

# Atlântica News

ACCURATE INFORMATION FOR YOUR BUSINESS



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## Peanut crop damaged by drought

The severe drought that has been affecting the state of São Paulo hits, among other crops, peanuts. According to the information published in February 2013 by the Brazilian National Supply Company, CONAB, there was an expectation that the crop would be larger than the last one due to a 13.8% increase on the planted area in the State, however, with rain levels below historical levels in some key producing regions such as Jaboticabal and Tupã, the break should reach 30%. In addition to that, some industries reported that peanuts are smaller and the yield is lower than expected.

## Uncertainties in the red grape harvest

The grape harvest in the main producing state of this fruit in Brazil, Rio Grande do Sul, is nearing the end and although the expectation at the beginning was of a record harvest, of around 700 million kilos, 14 % higher than in 2012, these numbers should not be achieved, since the beginning of the season was delayed by drought and excessive heat and the end is being hampered by many rainy days. Moreover, the industry complains of very high production costs since, besides the increase in the minimum price quoted by CONAB (National Supply Company) at the beginning of the season, there is competition for the purchase of the fruit with NFC industries that since last year have been experiencing a sales phenomenon.

## Orange season asking for help, now for rains

The anxiety appears to have become even more present in the life of the orange farmers this season; after low prices forced to be practiced since the season started in June 2013 and all worries already presented as consequences of less treated trees, low industrial yield in the end of the season the anticipated end of processing, among others, now the lack of rains shall be the next concern for the coming season.

Unlike the usual, when summer time in Brazil is humid, since the last months there have been no regular rains in the countryside of São Paulo state, like in Araraquara, Bebedouro and Limeira, where rain rate is about 70% less than average, as per CEPEA's (Center of Advanced Studies in Applied Economics) recent news, showing that recent



scattered rains are by far insufficient. Naturally, it results in smaller fruits and with poor quality or, where possible and irrigated system is implemented, in higher costs which is still unpoind by some.

From now to next season, there are three more months and farmers have to hold the fruit pick-up starting in mid May/ June in order to assess the impact of drought on the business. Anyway, higher costs are a certainty for the whole chain.

## Agenda

**GULFOOD FAIR** – Dubai, United Arab Emirates – last February/14: Important fair, an opportunity to see again customers, friends, meet potential customers, identify market trends, new products and perception of a fair bigger in size and with a diverse audience!

**JUICE LATIN AMERICA** – Mendoza, Argentina – March/14: once again, Atlântica Foods keeps the feet on the road and will be at Juice Latin America; see you when we are back with market news. We're looking forward to meet you at the event, so please, let us know if you attending.

## Acid lime tahiti juice concentrate – small volume available



The season in São Paulo/Brazil has been marked by the tight fruit availability, due to the strong demand of fruit by the big industry, the high competition with the fresh fruit market, which pays better prices to farmers, and also dry weather, which is strong and uncommon on this time of the year in the country, thus damaging the crop. All this is naturally contributing to keep the prices of the fruit on its high levels. Besides, the export market has been also demanding additional volumes of Brazilian acid lime juice and by-products, coming from the short position of stocks in Mexico and Argentina.

We also inform that we still have some spot volume of frozen acid lime juice concentrate 400gpl available for sale, and so kindly ask our clients to advise interest, in order to guarantee product availability.



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