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Annual Fresh Deciduous Fruit

Report Categories:

Fresh Deciduous Fruit

Approved By:
Alan Hrapsky

Prepared By:
Julie Morin, Agricultural Attaché

Report Highlights:
Brazil's CY 2009 apple production is expected to rebound to 1.17 million metric tons (mmt) up 4 percent from CY 2008's 1.12 m mt. However, apple exports are expected to drop 20 percent to 90,000 tons due to the economic crisis and greater world apple supply. In addition, the Gala apple crop quality suffered due to adverse weather conditions, so a greater percentage of the crop will be processed than in previous years. Table grape exports in CY 2008 were up 4 percent buoyed by heavy shipments to the United States more than compensating for reduced placements to traditional European markets. Grape exports in CY 2009 are expected to be flat. Pear imports in CY 2009 are expected to maintain CY 2008 levels.

General Information:

Production:

Apple Production

Total area planted for apples in Brazil is estimated at 38,800 hectares. Santa Catarina, the main apple producing-state in Brazil, accounts for 50 percent of total area, followed by Rio Grande do Sul with 44 percent. According to producers, area planted in CY 2009 should be about the same as in CY 2008 as the planting of new trees is limited by the higher costs of production.

The two most important varieties cultivated in Brazil are "Gala" (normally harvest Jan-Feb, accounting for 58% of total production) and "Fuji" (harvested during March-April; with 35% of total production). Other varieties such as Eva, Golden Delicious and Braeburn account for the remaining 7 percent.

State	Principal Varieties	Area Planted 2007	Area Planted 2008	Variation
Rio Grande do Sul	Gala and Fuji	17,223	17.115	-1%
Santa Catarina	Gala and Fuji	19,259	19,628	2%
Parana	Eva	1,940	1,900	1%
Brazil	Gala, Fuji and Eva	38,585	38,804	1%

IBGE

In January, the harvest of the Gala variety began in the states Rio Grande do Sul and Santa Catarina. According to producers, area was maintained in relation to 2008 and the volume harvested should be 2 percent higher. However, the quality of the fruit was affected due to adverse weather (too much rain and hail) the last months of 2008. As a result, there will be fewer apples classified as Category 1 and more as Category 2 and 3. Therefore, more fruit will be processed since only the better-quality apples are destined for the fresh consumption market. In addition to negatively impacting quality, the rainy climate, particularly in Santa Catarina increased production costs as producers were required to use additional inputs to control fungi in the apple orchards.

In mid-March, the harvest of the Fuji variety began. According to producers, the volume harvested this season should be similar to those of past years with a quality that is superior to that of the year before. 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.

PROFILE OF VARIETIES

		
EVA Has low needs for cold periods; at most 350 hours a year with the ability to be cultivated in microregions of the Southeast and Northeast. Has a sweet taste and low acidity	**GALA** Needs cold weather to develop. Is cultivated only in the South of Brazil. Has an average size, red coloration. Possesses a sweet flavor and average acidity.	**FUJI** Needs long exposure to the cold: a minimum of 900 hours a year. Also is cultivated in the states in the South. Has a round form, red color, sweet taste and low acidity

In 2008, tighter supply along with a good quality crop resulted in apple producers receiving higher prices during almost all of 2008 than the previous year. According to industry sources, the average prices in the first six months of 2008 grew 8.7 percent compared to the same period in 2007.

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

Year	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Avg
2006	3.13	3.02	2.03	1.89	1.96	1.92	2.08	2.10	2.17	2.29	2.66	2.78	2.77
2007	2.74	1.79	1.67	1.74	1.84	1.86	1.92	2.03	2.10	2.50	2.72	2.95	2.43
2008	2.17	1.83	1.81	1.99	2.35	2.47	2.41						

Fuji Apples (CEAGESP-SP) – Prices in R$/kg

Year	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Avg
2006	3.11	3.81	2.88	2.59	2.38	2.27	2.48	2.46	2.5	2.51	2.56	2.56	3.18
2007	2.61	2.78	2.86	2.96	2.83	2.68	2.79	2.65	2.49	2.61	2.56	2.54	3.05
2008	2.43	3.10	2.94	2.60	2.51	2.90	2.75						

Pear Production

Pear production in Brazil is insignificant, with only 17,000 mt of production. This production is widely dispersed through Rio Grande do Sul, Santa Catarina, Parana, Sao Paulo and Minas Gerais. The fruit is sold locally, mostly in small cities and little reaches the big wholesale markets. European universities have been testing the feasibility of growing pears in Brazil's apple-growing regions.

Grape Production

In CY 2009, total planted area is expected to remain flat. According to studies, the Sao Paulo region, is losing grape planted area principally due to high land values. This lost area is offset by modest increases in the Pernambuco region in the Northeast of Brazil..

While production in Rio Grande do Sul is intended for processing, and in the Northeast for exports, the state of Sao Paulo grows for table consumption. 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, Minas Gerais and Bahia states. The Sao Francisco Valley has an area planted of around 12,800 hectares and seedless grapes account 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 in April-June and September-December. Grape producers in the region have been investing in improving export infrastructure and diversifying supply by adding new varieties such as ribier, black seedless, flame seedless and alphonse.

State	Area Planted 2006	Area Planted 2007	Area Planted 2008
Rio Grande do Sul	44,298	44,298	45,300
Sao Paulo	10,414	10,422	9,514
Pernambuco	5,111	5,673	5,814
Parana	5,657	5,700	5,750
Brazil	73,988	76,982	78,363

Italia Grapes (CEAGESP-SP) – Prices in R$/kg

Year	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Avg
2006	2.56	2.29	2.01	2.38	1.95	2.11	2.82	2.52	2.60	2.53	2.63	2.69	2.87
2007	2.43	1.97	2.08	2.92	2.39	2.08	2.04	2.03	2.40	2.83	2.90	2.90	2.79
2008	2.33	1.86	2.13	2.49	2.65	2.34	2.86	2.17					

Niagara Grapes (CEAGESP-SP) – Prices in R$/kg

Year	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Avg
2006	2.49	2.28	2.17	2.39	1.99	2.33	3.00	2.91	3.24	3.44	3.35	2.29	3.14
2007	2.16	2.21	2.60	2.98	1.99	2.35	2.92	2.89	2.98	3.35	3.28	2.30	3.01
2008	2.46	2.28	2.97	2.74	2.27	3.07	3.46						

Consumption:

Per capita fresh fruit consumption n Brazil is about 57 kilos a year, well below U.S. and European consumption levels.

Consumption of apples in Brazil is mostly fresh. Brazilians have different tastes depending on where they are from geographically: the people who live in the South of the country, who have been exposed to a more European style of colonization, prefer large apples. The central part of Brazil goes for medium-size. In the Northeast they favor smaller size apples. Trade contacts say that this wide variety of tastes within a single country means a market for the entire crop. Apple consumption has decreased over the past decade. According to the World Apple and Pear Association, fresh apple consumption was 3.42 kilos per inhabitant in 2008. Sources estimate grape consumption at 3.54 kilos per inhabitant.

Grape (21.4 percent of total juice consumed), peach (21.1 percent) and orange (9.6 percent) are the most popular juice flavors. Apple juice is not included on the list of the most seven widely consumed types of juice. In 2008, 476 million liters of juice were produced, over 11 percent more than in 2007. Juice receipts were R$1.9 billion.

Trade:
Apple Exports

Fresh Apple

Trade sources estimate that apple exports will decrease by 20 percent to 90,000 mt in CY 2009. One of the reasons is the lower quality of Brazilian apples due to unfavorable weather during fruit development. Also, there are uncertainties in the European market due to the world financial crisis and greater stock of fruit in the Northern Hemisphere could limit Brazilian shipments. In addition, as a result of last year's flooding in Santa Catarina the infrastructure was damaged and consequently distribution is not running as smoothly as usual. According to USDA's Agricultural Marketing Service, the Brazilian apple royal caliber 100 (Gala) was negotiated at Rotterdam at an average of US$22.83/cx of 10 kg in March, a value 25% lower than in the same period last year

Although apple production dropped 17.7 percent in CY 2008, exports remained firm. Brazil shipped 112,250 mt of which 88 percent was destined for Europe. Although shipments to Europe were 5.5 percent less than the previous year's, sales to Russia, the Middle East, Africa and Central America grew, principally in the first half of the year. Receipts increased 18 percent due to strong prices.

Brazil Export Statistics Commodity: 080810, Apples, Fresh								
Calendar Year: 2006 - 2008								
Partner Country	**Unit**	**Quantity**			**% Share**			**% Change**
		2006	**2007**	**2008**	**2006**	**2007**	**2008**	**2008/2007**
World	T	57146	112075	112249	100.00	100.00	100.00	0.16
Netherlands	T	15718	34980	35743	27.51	31.21	31.84	2.18
United Kingdom	T	10583	16641	18034	18.52	14.85	16.07	8.37
France	T	2752	9361	6209	4.82	8.35	5.53	-33.66
Portugal	T	2493	7755	5855	4.36	6.92	5.22	-24.49
Sweden	T	4469	5792	5810	7.82	5.17	5.18	0.31
Spain	T	2846	6320	5252	4.98	5.64	4.68	-16.90
Germany	T	5499	6798	5179	9.62	6.07	4.61	-23.82
Bangladesh	T	2234	2364	4718	3.91	2.11	4.20	99.53
Finland	T	3537	4225	4286	6.19	3.77	3.82	1.44
Russia	T	0	63	1948	0.00	0.06	1.74	2968.90
United Arab Emirates	T	0	825	1674	0.00	0.74	1.49	102.86

Concentrated Apple Juice Exports

Brazil shipped the majority of its concentrated apple juice to the United States. Production and exports are expected to increase in CY 2009 as a higher percentage of the apples were low-quality and are destined for industry use.

Brazil Export Statistics Commodity: 200979, Apple Juice,Nes,Unfermented And Not Spirited Whether Or Not Sugared/Sweetened								
Calendar Year: 2006 - 2008								
Partner Country	**Unit**	**Quantity**			**% Share**			**% Change**
		2006	**2007**	**2008**	**2006**	**2007**	**2008**	**2008/2007**
World	T	22593	30111	30598	100.00	100.00	100.00	1.62
United States	T	11466	16368	17337	50.75	54.36	56.66	5.92
Japan	T	3816	6095	6921	16.89	20.24	22.62	13.54
Puerto Rico (U.S.)	T	6249	4324	3383	27.66	14.36	11.06	-21.78
Netherlands	T	0	378	2385	0.00	1.26	7.80	530.92

Global Trade Atlas

Apple Imports

Apple imports are expected to continue to drop as there will be a large domestic supply given stable production and fewer apples being exported. In CY 2008, Brazil imported fewer apples as imported fruit became more expensive for the consumer due to the exchange rate, limiting sales for Argentine red and French gala. Argentina was the major supplier providing 80 percent of the total imports, followed by Chile with 13 percent. As members of Mercosul, these two countries benefit from preferential import tariff rates

Brazil Import Statistics Commodity: 080810, Apples, Fresh								
Calendar Year: 2006 - 2008								
Partner Country	**Unit**	**Quantity**			**% Share**			**% Change**
		2006	**2007**	**2008**	**2006**	**2007**	**2008**	**2008/2007**
World	T	77741	68574	55041	100.00	100.00	100.00	-19.73
Argentina	T	58484	58219	45353	75.23	84.90	82.40	-22.10
Chile	T	12546	6073	7016	16.14	8.86	12.75	15.52
France	T	1561	2180	939	2.01	3.18	1.71	-56.93
Portugal	T	411	275	551	0.53	0.40	1.00	100.08
United States	T	371	345	458	0.48	0.50	0.83	32.53

Pear imports

Pear exports were up 2 percent in CY 2008 to 139,888 mt versus 137,440 mt the previous year, Argentina's market share rose from 82 to 87 percent at the expense of U.S.'s .and Portuguese market share. Recently, U.S. exporters have faced two challenges in exporting to Brazil. First, the pear market is price sensitive and last year Argentine product sold for about one-half the price of U.S. product. The other challenge is with transportation. In the past U.S. pears from the Northwest were shipped directly from Seattle. However, this shipping line was discontinued about two years ago so product has had to be trucked and railed. which increases the risk of losing loads to spoilage.

Brazil Import Statistics Commodity: 080820, Pears And Quinces, Fresh								
Calendar Year: 2006 - 2008								
Partner Country	**Unit**	**Quantity**			**% Share**			**% Change**
		2006	**2007**	**2008**	**2006**	**2007**	**2008**	**2008/2007**
World	T	124927	137439	139887	100.00	100.00	100.00	1.78
Argentina	T	104013	112834	121534	83.26	82.10	86.88	7.71
Portugal	T	8058	9665	6901	6.45	7.03	4.93	-28.60
United States	T	4414	8899	6258	3.53	6.48	4.47	-29.68
Spain	T	3371	1552	2165	2.70	1.13	1.55	39.49

Grape trade

Exports

Grape exports in CY 2009 are forecast to decline by 2 percent due to softening demand as a result of the economic crisis. In CY 2008, exports to the United States increased 72 percent more than compensating for an overall decrease in European demand.

Brazil Export Statistics Commodity: 080610, Grapes, Fresh								
Calendar Year: 2006 - 2008								
Partner Country	**Unit**	**Quantity**			**% Share**			**% Change**
		2006	**2007**	**2008**	**2006**	**2007**	**2008**	**2008/2007**
World	T	62250	79081	82242	100.00	100.00	100.00	4.00
Netherlands	T	33642	40604	34413	54.04	51.35	41.84	-15.25
United States	T	13822	11026	19027	22.20	13.94	23.14	72.57
United Kingdom	T	10150	17676	18580	16.30	22.35	22.59	5.12
Belgium	T	7078	2251	3164	1.14	2.85	3.85	40.52

Global Trade Atlas

Imports

In CY 2009 imports are expected to increase slightly in spite of lower production in Argentina. Brazil is sourcing from Chile instead with YTD March 2009 imports from Chile are up over 45 percent to 3,133 mt. This situation represents a reversal from CY 2008 when Argentina took market share from Chile due to Brazil's suspending Chilean imports after detecting the presence of acaro Brevipalpus chilensis in shipments.

Brazil Import Statistics Commodity: 080610, Grapes, Fresh								
Calendar Year: 2006 - 2008								
Partner Country	**Unit**	**Quantity**			**% Share**			**% Change**
		2006	**2007**	**2008**	**2006**	**2007**	**2008**	**2008/2007**

World	T	12105	15550	12565	100.00	100.00	100.00	-19.19
Argentina	T	5892	8236	8941	48.67	52.97	71.16	8.56
Chile	T	5835	7122	3479	48.21	45.80	27.69	-51.14
United States	T	43	79	91	0.36	0.51	0.72	14.03
Spain	T	315	111	30	2.60	0.72	0.24	-72.83

Global Trade Atlas

Fresh Apples (0808.10), Pears (0808.20) & Fresh Table Grapes (0806.10)	
Outside the Mercosul area	
Import Tariff (%) (Ad Valorem); effective Jan 2004; 10 percent assessed on the CIF value of the product	**10.00**
Within the Mercosul area	
Import tariff (%)	**0.00**

Production, Supply and Demand Data Statistics :

Apples, Fresh Brazil	2006		2007		2008	
	2006/2007		2007/2008		2008/2009	
	Market Year Begin: Jan 2007		Market Year Begin: Jan 2008		Market Year Begin: Jan 2009	
	Annual Data Displayed	New Post Data	Annual Data Displayed	New Post Data	Annual Data Displayed	Jan Data
Area Planted	0	0	0	0	0	0
Area Harvested	37,562	38,585	37,562	38,804	37,562	38,800
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
Total Trees	0	0	0	0	0	0
Commercial Production	1,093,853	1,135,500	946,268	1,121,290	1,093,853	1,171,860
Non-Comm. Production	0	0	0	0	0	0
Production	1,093,853	1,135,500	946,268	1,121,290	1,093,853	1,171,860
Imports	68,574	68,574	60,000	55,041	70,000	55,200
Total Supply	1,162,427	1,204,074	1,006,268	1,176,331	1,163,853	1,227,060
Fresh Dom. Consumption	1,050,351	908,400	894,068	897,032	1,051,653	935,000
Exports, Fresh	112,076	112,076	112,200	112,490	112,200	90,000
For Processing	0	183,598	0	166,809	0	202,060
Withdrawal From Market	0	0	0	0	0	0
Total Distribution	1,162,427	1,204,074	1,006,268	1,176,331	1,163,853	1,227,060

Pears, Fresh Brazil	2006		2007		2008	
	2006/2007		2007/2008		2008/2009	
	Market Year Begin: Jan 2007		Market Year Begin: Jan 2008		Market Year Begin: Jan 2009	
	Annual Data Displayed	New Post Data	Annual Data Displayed	New Post Data	Annual Data Displayed	Jan Data
Area Planted	0	0	0	0	0	0
Area Harvested	1,800	1,651	1,800	1,650	1,800	1,650
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
Total Trees	0	0	0	0	0	0
Commercial Production	18,200	17,079	18,200	17,100	18,200	17,100
Non-Comm. Production	0	0	0	0	0	0
Production	18,200	17,079	18,200	17,100	18,200	17,100
Imports	137,000	137,440	142,000	138,888	120,000	139,000
Total Supply	155,200	154,519	160,200	155,988	138,200	156,100
Fresh Dom. Consumption	155,200	154,475	160,200	155,922	138,200	156,100
Exports, Fresh	0	44	0	66	0	0
For Processing	0	0	0	0	0	0
Withdrawal From Market	0	0	0	0	0	0
Total Distribution	155,200	154,519	160,200	155,988	138,200	156,100

Grapes, Fresh Brazil	2006		2007		2008	
	2006/2007		2007/2008		2008/2009	
	Market Year Begin: Jan 2007		Market Year Begin: Jan 2008		Market Year Begin: Jan 2009	
	Annual Data Displayed	New Post Data	Annual Data Displayed	New Post Data	Annual Data Displayed	Jan Data
Area Planted	0	75,370	0	78,363	0	78,400
Area Harvested	0	0	0	0	0	0
Commercial Production	1,341,806	1,352,913	1,290,000	1,367,763	1,300,000	1,360,000
Non-Comm. Production	0	0	0	0	0	0
Production	1,341,806	1,352,913	1,290,000	1,367,763	1,300,000	1,360,000
Imports	15,500	15,550	12,000	12,565	16,000	12,500
Total Supply	1,357,306	1,368,463	1,302,000	1,380,328	1,316,000	1,372,500
Fresh Dom. Consumption	1,278,225	1,289,382	1,237,000	1,298,086	1,246,000	1,292,500
Exports, Fresh	79,081	79,081	65,000	82,242	70,000	80,000
For Processing	0	0	0	0	0	0
Withdrawal From Market	0	0	0	0	0	0
Total Distribution	1,357,306	1,368,463	1,302,000	1,380,328	1,316,000	1,372,500