

# Global and domestic orange juice supply and demand

NSW DPI Citrus roadshow 2017

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## AGENDA

- Global orange juice market
- Current state of play in Florida and Brazil
- NFC and OJ global trade
- Australian juice market
- Australian NFC and FCOJ trade
- Australian domestic juice consumption
- 2018 outlook



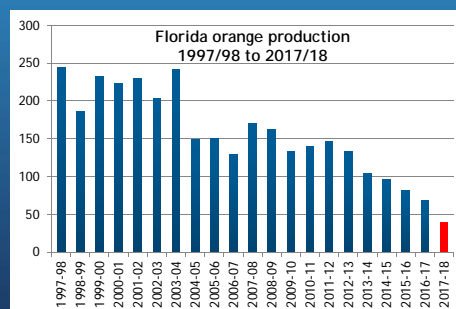
## GLOBAL ORANGE JUICE MARKET

- Dominated by Brazil
- Florida less important, Mexico more important
- 5-8% decline in overall Y-O-Y juice consumption in the US and Europe (the two key markets)
- NFC uptake holding
- 10% growth in China - but still small



## STATE OF PLAY IN FLORIDA

- Produces mainly NFC
- Hurricane Irma expected to cut back crop to just 40 million boxes
- Brazil/Mexico to augment supply of NFC to US market

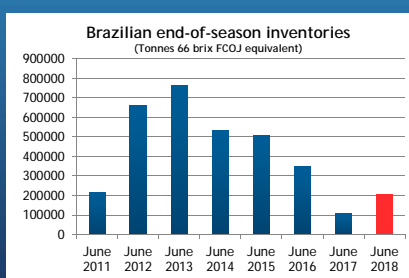


Source: USDA  
and Juice  
Market



## STATE OF PLAY IN BRAZIL

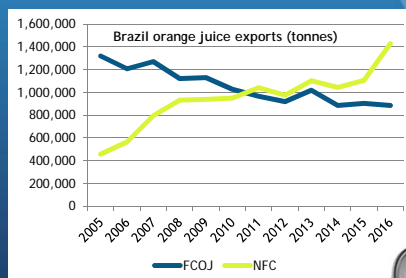
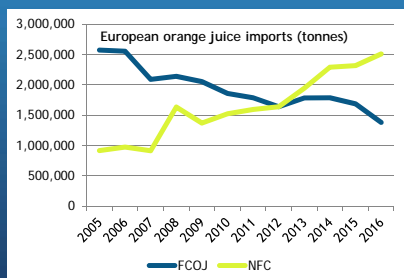
- Brazil production low last season, but huge this season
- Supply was very tight in June this year
- No problems with FCOJ supply next year
- Stocks could be as high as 300 000 tonnes



Source: CitrusBR

## NFC AND FCOJ GLOBAL TRADE

- European imports have favoured NFC since 2012
- Brazil exports have favoured NFC since 2011
- Consumption data is different due to reconstitution



Source: Juice Market from customs data

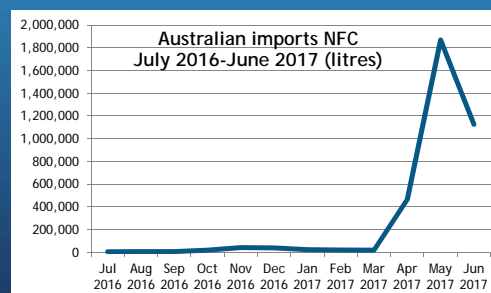
## AUSTRALIAN JUICE MARKET

- Decline in Valencia production
- Resulting in higher pricing for industrial fruit
- Demand for fruit expected to increase
- Many years before production will 'catch up'
- Higher pricing in retail sector



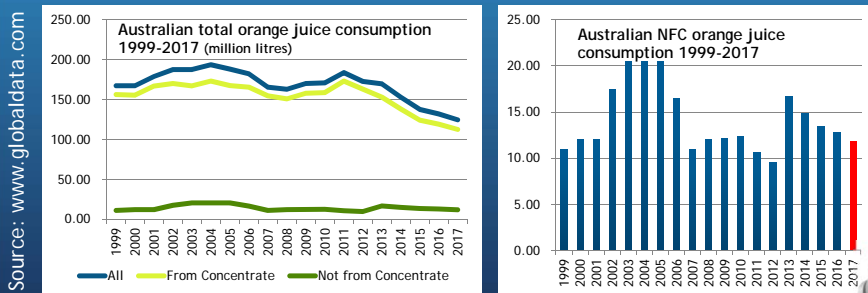
## AUSTRALIAN NFC JUICE TRADE

- Australian trade of NFC is usually non-existent
- Lack of domestic supply has meant Australian monthly imports of NFC climbed to nearly 2 million litres recently
- Australian imports around 30 000 tonnes of FCOJ per year



## AUSTRALIAN ORANGE JUICE CONSUMPTION

- Sales of juice from concentrate far outstrip sales of NFC
- Consumption of orange juice from concentrate is down 27% over past decade
- Consumption of NFC orange juice up 8% over past decade



## AUSTRALIAN ORANGE JUICE CONSUMPTION (con'd)

The fresh chilled market within Australian grocery has returned to growth, performing strongly with a compounded annual growth rate of 10.9% in value and 5.4% in volume in the first half of the year.

Source: Fruit Juice Australia

Moving annual domestic sales:

Chilled - AUD551m  
Ambient - AUD447m

Source: Fruit Juice Australia

Supermarkets are the most common place to buy packaged fruit juice in an average four-week period (5.1 million Australians purchase fruit juice at Supermarkets)

Source: Roy Morgan Research

Top 10 most widely consumed fruit juices/drinks in an average week.

1. Golden Circle
2. Supermarket Brand
3. Berri
4. Daily Juice
5. Nudie
6. Just Juice
7. Bickford's
8. VB
9. Mildura Sunrise
10. Harvey Fresh

Source: Roy Morgan Research

Between June 2016 and August 2017, 6.6 million Australians reported drinking packaged fruit juice in any given seven days - up 25% from the year before.

Source: Roy Morgan Research

## 2018 OUTLOOK

- No shortage of FCOJ in 2018
- Pricing stable from Brazil
- Possible lack of NFC on US market
- Australian NFC consumption expected to stay stable in near-term
- Another small Valencia crop in Australia expected to create supply difficulties for processors



Many thanks for listening...

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