

Brazil: Citrus prices increase

The prices of oranges in the Brazilian domestic market had a downward trend between April and July this year. In August prices began to rebound and, to date, this trend continues.

According to information from the Centre for Advanced Studies in Applied Economics (Cepea), the prices in September are expected to be higher than in the previous month. In addition, the increase could continue until the beginning of the harvest of the early season varieties for the 2015/16 season, scheduled for mid-March 2015.

Its worth noting that, although this is a typical situation in this period, Cepea considers there might be a possible reduction in supply starting November because many producers are accelerating the orange harvest and sending them to the industry due to the dry climate.

Cepea noted that, during 2014, prices have surpassed the numbers observed in the last two years.

Up to September 15, the fresh Pera orange variety had a partial average price of BRL \$10.17 [USD \$4.35] per box of 40.8 kilos, i.e. 9 % more than in the same period of the previous year.

Industry players surveyed by Cepea indicated that the main reason for the increase in prices during this period was that the early variety harvests were coming to an end. Thus, even though some producers still have volumes of Valencia orange, be it because they haven't harvested it or shipped them, much of the early fruit has already been sold by this time of the year.

The increase in fruit quality, due the rainfall in early September in many regions in the state of São Paulo, has also helped raise the price of the Pera orange.

Cepea stated that the price of Tahiti lime was also rising.

According to the people surveyed, prices could continue to increase during the second half of September because there might be a significant reduction in the supply, especially of high-quality fruit.