

Situation and Outlook for Orange Juice

World orange juice production in selected major producing countries in 2001/02 is estimated at 2.5 million tons (65 degrees brix), an increase of nearly 16 percent from the 2000/01 level. Most of the increase is attributed to a return to more-normal levels of production in Brazil.

GLOBAL PRODUCTION

World orange juice production is forecast to stage a recovery from last year's low level. Production is estimated at 2.5 million tons (65 degrees brix), an increase of 378,000 tons from last year. Brazil's production in 2001/02 (local marketing year July 2002-June 2003) is forecast at 1.3 million tons, up nearly 30 percent from the 2000/01 level. U.S. production is also set to increase as a result of the increase in Florida's orange crop. Together, Brazil and the United States comprise over 90 percent of world output for the selected major producers.

Brazil

Brazil's production of orange juice during 2001/02 (marketing year July 2002-July 2003) is estimated at 1.3 million tons (65 degrees brix), up a significant 30 percent from the previous year due to higher fruit availability from the larger crop. Since Brazil's fresh crop orange exports are limited because of disease, any increase in orange supplies goes to either processing into orange juice or for the domestic fresh market. The amount of oranges destined for processing in Brazil in 2001/02 (marketing year July 2002-June 2003) is up 3.1 million tons from the previous year.

United States

U.S. production of orange juice during 2001/02 is estimated at 1.0 million tons, up 4 percent from the previous year. This corresponds to an increase in Florida's orange crop to a total 9.4 million tons, up 2.7 percent from last year. More than 95 percent of the orange crop in Florida is processed for orange juice.

GLOBAL TRADE

Exports of orange juice from the major producing countries in 2001/02 are forecast at 1.5 million tons (65 degrees brix), up 8 percent over last year. Exports from Brazil and the United States are estimated to increase 7 and 38 percent, respectively.

Brazil

With the substantial recovery in production, Brazil's exports of orange juice in 2001/02 (marketing year July 2002-June 2003) are forecast at 1.2 million tons. This represents only a 7-percent increase

in exports, which is modest given the 30 percent increase in production. However, Brazil, the world's largest exporter of orange juice, drew down stocks in order to maintain its exports during 2000/01, lowering total supplies in the current year. Expectations are that Brazil will increase stock levels somewhat this year. Belgium and the Netherlands are the largest markets for Brazil's exports of orange juice.

United States

U.S. exports during 2001/02 are estimated at 120,000 tons, an increase of 38 percent from the previous year. U.S. exports of orange juice to date during the current marketing year (October 2001-April 2002) are running about 71 percent ahead of last year's pace. However, this rate of exports is not expected to continue. Part of the larger shipments can be attributed to last year's lower Brazilian supplies. With the higher Brazilian production and exports, U.S. shipments should slow. In addition, much larger shipments of orange juice to the EU so far this marketing year were, more than likely, partially in anticipation of higher EU import duties for orange juice in retaliation for U.S. steel duties. Since those higher duties have not been imposed, exports could slow.

EU

On May 14, 2002, the EU formally sent to the WTO lists of goods it might target with sanctions in possible retaliation for U.S. dumping duties on steel. This step was necessary in order for the EU to have the option to impose the sanctions at a later date. Although the EU had stated that the sanctions could have come as early as June 18, 2002, if the United States did not offer compensation for the steel duties, that did not happen. Since the United States has made some exemptions to the steel duties, the EU has decided to hold off on sanctions at this time, at least until September 30. However, the EU put forth two lists. The first list, which includes dried onions, apples, and orange juices, would be subject to 100-percent duties. The second longer list will apply if the WTO rules against the United States on the steel duties and the United States does not subsequently rescind the tariffs. The second list includes many additional horticultural products: frozen sweet corn, other dried vegetables, kidney beans, lentils, shelled walnuts, guavas, mangoes and mangosteens, grapefruit, grapes, pears and quinces, cherries, prepared sweet corn, and grapefruit juice.

For the horticultural products on the second list, the additional duties range from 13-15 percent. According to the documents that the EU submitted, all of the commodities on the first list could collect an additional \$601.9 million in revenue. The second list could generate an additional \$585.5 million.

Japan

Japan's imports of orange juice during October-September 2001/02 are estimated at 110,000 tons, down about 5 percent from the previous year. Brazil is the largest supplier to Japan, accounting for 82 percent of the total 116,244 tons of orange juice imported by Japan during October-September 2000/01.

CONSUMPTION AND MARKETING

United States

U.S. consumption of orange juice in 2001/02 is estimated at 1.04 million tons, down slightly from last year. Even with the higher level of orange juice production, imports are running behind last year's level and exports have been significantly ahead. Stocks are forecast to be drawn down in order to support even this level of consumption.

On April 4, 2002, the 10th Judicial Circuit Court in Florida ordered the Florida Citrus Commission to propose a remedy in the Equalization Tax case. The court had ruled on March 15 that the equalization tax was unconstitutional because it illegally discriminated against foreign citrus products imported into Florida while it exempted imported juice products from other states, mostly California. Based on the ruling, the court was asked to order the Florida Department of Citrus (FDOC) to refund nearly \$10 million in equalization taxes to its clients, the amount that the plaintiffs in the case have paid since filing the lawsuits in late 2000 and early 2001, plus 3 years in back taxes (the period of time limited by Florida tax laws.) Under a 1990 Supreme Court decision, the 10th District Court must give the Florida Citrus Commission the first opportunity to propose a remedy. The court gave the Citrus Commission until July to come up with a remedy. The remedy could include a complete refund to companies that paid the tax, back taxes against the companies' competitors who benefited from the tax exemption, or a remedy involving a combination of a tax refund and back taxes. In the wake of the court's March 15 ruling, the Florida legislature removed the tax exemption for domestic juice, with the new law going into effect July 1, 2002.

Brazil had also argued that the tax was unconstitutional because it discriminated against imports versus domestic product. Brazil asked for consultations under the WTO and such discussions have been held between Brazilian and U.S. officials. Given the changes in the law in Florida, it is unknown whether Brazil will move ahead with a possible WTO action.

Brazil

Brazil's consumption of processed orange juice is estimated at only 15,000 tons during 2001/02 (marketing year July 2002-June 2003), representing only about 1 percent of production. Brazilian consumers are more likely to fresh squeeze oranges for their juice needs.

The Attaché Report search engine contains reports for orange juice for several countries including annuals for Australia, Brazil, Argentina, and South Africa. For more information on production and trade, contact Debra A. Pumphrey at 202-720-8899. Also, please visit the citrus commodity page: <http://www.fas.usda.gov/htp/horticulture/citrus.html> for the latest information. For more information on marketing issues, contact Sonia Jimenez at 202-720-0898.

**ORANGE JUICE: SUPPLY & UTILIZATION, MAJOR PRODUCING
COUNTRIES IN NORTHERN HEMISPHERE**

Country/Year 1/	Begin. Stocks	Production	Imports	Exports	Consumption	Ending Stocks
Metric tons, 65 Degrees Brix 2/						
Greece	3/					
1998/99	2,044	10,000	10,000	4,500	17,500	44
1999/00	44	16,500	11,000	6,000	18,500	3,044
2000/01	3,044	21,000	8,000	8,000	18,440	5,604
2001/02 F	5,604	13,800	12,000	7,500	19,000	4,904
Italy	4/					
1998/99	30,000	25,000	14,000	28,000	28,000	13,000
1999/00	13,000	40,000	30,000	38,000	30,000	15,000
2000/01	15,000	38,000	30,000	41,000	31,000	11,000
2001/02 F	11,000	43,000	28,000	42,000	32,000	8,000
Mexico	4/					
1998/99	5,900	45,300	1	45,001	3,200	3,000
1999/00	3,000	41,000	142	37,801	3,341	3,000
2000/01	3,000	40,500	206	37,900	3,106	2,700
2001/02 F	2,700	41,000	150	37,501	3,349	3,000
Morocco	5/					
1998/99	4,788	9,500	943	9,913	1,934	3,384
1999/00	3,384	13,800	283	12,612	1,800	3,055
2000/01	3,055	4,000	400	5,500	1,800	155
2001/02 F	155	3,200	500	1,900	1,800	155
Spain	6/					
1998/99	5,100	45,300	25,500	56,600	18,000	1,300
1999/00	1,300	52,000	32,200	73,700	10,800	1,000
2000/01	1,000	46,000	35,000	70,000	11,000	1,000
2001/02 F	1,000	43,000	35,000	65,000	13,000	1,000
Turkey	5/					
1998/99	1,356	9,700	934	102	10,600	1,288
1999/00	1,288	11,000	1,195	167	11,500	1,816
2000/01	1,816	10,700	1,481	112	12,000	1,885
2001/02 F	1,885	10,700	1,500	100	12,200	1,785

**ORANGE JUICE: SUPPLY & UTILIZATION, MAJOR PRODUCING
COUNTRIES IN NORTHERN HEMISPHERE**

Country/Year 1/	Begin. Stocks	Production	Imports	Exports	Consumption	Ending Stocks
Metric tons, 65 Degrees Brix 2/						
United States 5/						
1998/99	379,122	879,165	245,802	106,842	1,017,414	379,833
1999/00	379,833	1,071,926	241,412	103,515	1,130,869	458,787
2000/01	458,787	963,098	183,463	87,193	1,052,255	465,900
2001/02 F	465,900	1,002,931	135,000	120,000	1,041,000	442,831
Northern Hemisphere Total						
1998/99	428,310	1,023,965	297,180	250,958	1,096,648	401,849
1999/00	401,849	1,246,226	316,232	271,795	1,206,810	485,702
2000/01	485,702	1,123,298	258,550	249,705	1,129,601	488,244
2001/02 F	488,244	1,157,631	212,150	274,001	1,122,349	461,675

1/ Year refers to marketing period which usually begins in the fall for the Northern Hemisphere and corresponds to the harvesting and marketing period for fresh citrus.

2/ Includes all processed orange juice whether or not concentrated. One metric ton of 65 degrees brix equals 344.8 gallons at 42 degrees brix and 1,405.88 gallons at single strength equivalent.

3/ Marketing season begins September 1 of first year shown.

4/ Marketing season begins January 1 of second year shown.

5/ Marketing season begins October 1 of first year shown.

6/ Marketing season begins November 1 of first year shown.

7/ Marketing season begins December 1 of first year shown.

F Forecast

Sources: National Agricultural Statistics Service and U.S. Department of Commerce, Bureau of Census. Florida Department of Citrus. Reports from U.S. Agricultural Counselors and Attaches and/or FAS/USDA estimates.

**ORANGE JUICE: SUPPLY & UTILIZATION, MAJOR PRODUCING
COUNTRIES IN SOUTHERN HEMISPHERE**

Country/Year 1/	Begin. Stocks	Production	Imports	Exports	Consumption	Ending Stocks
Metric tons, 65 Degrees Brix 2/						
Australia 3/						
1998/99	27,035	17,214	21,990	2,557	43,965	19,717
1999/00	19,717	22,609	23,267	2,670	44,942	17,981
2000/01	17,981	11,979	25,361	2,430	44,942	7,949
2001/02 F	7,949	20,513	23,448	2,443	44,942	4,525
Brazil 3/ 4/						
1998/99	297,000	1,360,000	0	1,295,000	16,000	346,000
1999/00	346,000	1,197,000	0	1,265,000	15,000	263,000
2000/01	263,000	978,000	0	1,135,000	15,000	91,000
2001/02 F	91,000	1,269,000	0	1,216,000	15,000	129,000
South Africa 5/						
1998/99	3,338	15,750	0	6,338	9,412	3,338
1999/00	3,338	23,501	100	9,698	12,700	4,541
2000/01	4,541	20,790	100	7,682	12,800	4,949
2001/02 F	4,949	25,410	110	12,960	12,900	4,609
Southern Hemisphere Total						
1998/99	327,373	1,392,964	21,990	1,303,895	69,377	369,055
1999/00	369,055	1,243,110	23,367	1,277,368	72,642	285,522
2000/01	285,522	1,010,769	25,461	1,145,112	72,742	103,898
2001/02 F	103,898	1,314,923	23,558	1,231,403	72,842	138,134
World Total						
1998/99	755,683	2,416,929	319,170	1,554,853	1,166,025	770,904
1999/00	770,904	2,489,336	339,599	1,549,163	1,279,452	771,224
2000/01	771,224	2,134,067	284,011	1,394,817	1,202,343	592,142
2001/02 F	592,142	2,472,554	235,708	1,505,404	1,195,191	599,809

1/ Marketing year indicated is for aggregation purposes with countries from the Northern Hemisphere corresponding to the harvesting and marketing period for fresh citrus. For the Southern Hemisphere, orange harvest occurs entirely during the second year shown.

2/ Includes all processed orange juice whether or not concentrated. One metric ton of 65 degrees brix equals 344.8 gallons at 42 degrees brix and 1,405.88 gallons at single strength equivalent.

3/ Marketing season begins July 1 of second year shown.

4/ Includes small quantities of tangerine juice.

5/ Marketing season begins February 1 of second year shown.

F Forecast

Source: National Agricultural Statistics Service and U.S. Department of Commerce, Bureau of Census. Florida Department of Citrus. Reports from U.S. Agricultural Counselors and Attaches and/or USDA/FAS estimates.

BRAZIL: SUPPLY AND DISTRIBUTION OF ORANGES AND FCOJ 1/

	1998	1999	2000	2001	2002 F
	Million Boxes 2/				
Oranges, Sao Paulo					
Production 3/	342	395	355	280	360
Fresh Consumption	60	92	79	51	57
Fresh Exports	2	3	2	3	3
Processed	280	301	274	226	300
FCOJ, Brazil	1,000 Metric Tons, 65 Degrees Brix 4/				
Beginning Stocks 5/	236	297	346	263	91
Production					
Sao Paulo	1,190	1,310	1,157	953	1,233
Other States	28	50	40	25	36
Total	1,218	1,360	1,197	978	1,269
Exports 6/					
Sao Paulo	1,110	1,245	1,225	1,110	1,180
Other States	28	50	40	25	36
Total	1,138	1,295	1,265	1,135	1,216
Consumption	19	16	15	15	15
Ending Stocks	297	346	263	91	129

1/ Harvesting and processing usually begin in late April or early May. Marketing season for FCOJ begins on July 1 of year indicated.

2/ 40.8 kilograms or 90 pounds.

3/ Includes oranges produced in Sao Paulo's commercial citrus zone, plus tangerines used for processing.

4/ One metric ton at 65 degrees Brix equals 344.8 gallons at 42 degrees Brix, or 1,405.88 gallons at single strength equivalent.

5/ Sao Paulo stocks.

6/ Includes tangerine juice.

F Forecast