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ORANGE JUICE

USA

The USDA has reduced its forecast on production from Florida's 2021/22 orange crop once again by 3.0 million boxes to 38.2 million boxes. If realized, this will be 28% lower than last season's revised final production.

The forecast for non-Valencia orange production is unchanged at 18.2 million boxes. The Navel forecast, included in the non-Valencia portion of the forecast, is 490 000 boxes. The non-Valencia harvest is over for the season.

The forecast for Valencia orange production has been lowered 3.0 million boxes from the previous forecast to 20.0 million boxes. Final fruit size is below the minimum, requiring 273 pieces to fill a 90lb box. Final droppage, measured at 51%,

is the highest in a series, excluding hurricane seasons, since the 1960/61 season.

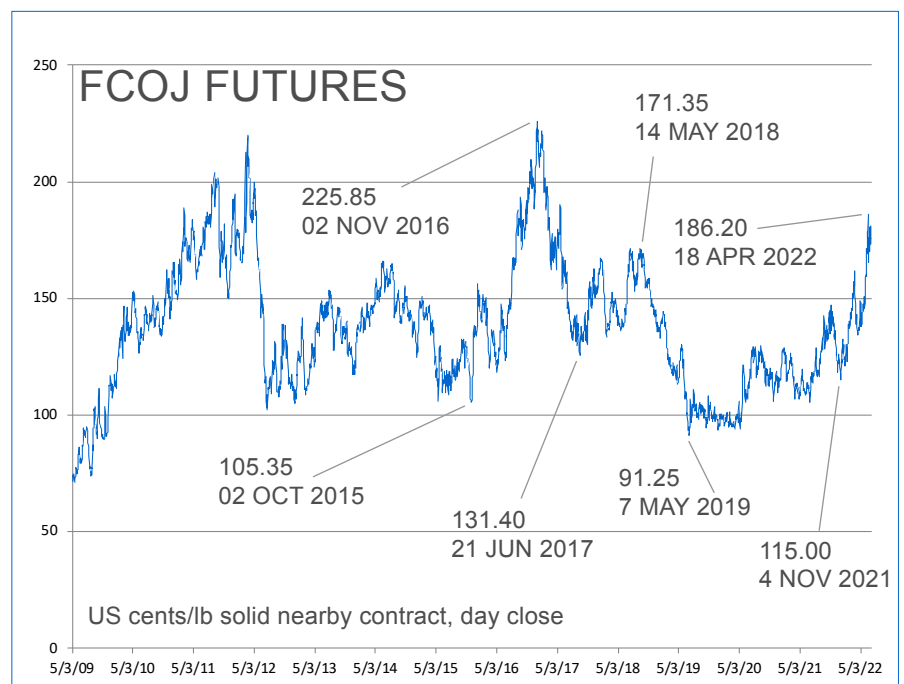
Industry opinion

Analysts say the further cut to the USDA figure is attributed to fruit droppage which has been aggravated by both greening disease (HLB) and a freeze event in February. South West Florida is also very dry at the moment and the trees are not able to handle the combination of stresses.

The industry is hoping this is the last adjustment to the production figure, but given the downward trend they do not discount further cuts.

Juice ratios are low at 12.97 against 15.19 at the same time last year which analysts say is due to greening disease.

Growing conditions for next season in Florida are now too dry and



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temperatures are heating up. Rain is needed, particularly in the south.

Following the freeze in February, the bloom for the early season fruit reportedly held on better than Valencias, but there are concerns about damage to the next crop from the freeze. The dry weather means there has not been much new flowering after the cold weather and so the second bloom was negligible.

Futures

The frozen concentrated orange juice (FCOJ) futures market has once again been volatile over the past month climbing up to USD1.86/lb, retreating to USD1.68/lb and then bouncing back up to USD1.76/lb. The higher price range is mainly attributed to the potential short supply ahead of the Brazil 2022/23 crop. The Mexican supply coming into the US has already been allocated and with new crop Brazilian still not ready, there has been a bit of squeeze driving up prices until new crop arrives. Inflation is also a bullish factor, increasing costs of production and transport.

Traders expect a steady market at elevated prices for the next month until Fundecitrus release the first official report on production Brazil's 2022/23 crop. The crop is predicted to be significantly bigger than both the previous two seasons and this may put downward pressure on pricing on the futures market. If the number is 300 million boxes or below then prices will likely remain high, but most analysts expect a figure of around 325 million boxes.

In addition, with two shorter crops in a row from Brazil, the supply in Mexico is much more of a focus this year. The crop in Mexico is not as strong as anticipated and juice ratios are lower than expected.

Other market-influencing factors include the forthcoming hurricane season in Florida. While the hurricane

UPDATE ON PRODUCTION FOR BRAZIL'S 2021/22 ORANGE CROP

Production from the 2021/22 orange crop for the São Paulo and West-Southwest Minas Gerais citrus belt is forecast by Fundecitrus at 262.97 million boxes (40.8kg). Approximately 23.35 million boxes were produced in West Minas Gerais.

This final figure is 10.61% smaller than the expected volume published in May 2021, corresponding to a significant crop loss of 31.20 million boxes. Although this was an "on-year" for alternate-bearing season, when plants should have produced a larger amount of fruit, a sharp decrease in rainfall and more intense atypical frosts inhibited the growth of oranges and contributed to an increased early fruit drop, therefore reducing the number of oranges at harvest. Under those conditions, there was a yield loss in groves resulting in a small crop for the second consecutive year.

Source: Fundecitrus

season officially starts in June, tropical waters are already very warm so the hurricane season could be very active and could produce something any time now. The weather in Florida still has an influence on futures pricing even though Florida's FCOJ production in 2021/22 will only be a few million pounds solid, say analysts in the US.

In terms of US fundamentals, FCOJ movement is up nearly 10% and ending inventory is down over 30%.

There are still problems with shipping rates and container availability in the US and local sources say not much has changed over the past month.

Mexico

Mexico is now approaching the end of the 2021/22 season and will wind up this week. However, the situation there is complicated with both processors and buyers now coming to terms with much less high ratio supplies than expected and lower overall volumes than forecast.

The abnormal ratio development is mainly due to a sequence of cold fronts in January, allied with several cold days and a lot of rain in February and March.

The supplies of lower ratio juice do not meet the USDA 'grade A' standard

quality and therefore can not be delivered against futures market contracts. Mexican producers base their pricing on the futures market and therefore this has reportedly caused a significant problem for both Mexican producers and US buyers.

The lack of supplies towards the end of the crop has meant that most processors are running well below capacity and some have already closed for the season. Those producers still operating are trying to get hold of as much high ratio supplies as possible, albeit at extremely high prices.

The competition for the fruit has been fierce and over the past few weeks the price of the conventional fruit reached the same level as organic fruit at MXP5000/tonne - something processors say is unprecedented.

Mexico production and pricing

There are no official forecasts on production in Mexico, but local industry sources say that the output in the main Veracruz region will not reach the 1.8-2.2 million tonnes expected. This would have been 15% bigger than last year, but the supply is now expected to be less than 10% larger than the 2020/21 season.

There will be an increase of NFC juice

delivered, but final volumes are yet to be seen. Logistics is the main concern and there are not enough isotanks, space on vessels is limited and there are not enough truck drivers on the US side to manage concentrate delivery.

As mentioned, Mexican producers base their pricing on the FCOJ futures market. Therefore price levels for high ratio juice to Europe were negotiated around the USD2150-2300/tonne 66 brix high ratio FOB Mexico Port. There was limited trade to Europe and the contracts that were fixed were negotiated before the shorter supply of high ratio volumes was realised.

Demand for high ratio supplies has been strong and this is expected to continue from all main importing markets. Mexican producers have been unable to build up any stocks as a result of the high demand and lack of storage facilities.

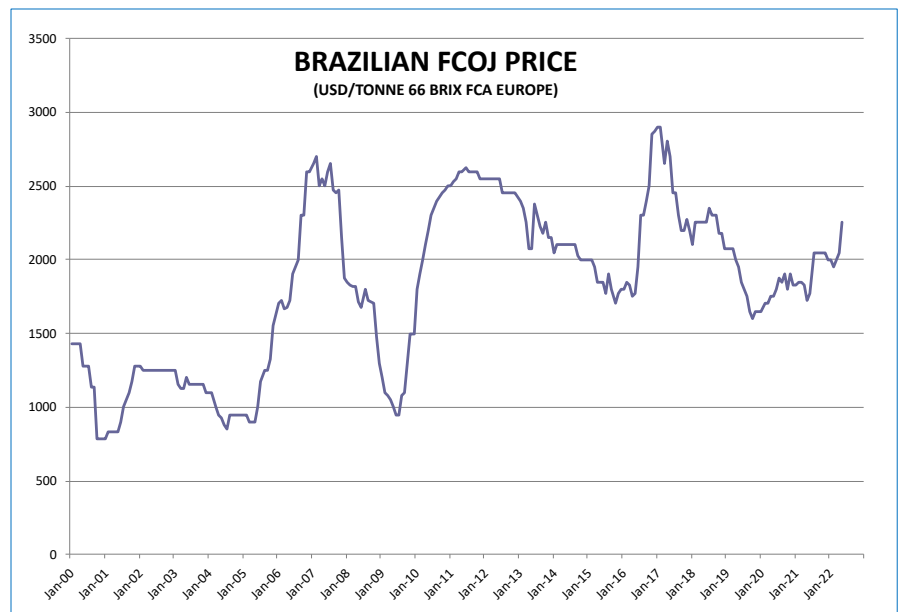
Brazil

Fundecitrus has released an update on production from Brazil's 2021/22 orange crop putting output at 263 million boxes, down marginally from the previous forecast of 264 million boxes and 11% smaller than the initial forecast in May 2021.

The industry is now eagerly awaiting the first forecast from Fundecitrus on Brazil's 2022/23 crop which will be released on 26 May at 10.00am Brasilia Time (BRT).

The climate for the forthcoming crop has been favourable with beneficial temperatures and plenty of rain. It has been drier over the past two weeks, but this is normal for this time of year. The dry season typically occurs in Autumn and Spring in the Brazilian growing regions.

Industry sources suggest production from the crop will be somewhere between 300-340 million boxes, with most analyst now predicting 320-330 million boxes.



Pricing

Fruit pricing in Brazil next season is expected to be between BRL30-35/ box.

Offers for concentrate from Brazil are now pegged at USD2200-2300/tonne 66 brix 14+ ratio FCA Europe, against USD2000-2100/tonne last month. It is unclear how much juice has been actually traded at the new price level.

Analysts say that there is probably not much more upside risk with pricing in the near term, but factors such as the BRL/USD currency rate as well as rising overhead costs such as fertilizers, energy, transport and labour could reduce profit margins for the Brazilian producers and continue to put upward pressure on juice pricing. With the rising costs of fertilizers there is a concern that the farmers will use less, which could lead to lower production in the long-term.

Demand

For the time being most buyers are covered until the supply from the new crop begins to come on stream in September. The market is now waiting for the large European retailers to make their tenders for the crop, which should happen this month. Other buyers will then look to fix contracts. The European retailers do not want to increase prices for juice and so negotiations with producers this year are expected to be difficult.

The Brazilian producers are reportedly not willing to book contracts for long-term delivery until the picture on production from the next crop is clearer.

Pricing is expected to remain fairly firm in the medium term, but analysts say that there are enough stocks on the global market to meet demand until the supply from the 2022/23 crop

FUNDECITRUS 2022/23 CROP FORECAST

The 2022/23 Brazilian orange crop forecast and tree inventory announcement from Fundecitrus will be held at on 26 May at 10.00am Brasilia Time (BRT). It will be a physical event at Fundecitrus, broadcast live with simultaneous interpretation in English on the Fundecitrus YouTube channel.

Source: Fundecitrus

can be shipped. Nevertheless, there will be limited volumes of high ratio supplies available over the next few months.

The increased instances of greening disease in Brazil has meant that farmers are harvesting earlier to avoid the fruit dropping – a practice that is also occurring in Florida. In addition, supplies from Southern Brazil have been coming in around two ratio points lower than before due to younger tree stocks coming in. So the trend of lower ratios looks set to continue for the foreseeable future, say analysts, who add that the supply of NFC juice also looks tight over the next few months.

APPLE JUICE

The extent of the availability of coldstore apples to processors in Poland is now in question due to a government intervention for supplies. The Polish government is expected to offer PLN1.00/kg for fruit to farmers for 200 000 tonnes of apples. While there is still some red-tape to go through, the plan should begin to happen this week, say analysts.

Current pricing for processing fruit is around PLN0.65-0.70/kg, which is already fairly expensive, and with the

Polish Government offering PLN0.30/kg above this price, processors say they will find it much harder to source apples at reasonable prices.

Those with apples in coldstores will be holding out for the extra PLN0.30/kg and deliver as much as they can through the government plan, before they offer supplies to the processors.

The 2021/22 crop was good in Poland, but it was not a bumper crop. At the same time uptake from the fresh market has not been that strong. Analysts suggest that there are 500 000-700 000 tonnes of apples left in coldstores in Poland, which in principle should be more than enough to meet demand from both the fresh market and the processing industry.

Pricing

Offers for apple concentrate from Poland are now at EUR1400-1450/tonne 70 brix 2.5-3.0% acid ex factory Poland, compared with EUR1350-1450/tonne last month. And not all operators are able to offer supplies.

An increasing issue is the new higher over heads for production, particularly energy and labour. This is causing headaches for processors who are trying to communicate these premiums to buyers.

Demand

There is still speculation that many of the larger buyers in both Europe and North America have significant open positions and both producers and traders say they continue to receive requests for bigger volumes than they can supply at present. Most buyers were expecting lower pricing at this time and would have bought earlier had they known that the market would be this firm, say analysts.

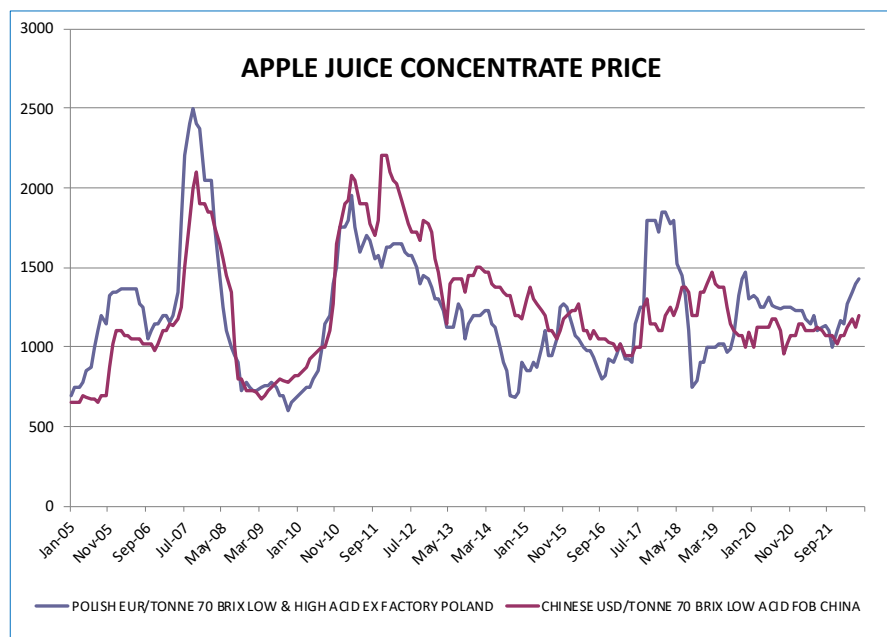
With regards to the conflict in Ukraine and the impact on supply and demand in both countries, the uptake from Russia is likely to be reduced, but not to zero. Russia usually imports around 80 000 tonnes of apple juice concentrate each year. The Ukraine is a significant producer of high acid concentrate, supplying between 60 000-100 000 tonnes to the market in recent years. It is unlikely producers there will be able to export via Odessa and will only be able to transport small volumes via road networks - even then it is reportedly difficult to find drums. Last week also saw a lifting of trade restrictions which now allows supplies of apple concentrate to be exported from Poland to Belarus.

Overall the global market is expected to be tight until supplies from the next crop in Poland comes on stream, say analysts.

Next season

Growing conditions are favourable in Poland, there have been no frosts and the bloom is occurring right now. Industry sources in Europe say the bloom was delayed by around 2-3 weeks due to cold weather, which will result in a later start to the harvest.

The initial indications on the size of the crop will be made soon after the flowering, but analysts say they would need to see the usual “June fall” (a fruit drop that typically occurs in June) before any solid estimates can be made on production.



Meanwhile, fruit supplies in Turkey are very expensive at EUR0.18-0.20/kg, which puts apple juice concentrate pricing at EUR1400+/tonne 1.4-1.8% acid ex factory in drums, compared with EUR1400-1550/tonne last month. Traders in Europe say that Turkish producers are virtually sold out.

China

Processors in China are reportedly struggling to find enough apples, which has led to fairly firm pricing for concentrate at USD1200/tonne low acid 70 brix FOB China, compared with USD1000-1250/tonne last month.

The lack of supplies from the Ukraine will lead to North American buyers looking to China for extra volumes, but there are still significant problems with shipping juice from China due to both Covid restrictions and shipping backlogs.

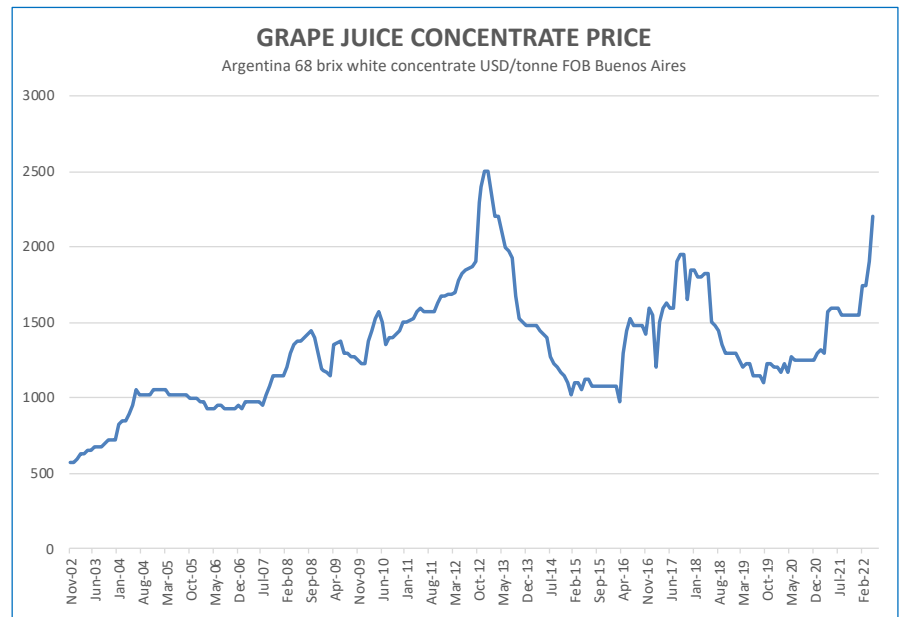
GRAPEFRUIT JUICE

The USDA forecast for grapefruit production in Florida for the 2021/22 season has been lowered by 300 000 boxes to 3.60 million boxes. The red grapefruit forecast is now at 3.0 million boxes and the projection for white grapefruit production is 600 000 boxes.

Industry sources are hoping there are no further cuts to the grapefruit forecasts going forward.

The dry weather is now a concern in Florida and all areas in the citrus belt seem to be in at least a moderate drought condition, but seasonal rains are starting in some areas. Irrigation is being used in all areas.

The bloom is reportedly good in some regions, although there are some concerns with the areas affected by the freeze in January. Some industry sources suggest that next season's



crop might not be any better than this year's, maybe smaller.

Offers white concentrate in Florida are on par with last month at USD4.00/lb solid in drums. Offers for red grapefruit juice are also unchanged on last month at USD3.75/lb solid in drums. There are only very limited quantities of red concentrate being produced in Florida this season.

In terms of fundamentals, grapefruit juice concentrate movement in the US is up 38% and inventory is down 37%.

Texas

The USDA has lifted the production forecast for the 2021/22 grapefruit crop in Texas by 400 000 boxes to 2.0 million boxes. Local industry sources say they do not know why the USDA raised the figure and that they suggest the previous figure of 1.6 million boxes was more accurate.

Processing plants ceased production in late March, about 45 days earlier than usual, due to the small crop and the high utilization from packing houses. Processors confirm this is the smallest processing season on record with very low brix levels. Nevertheless, ratios improved at the

end season and overall fruit flavour was still good.

There is no availability of either concentrate or NFC and the last spot sales reported were around USD2.50/gallon for NFC and USD2.50/lb solid for concentrate in bulk FOB Texas.

Growing conditions are favourable, however stocks of concentrate will be scarce until some inventory starts to build up next season which will begin in late October.

Other sources

The 2021/22 crop in Mexico was reduced by 40% due to hurricane Grace. Current growing conditions are favourable for next season which will run between September-October. Demand has reportedly been good, with exports heading to the US, Europe and Asia.

Meanwhile, European traders say offers out of South Africa are at USD2300-2350/tonne 58 brix red concentrate 6-9 ratio FOB South Africa, against USD2100/tonne last month. Asking prices for white concentrate from South Africa are at USD2800/tonne 58 brix FOB South Africa. There are reports of flooding in the Durban growing areas.

GRAPE JUICE

The 2022 grape crop in Argentina has now wound up. Production was lower than expected and processors say that juice output is significantly reduced because the wineries were willing to pay much higher prices than usual for fruit.

Nevertheless, production of grape juice concentrate is still expected to reach pre-season expectations of 80 000-90 000 tonnes of concentrate. The industry entered the new season with good carry over stocks.

Offers for white concentrate from Argentina have increased due to inflation and no devaluation of the Argentinean Peso which has put up local costs in US dollar terms.

In addition, producers in Argentina are facing an anti-dumping case from the US which will last until October. Therefore, shipments to the US will slow down due to the uncertainty of over the level of duty that may be applied for shipments for delivery between mid-May to October

Pricing

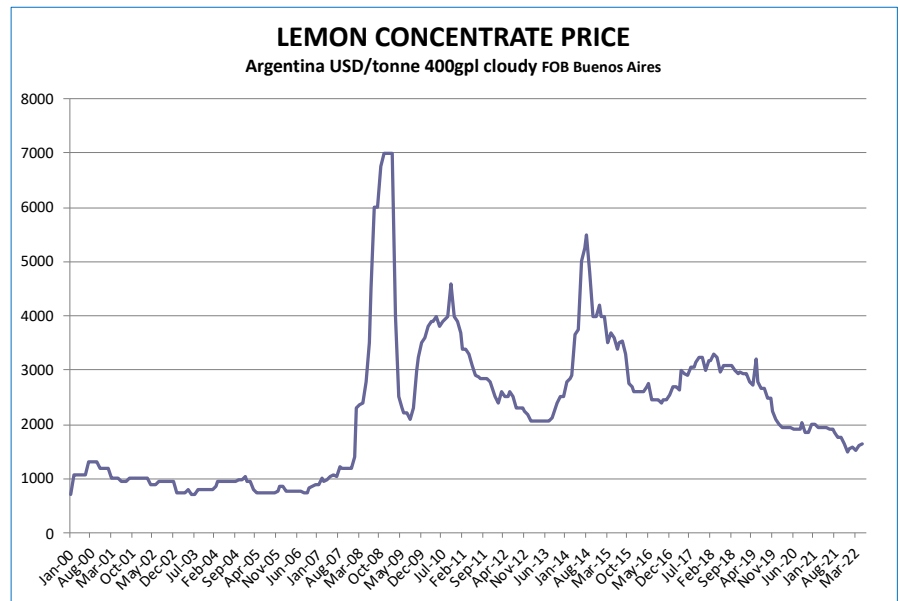
Raw material pricing in April 2021 was USD0.30/litre, but this now equates to USD0.55/litre, say local processors in Argentina.

As a result, offers for concentrate are now at USD2200/tonne 68 brix FOB Buenos Aires ex plant in bulk, compared with USD1850-1950/tonne last month.

Local producers say demand is slow, but this is mainly attributed to the anti-dumping case in the US.

Argentinean exports of grape juice concentrate in the first three months of this year reached 18 440 tonnes, compared with 22 630 tonnes during the same period in 2021.

US buyers will try to cover as much as possible from other sources such as Spain. Asking prices out of



Spain have reportedly appreciated to EUR1750-1800/tonne white 65 brix FCA Europe in bulk, from EUR1700/tonne last month.

LEMON JUICE

Processors in Argentina have started to run fruit from the 2022 lemon crop and harvesting conditions remain favourable.

The crop is expected to be 5-10% larger than last year at 1.80-1.90 million tonnes with 1.30-1.40 million tonnes going for processing. Local producers say that most factories will be running at full capacity by mid-May. There are no issues with the quality of the fruit or juice so far.

However, the industry in Argentina is concerned about the lack of natural gas which may reduce the volume processed. The winter is approaching and so demand will start to increase and the government will prioritize the house consumption.

Pricing

Offers for concentrate from Argentina are between USD1500-1800/tonne 400gpl FOB Buenos Aires. Indications

on new season supplies last month were at USD1500-1700/tonne on the same delivery basis.

Demand has been quite active and buyers are looking to cover their needs for the European summer and beyond. Prices for lemon juice concentrate have not been this low since 2008.

Argentina is beginning the new season with carry over stocks and that is the reason for the soft pricing.

Meanwhile, producers in Spain are reportedly sold out. If buyers were able to find supplies they could expect to pay EUR1900-2200/tonne 400gpl ex factory Spain.

PINEAPPLE JUICE

The 2022 Summer pineapple crop in Thailand began in mid-April. Harvesting conditions are good and deliveries to the factories are beginning to pick up. Production from the Summer crop is predicted to be fairly good, but producers are waiting until the peak of the crop later this month until they can make a better forecast on output.

Fruit is reportedly trading for THB6.00-10.00/kg, against THB7.50/kg last

month. There are reports of smaller fruit and some problems with nitrate levels, which is leading to a wide disparity in price for raw materials. Raw material pricing could ease once the peak production period begins at the end of the month.

Producers are now offering concentrate at USD2500-2600/tonne 60/65 brix FOB Bangkok, compared with USD2300-2500/tonne last month. Analysts say that there has not been much traded at today's price level and that producers are testing the market. Buyers say that the new offers are too expensive and suggest that price levels should be between USD2200-2300/tonne. Nevertheless, supplies are certainly short on the global market, overhead costs (sea freight, energy, labour, fertilizer and steel) are rising and demand for concentrate is strong. There are also the strict Covid restrictions in Thailand, which is creating problems with harvesting. Therefore, with no other sources of bulk pineapple concentrate available on the global market, prices are likely to remain firm until there is a relief to the supply.

Most buyers are only covered until June, because there has been no ideal time to fix contracts with the bullish

market. They are currently relying on old contracts, but are now looking to secure supplies for the second half of the year. The upside price risk should be lower once the peak period begins, but analysts say that pricing may not necessarily go down.

Producers in Thailand say the market in the second half of the year will be tense. The factories will be closed as usual between July and September and there is always a question mark over when they will open again to run supplies from the Winter crop. Nevertheless, the forecast on production from both the Summer and Winter 2022 crops remains at 1.2 million tonnes. While this is a far cry from the 2.0-2.2 million tonnes that Thailand used to produce, it is better than the output last year.

Demand

Probably the biggest market driver at the moment is the higher demand brought about by the lack of supplies on the global market. There are only limited volumes of concentrate available in Costa Rica and NFC supplies are also short. Some packers are sold out until the end of the year. If buyers were able to find supplies of

concentrate in Costa Rica they could expect to pay USD3000-3400/tonne 60 brix frozen C&F Europe.

Producers in Brazil and Kenya are reportedly not quoting. There are some second-hand blended quality supplies available in European cold stores, but the overall lack of availability on the market is putting a strain on stocks from Thailand at the moment, say traders.

MANGO JUICE

Alphonso & Kesar

The 2022 Alphonso crop has begun in the Ratnagiri region. Bangalore will start next week and Valsad one week later.

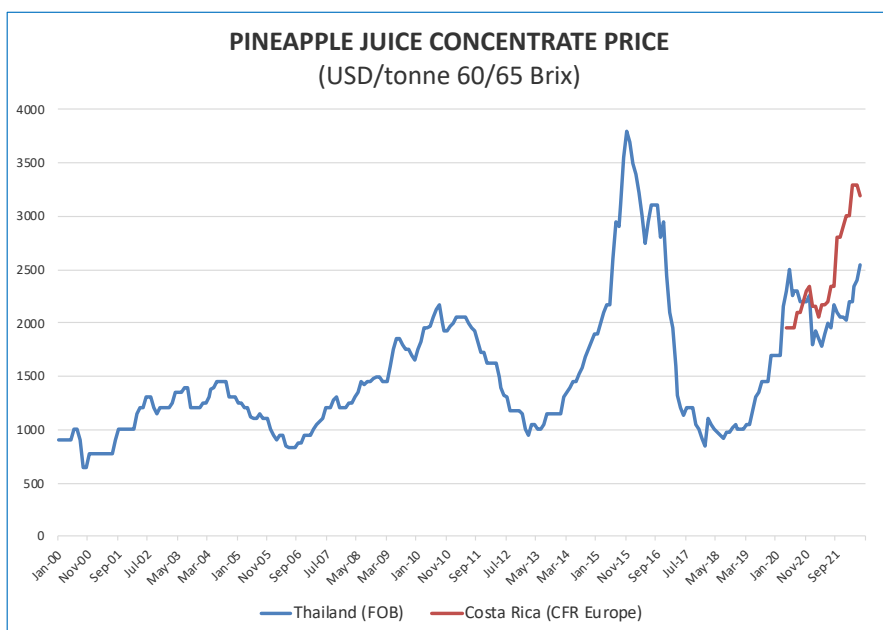
Temperatures are reportedly on the higher side and there are unseasonal rains in growing areas. Nevertheless, the fruit quality is okay and ratios are expected to be normal.

Harvesting labour availability has improved and the industry still expects output of puree from the 2022 to reach 50 000 tonnes. However, the limiting factor is working capital, say producers.

Current prices for Alphonso mango puree are between USD1350-1550/tonne 15-17 brix FOB India, against USD1450-1600/tonne last month. The lower end of the current price range represents supplies from the southern regions and the higher end represents supplies from western regions. New season pricing will be announced in mid-May.

Producers say demand remains good, particularly from Europe. Stocks of puree from western India from the 2021 crop have reportedly now run out, but there are limited supplies of southern puree available from some processors.

Meanwhile, asking prices for Kesar mango puree are on par with last month at USD1500- 1550/tonne FOB



India for prompt shipment. Demand is 'lukewarm', say processors in India.

Totapuri

Growing conditions for the Totapuri crop remain favourable and harvesting will start in the last week of May.

The industry is expecting 350 000 tonnes processed for puree and 50 000 tonnes processed for concentrate this season.

Current prices for 2021 season Totapuri puree are at USD675-700/tonne single strength FOB India, compared with 650-675/tonne last month. Offers for Totapuri concentrate are at USD1150-1175/tonne 28 brix FOB India, against 1125-1175/tonne last month.

New season crop prices will be announced at the end of May.

Demand for puree and concentrate has been buoyant over the past month – again particularly from Europe. There are still some supplies of puree available, but stocks of concentrate are now very limited.

Indian business

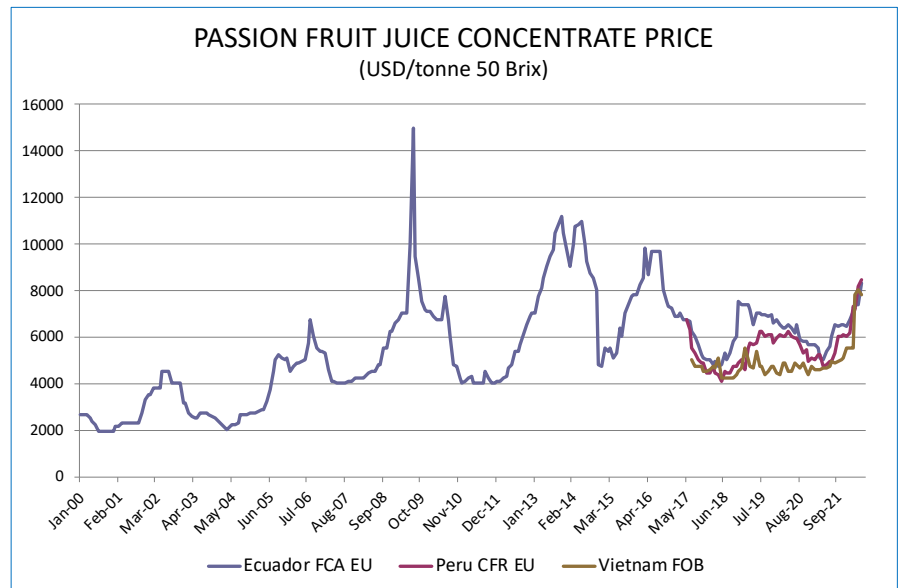
Producers in India say that shipments to the Ukraine and Russia have come to a standstill and that shipments to the EU have slowed down.

While freight rates are stable, container availability is poor and transit delays are routine.

In other news, the Covid pandemic restrictions are no longer in place in India which will make harvesting and processing easier. However, fuel costs are increasing every day resulting in higher transportation costs and container haulage charges.

Americas

The industry in Colombia is now entering the peak of the Summer crop. Harvesting conditions are favourable



and processors say they continue to receive more fruit than last year.

Price levels for new season supplies are difficult to pin down and producers say they have pulled out of the market until the end of May, by which point they hope to have calculated whether they have any extra supplies to sell or not. What is clear is that prices will be firmer than offers at the beginning of the year. Last month offers were around USD1500-1550/tonne 28 brix FOB Colombia. Traders in Europe say they are receiving offers as high as USD1750/tonne 28 brix FCA Europe.

Demand is still very strong and producers say they are receiving enquiries from both new and old customers from all of the key importing regions. They are even receiving enquiries from mango pulp producing countries.

Stocks of 2021 juice are now depleted and processors speculate that around 80% of the supply from the current 2022 Summer crop has been sold.

There are still problems with shipping. Container availability is very poor and shipments are being postponed as a result. The situation in China does not help either, say producers in Colombia, Shanghai's port has been

closed due to a Covid outbreak and thousands of vessels and containers are stuck there.

The conflict in the Ukraine has also put upward pressure on pricing for materials, goods and food commodities.

Meanwhile, the mango crop in Mexico is reportedly late. Production is lower than expected and demand from the fresh market is strong as a result. Producers in Peru are reportedly now sold out, say traders in Europe.

PASSION FRUIT JUICE

Ecuador

Producers in Ecuador say that due to heavy rains in March, the peak production period which would usually start in April did not occur this year. The rains subsided in the last two weeks of April, which will hopefully lead to better output over the next couple of months. Fruit prices are expensive for processors at USD40/kg, but this should encourage growers to replant now that the rains have eased.

Offers for concentrate are between USD8200-8500/tonne 50 brix FCA Europe, compared with USD7400/

tonne in March. Asking prices for NFC passion from juice from Ecuador are pegged at USD2550-2700/tonne FCA Europe.

The factories in Ecuador are mainly producing for contracts fixed at lower prices in previous months. Processers say there has been no opportunity to build up stocks yet and that spot business is almost non-existent as a result.

Demand remains very strong and buyers need to book for delivery months in advance to secure product. Nevertheless, both producers and buyers are reluctant to book long-term contracts given the unclear outlook on price direction. Similar to other juice markets there are many more variables to be considered this year, particularly the rising overheads across the board.

Peru

Production in Peru last month was reportedly slow - similar to March -

and fruit prices continued to climb. Market prices for juice are very hard to pin down at the moment. Peru has lower production costs than Ecuador, but higher ocean freight rates so on an FCA Europe basis producers in Ecuador say that offers are around the same. However, traders in Europe say offers out of Peru are more expensive at USD8500-8700/tonne 50 brix FCA Europe. Asking prices for NFC passion fruit juice are reportedly around USD2500-2600/tonne single strength FOB Peru.

The peak season in Peru is expected to begin in mid-June or early July and production is expected to be good.

Vietnam

In Vietnam fruit prices reportedly eased last month, but have bounced back up again. The dip in pricing was mainly attributed to lower demand for fresh fruit from China during their recent Covid lock down. This allowed factories in Vietnam to resume

processing.

Now the restrictions have been relaxed in China, demand has picked up and the competition for fruit amongst processors in Vietnam has risen again which has put upward pressure on raw material price levels.

As the year progresses the supply will increase in Vietnam, but uptake from China is expected to be strong.

There is an extremely wide range of price indications out of Vietnam varying between USD7200-8500/tonne 50 brix FCA Europe (USD6800-7900/tonne FOB), against USD8000/tonne FCA Europe last month. European traders say they are receiving offers for NFC passion fruit juice from Vietnam at USD2250-2500/tonne single strength FCA Europe. Availability for both concentrate and NFC is very limited.

Given the short supply at present, analyst suggest that buyers would probably get more favourable pricing if they were to book volumes for the second half of the year.

fruitjuice

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