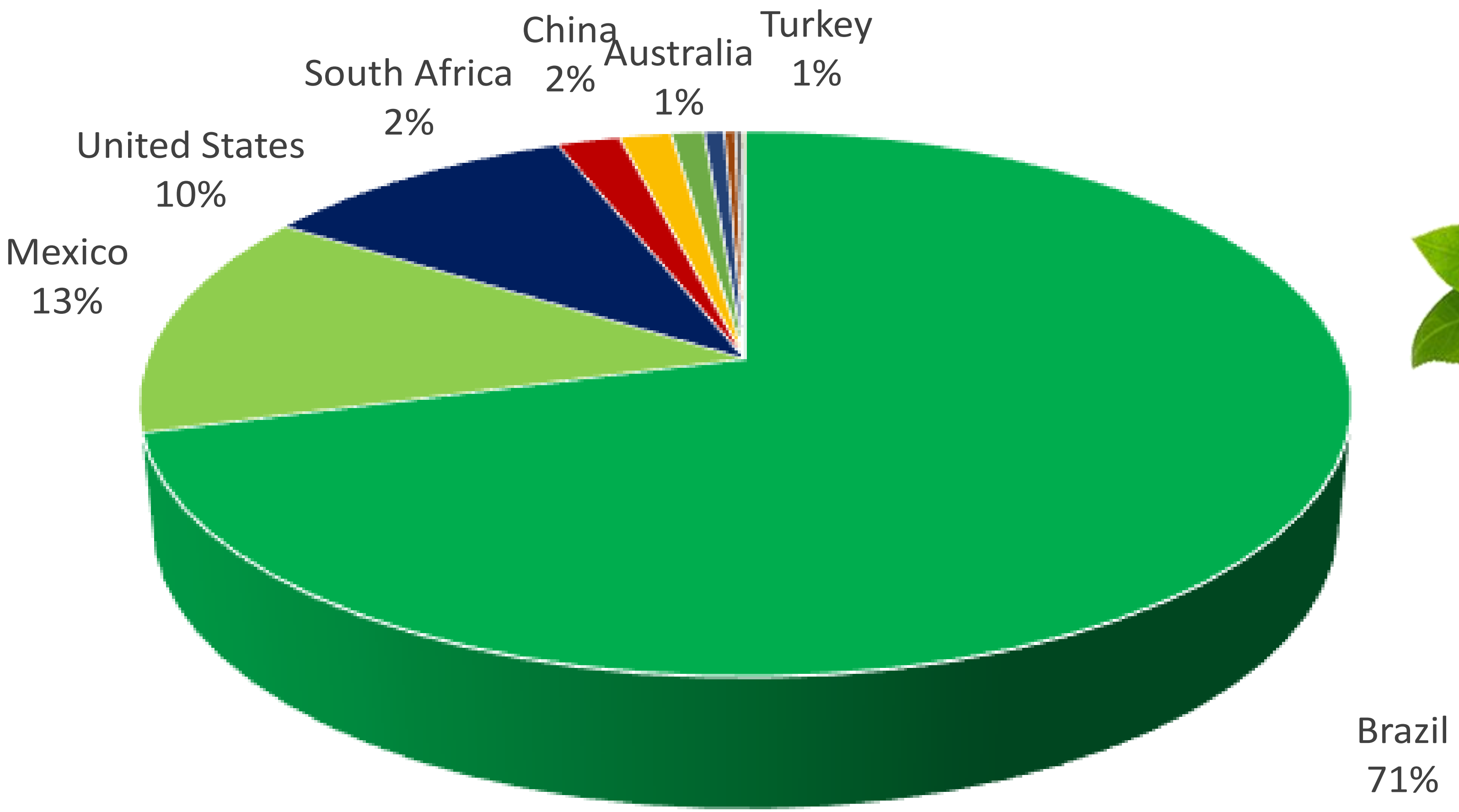
Export
1.37 million tonnes
(66’ Brix equiv)
+2.4% (1 yr.)

90 % of orange juice is traded globally

Source: USDA, CitrusBR, ITC Trademap, World Bank, Fresh Intelligence analysis

PRODUCTION

1.6 million tonnes 66'Brix equiv



2022 PRODUCTION

1.6 million tonnes 66’Brix equiv

* production to fall to 1.5 million tonnes in 2023

Region	Tonnes at 66' Brix equiv
Share of global production	% of 1.6 million

United States	159,000
Share of global production	9.9%

Europe	55,000
Share of global production	3.4%

China	25,920
Share of global production	1.6%

Mexico	215,000
Share of global production	13.5%

Brazil	1,130,000
Share of global production	70.7%

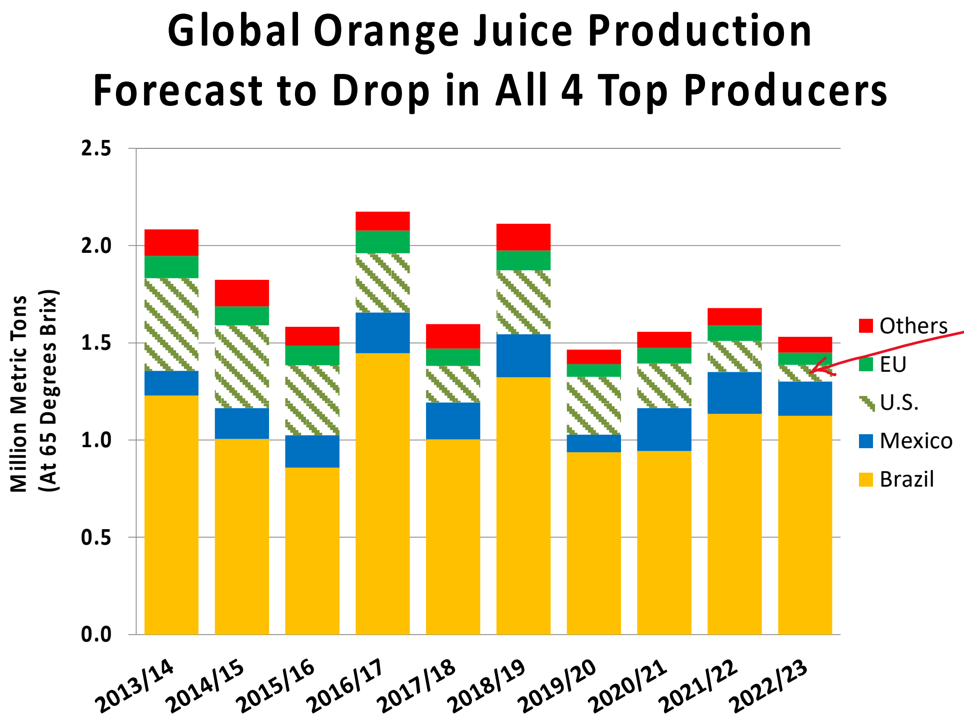
Australia	16,500
Share of global production	1.0%

South Africa	31,320
Share of global production	2.0%

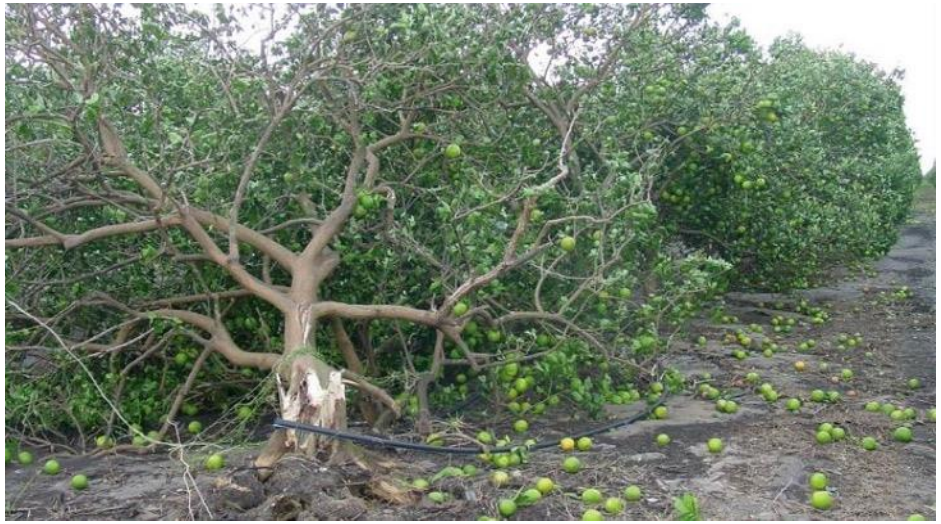
Source: USDA FAS July 2023, Fresh Intelligence analysis

Global Orange Juice Production

Brazil produces over 70 per cent of the world's commercial orange juice
The US is decreasing rapidly – not a short-term issue
*** USDA estimates that the 2023 US Orange Juice production will be 50 per cent lower to 64,000 tonnes ***



Source: USDA FAS, July 2023



Global Orange Juice Production

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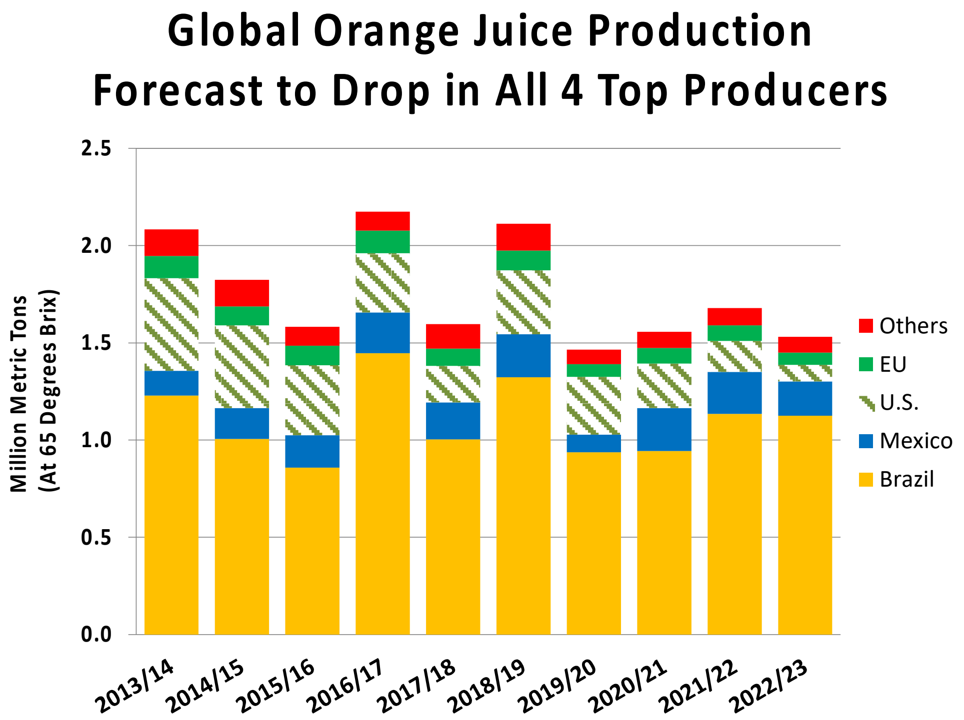
*** USDA estimates that the 2023 US Orange Juice production will be 50 per cent lower to 64,000 tonnes ***
Mexico is increasing though not fast enough to offset demand
Europe (Spain, plus Italy Greece and Turkey) are small suppliers of juice in global context
Supply shortage plus steady demand = rising prices



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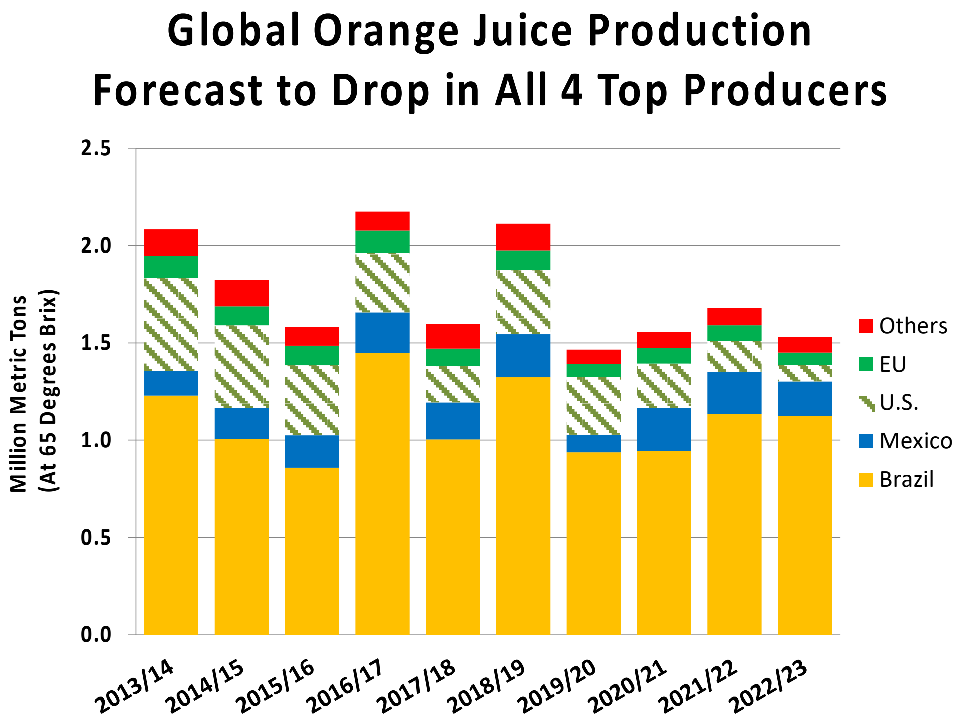
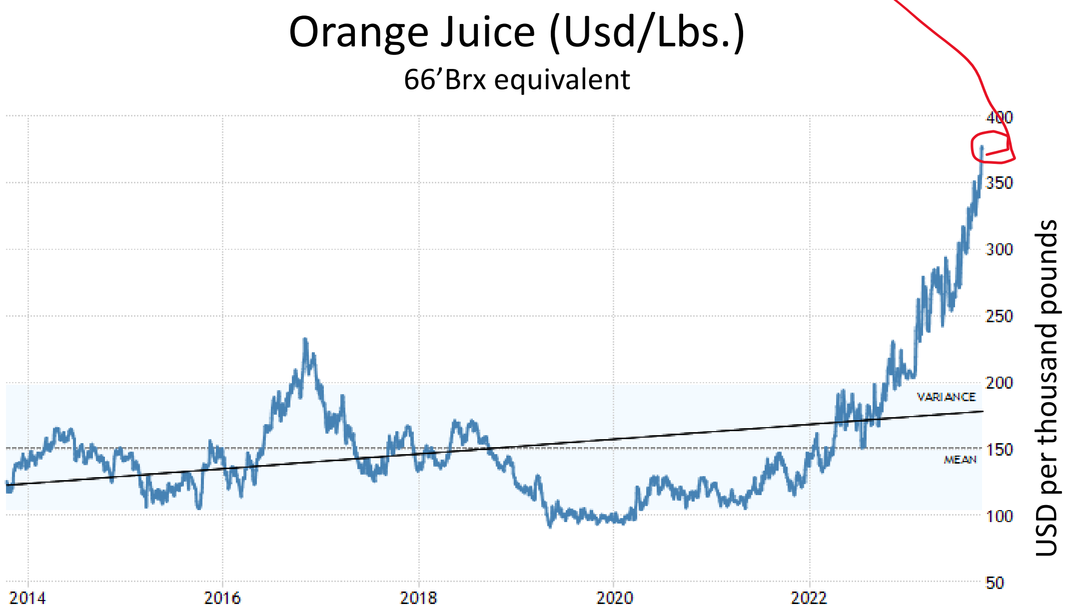
Spot price of Orange Juice US$3.85 per lb. in October 2023 (Trading Economics CFD)

(US $8.56 per kg / AU 13.65 per kg) (66'Brix equivalent)

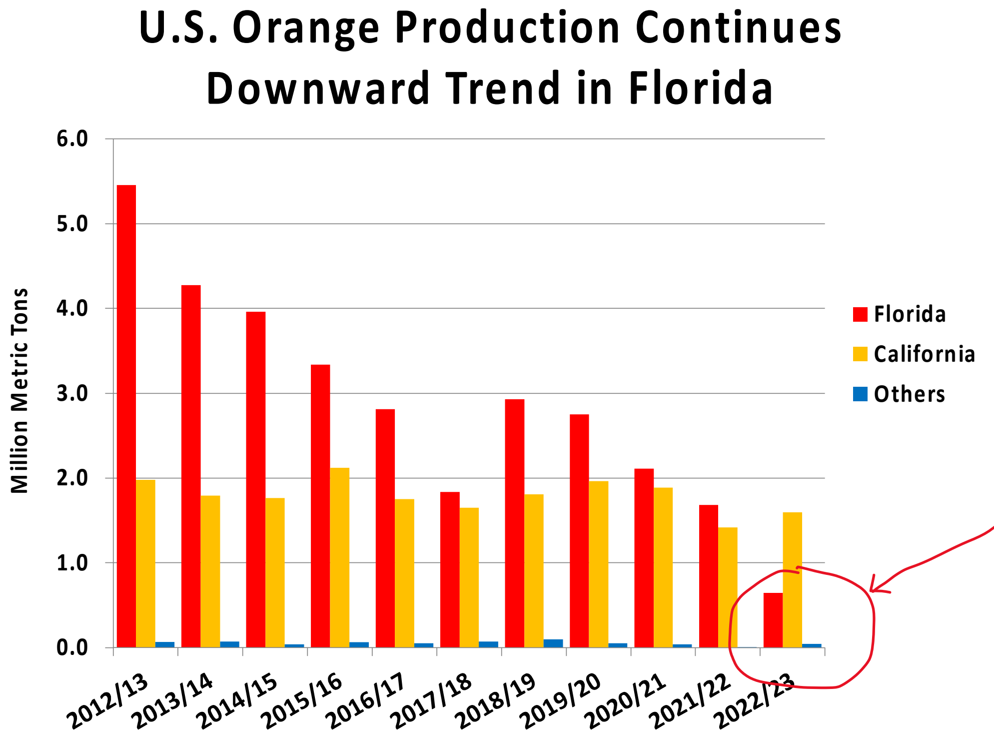




Source: CFD Trading Economics

US Implications – Florida Citrus is disappearing

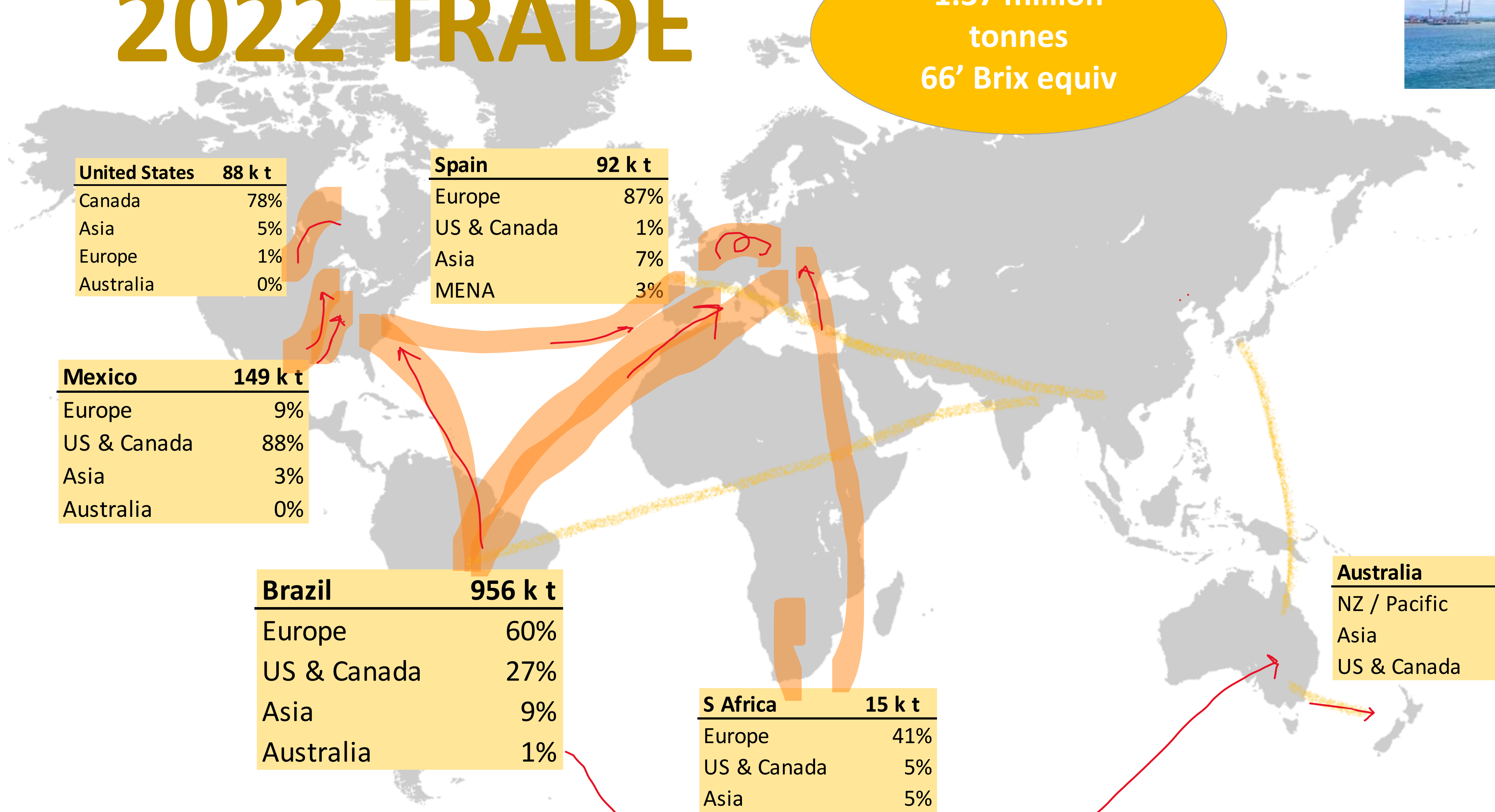
- Florida produces most of US commercial orange juice
- Citrus Greening detected in 2005 started the downward production trend
- Hurricanes Irma (2017) and Ian (2022) decimated the orange groves – over US$ 500 Million damage
- US forecast for 2023 Florida crop is the lowest since 1940's - ~ 640,000 tonnes
- Demand for fresh oranges is very high and offset by California to maintain domestic supply
- Juice production is reducing, and this means demand from Mexico and Brazil is up to satisfy domestic needs
- Neither can ramp up production – supply scarcity pushes up prices



Source: USDA FAS, July 2023

2022 TRADE

1.37 million tonnes 66’ Brix equiv



United States	88 k t
Canada	78%
Asia	5%
Europe	1%
Australia	0%

Spain	92 k t
Europe	87%
US & Canada	1%
Asia	7%
MENA	3%

Mexico	149 k t
Europe	9%
US & Canada	88%
Asia	3%
Australia	0%

Brazil	956 k t
Europe	60%
US & Canada	27%
Asia	9%
Australia	1%

S Africa	15 k t
Europe	41%
US & Canada	5%
Asia	5%
MENA	8%

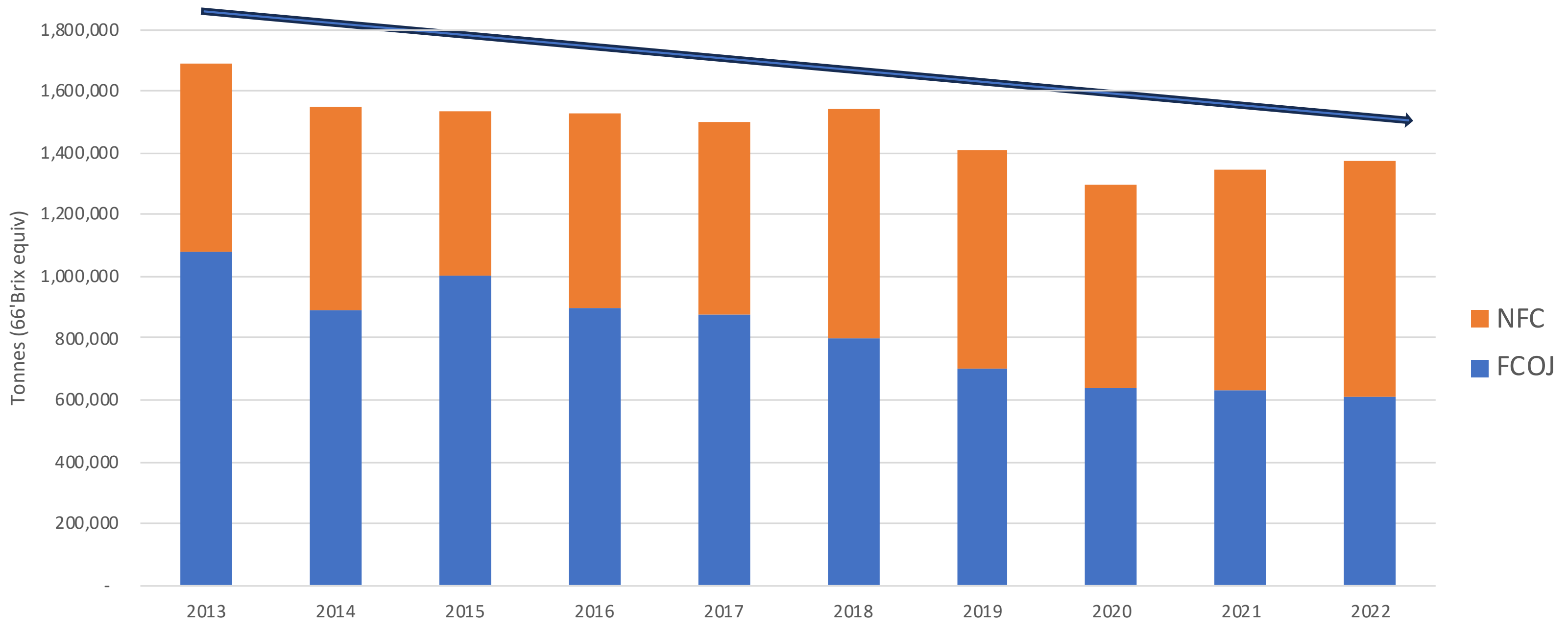
Australia	2 k t
NZ / Pacific	57%
Asia	39%
US & Canada	3%

Source: ITC TradeMap; Fresh Intelligence analysis

Orange Juice Export Trade

(66'Brix Equivalent)

- Global Orange Juice trade is declining 2.2% per year over 10 years (CAGR)
-

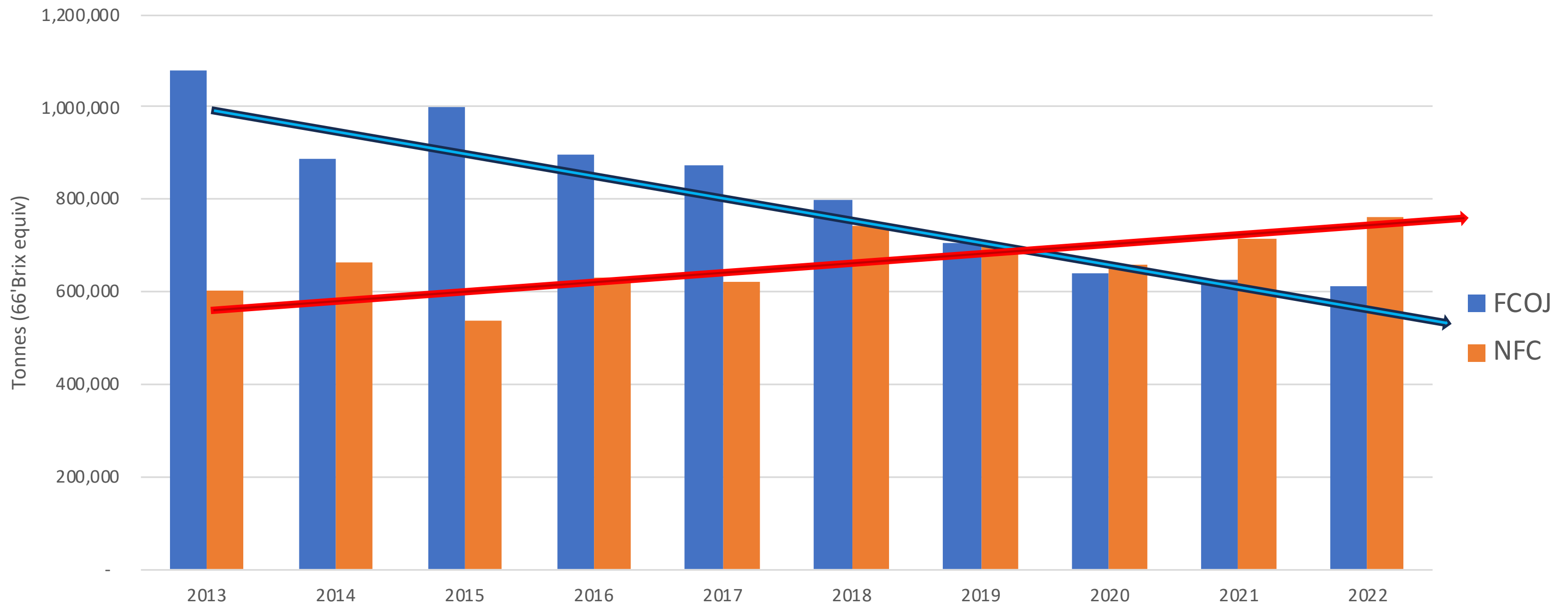


Source: ITC TradeMap; Fresh Intelligence analysis

Orange Juice Export Trade

(66’Brix Equivalent)

- Global Orange Juice trade is declining 2.2% per year over 10 years
- Frozen Concentrated Orange Juice (FCOJ) is declining 6.1 per cent per year
- Not From Concentrate Orange Juice (NFC) is increasing 2.6 per cent per year

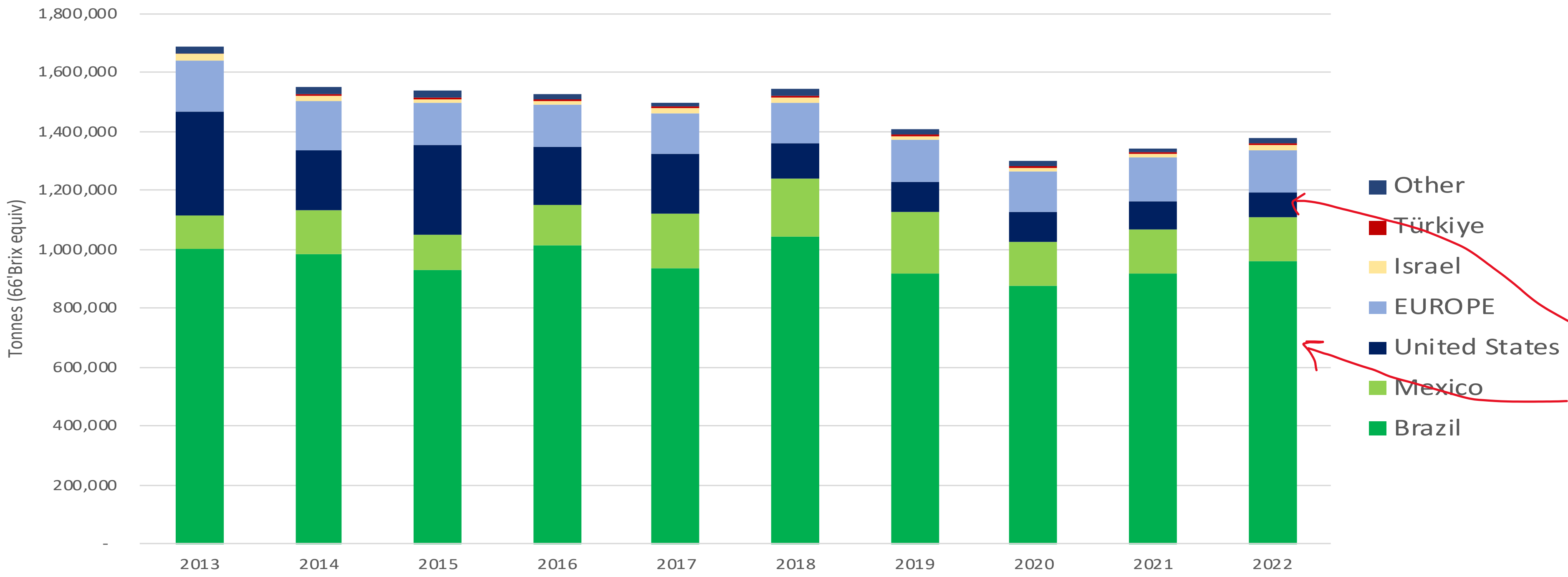


Source: ITC TradeMap; Fresh Intelligence analysis

Orange Juice Export Trade

(66'Brix Equivalent)

Brazil is the largest exporter followed by Mexico
US exports are mostly to Canada, while Mexico exports to US
Europe exports are mostly intra Europe
Middle East (Turkey and Israel) are small exporters of juice



Juice trade is declining 2.2% per year over 10 years.. influenced by United States

Brazil is almost unchanged over the decade

Source: ITC TradeMap; Fresh Intelligence analysis

Global Orange Juice Export Trade

(66'Brix Equivalent)

Export Producer	Volume Tonnes (66' Brix)	Value M AUD	Unit Value A$ per kg	Change 1 Year	Trend 10 year CAGR	Volume Share
Brazil	**956,743**	**2,580.3**	$2.70	4.4%	-0.5%	70%
Mexico	**148,795**	**558.4**	$3.75	-1.9%	2.9%	11%
United States	**88,480**	**406.1**	$4.59	-3.7%	-14.1%	6%
Spain	**92,719**	**354.8**	$3.83	1.0%	-2.5%	7%
Italy	**40,754**	**111.8**	$2.74	-21.2%	-3.0%	3%
Israel	**17,846**	**73.6**	$4.13	17.2%	-1.6%	1%
Türkiye	**3,280**	**18.2**	$5.53	36.4%	5.8%	0.2%
China	**1,734**	**7.3**	$4.24	8.5%	-8.2%	0.1%
Greece	**6,778**	**26.2**	$3.87	1.4%	0.8%	0.5%
Australia	**1,915**	**14.1**	$7.34	2.0%	-1.8%	0.1%
South Africa	**15,213**	**57.7**	$3.79	37.7%	-1.2%	1%
Total	**1,374,258**	**4,208.5**	**$3.06**	**2.4%**	**-2.2%**	**100.0%**

The largest decline in juice production is in United States

United States production is mostly consumed in local market or exported to Canada

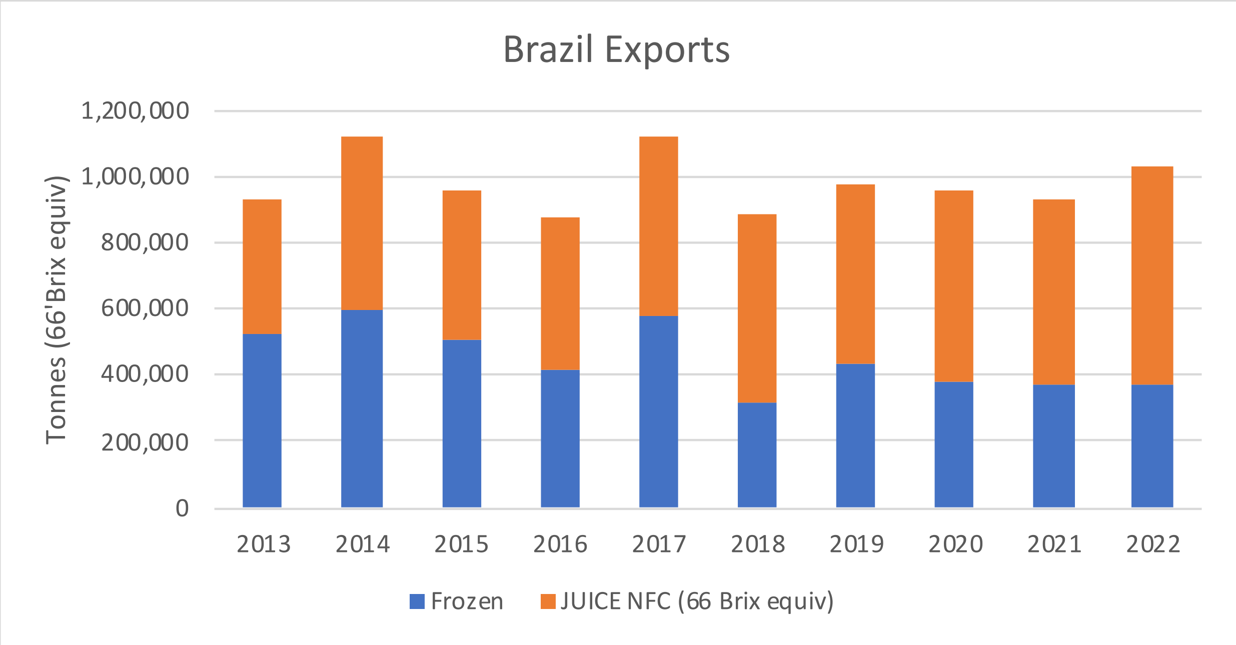
Türkiye is increasing off a low base.

Very low recorded production in Asia as juice is mostly made from freshly squeezed oranges.

Brazil

USDA forecasts 2023/24 Brazil orange production down 1.1 per cent to 16.8 million tonnes, an off year.
A reduced early fruit drop rate due to favorable weather, may increase average weight of oranges harvested.
Fruit for processing is forecast lower with the reduced available supplies.

Orange Juice Exports are forecast down slightly with the reduced supplies and stocks are tight and unchanged.
Brazil exports over 95 per cent of orange juice production



Frozen Concentrate (FCOJ) exports have been falling and offset by Not From Concentrate (NFC)

Frozen Concentrated Orange Juice

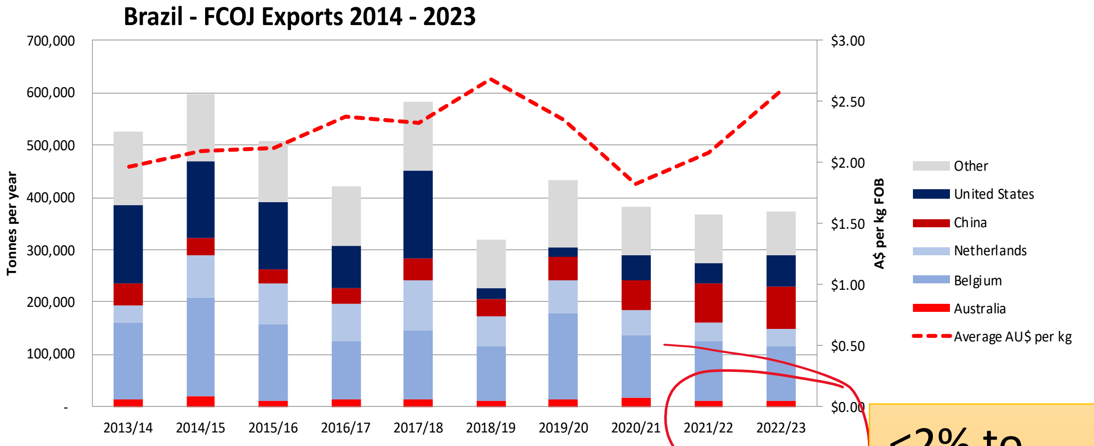
Frozen Concentrate (FCOJ) exports have been falling and offset by Not From Concentrate (NFC)

Brazil exports almost 400,000 tonnes of FCOJ though volumes are falling.

Most volume has been to Europe and increasingly China.
Volumes to US have decreased, though starting to rise again to offset their lack of capacity

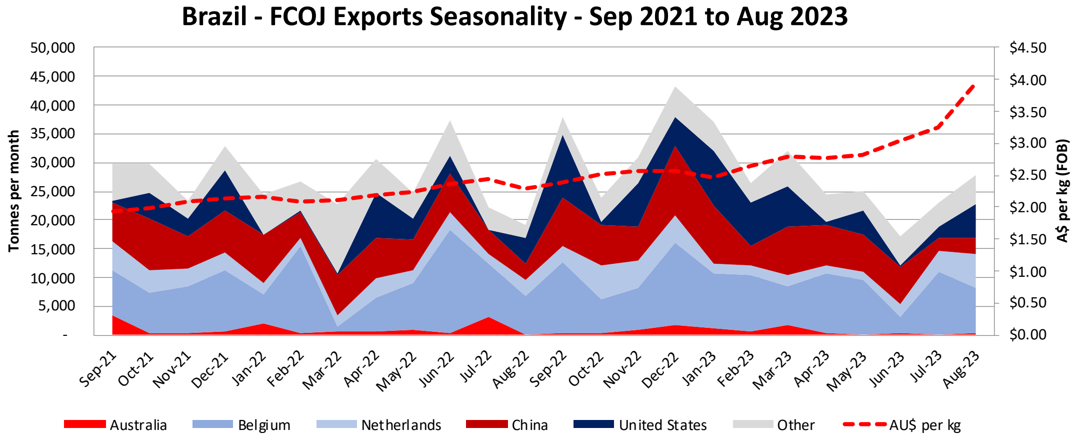
Australia accounts for less than 2% of exports

Prices (FOB) have been rising rapidly, now above peak levels in 2018/19.



Source: ITC Trademap; Fresh Intelligence analysis

<2% to Australia



Source: IHS Global Trade Atlas; Fresh Intelligence analysis

Not From Concentrate

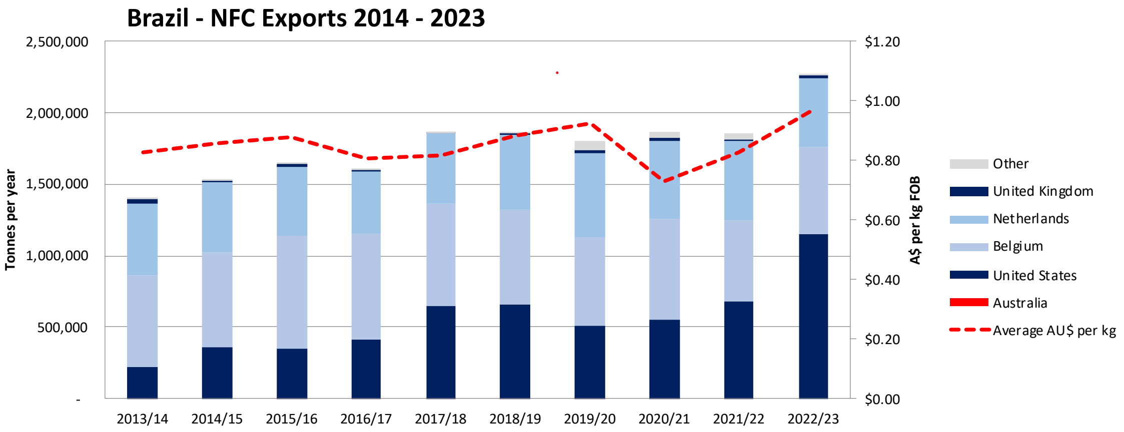
Frozen Concentrate (FCOJ) exports have been falling and offset by Not From Concentrate (NFC)

Brazil exported almost 2.3 million tonnes (586,000 t @ 66'Brix equivalent)

Most volume has been to Europe with rapid growth to United States
Shifting demand for NFC – moving away from concentrate

Australia recorded less than 100 tonnes of NFC from Brazil

Prices (FOB) have been rising rapidly, now above peak levels in 2018/19.



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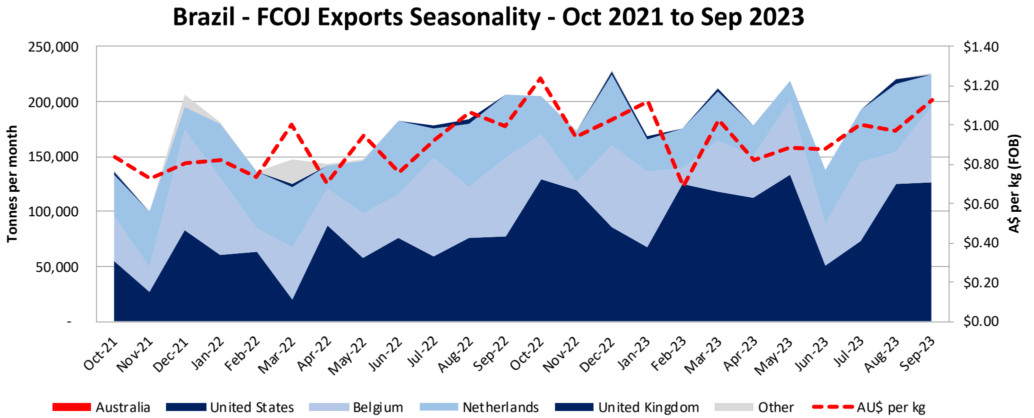


Source: IHS Global Trade Atlas; Fresh Intelligence analysis

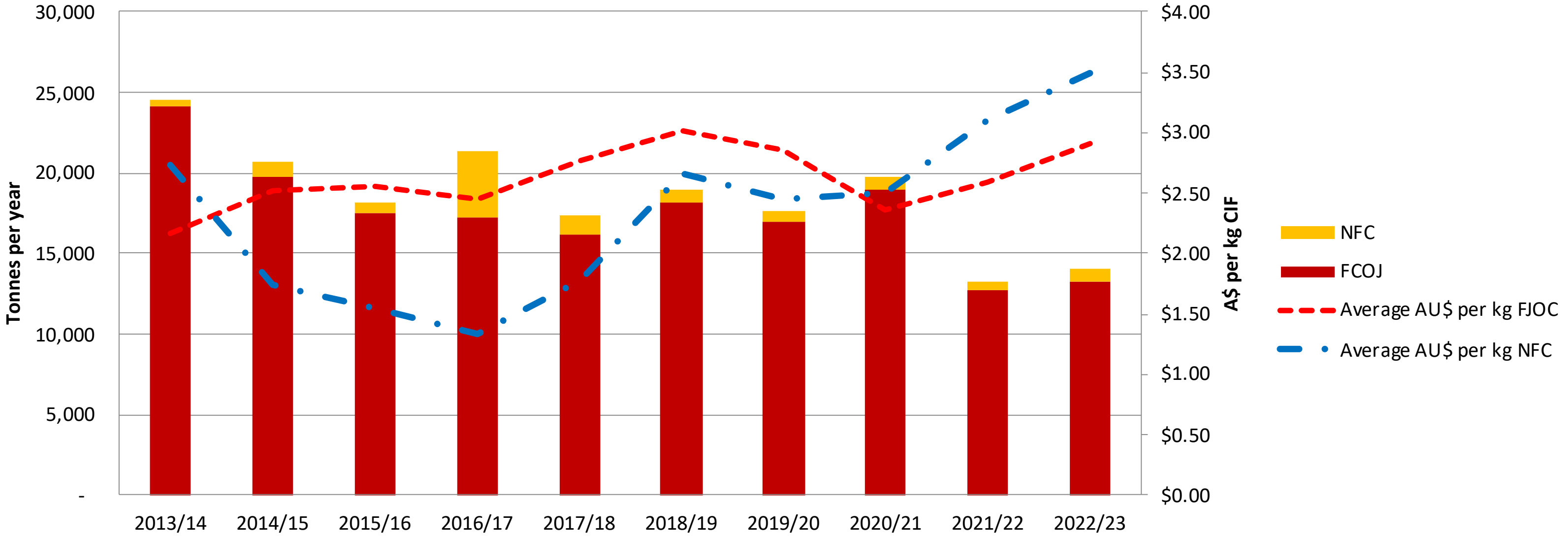
Australia


Try Me! 100% Preservative Free
golden circle
Orange
Juice (pulp free)
Preservative Free
Crusta
Proudly made for South Australia
orange
JUICE
UNSWEETENED
ORANGE JUICE
BERRI
AUSTRALIAN
FRESH
PULP FREE
NO PRESERVATIVES
ORANGE JUICE
NO ADDED SUGAR 2 LITRES
Nippy's
Orange Juice
2 Litre
100% Vitamin C
DAILY JUICE
COMPANY
2 LITRES

Australia

Australian juice imports have been declining.

14,051 tonnes imported in 2022/23 - down from 25,000 tonnes in a decade.
95 per cent is FCOJ
Brazil accounts for over 80 per cent of supply followed by Israel with 10 per cent

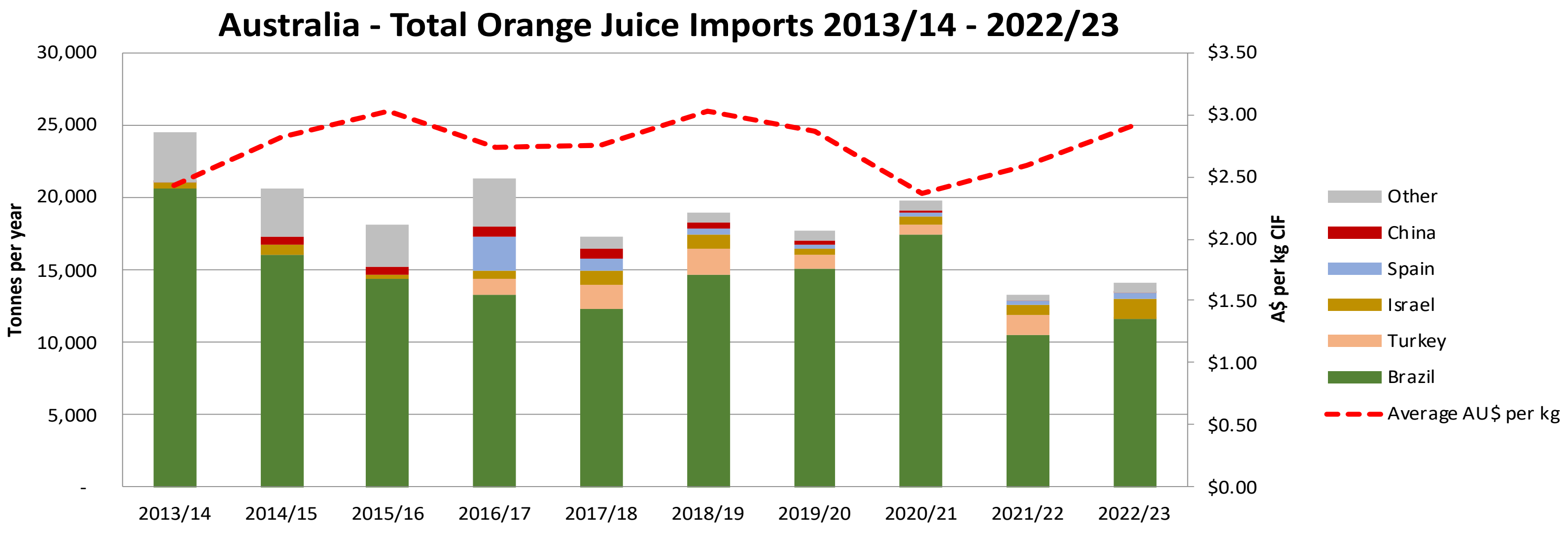


Source: ITC Trademap; Fresh Intelligence analysis

Australia

Brazil is the main supplier.

Türkiye had been a second supplier until 2021/22, then became more reliant on Israel.
Small occasional volumes from elsewhere are mainly NFC Juice

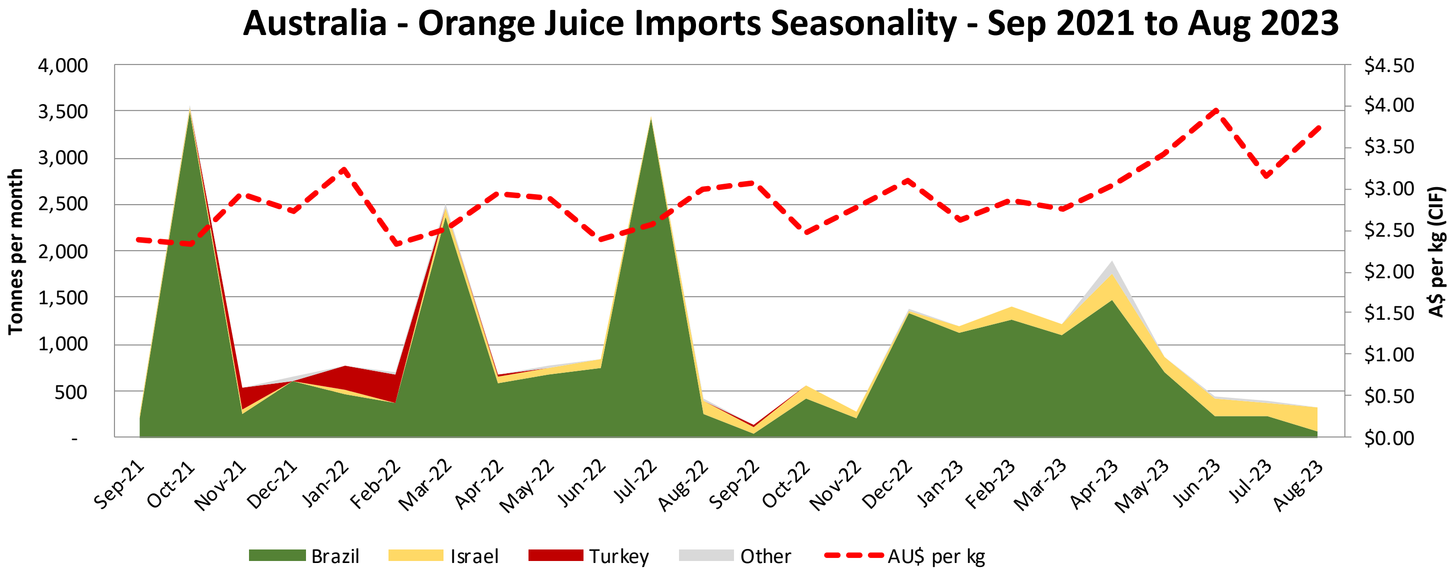


Source: ITC Trademap; Fresh Intelligence analysis

Australia

FCOJ is used in low value lines that often retail under $2.00 per kg.

Over last 2 years import monthly supply patterns have changed.
Israel became a more significant supplier in 2022/23 as supply and prices from Brazil became difficult
With pressure on Brazilian supply from United States and Europe, FCOJ will be harder to source.



Source: IHS Global Trade Atlas; Fresh Intelligence analysis

Estimating the supply gap

	2020	2021	2022	2023 * est	Chg to 22
	Tonnes	Tonnes	Tonnes	Tonnes	
Fresh Orange Production	511,345	473,697	501,072	505,000	1%
Exported	189,480	168,877	160,920	183,449	14%
share of production	37%	36%	32%	36%	
Domestic	114,377	116,423	129,311	130,000	1%
share of production	22%	25%	26%	26%	
Fresh Oranges Processed 2022	195,700	184,858	210,709	191,551	-9%
Share of production as juice	38%	39%	42%	38%	
Est Fresh Juice (500kg per tonne)	**97,850**	**92,429**	**105,355**	**95,776**	-9%
Imported FCOJ	17,792	15,825	12,424	8,646	-30%
Est Fresh Juice Equiv (8.6 fold)	153,011	136,095	106,846	74,356	-30%
Imported NFC	899	609	807	1,200	49%
Fresh Juice Import Equiv	**153,910**	**136,704**	**107,653**	**75,556**	-30%
Total Fresh Juice supply	**251,760**	**229,133**	**213,008**	**171,331**	-20%
Est Demand				200,000	
Shortfall (Juice tonnes)				28,669	
Shortfall (66'c Brix FJOJ)				3,333.58	
Shortfall in Fresh Oranges				**57,338**	

Assumptions

Fold	8.6	total consumption	852,031,600	x 250ml glasses
Juice per ton	500			
		per capita	33.2	250ml glasses per year

Shortage allowing for 2023 imports recorded to June and assuming no further supply

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Total Fresh Juice supply	**251,760**	**229,133**	**213,008**	**96,976**	-54%
Est Demand				200,000	
Shortfall (Juice tonnes)				103,024	
Shortfall (66'c Brix FJOJ)				11,979.58	
Shortfall in Fresh Oranges				**206,049**	

Assumptions				
Fold	8.6	total consumption	852,031,600	x 250ml glasses
Juice per ton	500			
		per capita	33.2	250ml glasses per year

Shortage allowing for no imports in 2023/24 and no change to fresh production or trade, or overall juice demand

Australian Orange Juice challenges and opportunities

- Global Orange juice production sits around 1.6 million tonnes and is declining – NFC is offsetting FCOJ
- Brazil is the dominant global export supplier
- US production decimated by weather and disease is now a major importer – driving up prices
- Spot price of orange juice (FCOJ 66'Brix) above AU$13 per kg (Oct 23)
- Australia imports around 50 per cent of domestic orange juice consumption, over 80 per cent of imports from Brazil
- Alternative suppliers in Europe and Middle East have limited capacity
- NFC (Fresh Orange Juice) likely to dominate the Australian market
- Opportunity to process as many oranges as possible without over supply fears

Last orders?


✓ No Preservatives
✓ No Added Sugar
✓ High in Vitamin C
✓ No Added Colours
JUST JUICE

Discussion

FRESH Intelligence
bringing data to life

REFERENCES

- International Trade Centre, TRADE MAP www.trademap.org/
- IHS Global Trade Atlas
- FAOSTAT
- Citrus Australia
- Citrus BR
- USDA (Foreign Agriculture Service)

DISCLAIMER

- Fresh Intelligence Consulting collated the data for Citrus Australia from data provided by the international trade databases as referenced.
- While every effort is made to ensure that the data is a true reflection of the trade, some errors may occur due to the reporting and Fresh Intelligence Consulting takes no responsibility for any losses that may occur as a result of decisions based on this data.
- Views expressed are personal and may not reflect the same views of Citrus Australia.

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