Orange

July-August 2014

The orange market maintained a good balance this summer. Indeed, while sales adopted a slow summer tempo because of intense competition from seasonal fruits, they matched the scarcity of the supply. As for the table orange, the transition between the Spanish Navel-late (historically long season) and South African Navel came late, toward mid-July. However, South African volumes remained in shortfall (- 24 % in July), and stocks were limited due to smaller shipments from the start of the season. For the juice orange, Valencia late imports from Spain subsided until mid-August, with the switchover to the South African source in France not occurring until then, with limited volumes. Hence prices strengthened during the summer, before returning to an average level in August.

Orange - France - Import price

Legend: 13/14, 12/13, 11/12 (euro/kg, months O N D J F M A M J J A S)

P R I C E	Source	Average monthly price euro/15-kg box	Comparison with average for last 2 years
	Spain	12.45	- 24 %
	South Africa	12.30	+ 1 %

V O L U M E S	Source	Comparison	
		previous month	average for last 2 years
	Spain	↘	+ 61 %
	South Africa	↗	- 13 %

V O L U M E S	Varieties by source	Comparison		Observations	Cumulative total / cumulative average for last 2 years
		previous month	average for last 2 years		
	Spanish Valencia late	↘	+ 61 %	End of the season. Some batches still in place with certain operators toward late August.	- 32 %
	South African Valencia late and Navel	↗	- 13 %	Growth in Valencia late imports, though levels still below average. Navel season subsiding.	- 20 %

■ **Orange: juice prices in Europe for July 2014.**

Type		Price (USD/t)	Source	Comments
Orange	FCOJ, Pera, 66°Brix, in bulk, ratio 14-16	2 050-2 100 fca Holland	Brazil	The drought in Brazil and the low availability of high-ratio juice are causing fears of under-supply for this category. Hence Mexico, a big purveyor of high-ratio juice, has practically sold out its stock. Demand is flat, especially in the USA, where it is even declining.
	FCOJ, low pulp, 66°Brix, ratio 22<	2 350-2 450 fca Benelux		
	NFC	2 250-2 300 ddp Tilbury		
	FCOJ, Valencia, 66°Brix, ratio 22<	2 350-2 450 fca Benelux	Mexico	
	FCOJ, blood, 55°Brix	2 700-2 900 EUR/t exw Italy	Italy	

Note: fca: free carrier / ddp: delivered duty paid / exw: ex-works / Source: MNS-ITC Geneva

■ **Orange juice facing production on the slide.** The combined production of the world's two main orange processors, namely Brazil and Florida, should be even smaller than in 2013-14, and reach a basement level never previously seen. Despite surface areas still falling (- 3 % from last season), the abundance of the flowering period at the end of 2013 appears to have helped Brazilian production register a slightly higher level, though it is nevertheless among the lowest ever recorded. Unsurprisingly, Florida, faced with an increasingly severe greening problem, has registered another falling harvest forecast. Pending the official USDA figures in early October, the estimates by Elizabeth Steger and Louis-Dreyfus Citrus are even predicting the smallest harvest for 50 years, with figures ranging from 89 to 97 million boxes; though we should be aware that the discrepancies between the initial and final forecasts have been in excess of 20 million boxes in recent seasons, because of the extent of physiological dropping. Despite these prospects, concentrated juice rates fell again in late August to reach 2 000 USD/tonne into Rotterdam, with the cumulative fall since the beginning of the year reaching 400 USD.

Sources: IEA, Louis-Dreyfus, Elizabeth Steger

Orange — Production in Florida and Brazil					
40.8-kg million boxes	2014-15	2013-14	Average for last 4 years	Comparison 2014-15 with	
				2013-14	average
Florida	93	104	131	-11%	-29%
Brazil	295	290	345	2%	-14%
Cumulative total	388	394	476	-2%	-19%

Sources: IEA, USDA, E. Steger, Louis-Dreyfus