

FRUIT JUICES
MARKET NEWS SERVICE (MNS)
QUARTERLY EDITION



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Market News Service

Fruit Juices

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We want to thank our subscribers and correspondents who were kind enough to comment on our last report. We appreciate all your feedback, as it gives us the opportunity to develop and adapt the report to your needs. We also want to repeat our request for ideas and contributions, in particular those which relate to matters concerning sub-Saharan Africa. For this edition we have again incorporated more market and company news, especially from Africa. We are also including a comment on organic juices.

The market for organic juices is very different from the market for „conventional' juices. The market moves slowly due to limited supplies, and the long process which is required to obtain organic certification. This means that supply trends are more clearly visible in advance. Due to a specialised supply chain, organic juices have only limited cross-over with the market for „conventional' juices. The macro-economic factors that dictate supply/price, and consumer demand for „conventional' juices, play a smaller role in the organic market.

We want to reiterate that most of our prices in this report for „conventional' juices are effectively already out of date by the time we go to print. This is often not the case for organic, as supply movements are less dramatic. Our price guidelines should not be used as a precise means of setting prices, but regarded as indicators of trends. Our objective is to identify trends in supply and demand, as well as their effects on long term market and sector dynamics. This trend identification is designed to help in planting, processing and marketing decisions. The prices shown in this report were collected during weeks 12 and 13 of 2011.

Companies which would like to have their activities featured in our newsletter should let us know by email, telephone, mail or fax to the addresses below. Thank you in advance.

For these purposes or for other information about the report and the Market News Service, please contact mns@intracen.org or visit www.intracen.org/market-news

Finally, we would like to wish our subscribers a very Happy Christmas and a successful and prosperous 2011.

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Overview

Recent figures from Business Insights/Agranet.com have valued the global fruit juice market at US\$79 billion in 2009. They predict compound annual growth of 3.4%, which will bring the business to a total of US\$93 billion by 2014. Europe remains the largest market for juices valued at US\$38 billion. The European juices market is expected to be valued at USD\$48 billion by 2014 – a 5.2% annual compound increase. The American juice market was worth US\$26 billion in 2009, but had the lowest predicted increase of 1% annually compounded during 2009-2014. Figures also confirm the trend that sees NFC juices exceeding the overall fruit juice average, with compound annual increases of 8% in the period 2009-2014.

These figures show an industry in good shape, and which is making solid progress into the medium term future, but.....

If this report had been written only four weeks ago, the position might have seemed more secure. Recent events, such as the unrest in the Middle East and the series of catastrophic disasters that have struck Japan, have changed the world economic scenario.

Japan is the third largest global economy, and consumes a comparable amount of fruit juice. In some juices, such as acerola, it is the most significant consumer in the world. For orange

juice, it is the third largest consumer. At the time of writing the situation is still rather unclear. Consumption could climb as a result of fears of radiation contamination in domestically produced foods and beverages. Alternatively, consumption could decrease as a result of reduced incomes and changed purchasing habits.

The effects of the unrest in the Middle East are easier to predict. Uncertainty in supplies of oil lead quickly to price rises. They also affect currency values and their complex web of cross rates.

Most global commodities have risen in price, and there are very few fruit juices that have not followed suit. The UK Daily Telegraph reported that during the past year the price of a one-litre carton of Tropicana fresh orange juice across the five major UK supermarket chains has risen 22 per cent. Is this sustainable? The answer has to be considered in the light of major new and fast developing markets for juice, such as China and India. Supplies in general are not keeping pace with demand. Although individual juices sometimes exceed demand, a surplus in supply is usually short lived.

Organic Juices

We have made reference in past organic juice newsletters to the ethical market, which is often confused with the organic market, in consumers' perceptions.

We report below on juices that are grown and processed according to the strict criteria that are established and enforced by the various organic certification bodies. These are not to be compared with certifications that relate to labour and environmental conditions.

It is too early to say what effect the Japanese radiation leaks might have on consumption. However, it would not be unreasonable to expect that consumers will be keen to understand as much as possible about the

origin of their food and beverages. The strict codes that govern organic food and beverage production, could play a more important part in purchase decisions.

As with conventional juices, the organic juice market is reporting good growth, underpinned by insufficient supply. Almost every juice type is seeing a shortage of certified production. This has to offer new entrants a solid investment opportunity. Provided the certification process and conditions can be overcome, consumers seem ready, willing and able to pay sufficient premiums, which are usually around 30% above conventional prices.

Industry and Market News

March 31 2011 INDIA's FieldFresh Foods, which produce processed food and beverage products under the label Del Monte in the domestic market, is planning to enter newer markets and smaller towns to boost its business. It will also focus on further building its network of modern trade channels.

March 29 2011 COCA-COLA Femsa, the Mexico-based Coke bottler, has completed the acquisition of Grupo Industrias Lacteas, a Panama juice and dairy company. Femsa said the acquisition - for an undisclosed sum - will significantly strengthen its position in the Panamanian market: "It further reinforces the company's non-carbonated product portfolio in the juice-based beverage market." As well as being the country's largest milk buyer, Lacteas produces juice and nectars under the Estrella Azul and Del Prado brands, among others. It has three manufacturing plants and reported revenues of USD140.9 million in 2010.

March 25 2011 HINDUSTAN Unilever Ltd has launched a juice/soya blend in India. Kissan Fruit Juice and Soya includes nine essential vitamins and minerals. It is free of cholesterol and suitable for the lactose-intolerant.

March 22 2011 CHINA Huiyuan Juice Group has recorded impressive annual results. The fruit juice producer saw revenues jump 31% to CNY3.71 billion (USD566 million) in 2010, compared with the year-ago period. Revenues for its fruit juice products alone reached CNY3.4 billion - a 26% rise on the previous year. Gross margins for its fruit juice products increased to 36.7% last year, compared with 36% in 2009

March 21 2011 TROPICANA Frutz has recently been launched in Saudi Arabia. The beverage is a carbonated fruit drink, in Apple Cocktail, Pomegranate Cocktail and Blackcurrant Cocktail varieties. It comes packed in 300ml glass bottles.

March 18 2011 AMRUTANJAN Health Care of India, a maker of coughs and cold syrups as well as balms and other medical products, has moved into the beverages sector with the acquisition of Fruitnik, the beverages brand of Chennai-based Siva Soft Drink. Siva sold the company, which makes soft drinks and fruit beverages, for INR262 million (USD5.8 million). Amrutanjan says it intends to turn

Fruitnik into an INR1.0 billion brand in three years. Fruitnik has a brand presence in Tamil Nadu, parts of Andhra Pradesh and Kerala. However, 90% of its sales come from Tamil Nadu. The brand is available in three fruit variants, packed in 200ml, 500ml and 1-litre PET bottles. Amrutanjan wants to add energy drinks and pure fruit juices and to extend the packaging to include Tetra Paks.

March 17 2011 CUBA has replanted 1 600 hectares of new citrus groves, as part of the repair work done after the 2008 hurricane that seriously damaged its grapefruit and orange industry. The planting by Victoria de Giron Enterprise, in the province of Matanzas, intersperses alternating orange trees with other fruit trees as guava and mango, which increases yielding. The aim is to plant 1 000ha this year in the key Jaguey Grande region.

March 15 2011 FRUIT2DAY has launched a new US "special edition" of its juice with real fruit pieces: Summer Lovin' is a blend of raspberry and lemon, with bits of real fruit that is ideal for the warmer weather months. Also new is Fruit2day Morning: a fruit smoothie with 7g of protein, 5g of fibre and bits of fruit. It will be available in two flavours: Strawberry Banana Sunrise and Triple Berry Sunshine. Both new varieties come in 6.75oz bottles and will be available in stores in April.

March 15 2011 COOL Tropics UK Ltd chose the London IFE exhibition to launch a new slush product. PiPS Ice is a slush made from 100% fruit juice. It contains no artificial colours, flavours nor added sugar, and comes packed in 118ml pouches. It can be stocked in ambient temperatures as a juice product, or in freezers as a frozen slush item. It does not require any of the usual slush-making equipment. Flavours available are orange/mango, apple/blackberry cherry/berry and strawberry/kiwi.

March 14 2011 SAMBAZON, a US supplier of organic Amazon superfoods, has announced the addition of two new products within its functional line of beverages: Organic Protein Superfood Smoothies in Açai Berry & Chocolate and Açai Berry & Vanilla. The company unveiled the new smoothies at the Natural Products Expo West in California. They are packaged in 10.5oz ready-to-drink

bottles with a recommended selling price of USD2.99.

March 10 2011 GOODBELLY, a US manufacturer line of probiotic fruit drinks, has introduced Probiotic Coconut Water, GoodBelly SuperGreen Live, and GoodBelly StraightShot. The coconut water has no added sugar and contains only 80 calories per serving. It retails at USD3.49 for a 32oz pack. SuperGreen Live is a blend of spinach, spirulina, chlorella, parsley, alfalfa grass, and oat grass, and is similarly priced. StraightShot is dairy-free, soy-free and has no added sugar. It costs USD2.99 for a four-pack of 2.7oz shots.

March 09 2011 SPANISH shipments of grape must and fruit juices rose 110% in volume reaching 42 140 562 litres last year, while export value grew 31.77% to EUR136.8 million, according to data from both Aemzu and Aemzucaman associations. All juices proved popular last year, with fruit concentrates performing particularly well. Promotion of the juices abroad will now be encouraged, in addition to advertising within Spain to boost consumption further.

March 09 2011 TROPICANA is to increase its orange juice prices by 4-8%, due to cold weather reducing supply from Florida's citrus groves. Tropicana is the largest buyer of Florida's fruit and juice. This follows price increases announced earlier this year by Coca-Cola, on its Minute Maid juice brand. The company said that it is coping with two extreme freezes, the coldest December on record and a smaller-than-expected crop for the second year in a row.

March 04 2011 RAFFEISEN Ware Austria (RWA), a majority holding of Munich-based BayWa AG, and Agrana, the giant Austrian sugar, starch and fruit concentrates group, are planning a joint venture. The intention is to combine Agrana's fruit processing operations with those of Ybbstaler Fruit Austria GmbH, another Austrian juice processor, and a subsidiary of RWA. The new entity will be called Baywa and will be based in Kröllendorf (Lower Austria). The deal is subject to approval by the regulatory authorities. Both RWA and Agrana are of similar size. In its 2009/10 financial year, AGRANA generated revenues of around EUR2 billion (USD2.76 billion). Agrana Juice Holding GmbH (the juice operation of Agrana group) has 12 production facilities in Austria, Denmark, Hungary, Poland, Romania, Ukraine and China, as well as a warehouse in Germany. Ybbstaler

operates three processing plants; one in Austria and two in Poland. The combined annual revenues of both fruit juice concentrate companies amount to around EUR250 million. The joint venture will be fully consolidated by AGRANA on the basis of a 50.01 % stake.

March 04 2011 BANGLADESH's government is cracking down on tax evasion in the country's fruit juice and soft drinks sector and is planning to tax fruit juices and nectars. At present, only carbonated soft drinks (CSDs), mineral waters and energy drinks are subject to tax. It would appear that the existing sales tax is not being properly collected and the country's National Board of Revenue (NBR) will audit all food and beverage companies producing juice and drinks to find out the revenue potential and the degree of tax evasion in the sector. The country's beverage market size is estimated at BDT12 billion (USD169 million) and is growing on an average annual rate of 14%. The government earns nearly BDT300 million in revenue from the juice and drinks sector.

March 04 2011 THE IFU (the International Federation of Fruit Juice Producers) has issued a new paper detailing the benefits of fruit juice. In addition, it seeks to lay to rest some of the popular myth that fruit juices are an alternative to conventional medicines. Fruit Juice Nutrition & Health – IFU Scientific Review is the outcome of the work of the IFU's Scientific and Technical Commission. The paper reiterates that 100% fruit (and vegetable) juices are deemed to be an integral part of the 'Five a Day' programme and that, according to the CODEX General Standard for Fruit Juices and Nectars, fruit juices have the essential physical, chemical, organoleptical, and nutritional characteristics of the fruits from which they come. "A fruit juice is always a 100% product and should not be confused with soft drinks or other refreshing drinks," counsels the report. It lists the beneficial substances that juices contain and adds that juices may serve as carriers for added nutrients such as calcium, vitamin D and phyosterols that may not be inherent in the fruit itself.

March 04 2011 JBT CORPORATION's Foodtech business has won a major juice bottling contract in the Middle East. Aujan Industries is buying two of its high-speed bottling lines for Aujan's smooth juice with real fruit pieces. The contract is worth about EUR6.1 million (USD8.0 million). Aujan is the largest privately owned beverage and

confectionery company in the Middle East. The lines will enable the unloading of citrus pulp cells; the dosing and mixing of both intact pulp cells and juice at constant ratios; the pasteurisation of the pulpy fruit beverage; and filling into retail packs. The new equipment is scheduled to be operational in the third quarter of this year.

March 04 2011 DEL Monte is to begin production of its 100% Freshly Squeezed Gold Pineapple juice in Saudi Arabia, and has unveiled a new look for its Freshly Squeezed range. The launch would tap the growing awareness of the fruit's health benefits. The company has production sites in the (UAE), Saudi Arabia and Jordan. Its two Saudi facilities, in Jeddah and Riyadh, are to begin production of Gold Pineapple. Pineapple juice's growing prominence has also been fuelled by advances in sourcing and farming, so the fruit is available all year round in a consistent quality for fresh juices. Gold Pineapple will be accompanied by four other Freshly Squeezed varieties, Orange, Grapefruit, Lemonade and Orange/Pineapple. While the Middle Eastern juice region as a whole is growing strongly, the UAE and, more specifically, Dubai, are demanding more fresh juices. These markets have a number of airlines and large hospitality industries, as well as educated, health-conscious domestic consumers shopping for wellbeing and different flavours. Hence the presence in the UAE of the 100% Freshly Squeezed range, produced at Del Monte UAE's state-of-the-art facility in Dubai. The product, which comes bottled in 300ml, 500ml and 1-litre formats, has a shelf-life of five or six days. Orange and mango are the two most popular flavours, de Beco said. Consumers are shifting to this range and away from juice from concentrate reconstituted in the UAE with water.

March 04 2011 NATURAL flavourings are becoming increasingly popular for European dairy products, according to Dr Alexander Smerz, global head of flavour product management at German company Döhler. Confirmation of these trends can be found in Germany, for example, where market research shows that consumers increasingly have higher regard for products without added flavours, colours and preservatives, or with natural ingredients only, Smerz said.

March 04 2011 CALYPSO Soft Drinks of the UK has launched Calypso Exotix, claimed to be the country's first range of 'school compliant' exotic juice drinks. In mango

(containing the Alphonso variety), guava and tropical (nine different fruits including passion fruit and pineapple) flavours, with no added sugar, colour or preservatives, the Exotix drinks comprise 50% real fruit juices and purées with added mineral water. The Calypso Exotix range is available in 200ml combi pack cartons with a recommended price of GBP0.50 (USD0.81) each or GBP1.29 per three-pack.

March 01 2011 AGTHIA Group PJSC, one of the Middle East's major fruit juice and bottled water manufacturers, has signed a licence agreement with Chiquita Brands to manufacture and distribute a range of natural fruit juice products under the Chiquita brands in the UAE, the GCC and Egypt.

February 28 2011 KRAFT Foods Brazil is expanding its Fresh powdered juice product line with two new flavours this summer. The two new flavours include Orange with a Pinch of Passion Fruit and Guaraná with a Pinch of Orange. The pair of products is being marketed in 20g sachets that suffice to make two litres of juice that contains Vitamin C and fruit pulp. Kraft Foods Brazil owns four factories in Brazil and is currently building a new unit in Pernambuco state. Separately, rival juice maker Hikari announced the launch of its new Frukari Frutas powdered juice line with eight different flavours.

February 25 2011 TROPICANA is launching a natural lemonade in the UK. In Traditional or Pink varieties, it is made from 100% natural fruit juice and contains no added sugar or water: lemon juice is blended with an apple juice base, plus pomelo juice and, for the Pink variety, a small amount of raspberry juice. It comes in 900ml take-home packs and 300ml single serve priced at GBP2.20 and GBP1.17 respectively.

February 25 2011 WHAT is claimed to be the biggest-ever orange juice tanker ship has just been delivered to Swiss company Atlanship. The Orange Star was built in the Croatian Brodosplit shipyard in the Adriatic port of Split and can transport 35750 tonnes of juice. Ships of similar, only slightly smaller, size are in use by Citrusuco and Cutrale, transporting orange juice from Brazil to Europe.

February 24 2011 BRITVIC, the UK soft drinks group, has warned that raw material inflation will be higher than previously expected. In a trading update released today the company said input-cost inflation for Britain and Ireland would be 9-11%, reflecting price increases for

sugar and steel. It had previously forecast inflation of around 5-6%. It added that, while the Irish soft drinks market remains challenging, the GB and French markets continue to demonstrate resilience.

February 24 2011 TRADE Winds Citrus Ltd of Jamaica has added another juice to its range. The pure freshly squeezed juice contains no added sugar and is recommended by the Medical Association of Jamaica. It is only available in two sizes, 1.89l (half-gallon) and 945ml (quart).

February 14 2011 A FRUIT juice and dairy processor in Nigeria has opened a new factory. Ranona Nigeria Ltd's new NGN7.5 billion (USD48.6 million) plant is dedicated to the production of five new lines. These include Natures Fresh Fruit Juice (in apple, orange, pineapple, pineapple and coconut and multi-fruit flavours), YoJus (a children's fruit juice pack, also in five flavours), Candia Twist (milk and fruit in apple, orange and multi-fruit flavour), Candia Smoozy (yogurt and juice in strawberry and plain sweet flavours); and Candy'Up (a milk drink that comes in chocolate and strawberry flavours).

February 15 2011

A NEW fruit processing plant is being set up in Cuba. The plant, belonging to The Preserves and Vegetables Company, is in Forestal, Camaguey province, and will make mango and other purées destined for use in children's fruit compotes and other products. Hitherto, fruits grown in the area had to be transported to processors in other locations, and the new plant, right in the heart of the mango-growing area, will offer considerable savings. Mango varieties to be processed include SuperHayde and Corazon.

February 17 2011 BELGIAN soft drinks producer Konings has agreed to buy a Belgian fruit juice factory belonging to PepsiCo. The plant at Borgloon makes the Looza brand of fruit juices. PepsiCo says the unit is not profitable, and it intends to keep the Looza brand. Konings says it expects to turn the business around, and it will continue to co-pack Looza juices for PepsiCo.

February 10 2011 SKYPEOPLE Fruit Juice Inc, a Chinese processor of kiwifruit, apple, pear and other fruit juice concentrates, and manufacturer of Hedetang-branded fruit beverages, has launched four new Hedetang-branded juice products to retail customers and distributors. The new products are available in

500ml bottles. "Our design team has been developing new packaging for Hedetang juices for the last four months," said Yongke Xue, SkyPeople's chief executive. "We now sell six flavours of Hedetang juices in 280ml glass bottles, our new 500ml glass bottle and case packs, including apple juice, pear juice, kiwifruit juice, mulberry juice, kiwifruit cider and mulberry cider. Initial shipments of juices with the new packaging began in Xi'an on 28 January. Customers include Walmart, Trust-Mart, which was acquired by WalMart, and La Cuisine Royale. SkyPeople anticipates building momentum after the Chinese New Year holiday through in-store tasting campaigns and sales road shows.

February 10 2011 THE Kenyan passion fruit project funded by the Bill and Melinda Gates Foundation in partnership with Coca-Cola is proceeding apace. Other stakeholders include Farm Concern International, Equity Bank, and Real IPM, a pesticide company. Kenya's Business Daily reports that 1 000 farmers in eastern and lower altitude regions of Central Province received the first seeds of a yellow passion fruit variety developed by the Kenya Agricultural Research Institute (Kari). This is claimed to be high yielding, tolerant to diseases and bugs, and costs half as much to grow as the traditional purple variety. Among other advantages, it requires spraying just three times a season rather than six, for the purple fruit. It has a productive lifespan of five years compared with three years for the purple variety. Named Project Nurture, the drive is targeted at 37 000 fruit farmers, and aims to double fruit incomes by also achieving best practice in farm management and opening markets for the fruit. Industrial fruit processors prefer the yellow fruit to the purple, claims the paper, because it is sweeter and bigger, yielding more juice: it converts into 35% juice, compared with 20-25% for the purple passion fruit.

February 10 2011 JAPAN's Kirin Beverage Co is increasing production of chilled drinks as well as expanding its presence in western Japan, where it says it has hitherto been weak. In March, it will add JPY100 million (USD1.2 million) worth of bottling lines for Tropicana fruit juice drinks at its plant in Sayama, Saitama Prefecture. The facility will then be able to turn out up to 9 000 250ml juice packs per hour, a 50% increase.

February 09 2011 FRUITAPEEL, the juice company that that bought the former SunJuice plant in Wales (FOODNEWS 10 July 2009) is

hiring more staff. Former workers will be offered jobs with Fruitapeel, which supplies retailer Iceland with fruit juice and has its Welsh base in Llantrisant.

February 07 2011 HINDUSTAN Unilever is entering the Indian juice drinks market under its Kissan brand, presently used for tomato ketchup, jams and squashes (dilutable drinks). India's fruit drinks market is currently dominated by Dabur, Parle Agro, PepsiCo and Coca-Cola. Hindustan Unilever will launch its competitors in TetraPaks, according to the country's Economic Times. The market divided into three segments: fruit drinks, nectar and 100% juice, and is becoming increasingly competitive, with an estimated 1 500 products available. Parle Agro's Frooti, Coca-Cola's Maaza and PepsiCo's Slice are the three major brands in the fruit drinks sector, which accounts for the biggest sales in of the fruit-based beverages category. Dabur's Real brand controls half the market for pure (100%) juices and nectars, while Pepsi's Tropicana has a share of over 30%. Carbonated soft drinks still remain the most popular non-alcoholic ready-to-drink beverages in India.

February 04 2011 BRITVIC's recent sales results "hardly set the world alight", as one analyst put it, but despite looming commodity inflation and ongoing woes in Ireland, the UK's second-largest soft drinks maker behind Coca-Cola Enterprises remains cautiously upbeat for the future. The first quarter of this year proved something of a mixed bag for Britvic as the company behind Tango, Robinsons and Fruit Shoot saw like-for-like sales (which exclude the group's acquisition of Fruité, now Britvic France, last May) slip 0.2% to GBP240 million for the first three months to 26 December. However, including the new French division, total turnover jumped 20% to GBP288.2 million during the period, fuelled by the strength of its international divisions – excluding Ireland.

February 03 2011 INNOCENT, the UK company best known for its smoothies, has launched a new range of NFC fruit juices. The line-up includes an orange juice (with bits as well as smooth) and an apple juice, and they will both be on supermarket shelves across the country this month. The juices are packed in Innocent's new recyclable 900ml PET carafe. This new pack design contains 25% recycled material, and is claimed to be easier for consumers to use and convenient to recycle. The recommended retail price is GBP1.99 per carafe.

February 02 2011 SOUTH African company First National Choice (FNC) plans to invest USD6 million in building a factory for processing pineapple in Muxúnguè, in the central Mozambican province of Sofala. Initially, the factory will have capacity to process 40 tonnes of pineapples per day, producing around 17 000 litres of juice, which will be exported to Germany, from where it will be exported to other European markets. Plans are currently being drawn up for the facility. Meanwhile, starting next month, FNC plans to buy more local pineapples to be processed at an existing small factory in Morrumbene, in the neighbouring province of Inhambane, in the south of Mozambique. The existing factory in Morrumbene processes frozen fruit pulp, which is exported to Denmark, as well as producing fruit jams for the Mozambican market.

February 02 2011 AGRANA, the Austrian fruit juice and sugar giant, is to take over the apple juice plant in Xianyang belonging to North Andre Yantai (with whom it has a joint venture in China) and will sell its stake in North Andre's Yongji plant to North Andre in return. Both plants were being operated as two 50:50 joint ventures, processing some 250 000 tonnes of apples into some 36 000 tonnes of AJC annually every year at both sites.

February 01 2011 JAMBA Juice Company has opened its first international store in South Korea. The store, in Incheon International Airport, is operated in partnership with SPC Group, a speciality food company based on baking technology. Jamba intends to develop 50-70 traditional and non-traditional locations in 2011 and is currently awarding franchise opportunities in markets around the world.

February 01 2011 COCA-Cola Brazil has revamped the packaging of its Del Valle juices by including images of specific plant leaves and fruits, as well as the average number of fruits used to manufacture each juice carton.

January 31 2011 SAUDI Arabian firm Menafea Holding plans to invest USD125 million in a 5 000 hectare farm in north-western Zambia during 2011, where it will grow pineapples and build a factory to produce juice, a board member has said. Khaled Alrajhi said Menafea would also build 2 000 housing units in the Zambian capital Lusaka under the same agreement, signed with Zambia's investment promotion agency, reported Gulf Daily News.

January 20 2011 FRUITY-Line bv of the Netherlands has installed a new 100-litre high

pressure processing (HPP) system from Avure Technologies to ramp up the production of fresh orange juice, fruit purées, and smoothies. The increased capacity afforded by the new system is necessary because Fruity-Line has recently won a contract to supply the Austrian supermarket chain, SPAR International AG.

January 20 2011 OLD Orchard, a US fruit juice manufacturer, has launched six new cranberry juice blends, sweetened with Truvia, a branded stevia product. The juices are claimed to contain 40% less sugar than 'regular' blends. Available in six flavours including, classic cranberry, cranberry/blueberry, cranberry/pomegranate, cranberry/grape, cranberry/apple and cranberry/raspberry; the Cranberry Naturals line features no artificial colours, flavours or preservatives. An 8oz serving contains 70 calories.

January 14 2011 BERRI, the Australian juice manufacturer owned by National Foods, has been told to change the labelling on its flagship brands, Australian Fresh and The Daily Juice Company. An investigation by the national watchdog, the Australian Competition and Consumer Commission, found the labelling could mislead consumers into believing the juice was 100% freshly-squeezed. National Foods said it accepted that some consumers were likely to have been misled, in contravention of the Trade Practices Act.

January 14 2011 DESCRIBED as "an historical deal", PepsiCo's planned purchase of Russian juice and dairy giant Wimm-Bill-Dann will make it the country's largest food and beverages business. Now, with high hopes for this emerging market, Pepsi has unveiled its future plans. PepsiCo is no stranger to Russia. Back in 1973, it was the first US consumer goods company to break into the Soviet market. Now, nearly 40 years later, it has confirmed its commitment to the market with the announcement it plans to buy Wimm-Bill-Dann. "Juice would probably be the number one priority [for investment in Russia] because of the overlap with [Pepsi's] existing business, and long-term trend towards non-sparkling drinks," said Philip Gorham, an analyst at Morningstar.

January 14 2011 SERBIA's Fruit Juice Producers' Association (UPVSS) has been accepted into associated membership of the European Fruit Juice Association (AIJN), the group has announced. Serbia has now joined Turkey which has also been granted

associated member status. The UPVSS was set up in September 2010 by ten leading producers of fruit juices and nectars in Serbia: Nektar (from Backa Palanka), Vino Zupa (Aleksandrovac), Takovo (Gornji Milanovac), Fruvita (Belgrade), IB Team (Belgrade), Rauch Serbia (Koceljeva), Duga Fruit (Krusevac), Foodland (Belgrade), Zdravo Organic (Selenca) and Fresh & Co (Subotica). Tetra Pak Production from Belgrade was accepted as an associated member in November 2010. Serbia's total production of fruit juices, nectars and non-alcoholic refreshment drinks amounted to 330 million litres in 2009, while the overall market value amounted to EUR268.4 million, said Miladin Sevarlic, the UPVSS representative in the AIJN. Sales by the member companies of the new UPVSS association account for around 84.5% of the total market value. Serbia produces around 53.5% of nectars, 10% fruit juices and 36.5% non-alcoholic refreshment drinks, according to Sevarlic.

January 10 2011 BRITANIA Allied Industries, a manufacturer of biscuits, confectionery, fruit juices, soft drinks and sauces in Uganda, has raised UGX11 billion (USD4.6 million) for construction of a fruit juice processing plant in Namanve. The plant will process passion fruit, orange, mango and apple. It is hoped that the project will boost farmers' income, with growers given training on how to grow quality fruits to guarantee a constant flow of production.

January 06 2011 DOLE, one of the world's largest producers and marketers of fruit and vegetables, has introduced a new single serving fruit product served in 100% fruit juice that does not contain any high fructose corn syrup or artificial sweeteners. The company's entire line of 4oz 'Fruit Bowl' single serving fruit products will now be sold in the new format in the US. "By converting our entire line of Fruit Bowls single serving fruit, we can now offer all-natural fruit in 100% juice - a product that tastes even one step closer to fresh fruit, with the convenience and value consumers have come to expect from Dole," the company said.

December 24 2010 YEMEN's Aden Free Zone (AFZ) and the Bin Shahbain company have signed a land lease agreement to set up a juice and tomato processing plant. The 30 000 square metre development in sector 'L' will be constructed at an estimated cost of USD800 000. The lease was signed by AFZ chairman AbdulGhalil al-Shuaibi and Mohammed Ahmed

Bin Shahbain for Bin Shahbain, the Yemen News Agency reports.

December 24 2010 PEPSI Beverages Co has signed an agreement that makes it the official beverage provider for Legoland Florida. The new amusement park is scheduled to open in October 2011. Pepsi brands, including Tropicana and Dole juices and Aquafina bottled water, will be exclusively available in the 150-acre park, and Pepsi will help fund various Legoland promotions.

December 24 2010 INNOCENT Drinks is switching its juice packs from Tetra Pak to plastic carafes. Its two NFC orange juice lines will appear in the new packs in the first quarter of next year, to be followed by its new apple juice. The smoothies will remain in cartons. The five new SKUs will be packaged in PET bottles with some recycled content.

Source: FoodNews

December 23 2010 COCA-Cola India is to source FCOJ from Jain Irrigation Systems, according to The Hindu Business Line. Coke already buys mango pulp from Jain Irrigation and has now concluded a trial with juice from a Brazilian orange variety. In 2007, Coke said would invest USD250 million up to 2010 and in 2011 it would concentrate more on brands launched in 2010. The company has launched seven products in India this year and is planning to introduce 100% fruit juices under its Minute Maid brand in 2011.

Planet retail reported:

March 15 2011 Walmart's pending entry into the South African market marks a new era of retail globalisation. Despite having a presence in markets ranging from Sao Paulo to Shanghai, Walmart will find trading on the African continent vastly different to its existing global network of stores.

Organic Juices

North American organic food and beverage market has overtaken Europe to become the biggest organic market in the world, according to a new report from Organic Monitor.

However, despite fast growth in the amount of organic farmland in North America, production has not increased quickly enough to keep up with demand, leading to a shortfall in supply filled by imports from other countries. Latin America in particular has become a major source of organic fruits, vegetables, meats, seeds, nuts and ingredients for the North American market.

Globally, the organic food and drink market has seen growth rates slow down during the recession to just under five percent per annum, when it had previously had several years of double-digit growth. But Organic Monitor's *Global Organic Food & Drink Market* report said that the sector is beginning to pick up.

"Healthy growth rates are resuming as 'mainstreaming' of organic products continues. A major driver of market growth in all geographic regions is increasing distribution in mainstream retailers," said the market research organization.

The report found consumer perception indicated that organic foods are very expensive. This continues to hinder growth in the sector, despite a price differential as low as 15 percent for some product categories, it said. Nevertheless, higher prices for organic products restrict demand to wealthy consumers.

Organic Monitor said it expects organic farmland to increase in developing countries, with demand remaining concentrated in affluent countries.

The US organic market has held up better than other regions, with sales of organic food more than tripling since 2000, from 1.2 percent of total food sales to 3.7 percent last year, to reach \$24.8bn, according to Organic Trade Association figures. The organic sector has continued to grow at a faster rate than the food industry as a whole. US organic food sales were up five percent last year, while general food sales grew by just two percent.

March 31 2011 ALTERNATIVE Herbal Products Pvt Ltd of Kathmandu, in association with Kanchenjunga Tea Estate Pvt Ltd, has launched an organic orange juice.

Kanchenjunga Tea Estate has been exporting the country's first-ever certified organic tea

March 18 2011 THE recent IFE exhibition in London saw the debut of a range of fruit juices that form part of a portfolio of products incorporating olive oil. Olive Living's portfolio of olive infused products include bottled still water, Italian gelato and fruit juices with cosmetics in the pipeline. The NFC juices are all organic, and are packed in 1-litre ambient cartons as well as 250ml sizes for the children's market (also NFC and organic). A 330ml PET pack is also available. A litre of juice contains about 450mg of olive oil. Varieties available are apple, smooth orange, orange with bits, an orange/mango blend, an apple/mango blend and tomato. The 1-litre packs are priced at GBP3.00 (USD4.83); the 330 ml packs at GBP1.30 and the children's sizes at GBP1.00.

Kiril Mischeff, a UK supplier of fruit juices, frozen products and other items, has started supplying pure lemon juice to the country's retail market. Quick Lemon is an NFC product, sourced from Spain. Single-dose sachets contain 8m of juice, and have a shelf life of nine months. Then there are PET bottles in 125ml, 280ml and 1-litre capacities, all with shelf lives of one year, and a 750ml glass bottle, also with a one-year shelf life.

Cobell showed a new range of apple and pear varietal purees made by Dreyer. Varieties include what Cobell calls the "classics" such as Williams and Conference for the pears, and Gala for the apples. These have no added ascorbic acid and are aimed at beverage companies, smoothie makers and baby food manufacturers. They come packed in drums

and bins. It contains no added sugar, artificial flavours, colours or preservatives and contains 43 calories per bottle. The target market is females aged 20-35. The 250ml bottle is made from aluminium and is fully recyclable. It is priced at GBP1.74 (US2.80) per bottle.

March 15 2011 ONE Natural Experience (ONE), the US producer of coconut water beverages, has obtained 100% organic certification from the USDA for its 11.2oz and 1-litre pure ONE coconut water products. The new certified beverages will be rolled out through all the company's retail outlets and distribution channels.

February 07 2011 UNCLE Matt's Organic, a US juice manufacturer, is now shipping its products in recycled cardboard boxes. Uncle Matt's says it will save 1 821 trees, 225 yards of landfill, 481 950 gallons of fresh water, 331 700 KWH of power, and 107.1 tonnes of CO2 footprint in one season. The packaging change follows the company's October 2010 decision to use 100% recycled-fibre boxes for shipping fresh fruit.

January 24 2011 PETER Rabbit Organics of the US has launched a new range of fruit and vegetable purées, aimed at babies and toddlers from the age of six months up. The certified organic products are made in Oregon, packed in 4oz resealable squeezable pouches, and contain no added sugar nor artificial ingredients. The fruit purées come in apple/grape, strawberry/banana and mango/banana/orange versions. The vegetable line comprises sweet potato/corn/apple, pea/spinach/apple and carrot/squash/apple. Retail price is USD1.79 per pack.

Source: FoodNews

ACE/Acerola

Prices

Brazil, frozen ss, 6-8 brix, US\$1450-1500/mt FOB Santos

Brazil, frozen concentrate, 65 brix clear, US\$14,300/mt FOB Santos

Market Situation

Acerola is in high demand at the time of writing. The peak of the Brazilian season is now. Processors are buying up all available production. The big unknown is how (if at all) demand will change in the biggest market of

Japan following the earthquake. Prices are significantly higher than for last season's production.

Organic Juices

Brazil, frozen concentrate, 65 brix clear, US\$19800/mt FOB Santos
Brazil, frozen ss, 6-8 brix, US\$1900-2000/mt FOB Santos
Brazil, frozen concentrate, 50 brix clear, US\$18900/mt FOB Santos

APR/Apricot

Prices

Argentina, puree, 32 brix, US\$1200-1400/mt FCA Rotterdam

Market Situation

South Africa sold out about two months ago. Their prices were higher, due in part to a poor harvest in Europe. The price for Argentina

origin above is an early indication. Demand is reported as relatively buoyant.

BAN/Banana

Prices

Ecuador, ss aseptic, 22 brix, US\$650-720/mt FCA Holland zero duty

Market Situation

Banana puree prices have risen gently in the past three months. Demand is strong for both fresh fruit, as well as puree. Banana represents a lower cost brix, and still finds a

good market in smoothies, even though this market segment has seen some declines lately.

Organic Juices

Ecuador, Cavendish, aseptic ss, 22+ brix, US\$1280/mt FCA Holland duty free

GRA/Grapefruit

Prices

Florida, red, frozen concentrate, 58 brix, US\$2450-2550/mt FCA Holland
Florida, pink, frozen concentrate, 58 brix, US\$2300-2450/mt FCA Rotterdam
Florida, white, frozen concentrate, 58 brix, US\$2350-\$2500/mt FCA Rotterdam
Cuba, red, frozen concentrate, 58 brix, US\$1950-2050/mt FOB Cuba
Cuba, white, frozen concentrate, 58 brix, US\$2000-2100/mt FOB Cuba
Mexico, coloured, frozen concentrate, 58 brix, US\$2150-2200/mt FCA Holland

Market Situation

USDA estimates for production in Florida (and the whole of the USA) can be regularly viewed on www.nass.usda.gov/fl, which is updated from the 9th to the 12th of every month. The latest estimates for grapefruit in the new season were issued on 10 March 2011. They write:

The forecast of all grapefruit production remains at 19.6 million boxes, including an allocation of 700,000 boxes for non-certified gift fruit and local sales. Of the total grapefruit forecast, 5.6 million boxes are white and 14.0 million boxes are the colored varieties. A Size and Drop survey conducted in February shows droppage for white grapefruit to be about average and average fruit size to be close to the minimum. The Size and Drop survey for colored grapefruit confirmed droppage less than average with fruit smaller than the minimum of the seasons used in the regressions. The route survey conducted March 1-2 shows that 43 percent of the white rows and 57 percent of the colored rows have been harvested.

Grapefruit sales, of both concentrate and NFC, in the US market, have shown signs of going up in the past three months. A significant price drop took place in 2009 and early 2010 and its effects have now worked their way through to the marketplace. The supply/demand ratio has now turned for the first time in a few years. Prices have firmed over the past six months and are now going up again. Sales volumes are still well below levels of five years ago before the price spike, the Atkins diet and the contra-indication with statin drugs. However, grapefruit juice still meets a niche need in the marketplace.

Cuba's production is now in full recovery mode from the disastrous damage caused by hurricanes three years ago. Their prices track the US origin levels, but they benefit from duty free access to the EU. Their production is excluded from the US market, so they have more limited options for their export markets.

GUA/ Guava

Prices

South Africa, pink, ss, aseptic pulp, 9 brix US\$675-775/mt FCA Holland in transit
Brazil, pink, ss, aseptic pulp, 9-12 brix US\$650-700/mt FOB Brazil
Brazil, pink, concentrate, aseptic pulp, 14-16 brix US\$950/mt FOB Brazil
Brazil, pink, concentrate, aseptic pulp, 18-20 brix US\$1000-1140/mt FOB Brazil

Market Situation

Brazilian production is too expensive to compete outside the domestic market. Demand and supply are „normal‘.

LEM/Lemon

Prices

Argentina, frozen concentrate, cloudy, 500gpl US\$4250-4400/mt FCA Rotterdam
Argentina, frozen concentrate, clear, 500gpl US\$5200-5400/mt CFR Rotterdam
Greece, frozen concentrate, cloudy, 400gpl, €3500/mt CIP Europe

Market Situation

At the moment, there are almost zero stocks of lemon juice available, but most pundits are picking a vastly improved supply situation from Argentina for the next harvest. They cite a large crop from Spain, which is satisfying the market for fresh fruit in Europe. This is expected to leave more fruit available for processing into juice and oils.

Argentina has suffered from some adverse weather events, such as rains leading to flooding and disease, although the anticipated effects of La Nina were not as bad as was expected. At the time of writing fruit sizes are small. If this continues to be the case, then yet more fruit will go to processing. The harvest will start by the end of April.

Organic Juices

Italy, frozen concentrate, cloudy, 400 gpl max 1% pulp, US\$4500/mt FCA Holland duty free
South Africa, frozen ss, cloudy, US\$1150/mt FCA Holland duty paid

LIM/Lime

Prices

Brazil, 400gpl, 8% pulp, cloudy, frozen concentrate, US\$2500/mt FOB Santos
Brazil, 400gpl, 8% pulp, clear, frozen concentrate, US\$4100/mt FOB Santos

Market Situation

The Brazilian crop has started. Demand is strong for lime juice as well as for fresh fruit. This comes at the same time as there is a shortage of fresh lemons. Lime fruit prices

were up around R\$12.00/box, but seem to have fallen back to below R\$9.00/box, on the expectation that Argentina will have a good lemon crop this year.

MANG/Mango

Prices

India, Alphonso, aseptic puree, 17 brix, US\$1600-1700/mt FCA Rotterdam
India, Totapuri, aseptic concentrate, 28 brix, US\$1600-1700/mt FCA Rotterdam
India, Totapuri, aseptic puree, 14-16 brix, US\$1075-1100/mt CFR Rotterdam
Brazil, Palmer, aseptic concentrate, 28-30 brix, US\$1380-1400/mt FOB Santos
Brazil, Tommy Atkins, aseptic concentrate, 28-30 brix, US\$1350-1400/mt FOB Santos
Brazil, Tommy Atkins, ss aseptic, 14-16 brix, US\$925-950/mt FOB Santos
Mexico, Tommy Atkins, aseptic concentrate, 28 brix, US\$1500-1550/mt FCA Holland in bulk
Peru, Chato d'Ica, frozen ss, 14-16 brix, US\$1100/mt CFR Rotterdam
Colombia, Magdalena, aseptic concentrate, 28 brix, US\$1475/mt C+F Europe

Market Situation

The high prices, which were in force for last season's crop, resulted in a significant downturn in sales. Not only did Latin America pick up extra business for their varieties, but the Indian exporters are now forced to discount their production to make way for the

new season's crop. While fresh fruit sales have been strong over the past year, sales of puree and concentrate have been put under pressure by the economic downturn in the Middle East. The Middle East has always been

a major and loyal customer for these Indian varietal types.

Early indications suggest that both Alphonso and Totapuri varieties will enjoy a good, but late harvest. As stocks of both variants are still available from the last two seasons, it is likely that prices will fall in the short term. In view of this scenario, it is recommended that customers keep an eye on their deliveries to ensure that no adulteration with lower cost varieties has taken place.

The opening price indication above for Colombian production is just that. Firm offers have not yet been seen and, as both Peru and Brazil are now almost sold out, it may be

possible that Colombia will seek high prices, as they may be the only Latin American origin able to offer short term deliveries. US buyers bought up large stocks of Brazilian Tommy Atkins concentrate towards the end of the season.

Demand is still buoyant overall for mango purees and concentrates in North America and Europe. However, with good production expected from both Colombia and India, coupled with big carry over stock, the price is predicted to come back during the course of 2011.

Organic Juices

Brazil, Palmer, aseptic concentrate, 28-30 brix, US\$2100/mt FOB Santos

ORA/Orange

Prices

Brazil, FCOJ, 66 brix, US\$2600-2700/mt FCA Holland, duty unpaid
Italy, blood FCOJ, 66 brix, €\$2850-3050/mt DDP Holland, duty free
Brazil, NFC, US\$600-750/mt FOB Santos
Spain, NFC, €400/mt, ex-works
Greece, NFC, €480-500/mt C+F Northern Europe

Market Situation

The global NFC orange juice market seems to have recovered, with higher exports in 2010 from both Brazil and the USA. A weaker US market has forced processors to seek markets elsewhere. In particular, Europe is showing good growth and is predicted to continue to grow by as much as 10% over the next three

years. Prices have continued to rise, for example, in the past year the price of Tropicana fresh orange juice has risen by 22% in UK supermarkets.

Brazil

The National Supply Company in Brazil (CONAB) issued its first forecast in January 2011 for the 2010/2011 orange harvest in Sao Paulo state. They expect an increase of nearly 10% to a total of 353 million boxes. They warned that the situation is still not clear, but report that flowering in the latter part of 2010 was good, due to lower rainfall. More recent

estimates put these figures closer to 320 million boxes, but either way, the crop seems destined to exceed significantly last year's total of 260 million boxes. Growers are negotiating hard to maintain last season's fruit prices in the face of an expected increase in crop size. They are promoting the argument that sugar cane prices have also risen and

continue to offer a viable alternative to growing oranges.

Supply is very limited at the time of writing. NFC is available only in limited quantities from major processors. FCOJ can be sourced only from the North East of the country. Meanwhile, sales of fresh fruit have been strong during the early part of 2011. The main Brazilian crop in Sao Paulo and Parana will start in June/July, at which point the situation will become clear. Fresh fruit sales will also be lower during this winter period. As mentioned above, forecasts at this stage are optimistic for a good harvest and crop with „normal’ yields. 2011 is an “ANUGA’ year and with demand remaining strong, Brazilian exporters will be looking forward to it, for once!

Initial reports suggest that Japan’s recent earthquake has not damaged the port terminal facilities that handled imports of Brazilian orange juice. Japan is Brazil’s third largest market, importing over 80,000mt/pa at a value of approximately US\$50 million. Cutrale and Citrusuco share a port terminal, which was not seriously affected. The unknown factor is what the earthquake, and subsequent nuclear

Florida

USDA estimates for production in Florida (and the whole of the USA) can be regularly viewed on www.nass.usda.gov/fl, which is updated from the 9th to the 12th of every month. The latest new season’s Florida all orange forecast was released on 10 March 2011. They write:

The 2010-2011 Florida all orange forecast released today by the USDA Agricultural Statistics Board is 142.0 million boxes, up 4.0 million boxes from February or 6 percent more than last season’s production. The total is comprised of 70.0 million boxes of non-Valencia oranges (early, midseason, Navel, and Temple varieties) and 72.0 million boxes of Valencia oranges. The Navel forecast is 2.6 million boxes, 4 percent of the non-Valencia total. The hurricane seasons of 2004-2005 and 2005-2006 have been excluded from the usual 10-year regression analysis and from comparisons of the current season to previous seasons. For those previous 8 seasons, the March forecast has deviated from final production by an average of 2 percent with 6 seasons below and 2 above, with differences ranging from 3 percent below to 2 percent above. All references to “average” or “minimum” refer to the previous 8 non-hurricane seasons unless noted.

threat, will do to consumption. There is the possibility of a switch by consumers to imported food and beverages, while domestic production may see a reduction in sales.

A decision has been made by the WTO on the anti-dumping action taken by the US Department of commerce against Brazilian orange juice imports into the USA. This has yet to be confirmed, but if not appealed by either side within two months, this decision could have far reaching effects on both major supplying nations.

However, the EU has announced an in-depth investigation by the EU Merger Regulation Committee into the proposed merger between Citrusuco and Citrovita. If the merger goes ahead, it would create the largest orange juice producer in the world. The EU wants to investigate the effects that this merger might have on the orange juice market in the European Economic Area. An initial ruling is unofficially expected to be handed down by the middle of 2011.

The forecast of non-Valencia orange production is increased to 70.0 million boxes or 6 percent more than last month’s forecast due to utilization to date. The route survey (Row Count) conducted March 1-2 showed nearly 98 percent of the rows have been harvested. The Navel forecast, included in the non-Valencia forecast remains unchanged at 2.6 million boxes.

The forecast of Valencia production is unchanged at 72.0 million boxes. According to the Citrus Administrative Committee’s report, less than 1 percent of the Valencia variety has been harvested this season. Fruit size is projected to be below the minimum; fruit droppage, projected to be 16 percent at harvest, is above average.

The yield projection for frozen concentrated orange juice (FCOJ) is unchanged at 1.57 gallons per box of 42° Brix concentrate. However, component projections have been adjusted. The projected yield for the non-Valencia oranges is raised to 1.52 gallons per box and lowered to 1.62 for the Valencias. Last season’s final yields as reported by the Florida Department of Citrus are: all oranges, 1.559667 gallons per box; non-Valencia, 1.511083; and Valencia, 1.625245.

It is reported that demand for reconstituted orange juice in the US market continues to fall, due, in part, to significant price increases. However, the better news is that the rate of decline has slowed down, even as the price increases are implemented. At the same time, demand for NFC has risen slightly. We sense some cautious optimism from our correspondents, that as the spring and summer seasonal sales' peaks are just around the corner, sales may start going up again. Consumer prices have been rising steadily across all presentations of orange juices. Most major marketers, such as Coke and Pepsi

(Minute Maid and Tropicana), have instituted rises in the range of 5-8% since late 2010.

Futures prices on the New York Board of Trade (NYBOT) can be seen at <http://data.tradingcharts.com/futures/quotes/OJ.html>. They are holding in the range of US\$1.58-1.63/lb solid for the next two years. The lack of any dramatic news, growing demand matched by increasing supply suggests that we might be about to enter a period of price stability. The hurricane season in 2010 was benign, and, while frosts in Florida in December were severe, they have already been factored into these forecasts.

Other origins

The first offers of FCOJ from the new season Mexican crop are coming onto the market. We have heard that there could be a ratio problem with this new harvest. Mexican FCOJ normally has a high ratio, which is much in demand for blending. These are early days, and it is still possible that the ratio will rise. Offers are only just coming out at the time of writing, but Cuban production seems to have suffered from adverse weather conditions and a consequent lower ratio, as in Mexico. Higher ratio production is required to blend with early season juice from Brazil, as well as with supply from South Africa.

CITRUS greening or Huanglongbing (HLB) has now been detected in Costa Rica, with some 25 000 hectares of orange trees thought to be under threat. While this area is not a major supplier of orange juice, it is indicative that this condition is now prevalent in Central America.

According to the USDA, Greek production of FCOJ is expected to rise in 2011. The rise could be as high as 10%, due in a large part to the decline in domestic consumption of fresh oranges caused by the economic downturn in Greece.

Organic Juices

Brazil, FCOJ, 66 brix, US\$4500/mt FOB Santos
Italy, Valencia, FCOJ, 60 brix, US\$3360/mt CIP Europe duty free
Italy, Valencia, frozen NFC, 11 brix, US\$1150/mt CIP Europe duty free
South Africa, frozen ss, 11 brix, US\$1250/mt FCA Holland duty free

Market Situation

We have received reports that European investors are seeking farms to develop organic orange groves in the North East of Brazil. It is

not yet clear whether this will be for juice production or fresh sales.

PAP/Papaya

Prices

Brazil, red aseptic concentrate, 25 brix, US\$1100-1150/mt FOB Brazil

Market Situation

The market is reported as normal, with no particular change in the relatively low levels of demand.

PAS/Passion Fruit

Prices

Ecuador, frozen concentrate, 50 brix, US\$4200-4250/mt C+F Rotterdam
Ecuador, clarified, 50 brix, US\$6000/mt C+F Rotterdam
Ecuador, NFC, 11 brix, US\$1700/mt C+F Rotterdam
Brazil, NFC, 12-14 brix, US\$1500-2100/mt FOB Santos
Brazil, frozen concentrate 50 brix, US\$4500-5000/mt FOB Santos

Market Situation

The March/April harvest is reported to be running normally. However, Ecuador is experiencing a severe drought, which is, at present, affecting the flowering and fruit development. Early indications are that supply will be available until the second harvest after which, availability could become short again.

We have received several reports that suggest growers are not as keen to grow passion fruit at these price levels. Additionally, many vines are at the end of their two year life cycle, and will have to be replaced. Alternative crops are cocoa, maize and palm. If a substantial proportion of growers either switch crops or delay their replanting, this could bring prices up before the end of this year.

Even at these cyclically low market prices, demand is reported to be slow. This could mean a precarious few months for growers and processors, who might find it difficult to raise prices in a falling market.

In Brazil, where the local passion fruit juice production is largely consumed domestically, some downward price movement could be expected. Demand is fairly strong, but prices have been at the higher end of their normal range. Stocks are significant, but due to cheaper production from Peru and Ecuador, it can be expected that prices will have to fall to meet demand. This is the situation that could confront Ecuadorian processors mentioned above.

PIN/Pineapple

Prices

Thailand, Smooth Cayenne, frozen concentrate, 60 brix, US\$2250-2300/mt FCA Holland duty free
Thailand, Smooth Cayenne, aseptic concentrate, 60 brix, US\$2200-2250/mt FCA Holland duty free
Costa Rica, MD2, ss, 12 brix, NFC, US\$800-815/mt FCA Holland in bulk
Costa Rica, MD2, concentrate aseptic, 60 brix, US\$2100-2150/mt FCA Holland in bulk
Brazil, Perola, frozen concentrate, 60 brix, US\$2100/mt FOB Santos

Market Situation

The latest reports about the situation in Thailand say that there will be no production peak in April, and, therefore, supplies of concentrate will remain tight until this autumn.

As a result, there is less forward selling going on, as processors try to calculate how much they need to hold back for major contracts. They may even wait until October 2011, when

the next edition of the ANUGA Fair will take place.

In spite of heavy rains in the past few days, the drought conditions in the main Thai growing areas have become even more critical. The consequent issue of raised levels of nitrates in the smaller fruit and, consequently, juice, have been identified in Thai PJC production. This has had an effect on sales to the EU. However, prices have continued to rise, as demand from non-EU areas, such as Eastern Europe, remains strong.

Brazil has very limited stock and is not competing in the export market at the time of writing.

Costa Rica is investing strongly in their MD2 sweeter variety of pineapple. The sweeter taste is appealing to consumers for both fresh fruit and processed product sales.

For the first time in a couple of years we have heard reports of Indonesia offering PJC. Their prices were higher than the market levels quoted above, and maybe an attempt to gauge the strength of the business.

PEA/Peach

Prices

Greece, puree, 32 brix, €0.88/kg ex factory

South Africa, puree, 32 brix, US\$1130-1175/mt FOB Cape Town

Argentina/Chile, puree, 32 brix, US\$1100-1150/mt FOB Buenos Aires/Valpariso or US\$1225-1350/mt CFR Europe

Market Situation

South Africa is almost sold out at the time of writing. The crop was not as large as had been expected.

Latin American suppliers are expressing concerns over the size of the crop which is about to start. Smaller sized fruit from Chile, and drought in Argentina, have contributed to this situation. However, on a positive note,

Chilean production seems to have bounced back from the effects of the earthquake in February 2010. These prices above are only for indication purposes at this stage.

Demand from Russia and Eastern Europe is still strong, and buyers are active in securing their needs for 2011.

POM/Pomegranate

Prices

Turkey, aseptic clarified concentrate, 66 brix, €4350-4650/mt FCA Rotterdam

Market Situation

The harvests in Iran and Turkey finished in the early part of the year. Both were lower than expected. Demand is growing. Pomegranate juice is now widely promoted, particularly by Coca Cola under their Pom brand

The following article appeared on internalmedicineneews.com –

Patients on haemodialysis who consumed pomegranate juice for 1 year developed significantly fewer infections compared with those who did not, results from a single-center placebo-controlled study showed. They also

had significant reductions in markers of inflammation and protein oxidation, Dr. Batya Kristal reported during a press briefing at the annual meeting of the American Society of Nephrology. "Antioxidant-rich pomegranate juice has been shown to improve the lipid profile in patients with diabetes, reduce blood pressure in patients with hypertension, and improve heart function in those with heart disease," said Dr. Kristal, a nephrologist with Western Galilee Hospital, Nahariya, Israel.



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