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ORANGE JUICE

USA

The USDA is expected to release the first official forecast on production from the forthcoming 2022/23 orange crop in Florida on 12 October. However, due to a recent hurricane, some industry sources suggest that the USDA may not release a report in October and will wait instead to release a report on 9 November. The USDA did exactly this following Hurricane Irma in 2017.

Hurricane Ian

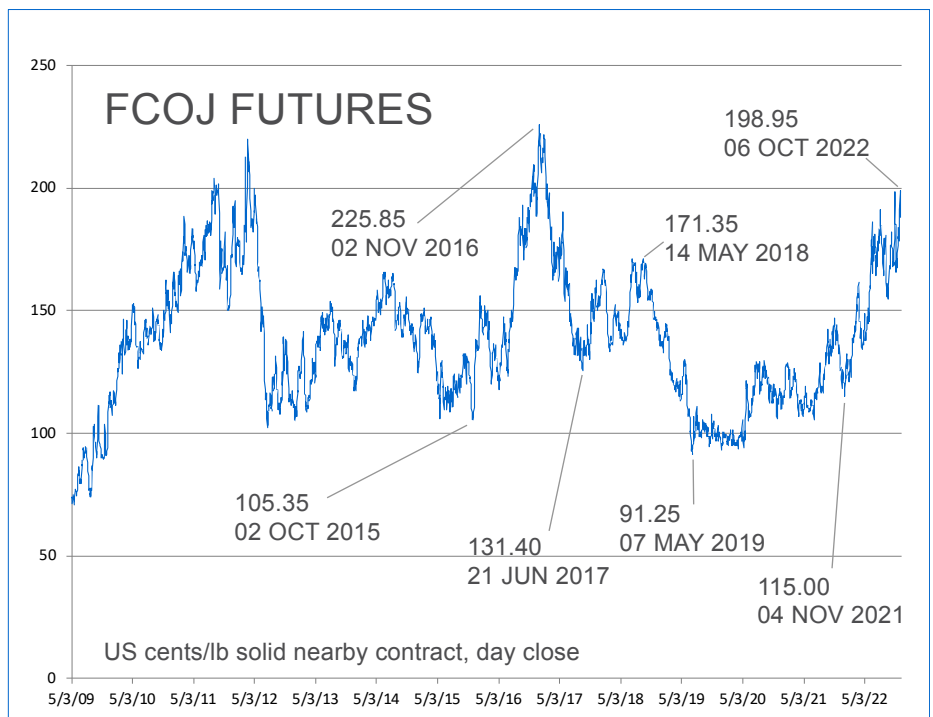
Conditions in Florida have changed significantly since hurricane Ian hit Florida on 28 September. Even before the category 4 storm made landfall, Florida had been receiving excessive rainfall and all of the rivers, lakes and reservoirs were full. Hurricane Ian

then delivered a further 20 inches of rain in the north which left water with nowhere to go.

As a result, there has been unprecedented flooding across the state. Not all the groves are flooded, but areas in the immediate vicinity of lakes and rivers are under water.

Local sources say they will know more next week as the waters recede. Many roadways are flooded and getting around is not possible in some places. The citrus belt took a direct hit and there are widespread reports of extreme fruit droppage in the storm's path.

Local sources in Florida suggest that losses could be as high as 80% in some areas, and 40-50% overall. This will mainly impact NFC production, because only limited volumes of FCOJ are produced in Florida these days, and will cause greater demand from both Mexico and Brazil.



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Production expectations

Before the hurricane, the industry was expecting the USDA to release a figure of around 40 million boxes. “We are hearing anywhere from the low 20s to low 30s (million boxes) at the moment, but it’s just too early to get a good idea,” commented one US analyst. “Cleaning up and assessing will take time.”

By mid-September, the fruit was well set and fruit per tree was also good in most areas. The fruit count was slightly lower in the areas affected by the freeze event in February and the very dry weather that followed.

Futures

The frozen concentrated orange juice (FCOJ) futures market has climbed over the past three weeks from USD1.67/lb solid to USD1.99/lb (4 October) and this has been for a number of reasons. Firstly, CitrusBR’s announcement that Brazil would not add to next year’s inventories with the production from current crop was reportedly “a shot across the bows” for the market and encouraged traders to take a closer look at all global inventories. Florida stock levels have come down considerably, as well as total US inventory. But demand is lower too, so when looking at stocks/use, they are not as dire. Following this, there were reports on the global citrus outlook at the ICBC conference last week. The report from Mexico stated that their orange crop could be 20% lower due to drought and that processors will have to compete with the fresh market for the remaining fruit - possibly leading to a further reduction for processing numbers, percentage wise.

Then finally, hurricane Ian supported the bullish sentiment on the market.

Price direction

Traders suggest the futures market has a good chance to trade above

UPDATE ON PRODUCTION FROM BRAZIL’S 2022/23 ORANGE CROP

Fundecitrus has released a new forecast on production from the current 2022/23 orange crop in Brazil. The projection is now at 314.09 million boxes, down 0.9% or 2.86 million boxes from the 316.95 million boxes projected in May this year.

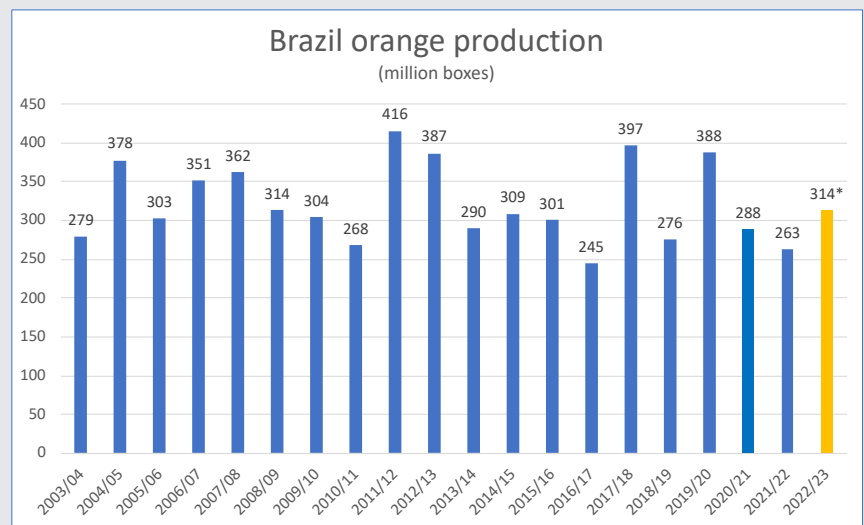
The reason for the reduction is low rainfall over the past few months. While, the current scenario is better than last year, the average rainfall in the citrus belt between May and August 2022 was 84 millimetres, which is 48% below the climatological normal (1981-2010).

The lower rainfall has affected fruit growth/sizing and Fundecitrus estimates that it would now take 261 oranges to fill a box (40.8kg), compared with the initial projection in May of 258 oranges to fill a box.

The average projected fruit drop rate for all varieties has been lowered to 19.8% from 20.0%.

The survey notes that the 2022/23 harvest started later this season due to the higher concentration of fruit from the second bloom.

The next forecast from Fundecitrus will be released on 12 December 2022, then 10 February 2023 and a final estimate will be made on 10 April 2023.



* Forecast

Source: Fundecitrus

USD2.00/lb and it will probably be very difficult to get back below USD1.70/lb until there is some action to replenish inventories in the US.

The weather and crop reports from Florida, Brazil and Mexico, as well as economic strength and demand in the US and Europe are the key market drivers going forward.

The FCOJ futures market finished at USD1.88/lb solid on 6 October.

Mexico

The 2022/23 orange harvest in Mexico will begin at the end of October. Local producers reiterate the sentiment from analysts in the US that there will be an undersupply of juice this season. This is not good news for the global market given that Mexico is a good source of high ratio produce, which most end-users are short of.

Mexican producers say that offers for

FCOJ to Europe would be in line with current futures pricing as usual.

Current FCOJ stocks are committed and there is no additional availability until new processing season begins. Demand is strong and this is expected to continue into the forthcoming season.

Brazil

In contrast to Florida, the climate in Brazil has been favourable with plenty of rain, which is good news for the later varieties. There were significant concerns that the sustained dry weather, which persevered into early September, would impact both the current 2022/23 crop and the flowering for next season.

Fundecitrus recently reduced the crop forecast for the current crop to 314 million boxes, from 317 million boxes. With the improved weather and plenty of fruit still on the trees industry sources say that production from the crop could easily reach this and some analysts suggest it could go up to 320-325 million boxes.

Ratios are still very low, with the Pera variety registering at around 8-10 ratio in the south and 14-17 ratio in the northern growing regions. While the crop is around six weeks behind usual due to a late bloom last year, the lack of high ratio supplies is still seen as a problem and is likely to still be a problem at the end of the crop. This would mean there will be only limited volumes of high ratio supplies to blend with the early production from the 2023/24 crop.

Analysts say it is very important to harvest ripe fruit, which produces a much better taste profile than immature fruit when reconstituted even if the ratio is the same.

Juice yields are fairly average between 270-280 boxes per tonne of concentrate.

Brazil pricing

Fruit on the spot market is changing hands for around BRL32-34/box – similar to last month. Fruit trading on the spot market is reportedly limited at the moment.

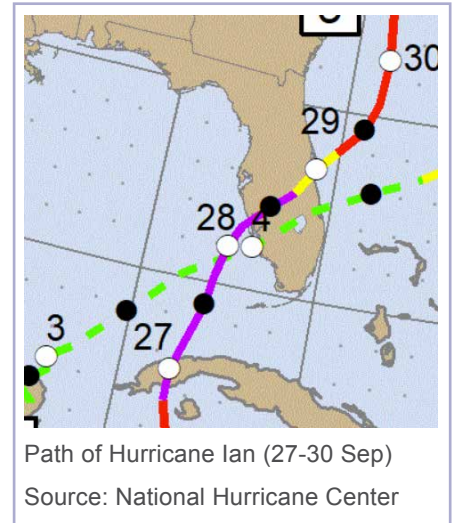
Offers for concentrate are now at USD2300+/tonne 66 brix FCA Europe, against USD2200-2300/tonne last month.

Traders say demand has been higher than expected over the past month and most of the key buyers are now covered. Buyers are expected to gain more market information at the SIAL food fair (15-19 October) before fixing further contracts.

Producers are likely to be keen to increase price levels further due to rising energy costs. Nevertheless, analysts suggest that uptake on the global market has returned to pre-Covid levels, after spiking during the pandemic. The latest A C Nielsen report shows that consumption in the US in the four weeks to 10 September is down 10% on last year. In addition, analysts say the impact of higher inflation in Europe could have a negative impact on consumption there. Orange juice prices in the supermarket are still fairly low, but these prices are based on contracts for bulk juice fixed last year. For this reason, analysts expect prices in the supermarket to spike from January 2023. If consumption does shrink in Europe this could keep a lid on FCOJ price levels, particularly if stocks in Brazil begin to build beyond current expectations.

At the same time there is not enough NFC orange juice on the market at the moment and with the recent hurricane in Florida likely to draw down the supply there, the US industry will look to Brazil and Mexico to supplement the dearth of single strength supplies.

According to Secex, Brazil shipped 175 900 tonnes of orange juice in July



and August 2022, an increase of 8% compared with the same months last year.

Next season

The bloom for the 2023/24 season in Brazil has begun in some areas, but it is still far too early to give any indications on the outlook for next season, say analysts.

APPLE JUICE

Growing and harvesting conditions are favourable in Poland. While it has been cold, there have been no night frosts. The World Apple and Pear Association (WAPA) forecasts apple production in Poland for the 2022/23 crop at 4.5 million tonnes, against 4.3 million tonnes last year. Industry sources say that output could reach 4.7 million tonnes.

Fruit pricing is similar to last month at PLN0.41-0.50/kg. Analysts say pricing is unlikely to drop below PLN0.40/kg or the government would probably intervene to introduce a minimum price.

Acidity is still higher than expected at this stage at above 3+% and brix levels have not yet reached 11. Some industry sources suggest this could

indicate that growers are picking unripe fruit due to concern over falling fruit prices.

Pricing

Offers for concentrate out of Poland are around EUR1350-1400/tonne 70 brix 3.0-3.5% acid ex factory Poland, against EUR1350-1450/tonne last month.

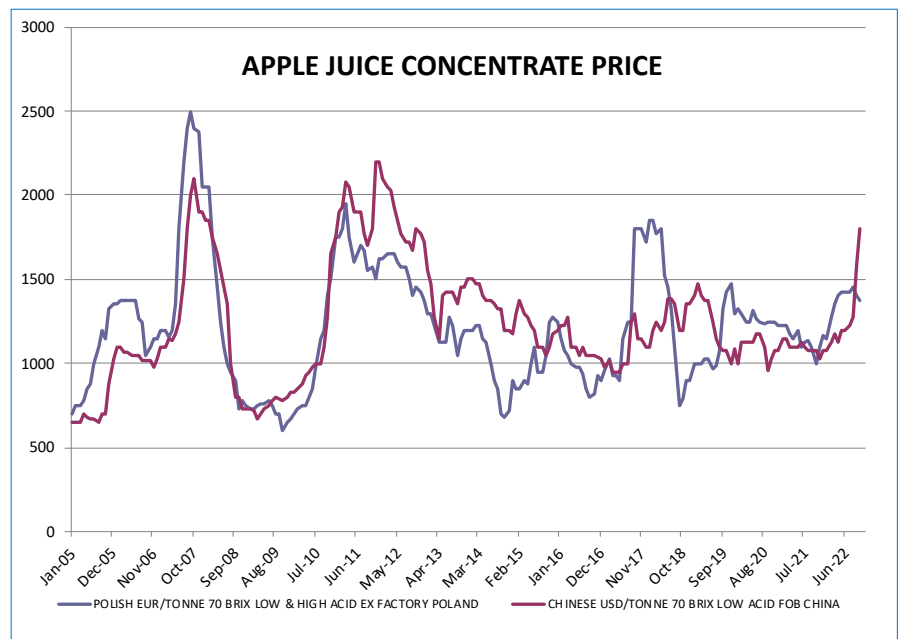
Coldstore capacity is full and so producers are likely to be looking to off load supplies, say analysts.

Demand is reportedly very active. There was only limited carry-over going into the current crop and so buyers were holding out for prices to go down during the crop – so far this has not happened. Nevertheless, there is still a question mark over consumer uptake in the medium term.

There will be negotiations on contracts at the forthcoming SIAL food fair, but analysts do not think annual contracts will be fixed there. Buyers are keen to take on longer term positions, but producers are reportedly reluctant and most are not offering into 2023 yet. The downside price risk is limited due to higher production costs in Poland and a lower projected supply from China (see below). Analysts say production costs in Poland are double that of last year and this is the reason why price levels for apple concentrate are higher than they should be given the bumper crop. A better idea on future pricing will likely be gained during the SIAL event. Analysts suggest buyers book early for high acid supplies, which remain short.

Other sources

As mentioned last month, Turkey is struggling with an unfavourable currency rate coupled with rising inflation. Asking prices from Turkey are between EUR1600-1700/tonne 70 brix low acid ex factory Turkey,



against EUR1400-1450/tonne last month.

The Ukraine is probably the cheapest source of apple juice concentrate at the moment, but European importers say it is very difficult to export produce to the key markets. Offers from the Ukraine are around EUR1250/tonne 70 brix 3% acid ex factory Ukraine.

China

There are reports that production of apple juice concentrate in China might be limited to just 300 000-350 000 tonnes this season. The industry there usually limits its production to around 500 000 tonnes in line with expected demand, but this season analysts say it is due to the poor availability of apples. This theory is supported by very high fruit prices of USD160-185/tonne – nearly twice the price traded last season.

Based on the latest fruit prices paid, traders in Europe say that offers from China are now at USD1800/tonne 70 brix low acid FOB China, compared with USD1550-1600/tonne last month.

The high pricing out of China is likely to put pressure on the supply out

of Poland this season. China’s key markets, such as the US and South Africa, will look to Europe to offset the lower output and higher pricing from China where they can.

Chile

The crop in Chile is now finished, but producers are still processing limited volumes of coldstore apples.

Juice yields are normal and acidity is between 1.6-1.8%.

Apple juice production will be lower this season due to a decrease in the number of processors, say local sources.

Current pricing out of Chile is around USD1900/tonne 70 brix 1.6-1.8% acid FOB Chile, against USD1900-2000/tonne last month.

Demand has been brisk, particularly from Chile’s main market the US, and virtually all stocks are now seen as committed.

GRAPEFRUIT JUICE

The USDA is expected to release the first official forecast on production from the forthcoming 2022/23

grapefruit crop in Florida on 12 October. However, due to the recent hurricane, the USDA may wait instead to release a number on 9 November.

Local sources in Florida say it is too early to gauge the damage from Hurricane Ian, but it is significant. Before the storm hit, industry sources were expecting a crop of no more than 4 million boxes.

Producers add that if the USDA does release a figure in October it would be meaningless because the department would not have enough time to factor in the storm.

Given the unclear outlook there is no current pricing for grapefruit juice concentrate out of Florida at the moment.

Temperatures have reportedly been mild in Florida since the weather event.

Texas

Meanwhile in Texas, the processing season should begin in the last week of October or first week of November. There are still no new season prices set for concentrate or NFC because there is no inventory available yet.

The crop size is expected to be around 2.6 million boxes. This is higher than last year's freeze impacted crop, but still low compared with an average season of around 4.4 million boxes.

Mexico

The 2022/23 grapefruit harvest in Mexico has now begun. Local industry sources calculate that there will be a 35-40% reduction on an average crop due to drought conditions.

The weather has been more favourable during recent weeks with a combination of rain and warm days, which will help fruit growth and quality.

The fruit is ready for harvesting in

most of the groves and demand from the fresh market remains strong. Fruit sizing is expected to be smaller than average due to the dry weather conditions.

Based on the fruit cost expected for the forthcoming season processors say price indications for pink/red grapefruit concentrate would be in the range of USD17.00-18.00/gallon FOB Mexican port. New season asking prices for white grapefruit concentrate from Mexico are projected at USD14.00-15.00/gallon on the same delivery basis.

Buyers are starting to ask for volumes and pricing. Producers say that they expect uptake to be fairly stable this season, but that inflation and overhead costs could change the situation.

The traditional markets for Mexican grapefruit juice are Asia (Japan), Europe, the US and Latin America.

Demand for grape juice concentrate is weak and most buyers have covered their needs from the supply from Argentina's 2022 crop.

Offers for white grape juice concentrate out of Argentina are at USD2000-2050/tonne 68 brix FOB Buenos Aires in drums, marginally lower than the asking prices of USD2100-2150/tonne last month.

There are enough supplies to cover demand until the next crop and if the 2023 crop starts to shape up well, producers say they would look to move more stocks ahead of the crop. This would indicate that pricing could come down ahead of the next crop.

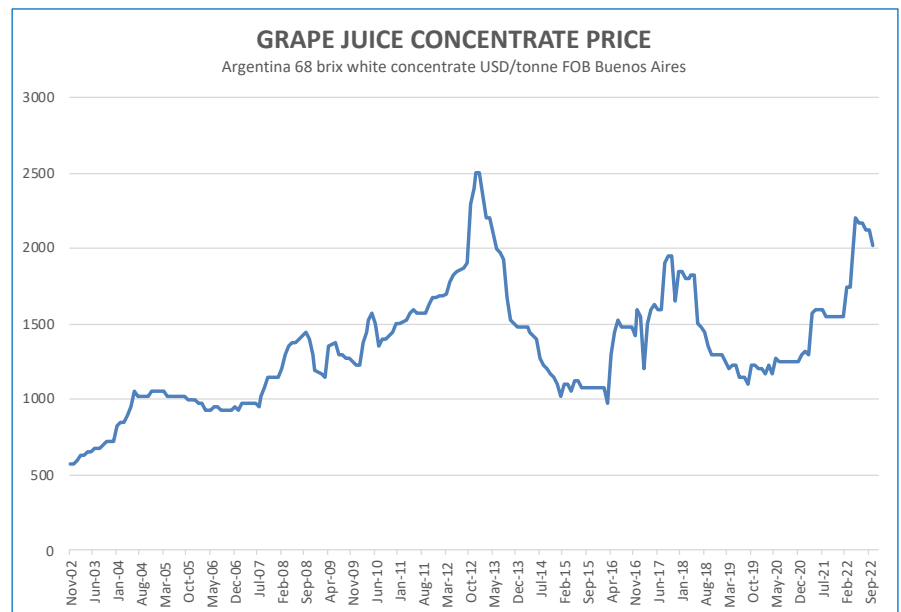
Argentina exported 52 800 tonnes between January and August this year, compared with 65 900 tonnes during the same period in 2021.

As mentioned last month, Argentina's main market is the US and exports to this market are currently closed due to a pending anti-dumping case, the first outcome of this is expected at the end of this month.

The industry in Argentina is also keeping an eye on pricing for new season apple juice concentrate out of China. The two products have similar profiles and can be substituted in many recipes, particularly as a

GRAPE JUICE

Conditions in Argentina's grape growing regions have been cold over Winter and producers say the freeze risk period will continue until the end of November as a result.



natural sweetener. The bullish price outlook for Chinese apple juice this season (see apple juice section in this edition) could open doors for Argentinean grape juice in some of the key markets.

Buyers and are now negotiating contracts on supplies from new crop in Europe. Producers say offers out of Europe are significantly lower than from Argentina and so producers in Argentina say they expect to adjust their pricing at some point.

Europe

The 2022 grape crop in Italy began last month, but output in northern Italy is predicted to be 20-30% lower than last season due to a drought.

Producers in Italy have seen some strong interest from buyers and a good proportion of sales have been already concluded, say analysts.

Offers for white grape juice concentrate out of Italy are at EUR1350-1450/tonne 65 brix ex factory in bulk, compared with spot prices of EUR1400-1500/tonne last month.

Asking prices for Italian red grape juice concentrate are at EUR1500-1600/tonne 65 brix standard colour ex factory in bulk.

As mentioned last month, production from the 2022 grape crop in Spain is expected to be around 10% shorter than last year due to dry weather. Industry sources say the red grape crop could be cut back by as much as 20-30%.

Offers for white grape juice concentrate from Spain are around EUR1500-1550/tonne 65 brix ex factory in bulk. And asking prices for red concentrate are at EUR1600-1700/tonne 65 brix standard colour ex factory in bulk.

LEMON JUICE

The 2022 lemon crop in Argentina is now coming to a close. Production is estimated to be around 5% bigger than last year at 1.80 million tonnes with 1.30-1.35 million tonnes going for processing. Producers say that total output of fruit could be even higher. The industry entered the 2022 crop with fairly weighty carry-in stocks and the extra production during the harvest has led to an oversupply. There will be more lemons produced than can be utilised and 200 000+ tonnes are expected to be left on the trees.

There is downward pressure on pricing due the surplus of fruit and many farmers are reportedly already converting their groves to other crops such as sugar cane and soya.

The oversupply situation is not expected to change next year and other lemon producing countries such as Spain, Turkey and South Africa will be impacted in the same way as Argentina.

Processors in Argentina are expected to produce slightly less volumes of concentrate this season at around 85 000 tonnes, compared with 90 000 tonnes in 2021. Juice quality in terms of yields and ratios is normal. The lower processing this year will help to being down inventories for the 2023 season, say local producers.

Price levels

Current pricing for lemon juice concentrate from Argentina is around USD1400/tonne 400gpl FOB Buenos Aires – on par with last month. But there are some aggressive prices from smaller players as low as USD1100/tonne and some of the larger operators are still offering at USD1500/tonne.

Demand has reportedly started to pick up and buyers are looking to fix

contracts to June 2023.

Producers in Argentina are now keeping a close eye on the upcoming crops in the northern hemisphere in order to gauge pricing.

Spain is expected to begin their 2022/23 lemon crop in November/December and the industry there is reportedly reducing processing volumes by almost 30% compared with last year due to the global surplus of concentrate.

PINEAPPLE JUICE

The 2022 Winter pineapple crop in Thailand is well underway. The lack of juice supplies on the global market has meant that competition for fruit is elevated and raw material pricing has not eased as hoped. Fruit is currently changing hands for THB7.00-8.00/kg, against THB7.50-8.00/kg at the start of the crop last month.

There have been torrential rains in some growing areas which has prevented pickers getting into the plantations and trucks from reaching the factories – some processing plants reportedly had to close due to a lack of raw material being delivered. In addition, both Thailand and the Philippines have recently been threatened by tropical storms.

The other problem with excessive rainfall is that the pineapples soak up the moisture which brings the juice ratios down. This trend of increased instances of extreme weather – be it flooding, storms or drought – is expected to continue in the long term, say analysts. The industry is hoping the weather and supply situation will improve this month, they want to avoid the scenario where the larger packers come on to the market offering high prices for fruit and driving the market higher – as happened last year.

Pricing

Offers for pineapple concentrate are around USD2400-2600/tonne 60 brix FOB Bangkok – on par with last month. Again, the sustained higher pricing reflects the short supply, say analysts.

Producers say that demand is strong and that they are receiving enquiries every day from all of the key importing regions. Buyers in the Middle-East are reportedly particularly active.

There is now a question mark as to whether the Winter crop in Thailand will bring any relief to the high pricing of late.

Nevertheless, the supply in 2022 from both the Summer and Winter crops in Thailand is expected to be higher than last year at around 1.3 million tonnes. Analysts suggest that production of 1.5 million tonnes “could be reachable” in 2023.

Producers are currently offering pineapple concentrate for delivery into the first quarter of 2023. There is likely to be negotiations on contracts at the SIAL food fair when buyers will then look to book further into 2023. Buyers are being cautious and still expect the market to weaken at some point. With the current short supply, any downward movement in price will mainly depend on demand, say analysts. With rising inflation in the key importing markets, there could be less appetite from consumers to pick up pineapple juice in the supermarkets. At the same time, pricing is supported by low stocks and rising overhead costs including labour, energy and packing materials.

Other regions

Producers in Costa Rica still have no supplies to offer, but will begin the new season in November/December. There are also only very limited stocks in Kenya.

There are reportedly stocks of blended multi-region pineapple concentrate in

European coldstores, say traders, who add that the rising costs of cold-storage might encourage those with stocks to off-load.

MANGO JUICE

Alphonso & Kesar

The 2022 Alphonso crop finished in mid-June. Output of puree is expected to reach 50 000 tonnes, but around 30 000 tonnes of this is possibly altered with added sugar and/or Sindura mango.

Stocks of authentic Alphonso are low and price levels are high as a result at USD1900-2200/tonne 15-17 Brix FOB India – similar to asking prices of USD1950-2150/tonne last month. Traders in Europe say they have received offers slightly lower at USD1600/tonne 15-17 brix 100% authentic Alphonso puree FOB India.

Demand has been good, particularly from Europe and around 80% of the supply from the 2022 season has now been allocated. Uncommitted stocks are estimated at around 5000 tonnes.

Growing conditions for next season are stable in all Alphonso producing states in India.

Meanwhile, offers for Kesar mango

puree are between USD2000-2100/tonne FOB India, compared with USD2200-2250/tonne last month. Demand for Kesar puree is reportedly slow.

Totapuri

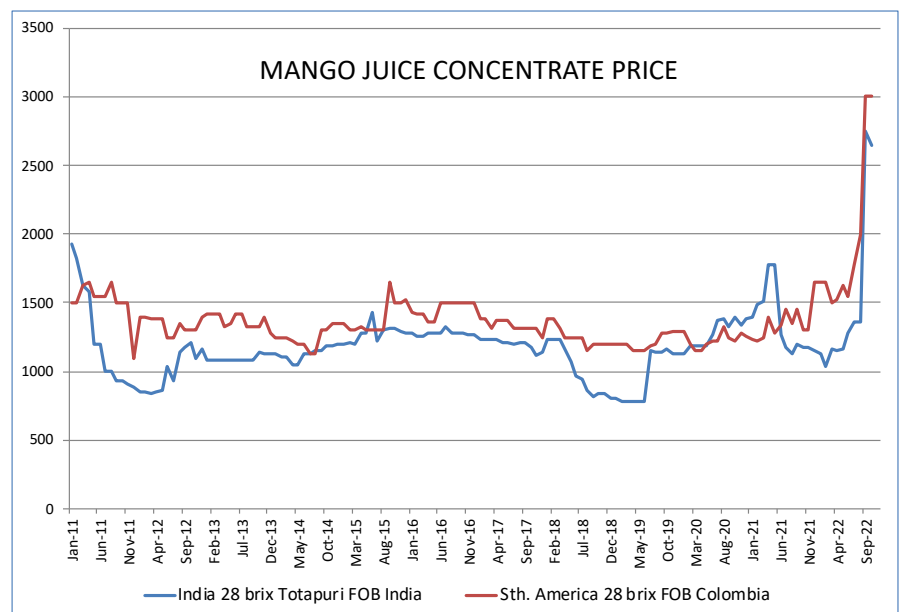
Totapuri puree output from the 2022 crop in India reached 300 000 tonnes, of which 50% is likely to be manipulated (brix corrected with sugar added), say local sources in India.

Concentrate production will be limited to just 10 000 tonnes.

Prices for authentic Totapuri puree have eased since last month to USD1350-1400/tonne single strength FOB India, against USD1400-1450/tonne at the start of September.

Supplies of Totapuri concentrate are offered at USD2600-2700/tonne 28 brix FOB India, compared with USD2700-2800/tonne on the same delivery basis last month. Nevertheless, offers for concentrate in August were at just USD1350-1375/tonne.

Demand has been buoyant and uptake from the European market has been particularly good. However, the poor availability has meant that many producers are reluctant to offer and there are reports that there are no free



stocks of Totapuri puree available for export.

Growing conditions in the Totapuri areas are favourable for next season with abundant rainfall and cool temperatures.

Meanwhile, the freight market has continued to decline and demand for export containers has dropped significantly, say local producers in India.

Americas

Growing conditions for the interim Winter crop in Colombia have been too wet recently, which might negatively impact the harvest. The industry is hoping that the rainfall eases this month.

In terms of production, processors say they will start to get some indications in 2-3 weeks time. Most of the processors in Colombia are in dire need of mango and the winter crop is expected to bring strong competition for fruit.

Nevertheless, producers are keen to point out that all orders for 2022 will be satisfied.

Supplies of concentrate going into the Winter crop are extremely limited and price levels are elevated at the moment as a result. Spot trades for small lots are reportedly going through at around USD3000/tonne 28 brix FOB Colombia. While this is on par with offers last month, it is historically very expensive. Traders in Europe concur that they are receiving offers at this level, but say that buyers are not accepting this price. There is demand, particularly from Europe, but buyers in the main import markets are covered for the moment and are hoping that prices will ease during the forthcoming interim crop.

Demand is still very high and lots of costumers are looking to close

contracts for supplies from the 2023 Summer crop in Colombia. However, producers say that it this would probably not be a good idea given the unclear outlook on pricing for raw materials, packaging material, freight rates, energy and other overhead costs.

Meanwhile, producers in Peru and Mexico are reportedly sold out. The next crop in Peru will begin in December.

There are reports that some traders were speculating on prices rising and bought supplies earlier in the year which are now sitting in Rotterdam coldstores. There could be good reasons for these speculators to offload these supplies fairly soon due to the rocketing costs of warehouse cold storage – some cold storage operators are reportedly doubling their prices. This could further increase the price for most juices traded in Europe which is causing headaches for importers.

In terms of shipping; freight rates and container availability have eased in some ports, however, Rotterdam is quite congested and getting space to Houston is extremely problematic, say South American producers.

PASSION FRUIT JUICE

Ecuador

Passion fruit production in Ecuador fell again in September - producers say output was cut back close to 50%. Nevertheless, production will start to recover from late October and then continue increase culminating in a peak production period in December/January.

The industry has been having problems with juice yields and brix all year due adverse weather: excess rains during the rainy season and then low temperatures. The industry has

experienced bad yields at farm level (less fruit per hectare) and processing level (more fruit needed to make the same volume of NFC/Concentrate due to a lower percentage of juice and lower brix).

Fruit pricing in Ecuador is around USD0.60/kg, against USD0.55/kg last month.

Offers for concentrate have climbed once again to USD12000/tonne 50 brix FOB Ecuador, compared with USD11000/tonne last month. However, sourcing enough raw material to produce concentrate is currently a challenge, say producers.

Asking prices for NFC passion fruit juice are at USD3200-3300/tonne single strength FOB Ecuador, against USD3000/tonne at the start of September.

Producers in Ecuador expect prices to remain at this level or higher over the next two months. Peru is in off-season and there is more demand than the industry in Ecuador can handle which keeps pushing up fruit prices.

Demand has been strong from Europe, North America, Latin America, Asia, Africa and Australia, but it is possible that worsening economic conditions worldwide could put a dent in demand sooner or later, say analysts.

There are no supplies available on the spot market and factories are only producing for contracts.

Processors say they are offering supplies for delivery until the end of 2023, but given that the crop is expected to be bigger next year they know buyers are unlikely to fix long-term contracts at today's price levels. They add that prices will drop at some point in 2023.

Replanting has been good and this is likely to continue with the higher prices the farmers are receiving. Growers are taking better care of their farms and investing in additional hectares. The

results of the replanting will be seen at some point in 2023, probably in second half, but there are likely to be increased volumes available even in the first quarter of 2023.

Peru

The main peak production period for Peru (January-August) is now over and was marked by high demand and insufficient supply.

The total annual supply in 2022 will be lower than last year, this decrease has been mainly caused by an increase in fertilizer prices and other agricultural inputs, a decrease in the harvested area due to migration to other more profitable crops and very low temperatures which caused a decrease in both the quantity and quality of the fruit, say producers in Peru. According to projections, the annual volume of passion fruit production in 2022 will reach 93 598 tonnes by December 2022 - 33% lower than during the same period in 2021.

Exports of passion fruit concentrate have fallen considerably due to the lack of available fruit - most of the fruit was reportedly processed to NFC juice.

Demand is expected to continue to outstrip supply for the rest of this year. The factories did not receive enough

fruit to process in September and the same scenario is expected this month and in November.

Stocks are seen as empty at the moment, but if buyers were able to find supplies they could expect to pay USD12000-12500/tonne for concentrate and USD3200-3500/tonne for NFC juice – both on an FOB Peru basis.

Output from Peru should ramp up again in December/January and volumes in 2023 are predicted to be back to the same level as 2021. Analysts say that prices should ease once the crop in Peru gets underway in earnest.

Work is being carried out in Peru to address two fundamental points for the 2023 season: volume recovery and quality recovery, particularly brix.

Availability for international markets will depend on domestic demand in Peru, which is growing, say industry sources.

Traders in Europe say the sustained high pricing this year will put a dent in future uptake because many end-users will reformulate products where they can. Nevertheless, traders add that demand remains “very healthy” at the moment and that all the clients they have contracts with are asking for early delivery of supplies.

Vietnam

Production in Vietnam was expected to recover from the latter part of September, but a typhoon hit the main crop areas. The weather event did not bring too much damage, but it has delayed the recovery by two to four weeks, say industry sources. Once the crop does get going the increased production is not expected to have much of an impact on pricing at first, because producers reportedly have a backlog of orders to fill.

Current offers for concentrate, where available, are reportedly between USD9000-12500/tonne 50 brix FOB Vietnam, against USD11500/tonne last month.

Similar to Ecuador and Peru the supply in Vietnam is expected to increase next year. The farmers have been motivated by favourable fruit pricing and buoyant demand. However, industry sources suggest that buyers need to be careful when fixing contracts because China might import larger volumes of fresh fruit than this year which could mean that processors are left without enough fruit. Traders in Europe say that fresh fruit importers in China are offering very attractive prices and are willing to pay cash.

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