OVERVIEW

Our fruit juice market has seen some seismic shifts in the past three months.

By far the biggest, is the rise and rise of the price of orange juice concentrate. This flies in the face of continuing falls in consumer demand and consistent adverse media coverage of sugar consumption by relating it to fruit juice.

This media coverage could see a redress following the October 2016 conference of the AIJN in Antwerp where a new PR campaign will be launched to promote the positive aspects of juice consumption.

The world geopolitical situation continues to cause uncertainty in the global food scene. American presidential elections, fallout from Brexit and continuous tension in the Middle East are all giving companies caused to reflect on their investment decisions. Whether it is a new product launch or increased production facilities, it is an uncertain world at present.

On a positive note, your Market Insider is pleased to present this report which, apart from orange juice, shows good consumer growth in most geographic and product sectors. Let's drink to that!

ACEROLA

Brazil, frozen ss, 6-8 brix, US$1150-1200/mt CFR Rotterdam

Brazil, frozen concentrates 20-22 brix clear, US $3000-3100/mt FOB Santos

The market continues to be well supplied and in balance.
APRICOT

Chile and/or Argentina, puree, 32 brix, US$1500-1650/mt CFR Holland

Greece, puree, 30-32 brix, €1450-1550/mt FCA Northern Europe

The Southern Hemisphere's production will not resume until December 2016. The Southern Hemisphere supply is now sold out. However, there will be little supply from Europe either as everybody is sold out except for some small parcels remaining in Greece. Demand remains quite strong in Eastern Europe and Russia has taken big quantities this year particularly from origins not affected by the EU embargo on sales to this market.

BANANA

Ecuador, ss aseptic, 22 brix, US$650-725/mt CFR Rotterdam

Since the price rise early in 2015, supply and demand seem to be in balance. Prices are stable and there is plenty of fresh bananas available for processing.

GRAPEFRUIT

South Africa, red, frozen concentrate, ratio 6 - 8.5, 58 brix, US$1400-1550/mt CFR Holland


Demand has dropped to the point where global supply can meet demand comfortably. However, there are a few exceptions, notably in South Africa where the crop was smaller than average. However, South Africa is now sold out. The Caribbean crop will start in November and so prices are likely to rise before this new stock becomes available. In the case of the red variants, demand is improving and prices are also slightly firmer.

GUAVA


For white guava puree, supply and demand are in balance and prices are stable. For pink guava puree, South African production is dramatically lower. This will be by as much as 45% in the South of the country. This is down to the drought which hit hardest in the South. There is some stock available but fresh fruit is costing 30% more than last season. Indian white
guava is about to start being harvested. It is predicted as a normal crop this year. Prices are therefore likely to remain stable.

**LEMON**

Argentina, frozen concentrate, cloudy, 500gpl US$3200-3500/mt CFR Rotterdam Argentina, frozen concentrate, clear, 500gpl US$3700-4000/mt CFR Rotterdam

Since our last report, prices have risen. The season in Argentina started with a significant amount of rain which made picking difficult and for low yields. Argentina probably sold their stock too cheaply but it is understandable as the country's producers would rather turn their production into cash asap. Argentina is now sold out and therefore prices have risen while the markets wait for Europe to harvest around the end of the year.

**MANGO**

India, Alphonso, aseptic puree, 17 brix, US$1450-1750/mt CFR Rotterdam India,

Totapuri, aseptic concentrate, 28 brix, US$1250-1350/mt CFR Rotterdam

Mexico, Tommy Atkins, aseptic concentrate, 28 brix, US$1200-1300/mt FCA Holland

Prices for Alphonso have now stabilised as there is plenty of fruit and puree supply available at the time of writing. Totapuri is also experiencing slower demand and a smaller crop. Therefore producers made less puree. Additionally, demand from the key Middle East markets has reduced. Competition from Latin America made it a difficult year for Indian totapuri producers. Mexico is a game of two halves. The Northern part of the country experienced a normal crop but the South is down by over a third from last season. The centre, where the biggest part of the national crop is produced, delivered a harvest which was more than 25% lower. Prices have held up also as demand from North America has been strong.

**ORANGE**

Brazil, FCOJ, Pera, ratio 14-16, 66 brix, US$2350-2550/mt FCA Holland, bulk

Italy, blood FCOJ, 55 brix, €2400-2600/mt EXW Italy

This sharp and rather unexpected price rise for FCOJ caught many by surprise. Supply in Florida is at a cyclical low and the Sao Paulo province in Brazil is predicting the lowest crop in 25 years with a lower than normal yield. This will be 5.4% lower than last year. It is thought that now the balance could reverse from excess supply to a higher demand than
supply. This still needs to be confirmed but it is unlikely that retailers and consumers will accept more than 10% higher prices. All Brazilian producers have raised their prices, while Mexico and South Africa have sold out. The futures prices on the NYBOT hit a 4 year high last week in anticipation of a hurricane in Florida. Prices are likely to remain at these higher levels but demand is still sluggish in all the major markets. Higher prices will not help any recovery in demand.

The Italian blood orange crop is almost sold out. High coloured production is finished and limited supplies of lower colour are still available. Prices are stable principally because buyers are aware of the limited production and book their orders early. Spot sales are rarer with this variant.

**PASSION FRUIT**

Ecuador, frozen concentrate, 52 brix, US$8000-8500/mt CFR Holland

Supply from both the major origins of Ecuador and Peru has tightened up since the middle of 2015. This has raised prices dramatically over the past year as there are virtually no stocks available. Nonetheless, there was some relief on prices as Ecuador and Peru 'enjoyed' a reasonable peak and clearly the very high prices are affecting demand negatively. The longer term outlook remains one of limited and erratic supply leading to fluctuating high prices.

**PEACH**

Greece, yellow puree, 30-32 brix, €1000-1100/kg EXW Pireaus

South Africa, puree, 30-32 brix, US$1000-1100/mt CFR Rotterdam

Prices are stable in the absence of any major news and relate to last season in Europe. The South African season is over and sold out. The European crop was in balance with demand but prices have been kept low by the absence of the Russians in the market, due to the trade embargo imposed by the EU.

**PINEAPPLE**

Thailand, Smooth Cayenne, frozen concentrate, 60 brix, US$2900-3250/mt FCA Holland

Thailand, Smooth Cayenne, aseptic concentrate, 60 brix, US$2900-3250/mt CFR Rotterdam

Costa Rica, MD2, aseptic ss, 12 brix, NFC, US850-950/mt DDP London
Prices have stabilised somewhat since our last report three months ago. Demand has slumped due to the price hikes and lack of consistent quality and availability. The winter crop in Thailand is just starting at the time of writing and processing will commence in October. Stocks in the main markets are limited. The situation in the Philippines and Indonesia remains poor due to the drought attributed to El Nino.

**POMEGRANATE**

Turkey/Iran, aseptic clarified concentrate, 65 brix, €3200-3700/mt FCA Rotterdam.

Demand is increasing and prices have firmed further during the first half of 2016. Pomegranate is now perceived as a super fruit and its juice has become very popular as a result. Globally, demand for both fresh fruit and juice can be expected to grow. We have also seen reports of big increases in NFC production which is helping to increase prices. How this increased demand will affect prices is fairly easy to guess, as availability is continuously reducing. The next harvests in Turkey and Iran will start next month in October 2016.

**EXW (EX-Works)**

One of the simplest and most basic shipment arrangements places the minimum responsibility on the seller with greater responsibility on the buyer. In an EX-Works transaction, goods are basically made available for pickup at the shipper/seller's factory or warehouse and "delivery" is accomplished when the merchandise is released to the consignee's freight forwarder. The buyer is responsible for making arrangements with their forwarder for insurance, export clearance and handling all other paperwork.

**FOB (Free On Board)**

One of the most commonly used-and misused-terms, FOB means that the shipper/seller uses his freight forwarder to move the merchandise to the port or designated point of origin. Though frequently used to describe inland movement of cargo, FOB specifically refers to ocean or inland waterway transportation of goods. "Delivery" is accomplished when the shipper/seller releases the goods to the buyer's forwarder. The buyer's responsibility for insurance and transportation begins at the same moment.

**FCA (Free Carrier)**

In this type of transaction, the seller is responsible for arranging transportation, but he is acting at the risk and the expense of the buyer. Where in FOB the freight forwarder or carrier is the choice of the buyer, in FCA the seller chooses and works with the freight forwarder or
the carrier. "Delivery" is accomplished at a predetermined port or destination point and the buyer is responsible for Insurance.

FAS (Free Alongside Ship): In these transactions, the buyer bears all the transportation costs and the risk of loss of goods. FAS requires the shipper/seller to clear goods for export, which is a reversal from past practices. Companies selling on these terms will ordinarily use their freight forwarder to clear the goods for export. 'Delivery' is accomplished when the goods are turned over to the Buyers Forwarder for insurance and transportation.

**CFR (Cost and Freight)**

This term formerly known as CNF (C&F) defines two distinct and separate responsibilities— one is dealing with the actual cost of merchandise "C" and the other 'F' refers to the freight charges to a predetermined destination point. It is the shipper/seller's responsibility to get goods from their door to the port of destination. 'Delivery' is accomplished at this time. It is the buyer's responsibility to cover insurance from the port of origin or port of shipment to buyer's door. Given that the shipper is responsible for transportation, the shipper also chooses the forwarder.

**CIF (Cost, Insurance and Freight)**

This arrangement similar to CFR, but instead of the buyer insuring the goods for the maritime phase of the voyage, the shipper/seller will insure the merchandise. In this arrangement, the seller usually chooses the forwarder. 'Delivery' as above, is accomplished at the port of destination.

**CPT (Carriage Paid To)**

In CPT transactions the shipper/seller has the same obligations found with CIF, with the addition that the seller has to buy cargo insurance, naming the buyer as the insured while the goods are in transit.

**CIP (Carriage and Insurance Paid To)**

This term is primarily used for multimodal transport. Because it relies on the carrier's insurance, the shipper/seller is only required to purchase minimum coverage. When this particular agreement is in force, Freight Forwarders often act in effect, as carriers. The buyer's insurance is effective when the goods are turned over to the Forwarder.
DAT (Delivered At Terminal)

This term is used for any type of shipments. The shipper/seller pays for carriage to the terminal, except for costs related to import clearance, and assumes all risks up to the point that the goods are unloaded at the terminal.

DAP (Delivered At Place)

DAP term is used for any type of shipments. The shipper/seller pays for carriage to the named place, except for costs related to import clearance, and assumes all risks prior to the point that the goods are ready for unloading by the buyer.

DDP (Delivered Duty Paid)

DDP term tend to be used in intermodal or courier-type shipments. Whereby, the shipper/seller is responsible for dealing with all the tasks involved in moving goods from the manufacturing plant to the buyer/consignee’s door. It is the shipper/seller’s responsibility to insure the goods and absorb all costs and risks including the payment of duty and fees.

Methodology

Prices for Fruit Juices are rarely published and are dependent on quantities, packaging and delivery dates. Most significant quantities are sold on long term contracts where prices are normally not disclosed. For smaller parcels and short term requirements, trading takes place on the ‘spot’ market where prices are higher but more transparent.

Prices quoted in this issue were gathered during Weeks 38 & 39 2016