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Report Highlights:

In U.S. MY 2010/11, the Brazilian orange crop is estimated at 495 MBx, up 119 MBx from U.S. MY 2009/10, due to excellent weather conditions that prevailed during blossoming and fruit development. The Sao Paulo and western Minas Gerais commercial areas should produce 390 MBx. Total FCOJ production (65 Brix equivalent) for U.S. MY 2010/11 is forecast at 1.44 mmt (65 Brix), up 340,000 mt from the previous marketing year. FCOJ equivalent exports for MY 2010/11 are projected at 1.24 mmt (65 Brix), up 50,000 mt compared to the previous marketing year.

There is a one year lag between the Brazilian (BR) Marketing Year (MY) and the U.S. Marketing year (MY). For example, BR MY 2011/2012 is equivalent to U.S. MY 2010/11. As such and to ensure data continuity, the current Brazilian MY 2011/12 will be referred to as U.S. MY 2010/11 throughout this report.

Commodities:
Oranges, Fresh

Production

PS&D Tables

The following tables provide revised data for Sao Paulo and total Brazilian fresh orange production, supply and demand (PS&D) for *Brazilian (BR) marketing years (MY) 2009/10, 2010/11 and MY 2011/12 (July-June)*, which are equivalent to *U.S. MY 2008/09, 2009/10 and 2010/11*, respectively.

Note: There is a one year lag between the Brazilian marketing year and the U.S. marketing year. For example, BR MY 2011/2012 is equivalent to U.S. MY 2010/11. As such and to ensure data continuity, the current Brazilian MY 2011/12 will be referred as U.S. MY 2010/11 throughout this report.

Brazil: Fresh Oranges PS&D (Jul-Jun)			
(1,000 ha, million trees & million 40.8 kg boxes)			
Item/U.S. Marketing Year	**US MY 08/09**	**US MY 09/10**	**US MY 10/11**
Item/Brazilian Marketing Year	BR 2009/10	BR 2010/11	BR 2011/12
Area Planted	816.0	800.0	803.0
Sao Paulo	616.0	600.0	603.0
Others	200.0	200.0	200.0
Area Harvested	724.6	724.6	727.6
Sao Paulo	532.0	532.0	535.0
Others	192.6	192.6	192.6
Bearing Trees	216.2	219.0	221.0
Sao Paulo	164.2	167.0	169.0
Others	52.0	52.0	52.0
Non-Bearing Trees	49.0	40.0	40.0
Sao Paulo	45.0	36.0	36.0
Others	4.0	4.0	4.0
Total Trees	265.2	259.0	261.0
Total Production	417.0	376.0	495.0
Sao Paulo	320.0	273.0	390.0
Others	97.0	103.0	105.0
Exports	0.7	1.0	1.0
Sao Paulo	0.7	1.0	1.0
Domestic Consumption	129.3	116.0	149.0
Delivered to processors	287.0	259.0	345.0
Sao Paulo (FCOJ + NFC exports)	274.0	244.0	330.0
Others	13.0	15.0	15.0

General

In MY 2010/11 (July-June), the Agricultural Trade Office (ATO)/Sao Paulo forecasts the total Brazilian crop at 495 million 40.8 kg boxes (Mbx), a 32 percent increase compared to the previous season. The commercial area of the state of Sao Paulo and the western part of Minas Gerais are expected to produce 390 Mbx, up 43 percent from the previous crop (273 MBx). *Note that this figure takes into account the four major varieties of citrus used for processing orange juice (Hamlin, Pera Rio, Natal and Valencia) plus a limited volume (15 million boxes) of other citrus varieties such as Lima, Bahia, Murcorte and Poncan which are used for processing juice.* Production from other states is projected at 105 MBx, according to updated information provided by the Brazilian Geography and Statistics Institute (IBGE).

Approximately 70 percent of the crop should result from a large second blossoming and around 5 percent of the fruit should come from a third blossoming that will likely be harvested in the first quarter of 2012. The harvest has already started mainly for citrus groves owned by the orange juice processor. Nonetheless, the bulk of crushing should occur July-November. According to industry contacts, a higher percentage of early (Hamlin) and late season varieties (Natal and Valencia) should be crushed as opposed to the Pera Rio variety.

The projected increase in production for MY 2010/11 in the Sao Paulo and Minas Gerais commercial areas is related to excellent weather patterns during blossoming, fruit setting and development. The prolonged dry weather that negatively impacted the 2010 crop supported the necessary water stress to induce blossoming for the upcoming crop. As opposed to the previous season, adequate rainfall and temperature in the end of the year did not create conditions for the development of the fungus *Colletotrichum* which highly damaged last year's crop. Strong citrus prices also contributed to good crop management, therefore, positively affecting the size of the crop.

In May 2011, the National Supply Company (CONAB) in the Ministry of Agriculture, Livestock and Supply (MAPA), released the first preliminary orange crop survey for the 2011/12 crop. The survey was conducted in partnership with the Sao Paulo State Institute of Agricultural Economics (IEA) and the Sao Paulo Rural Extension Agency (CATI). Data collection occurred in March-April 2011. The Sao Paulo State, including both commercial and non-commercial areas, is estimated at 354.9 MBx. The survey also reported orange losses in the amount of 14.2 MBx.

Note that CONAB/IEA take into account the entire state of Sao Paulo and all varieties of oranges (although approximately 90 percent of the volume is represented by Hamlin, Pera, Natal and Valencia), while ATO estimates follow industry methodology which includes the commercial area of the state plus western part of the Minas Gerais state and the four major citrus varieties for juice processing. CONAB/IEA reports that the state of Sao Paulo orange tree inventory is estimated at 221.17 million trees (189.41 million bearing and 31.76 non-bearing trees).

In May 2011, the Brazilian Association of Citrus Exporters (CitrusBR) announced that the 2011/12 orange crop in the citrus belt of the state of Sao Paulo and Minas Gerais is projected at 387 million 40.8 kg boxes. CitrusBr reports that the projection was individually made by each associate and the final result was consolidated by an independent audit company.

Area, Tree Inventory and Yields

For MY 2010/11, the Brazilian citrus yield is estimated at 2.24 boxes/tree, up 30 percent relative to MY 2009/10 (1.72 boxes/tree). The Sao Paulo commercial grove yield for MY 2010/11 is projected at 2.31 boxes/tree, up 42 percent from the previous crop (1.63 boxes/tree).

Total citrus area for MY 2010/11 is estimated at 803,000 hectares (ha), similar to MY 2009/10 (800,00 ha). Total Brazilian tree inventory for MY 2010/11 is estimated at 261 million trees. Tree inventory in the Sao Paulo and Minas Gerais commercial areas are estimated at 205 million trees (169 million bearing and 36 million non-bearing trees). Sao Paulo is the only state that compiles data on trees planted and tree inventory. ATO/Sao Paulo estimates report stable areas and tree population for "Other" states based on uniform production figures provided by IBGE.

Producers' Prices

The Orange Index price series is published by the University of Sao Paulo's College of Agriculture "Luiz de Queiroz" (ESALQ), for both the fresh domestic market and product delivered to orange juice processing plants in the state of Sao Paulo follow. Both series track orange prices from September 1994. Prices for the fresh market are for fruit on the tree.

According to industry information, approximately 80 percent of the growers have already set contracts with the juice processors for the upcoming crop. Most prices were set during last year's negotiation. Prices ranged between R$9.00 and R$16.00/box (US$5.00 and US$8.90/box) for last season. Post contacts report that prices will hardly be sustained in the high end of the range for this crop, however, prices received should be attractive to producers.

Orange Prices paid by Sao Paulo industry - spot market (Pera, Natal, Valencia varieties, average prices in Reais - R$, 40.8 kg box, fruits delivered to the processing plant).

Month	2006	2007	2008	2009	2010	2011
Jan	12.13	15.46	13.46	6.80	7.70	15.59
Feb	9.90	15.50	12.39	5.92	9.77	15.00
Mar	8.66	13.68	9.66	4.95	10.17	15.00
Apr	7.58	8.79	8.38	4.50	8.24	15.00
May	7.21	7.88	8.27	4.05	13.00	--
Jun	8.10	7.97	9.72	3.68	14.70	
Jul	10.06	10.93	10.95	3.65	14.88	
Aug	10.76	10.16	9.71	5.04	14.90	
Sep	11.04	9.78	9.33	5.66	15.19	
Oct	11.52	9.89	9.57	5.86	15.23	
Nov	12.51	11.77	8.63	6.41	15.35	
Dec	14.26	12.61	7.27	6.95	15.66	

Source: Center on Advanced Studies on Applied Economics (CEPEA)/ESALQ.

Orange Prices received by Producers in the Domestic Market (Pera Variety, average prices in Reais - R$, 40.8 kg box, fruits on the tree).

Month	2006	2007	2008	2009	2010	2011
Jan	15.68	15.08	15.38	10.00	10.89	22.86
Feb	19.53	17.10	16.95	9.82	17.22	25.33
Mar	19.08	19.02	17.03	11.13	19.17	26.32
Apr	13.72	16.60	14.65	10.46	16.50	19.62
May	10.68	13.82	12.04	9.13	14.49	14.78
Jun	9.38	11.28	11.39	7.66	15.13	

Jul	10.12	10.98	11.38	6.48	14.90	
Aug	11.47	11.06	11.01	6.47	14.94	
Sep	12.51	10.48	10.64	7.04	16.83	
Oct	12.60	11.48	10.83	7.58	19.17	
Nov	12.76	13.45	10.24	8.48	19.93	
Dec	13.48	14.10	9.70	8.94	20.15	
Source: Center on Advanced Studies on Applied Economics (CEPEA)/ESALQ.						

Consumption

During MY 2010/11, total Brazilian orange consumption is estimated at 149 MBx, a 33 Mbx increase from MY 2010/11. These figures include actual domestic consumption plus losses from natural drop, harvesting, transportation and packing.

Fruit delivered to processors for "not from concentrate (NFC)" orange production for the domestic market is also included in these figures. Domestic consumption estimates are taken as the difference between production and the volume of oranges delivered to processors for FCOJ and NFC production for exports.

Trade

The total fresh orange export estimate for MY 2010/11 is estimated at one Mbx, similar to the previous crop. The table below shows official fresh orange exports (NCM 0805.10.00) by country of destination, according to the Secretariat of Foreign Trade (SECEX).

Brazilian Fresh Orange Exports (MT and U$ 1,000 FOB)						
	Jan- Dec 2010		**Jul 2009-May 2010**		**Jul 2010-May 2011**	
Country	**Quantity**	**Value**	**Quantity**	**Value**	**Quantity**	**Value**
Spain	12,795	5,293	3,580	1,585	12,306	5,061
Netherlands	10,465	4,669	8,455	4,013	9,549	4,380
United Kingdom	5,480	2,015	1,288	601	4,906	1,746
Portugal	3,764	1,724	1,800	840	3,764	1,722
Saudi Arabia	2,965	1,527	4,924	2,175	1,414	707
Ireland	1,340	535	1,267	542	1,220	455
Paraguay	421	36	1,316	79	356	30

Macedonia	207	99	0	0	207	99
Russia	149	67	1,495	642	198	94
France	130	72	50	29	130	72
Others	108	239	2,449	1,090	232	480
Total	37,822	16,277	26,624	11,596	34,281	14,846
Source : Brazilian Department of Foreign Trade (SECEX), NCM 0805.10.00						

Production, Supply and Demand Data Statistics - Official

Oranges, Fresh Brazil	2008/2009		2009/2010		2010/2011	
	Market Year Begin: Jul 2009		Market Year Begin: Jul 2010		Market Year Begin: Jul 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	816,000	816,000	800,000	800,000	800,000	803,000
Area Harvested	616,000	724,600	724,600	724,600	600,000	727,600
Bearing Trees	216,200	216,200	216,000	219,000	217,000	221,000
Non-Bearing Trees	49,000	49,000	40,000	40,000	40,000	40,000
Total No. Of Trees	265,200	265,200	256,000	259,000	257,000	261,000
Production	17,014	17,014	15,300	15,341	17,135	20,196
Imports	0	0	0	0	0	0
Total Supply	17,014	17,014	15,300	15,341	17,135	20,196
Exports	29	28	38	41	40	41
Fresh Dom. Consumption	5,274	5,275	4,858	4,733	4,937	6,079
For Processing	11,711	11,711	10,404	10,567	12,158	14,076
Total Distribution	17,014	17,014	15,300	15,341	17,135	20,196
HECTARES, 1000 TREES, 1000 MT						

Commodities

Orange Juice

Production

PS&D Tables

The following tables provide revised data for Sao Paulo and total Brazilian orange juice production, supply and demand (PS&D) for *Brazilian marketing years 2009/10, 2010/11 and MY 2011/12 (July-June)*, which are equivalent to *U.S. MY 2008/09, 2009/10 and 2010/11*, respectively.

The tables include Not From Concentrate (NFC) production for exports converted to Frozen Concentrate Orange Juice (FCOJ) 65 Brix equivalent using the following conversion factor: 1 metric ton of FCOJ 65 Brix equals 5.6 metric tons of NFC 11.6 Brix.

Brazil: FCOJ PS&D (Jul-Jun)			
(Million 40.8 kg boxes, TMT, 65 degrees brix)			
Item/U.S. Marketing Year	**US MY 08/09**	**US MY 09/10**	**US MY 10/11**
Item/Brazilian Marketing Year	BR 2009/10	BR 2010/11	BR 2011/12
Delivered to Processors	287.0	259.0	345.0
Sao Paulo (FCOJ + NFC exports)	274.0	244.0	330.0
Others	13.0	15.0	15.0
Beginning Stocks *	172.0	128.0	4.0
Total Production	1,273.0	1,100.0	1,440.0
Sao Paulo FCOJ	1,060.0	870.0	1,200.0
Sao Paulo NFC (FCOJ equiv)	160.0	170.0	180.0
Others	53.0	60.0	60.0
Total Supply	1,445.0	1,228.0	1,444.0
Exports	1,283.0	1,190.0	1,240.0
Sao Paulo FCOJ	1,070.0	960.0	1,000.0
Sao Paulo NFC (FCOJ equiv)	160.0	170.0	180.0
Others FCOJ	53.0	60.0	60.0
Domestic Consumption	34.0	34.0	35.0
Ending Stocks	128.0	4.0	169.0
Total Distribution	1,445.0	1,228.0	1,444.0
* Sao Paulo FCOJ equiv stocks only.			

General

ATO/Sao Paulo forecasts total Brazilian FCOJ 65 Brix equivalent production for MY 2010/11 (July-June) at 1.44 million metric ton (mmt), up 330,000 metric tons from the previous season, due to higher availability of fruits for processing.

The Sao Paulo industry is forecast to process 330 MBx of oranges for FCOJ and NFC production, yielding 1.38 mmt of juice (1.2 mmt and 180,000 metric tons of FCOJ and NFC, respectively). Other producing states are expected to deliver 15 MBx for processing. Processing plants began operations in May, but the bulk of processing should start in July.

Total Brazilian FCOJ 65 Brix equivalent production for MY 2009/10 is estimated at 1.1 mmt, down 173,000 metric tons relative to the previous marketing year, due to lower availability of fruit for processing. The Sao Paulo industry has crushed 244 MBx of oranges for FCOJ and NFC production, while other states contributed 15 MBx.

Note that orange juice figures include NFC production for exports converted to FCOJ 65 Brix equivalent. There is no official estimate for NFC supply and demand in Brazil.

Consumption

The ATO/Sao Paulo estimate for FCOJ domestic consumption for MY 2010/11 is 35,000 mt, 65 Brix, similar to MY 2009/10 (34,000 mt, 65 Brix).

Trade

Total Brazilian FCOJ exports for MY 2010/11 are projected at 1.24 mmt (65 Brix), up 50,000 metric tons compared to MY 2009/10 (1.19 mmt), due to relatively stable world demand and expected higher availability of juice for exports. The Sao Paulo industry is expected to contribute 1 mmt of FCOJ (65 Brix) and 180,000 mt of NFC (converted to FCOJ equivalent), whereas other FCOJ producing states are expected to export 60,000 mt. Major destinations include Europe and the United States.

The tables below show official FCOJ exports (NCM 2009.11.00, NCM 2009.12.00 and 2009.19.00) by country of destination, according to the Secretariat of Foreign Trade (SECEX). Note that the "Others" category includes both FCOJ and NFC exports. Post considers the average monthly price by country of destination for the "Others" category as a criterion to distinguish between FCOJ and NFC exports.

Brazilian Frozen Concentrated / Non-Concentrated Orange Juice Exports (MT and US$ 1,000 FOB)

	Jan-Dec 2010		July 2009-May 2010		July 2010-May 2011	
Country	**Quantity**	**Value**	**Quantity**	**Value**	**Quantity**	**Value**
Belgium	168,040	241,070	160,372	212,075	135,423	213,708
Japan	56,829	85,133	52,548	65,235	61,793	112,319
China	55,143	73,847	51,591	58,525	59,981	104,116
U.S.A.	73,695	117,387	103,028	133,092	29,831	51,613
Netherlands	25,430	36,822	29,195	28,508	22,227	35,674
South Korea	11,035	17,329	11,011	14,287	12,707	22,385
Switzerland	22,592	31,953	37,468	47,784	12,267	19,070
Australia	8,705	12,088	10,708	12,579	6,398	10,204
Puerto Rico	4,216	6,585	2,861	3,863	6,238	10,123
Chile	4,918	8,981	4,057	4,488	4,866	10,812
Others	36,266	54,337	37,993	44,355	27,247	49,107
Total	466,869	685,531	500,832	624,791	378,978	639,132

Source : Brazilian Secretariat of Foreign Trade (SECEX) NCM 2009.11.00

Brazil Orange Juice Exports, Not Frozen and Brix under 20 (MT and US$ 1,000 FOB)

	Jan-Dec 2010		July 2009-May 2010		July 2010-May 2011	
Country	**Quantity**	**Value**	**Quantity**	**Value**	**Quantity**	**Value**
Belgium	441,163	145,134	364,214	115,860	440,395	151,245
U.S.A.	262,070	97,533	225,037	80,694	267,837	95,752
Netherlands	232,667	91,118	218,406	83,427	242,310	102,024
Switzerland	14,332	4,368	30,241	9,169	5,710	1,765
Australia	0	0	0	0	139	102
Hong Kong	227	167	126	92	126	91
Japan	66	60	21	16	76	72
Guyana	15	14	14	13	9	9
Paraguay	2	2	1	1	3	3
Morocco	0	0	0	0	2	2

Others	0	0	311	236	0	0
Total	950,541	338,397	838,372	289,507	956,606	351,065
Source : Brazilian Department of Foreign Trade (SECEX), NCM 2009.12.00						

Brazil Orange Juice Exports, Others (MT and US$ 1,000 FOB)						
	Jan 2010-Dec 2010		**July 2009-May 2010**		**July 2010-May 2011**	
Country	**Quantity**	**Value**	**Quantity**	**Value**	**Quantity**	**Value**
Belgium	261,236	334,171	238,387	238,484	255,307	421,885
Netherlands	198,303	290,368	188,292	185,144	169,641	336,769
U.K.	47,808	61,066	51,563	45,189	41,539	73,908
U.S.A.	24,125	31,146	30,215	29,423	20,324	31,394
Australia	9,010	9,911	9,020	7,669	9,012	11,716
Puerto Rico	6,302	7,667	2,009	1,607	5,387	8,085
Switzerland	9,585	11,662	7,093	6,984	4,019	7,833
Japan	0	0	5,057	4,820	2,208	3,974
South Korea	2,404	2,715	38	42	1,004	1,831
Iran	252	277	0	0	353	387
Others	1,210	1,847	2,034	2,544	591	975
Total	560,235	750,831	533,708	521,905	509,384	898,756
Source : Brazilian Department of Foreign Trade (SECEX), NCM 2009.19.00						

Stocks

Total ending stocks for U.S. MY 2010/11 are estimated at 169,000 mt, 65 Brix, up 165,000 mt relative to the revised MY 2009/10 stocks. Note that these figures include only stocks in the storage tanks of the orange juice processing facilities. Actual stocks data for the aforementioned inventories are not available.

In May, CitrusBR announced that global Brazilian orange juice inventories were 424,702 metric tons in March 31, 2001. Global Brazilian inventories include stocks in the tanks, at the port, at the vessels and juice processors' storage facilities worldwide.

Production, Supply and Demand Data Statistics – Official

Orange Juice Brazil	**2008/2009**		**2009/2010**		**2010/2011**	
	Market Year Begin: Jul 2009		**Market Year Begin: Jul 2010**		**Market Year Begin: Jul 2011**	
	USDA Official	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Deliv. To Processors	11,709,600	11,709,600	10,404,000	10,567,200	12,158,000	14,076,000
Beginning Stocks	172,000	172,000	128,000	128,000	14,000	4,000
Production	1,273,000	1,273,000	1,085,000	1,100,000	1,273,000	1,440,000
Imports	0	0	0	0	0	0
Total Supply	1,445,000	1,445,000	1,213,000	1,228,000	1,287,000	1,444,000

Exports	1,283,000	1,283,000	1,165,000	1,190,000	1,223,000	1,240,000
Domestic Consumption	34,000	34,000	34,000	34,000	35,000	35,000
Ending Stocks	128,000	128,000	14,000	4,000	29,000	169,000
Total Distribution	1,445,000	1,445,000	1,213,000	1,228,000	1,287,000	1,444,000
MT						

Exchange Rate

Exchange Rate (R$/US$1.00 - official rate, last day of period)							
Month	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**
January	2.62	2.22	2.12	1.76	2.32	1.87	1.67
February	2.60	2.14	2.12	1.68	2.38	1.81	1.66
March	2.67	2.17	2.05	1.75	2.25	1.78	1.62
April	2.53	2.09	2.03	1.69	2.18	1.77	1.57
May	2.40	2.30	1.93	1.63	1.97	1.81	1.57
June 1/	2.35	2.16	1.93	1.64	1.95	1.80	1.57
July	2.39	2.18	1.88	1.57	1.87	1.75	--
August	2.36	2.14	1.96	1.63	1.88	1.75	--
September	2.22	2.17	1.84	1.92	1.78	1.69	--
October	2.25	2.14	1.74	2.12	1.74	1.70	--
November	2.21	2.17	1.78	2.33	1.75	1.71	--
December	2.26	2.14	1.77	2.34	1.74	1.66	--
Source : Gazeta Mercantil and BACEN (as of October 2006) 1/ June 2011 refers to June 07.							