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Annual Fresh Deciduous Fruit Report

Report Categories:
Fresh Deciduous Fruit

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Report Highlights:

Post estimates that production of apples, pears and grapes will slightly decrease in MY2011 as a result of unfavorable weather conditions. Imports are expected to increase due to lower domestic production and a favorable exchange rate for importers.

General Information:

Apples

Area:

Total planted area for apples in Brazil is estimated to increase slightly to 39,129 hectares, according to the Brazilian Apples Producers Association. Santa Catarina continues to be the main apple producing-state in Brazil, accounting for 50 percent of total area, followed by Rio Grande do Sul with 44 percent. Total planted area expansion is on hold in Rio Grande do Sul and Parana states due to a significant drop in economic returns and unfavorable weather conditions.

State	Principal Varieties	Planted area 2009 (ha)	Planted area 2010 (ha)	Variation
Santa Catarina	Gala and Fuji	19,817	20,014	1%
Rio Grande do Sul	Gala and Fuji	17,115	17,115	0%
Parana	Eva	1,900	1,900	0%
Sao Paulo	Eva	-	50	-
TOTAL BRAZIL	Gala, Fuji and Eva	38,832	39,129	1%

Source: CEPEA

Producers from the region of Parapanema in southwestern part of Sao Paulo state planted 50 hectares of apples. This new area takes advantage of existing infrastructure from the planting of peach, plums and nectarines. Trade sources indicate that there is a potential growth of 10 percent for the next year, based on good transportation system, expansion plans and existing infrastructure.

Production:

In 2010, apple production totaled 1.275 MMT, 4 percent higher than 2009. During the peak season, which is at the beginning of the year, farmers had problems with storage of the product, and thus a larger volume than usual had to be marketed soon after being harvested when prices were low, instead of being stored and sold in the third quarter. Furthermore, it rained during harvesting, which caused delays. Due to poor quality, the amount of fruit juiced was about 30 percent higher in 2010 than 2009.

In 2010, apple producers from Rio Grande do Sul and Santa Catarina states received less money for their product compared to 2009. In the domestic market, the average value received for the fruit in 2010 was R$29.24/box, 0.5 percent lower than 2009, and 0.9 percent less than 2008.

CY 2010 started with a heavy rainfall. As a result some orchards experienced disease problems, due to excess of moisture, which has affected the quality of the 2011 harvest. In mid-March 2011, the harvest of the Fuji variety began. According to producers, the volume harvested this season should be similar to that of past years with the same quality as last year’s crop. There were sufficient cold nights and warm days in early March, the period of maturation of the fruit, to lead to good coloration. Although hail storms also affected the Fuji orchards, the amount of damage was far less to the Fuji crop than to the Gala crop. Trade sources indicate that the 2011 harvest production is estimated to decrease 3 percent due to adverse climate conditions.

Consumption:

Consumption of apples in Brazil is mostly fresh with large variations in preference depending on the region. Consumers in southern Brazil, who have been exposed to a more European style of colonization, prefer larger apples. Consumers in the central region of Brazil prefer medium-sized apples. While those in the northeast favor smaller-sized apples. Trade contacts highlight that this wide variety of preferences within a single country equates to a market for the entire crop. According to the World Apple and Pear Association, fresh apple consumption was 3.42 kilos per inhabitant in 2010.

Apple juice is not included on the list of the most seven widely types of fresh and /or frozen juice consumption in Brazil. Grape (22.5 percent of total juice consumed), peach (21.1 percent) and orange (9.6 percent) are the most popular juice flavors.

Trade:

Fresh Apple Exports

In 2010, Brazil exported 90,839 MT of apples, an 8 percent decrease compared to the same period in 2009. The decrease in exports is attributed to the low product quality and a weaker demand from the European Union.

Brazil exported 21,700 MT of apples in the first quarter of 2011, down 43 percent from the same period in 2010, according to official data (SECEX). According to USDA's Agricultural Marketing Service, the Brazilian apple royal caliber 100 (Gala) was negotiated at Rotterdam at an average of US$ 29.69/box of 10 kg in April, a value 17 percent higher than last year.

Trade sources estimate that apple exports will decrease by 22 percent in CY 2011. One of the reasons is the reduced quality of Brazilian apples due to unfavorable weather conditions during stages of fruit development. In addition, last year's flooding in Rio Grande do Sul damaged the infrastructure and consequently distribution is not running as smoothly as usual.

Brazil Export Statistics Commodity: 080810, Apples, Fresh **Calendar Year: 2008 - 2010**							
Partner Country	**Unit**	**2008**		**2009**		**2010**	
		USD	**Quantity**	**USD**	**Quantity**	**USD**	**Quantity**
World (TOTAL)	KG	80,928,571	112,249,624	56,328,134	98,264,010	55,365,805	90,839,409
Netherlands	KG	24,490,591	35,743,550	20,146,751	35,678,153	15,498,977	26,687,627
United Kingdom	KG	13,659,664	18,034,285	5,050,274	8,640,426	4,945,259	7,340,263
Portugal	KG	4,011,922	5,855,825	4,049,193	7,338,477	4,081,711	7,066,729
Bangladesh	KG	2,558,156	4,718,930	4,337,786	9,098,846	3,792,645	6,735,425
Spain	KG	4,828,779	5,252,037	1,634,862	2,454,790	3,302,159	5,080,334
France	KG	4,433,211	6,209,213	4,881,208	7,788,513	3,274,447	5,451,858
Ireland	KG	2,885,850	3,664,225	2,342,229	3,908,538	3,218,352	4,804,627
Finland	KG	3,331,965	4,286,229	2,381,484	3,862,574	2,989,280	4,419,582
Denmark	KG	2,897,706	3,645,567	929,650	1,299,885	2,731,562	4,518,251
Sweden	KG	4,354,191	5,810,849	1,848,814	2,844,291	2,199,310	3,111,142
Russia	KG	1,422,737	1,948,875	886,743	1,328,905	1,928,057	3,259,964

United Arab Emirates	KG	1,005,676	1,674,715	1,026,693	2,056,207	1,446,848	2,354,677
Germany	KG	4,147,429	5,179,112	2,141,447	3,710,684	1,398,933	2,361,953
Italy	KG	2,403,502	3,679,117	1,762,483	2,871,540	963,791	1,507,475
Libya	KG	238,769	275,184	544,671	1,094,121	846,968	1,538,649
United States	KG	288,034	358,974	253,344	501,984	516,500	910,224
Others	KG	3,970,389	5,912,937	2,099,918	3,761,997	2,231,006	3,690,629

Source: Secex

Apple Imports

Fresh Apple

Apple imports are expected to increase in marketing year 2011/2012. In CY 2010, Brazil imported 25 percent more apples compared to 2009 due to lower quality of domestic apples and favorable exchange rates. Argentina was the major supplier providing 63 percent of the total imports, followed by Chile and France 12 percent. In 2010 Chile was responsible for 43 percent of Brazilian imports, up from 10 percent in 2009. One of the reasons for this increase was the earthquake that affected Chilean orchards in early 2010, encouraging local farmers to export to Brazil and Argentina the damaged fruit that was going to be shipped to Europe, with lower value. The United States did not export to Brazil in 2010 due to the U.S. eastern region's smaller production and quality not meeting imports demands.

Brazil Import Statistics Commodity: 080810, Apples, Fresh							
Calendar Year: 2008 - 2010							
Partner Country	Unit	2008		2009		2010	
		USD	Quantity	USD	Quantity	USD	Quantity
World	KG	48,119,247	55,041,867	46,187,228	61,343,068	60,046,723	76,879,090
Argentina	KG	39,545,667	45,353,625	37,112,317	50,401,257	39,353,137	48,447,869
Chile	KG	5,428,399	7,016,502	3,971,569	5,886,051	15,454,476	23,253,245
France	KG	1,101,465	939,229	2,027,254	1,932,580	2,906,847	2,699,753
Italy	KG	381,369	318,150	1,070,635	971,307	1,273,056	1,221,260
Spain	KG	319,888	273,232	516,493	492,243	700,846	837,862
Portugal	KG	475,615	551,722	1,068,609	1,320,758	294,245	346,201

Uruguay	KG	125,934	131,206	48,793	70,193	60,970	70,300
Peru	KG	-	-	-	-	3,146	2,600
United States	KG	740,910	458,201	371,558	268,679	-	-

Source: SECEX

Apple Juice Exports and Imports

Apple juice exports increased 74 percent in 2010, mainly because of the low quality of the fruit that was destined for processing. Apple juice imports also increased due to a favorable exchange rate.

Brazil Export Statistics Commodity: 200979, Apple Juice,Nes,Unfermented And Not Spirited Whether Or Not Sugared/Sweetened							
Calendar Year: 2008 - 2010							
Partner Country	**Unit**	**2008**		**2009**		**2010**	
		USD	**Quantity**	**USD**	**Quantity**	**USD**	**Quantity**
World (TOTAL)	KG	36,243,589	30,598,274	19,438,241	22,063,147	32,904,291	38,390,929
United States	KG	18,244,427	17,337,511	14,136,829	17,049,713	25,154,196	29,650,149
Japan	KG	9,631,420	6,921,275	4,224,339	3,870,485	3,332,950	3,534,420
South Africa	KG	-	-	7,950	13,250	1,566,693	1,933,890
Netherlands	KG	3,884,949	2,385,430	57,700	84,000	1,393,209	1,633,935
Argentina	KG	165,000	100,000	-	-	693,629	867,500
Mexico	KG	-	-	702,000	780,000	378,644	406,500
Puerto Rico (U.S.)	KG	3,663,559	3,383,098	212,813	194,050	137,380	154,500

Uruguay	KG	278,760	157,760	-	-	70,408	71,640
Others	KG	375,474	313,200	96,610	71,649	177,182	138,395

Source: SECEX

Brazil Import Statistics Commodity: 200979, Apple Juice,Nes,Unfermented And Not Spirited Whether Or Not Sugared/Sweetened							
Calendar Year: 2008 - 2010							
Partner Country	**Unit**	**2008**		**2009**		**2010**	
		USD	**Quantity**	**USD**	**Quantity**	**USD**	**Quantity**
World (TOTAL)	KG	39,554	65,023	35,806	47,542	129,883	143,376
Argentina	KG	6,974	14,280	-	-	48,612	45,990
Germany	KG	12,466	8,551	11,681	8,670	36,061	26,707
China	KG	-	-	-	-	19,071	22,000
Hungary	KG	8,653	29,220	9,532	23,040	14,908	36,360
United States	KG	7,869	8,733	5,657	6,426	6,497	7,560
South Africa	KG	3,592	4,239	8,655	9,125	4,651	4,709
Italy	KG	-	-	-	-	83	50
Chile	KG	-	-	281	281	-	-

Source: SECEX

Harmonized Tariff System (HS) Codes:

Tariff Rate Table

Tariff Number (HTS)	Product Description	Rate (%)
0808.10.00	Apples, Fresh	10
2009.7	Apple juice	14

Prices:

Gala Apples (CEAGESP-SP) – Prices in R$/ box 18 kg

Year	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Avg
2010	42,00	28,00	29,00	30,00	31,00	33,00	35,00	35,00	38,00	42,00	48,00	45,00	37,00

Exchange rate: 1US$ = R$ 1.65

Production, Supply and Demand Data Statistics :

Apples, Fresh Brazil	2009/2010		2010/2011		2011/2012		
	Market Year Begin: Jan 2010		Market Year Begin: Jan 2011		Market Year Begin: Jan 2012		
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post	
Area Planted	0	0	0	39,129		39,000	(HA)
Area Harvested	38,832	38,832	38,800	38,563		38,100	(HA)
Bearing Trees	0	0	0	0		0	(1000 TREES)
Non-Bearing Trees	0	0	0	0		0	(1000 TREES)
Total Trees	0	0	0	0		0	(1000 TREES)
Commercial Production	1,257,114	1,220,499	1,250,000	1,275,852		1,240,000	(MT)
Non-Comm. Production	0	0	0	0		0	(MT)
Production	1,257,114	1,220,499	1,250,000	1,275,852	0	1,240,000	(MT)
Imports	70,000	61,343	60,000	76,879		82,000	(MT)
Total Supply	1,327,114	1,281,842	1,310,000	1,352,731	0	1,322,000	(MT)
Fresh Dom. Consumption	1,051,205	1,051,205	1,045,000	1,076,892		1,062,000	(MT)
Exports	90,000	98,264	80,000	90,839		70,000	(MT)
For Processing	185,909	132,373	185,000	185,000		190,000	(MT)
Withdrawal From Market	0	0	0	0		0	(MT)
Total Distribution	1,327,114	1,281,842	1,310,000	1,352,731	0	1,322,000	(MT)

Pears

Production

Pear production in Brazil is insignificant, with only 18,300 MT of production. This production is concentrated in the states of Rio Grande do Sul, Santa Catarina, Parana, Sao Paulo and Minas Gerais. The fruit is sold locally, mostly in small cities and little impact on the big wholesale markets. European universities have been testing the feasibility of growing pears in Brazil's apple-growing regions.

Imports

Pear imports were up 17 percent in CY 2010 to 189,884 MT versus 161,963 MT the previous year due to favorable exchange rates and higher consumer purchasing power. Argentina's market share was 80 percent in 2010; Portugal's market share rose significantly from 8 percent in 2009 to 13 percent while the U.S market share declined from 6 percent to 4 percent in 2010.

Trade sources forecast that 2011 pears imports will decrease by 3 percent.

Brazil Import Statistics Commodity: 080820, Pears And Quinces, Fresh							
Calendar Year: 2008 - 2010							
Partner Country	**Unit**	**2008**		**2009**		**2010**	
		USD	**Quantity**	**USD**	**Quantity**	**USD**	**Quantity**
World	KG	120,702,988	139,887,842	134,858,058	161,963,321	162,013,314	189,884,789
Argentina	KG	98,894,555	121,534,848	102,004,471	132,528,278	120,583,534	151,432,075
Portugal	KG	8,243,086	6,901,205	14,914,518	13,524,773	25,947,309	24,507,505
United States	KG	8,455,058	6,258,027	11,742,743	10,067,903	8,311,049	7,105,742
Spain	KG	2,772,127	2,165,937	4,584,303	3,797,022	5,303,027	4,583,453
Uruguay	KG	1,139,827	1,746,669	413,606	685,672	932,994	1,291,180
Chile	KG	1,116,985	1,221,400	819,994	1,098,540	849,771	900,370
Italy	KG	81,350	59,756	378,423	261,133	84,497	63,504
France	KG	-	-	-	-	1,133	960

Source: SECEX

Harmonized Tariff System (HS) Codes:

Tariff Rate Table

Tariff Number (HTS)	Product Description	Rate (%)

0808.20.10	Pears, Fresh	10

Production, Supply and Demand Data Statistics:

Pears, Fresh Brazil	2009/2010		2010/2011		2011/2012		
	Market Year Begin: Jan 2010		Market Year Begin: Jan 2011		Market Year Begin: Jan 2012		
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post	
Area Planted	0	0	0	0		0	(HA)
Area Harvested	1,800	1,650	0	1,650		1,650	(HA)
Bearing Trees	0	0	0	0		0	(1000 TREES)
Non-Bearing Trees	0	0	0	0		0	(1000 TREES)
Total Trees	0	0	0	0		0	(1000 TREES)
Commercial Production	18,300	17,100	18,200	18,300		18,200	(MT)
Non-Comm. Production	0	0	0	0		0	(MT)
Production	18,300	17,100	18,200	18,300		18,200	(MT)
Imports	195,000	161,963	150,000	189,884		185,000	(MT)
Total Supply	213,300	179,063	168,200	208,184		193,200	(MT)
Fresh Dom. Consumption	213,300	179,063	168,200	208,184		193,200	(MT)
Exports	0	0	0	0		0	(MT)
For Processing	0	0	0	0		0	(MT)
Withdrawal From Market	0	0	0	0		0	(MT)
Total Distribution	213,300	179,063	168,200	208,184		193,200	(MT)

Grapes

Area

Total planted area for grapes is expected to remain the same in 2010 at 77,000 hectares. Although, according to recent surveys, the Bahia and Minas Gerais states are losing grape planted area due to higher land values. However, this lost area is offset by increases in other regions of Rio Grande do Sul, Sao Paulo and Parana state.

Most important regions for grape production

States	Region	Planted area 2009 (ha)	Planted area 2010 (ha)	Variation
Bahia	Petrolina, Juazeiro, Vale do Sao Francisco	12,000	12,000	0.0%
Minas Gerais	Pirapora, Varzea da Palma, Buritizeiros e Lassance	220	154	-30.0%
Sao Paulo	Sao Miguel Arcanjo	2,050	2,050	0%
Sao Paulo	Louveira	4,595	4,549	-1,0%
Parana	Maringa	6,200	6,280	1.3%
Parana	Marialva	1,670	1,770	6.0%
SUB TOTAL		27,235	26,803	- 0.7%

Source: CEPEA

Total planted area for grape production

States	Planted area 2008 (ha)	Planted area 2009 (ha)	Planted area 2010 (ha)
Rio Grande do Sul	45,300	46,259	46,259
Sao Paulo	9,514	9,514	9,514
Pernambuco	5,814	6,038	6,038
Parana	5,750	5,800	5,800
Brazil total area	78,400	77,000	77,000

Source: IBGE

Production

The Sao Francisco Valley is expected to maintain the planted area at around 12,000 hectares with seedless grapes accounting for 70 percent of production. The peak of the harvest for the export market is in May and September-November and for the domestic market April-June and September-December. According to estimates by Valexport (Sao Francisco Valley Producers Association), nearly 95 percent of Brazilian grape exports originate from the Sao Francisco Valley in Pernambuco and Bahia states.

In 2010, many producers eventually directed a larger share of grapes production to the domestic market. Those producers pruned their orchards in order to sell the fruit only in the third quarter. Thus, from January to June 2010, the low fruit availability in the Northeastern region met the local demand while in the third quarter a larger volume was destined to the domestic market. Another factor was that the warm temperatures accelerated the physiological cycle of the orchards, so the fruit was harvested before the period of export and thus directed to domestic market. The orchards increased productivity in the fields that was destined to international markets. With this scenario, January-November 2010, exports of grape valley were 11 percent higher than the same period the previous year, according to trade sources.

Consumption

Sources estimate grape consumption at 3.54 kilos per inhabitant.

Following last year's trend, there was strong growth in demand for natural grape juice (with stocks being exhausted at some wineries). As consumers seek for a healthier juice option and organic products, there is a trend for producers to shift to producing grapes destined for juice as opposed to wine. In 2010, 31.8 million liters of natural grape juice were produced; up from 25.5 million liters in 2009.

Trade

Grape Exports

Production in Rio Grande do Sul is intended for processing, and in the Northeast (Sao Francisco Valley) for exports, the state of Sao Paulo grows for table consumption.

Grape exports increased 11 percent from 54,560 MT to 60,805 MT in 2010. Trade sources forecast that grape exports in 2011 will remain at the same level or slightly decrease due to softening demand and adverse weather conditions.

In 2010, grape producers from Sao Francisco Valley received less money for their product compared to 2009. The international market, the average value received for the fruit in 2010 (until December) was R$ 3.03/kg, about 20 percent lower than 2009. In this scenario, trade sources forecast that producers will maintain the planted area, the rains that occurred in the first months of 2011 decreased quality and yields, limiting exports for next crop.

Brazil Export Statistics							
Commodity: 080610, Grapes, Fresh							
Calendar Year: 2008 - 2010							
Partner Country	**Unit**	**2008**		**2009**		**2010**	
		USD	**Quantity**	**USD**	**Quantity**	**USD**	**Quantity**
World (TOTAL)	KG	171,456,124	82,242,151	110,574,457	54,559,684	136,648,806	60,805,185
Netherlands	KG	65,227,215	34,413,288	44,184,938	22,662,669	58,803,505	26,149,217
United Kingdom	KG	38,772,121	18,580,726	27,473,174	13,299,002	32,927,215	15,023,635
United States	KG	41,262,823	19,027,635	22,745,590	12,444,690	28,928,695	13,128,195
Belgium	KG	8,111,299	3,163,866	3,229,623	1,507,559	4,258,476	1,777,534
Norway	KG	4,094,121	1,434,054	4,007,602	1,406,774	2,766,991	1,016,725
Canada	KG	2,621,657	739,519	2,324,716	688,878	1,912,515	716,985
Germany	KG	2,693,071	1,297,991	1,475,757	759,594	1,437,429	713,942
Argentina	KG	1,474,257	724,192	929,225	414,008	1,005,124	446,280
Others	KG	7,199,560	2,860,880	4,203,832	1,376,510	4,608,856	1,832,672

Source: SECEX

Grape Imports

Post forecasts that grape imports will increase 3 percent in 2011, due to lower domestic production and a favorable exchange rate for importers. CY 2010 grape imports increased by 32 percent compared to 2009. Chile is the main supplier accounting for 48 percent market share, and Argentina market share was 47 percent. The earthquake in Chile resulted in more volume being exported to Brazil than to other international markets because of quality and lower price.

Brazil Import Statistics Commodity: 080610, Grapes, Fresh							
Calendar Year: 2008 - 2010							
Partner Country	**Unit**	**2008**		**2009**		**2010**	
		USD	**Quantity**	**USD**	**Quantity**	**USD**	**Quantity**
World	KG	14,848,949	12,565,321	21,697,296	18,665,476	36,074,860	24,794,695
Chile	KG	4,246,892	3,479,598	12,828,213	10,846,054	17,019,296	11,806,542
Argentina	KG	10,223,013	8,941,022	8,062,155	7,453,027	15,926,306	11,559,264
Peru	KG	-	-	135,846	75,550	1,097,870	504,154
Mexico	KG	42,034	16,656	93,644	31,200	1,025,498	432,639
Italy	KG	-	-	40,411	14,439	438,972	190,141
Spain	KG	75,904	30,350	253,794	124,345	325,707	212,463
United States	KG	247,523	91,055	283,233	120,861	241,211	89,492
Portugal	KG	13,583	6,640	-	-	-	-

Source: SECEX

Harmonized Tariff System (HS) Codes:

Tariff Rate Table

Tariff Number (HTS)	Product Description	Rate (%)
0806.10.00	Grapes, Fresh	10

Production, Supply and Demand Data Statistics:

Grapes, Fresh Brazil	2009/2010		2010/2011		2011/2012		
	Market Year Begin: Jan 2009		Market Year Begin: Jan 2010		Market Year Begin: Jan 2011		
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post	
Area Planted	77,000	78,400	77,000	77,000		77,000	(HA)
Area Harvested	0	0	0	0	0	0	(HA)
Commercial Production	1,300,000	1,310,189	1,300,000	1,300,000		1,300,000	(MT)
Non-Comm. Production	0	0	0	0		0	(MT)
Production	1,300,000	1,310,189	1,300,000	1,300,000	0	1,300,000	(MT)
Imports	24,000	18,665	18,000	24,794		25,500	(MT)
Total Supply	1,324,000	1,328,854	1,318,000	1,324,794	0	1,325,500	(MT)
Fresh Dom. Consumption	1,272,000	1,274,294	1,266,000	1,263,989		1,265,500	(MT)
Exports	52,000	54,560	52,000	60,805		60,000	(MT)
For Processing	0	0	0	0	0	0	(MT)
Withdrawal From Market	0	0	0	0	0	0	(MT)
Total Distribution	1,324,000	1,328,854	1,318,000	1,324,794	0	1,325,500	(MT)