

# Florida Orange Juice Outlook

*Presentation to 2024 International  
Citrus & Beverage Conference  
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**Florida Citrus™**

# Key Objectives of the Presentation

- Analyze key trends in Florida's orange juice processing.
- Understanding global orange juice supply's effect on U.S. consumption.
- Review current consumer demand and retail trends for orange juice in the U.S.

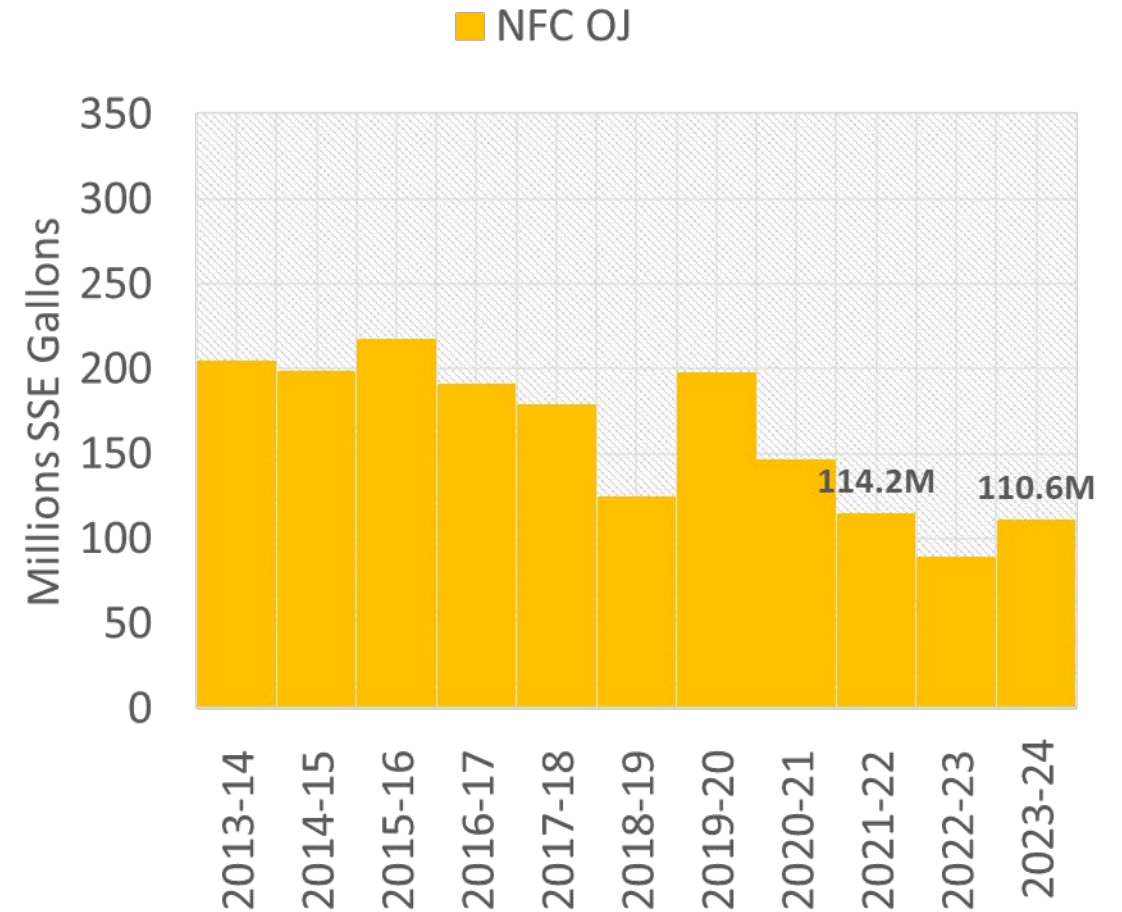
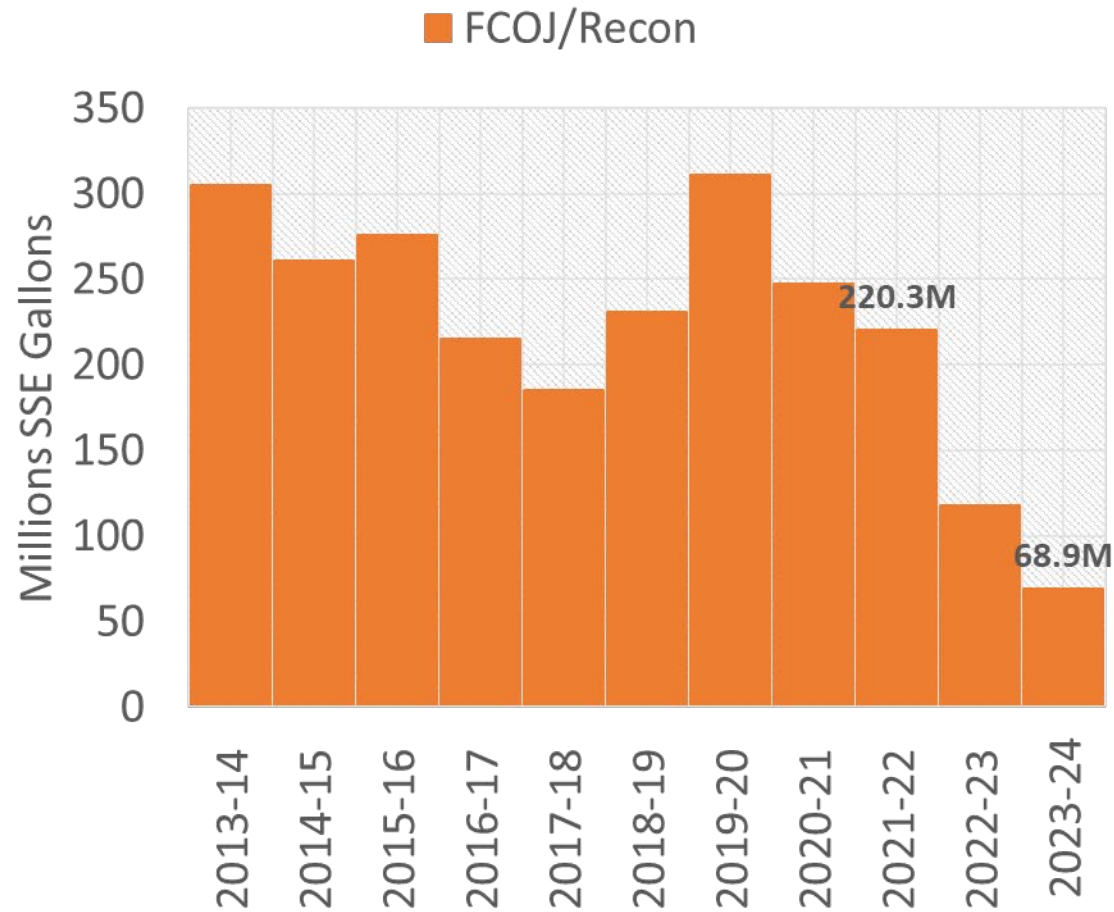


## **Part 1: Florida's Orange Juice Supply & Processing Trends**

# Florida Processor OJ Availability

- Beginning Inventory
- Pack from Fruit: production, juice yields
- Imports
- Movement (domestic, exports)
- Ending Inventory
- External Trends\* (weather-related events, etc.)

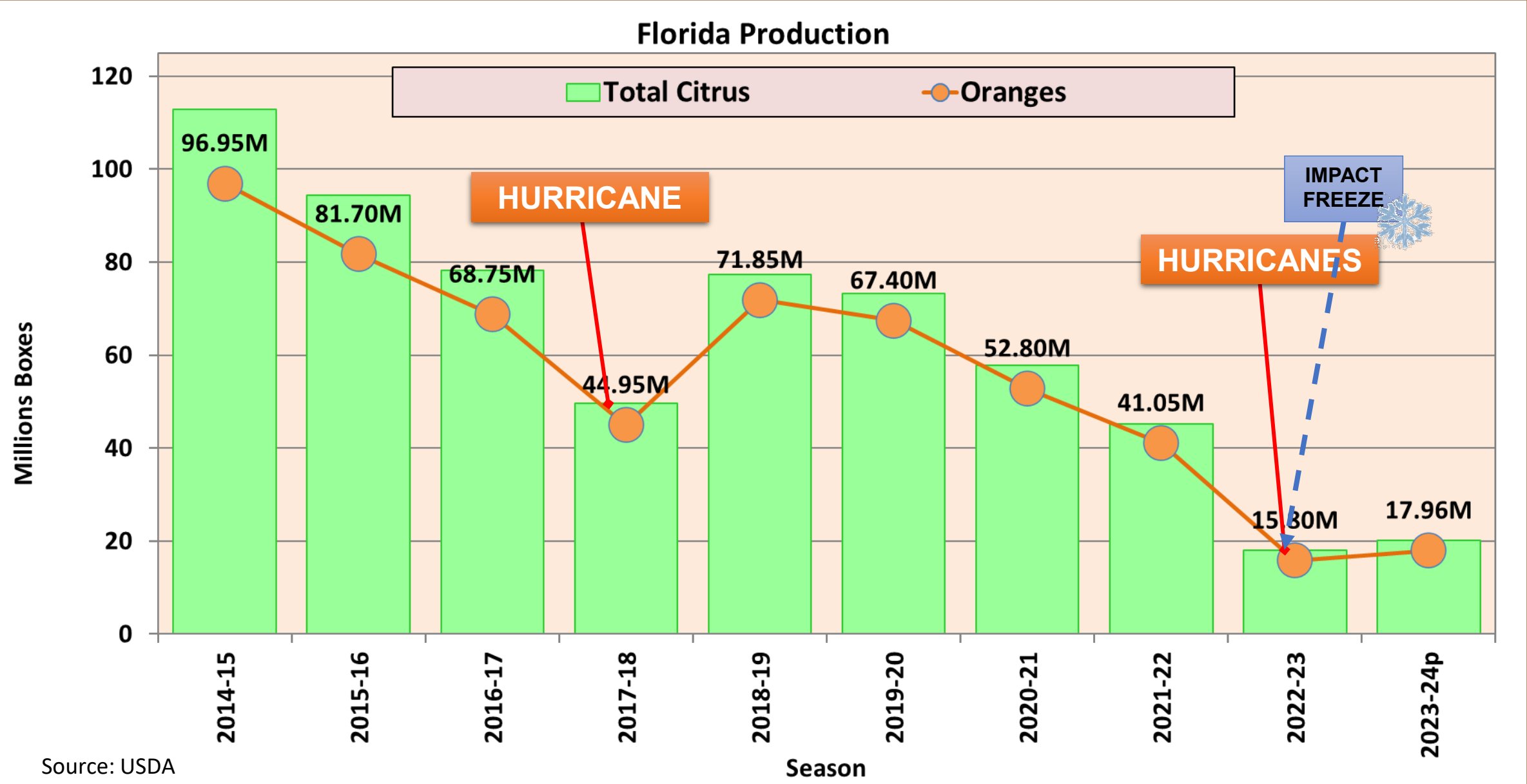
# OJ Beginning Inventory – Week 1 of Florida Citrus Season



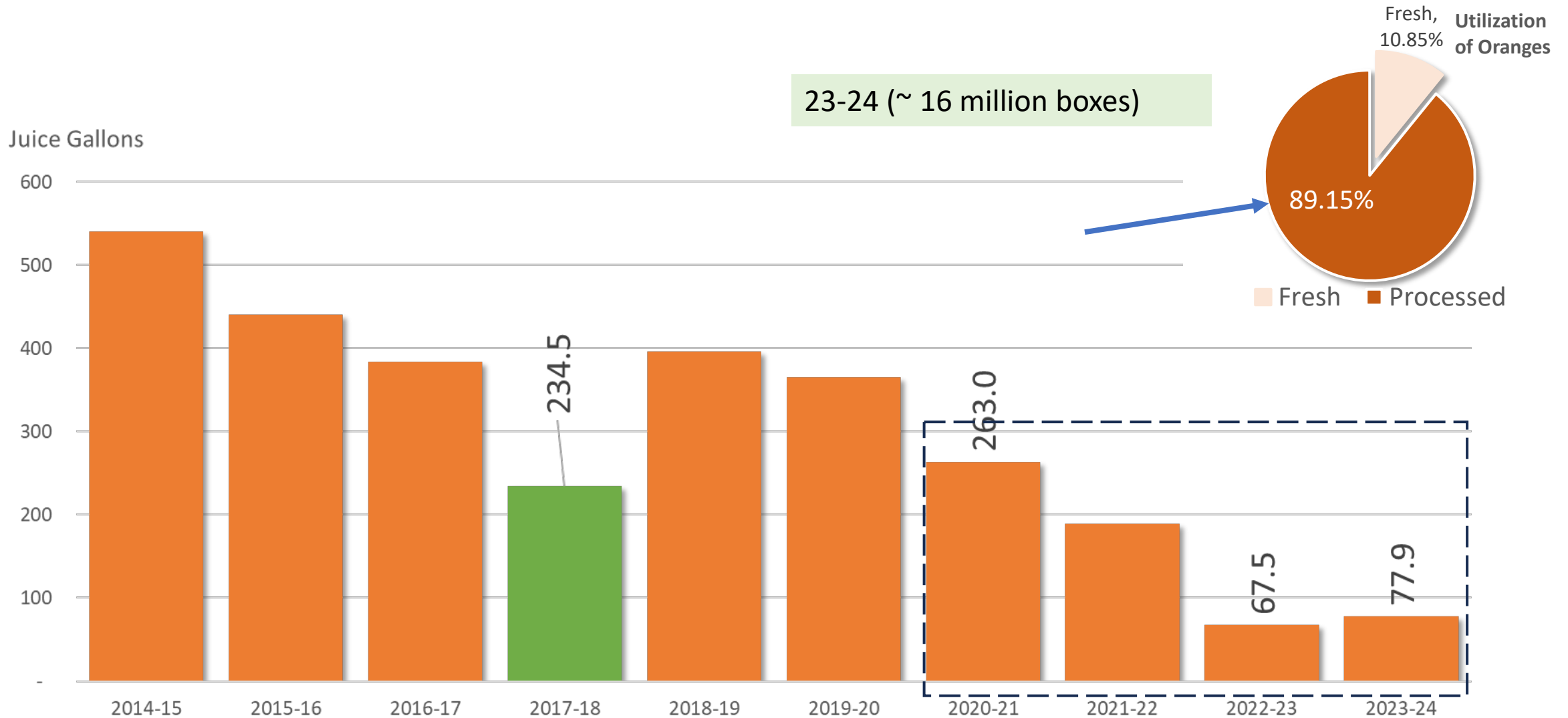
Florida Citrus Season (Oct - Sept)

Conversion: 1 single-strength equivalent gallon = 1.029 pounds solids

# Decline in Florida Orange Crop due to HLB/Adverse Weather events

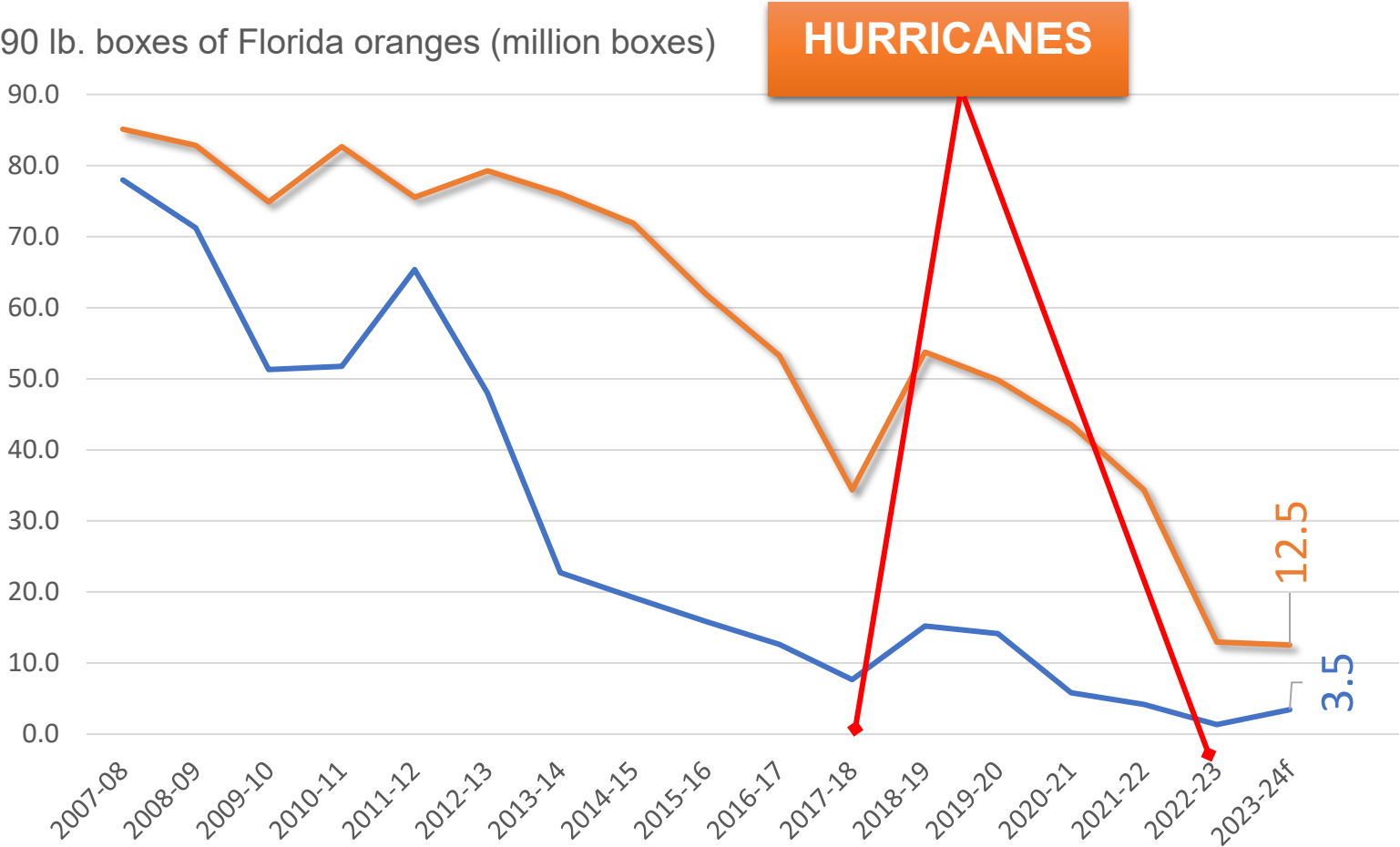


# OJ Gallons produced from Florida-sourced oranges



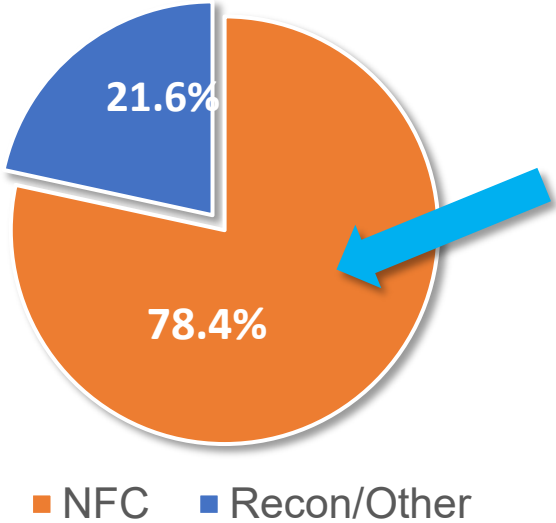
Conversion: 1 single-strength equivalent gallon = 1.029 pounds solids

# Florida expected to account for about 64% of domestically produced OJ in 2023-24



Utilization of Processed Oranges

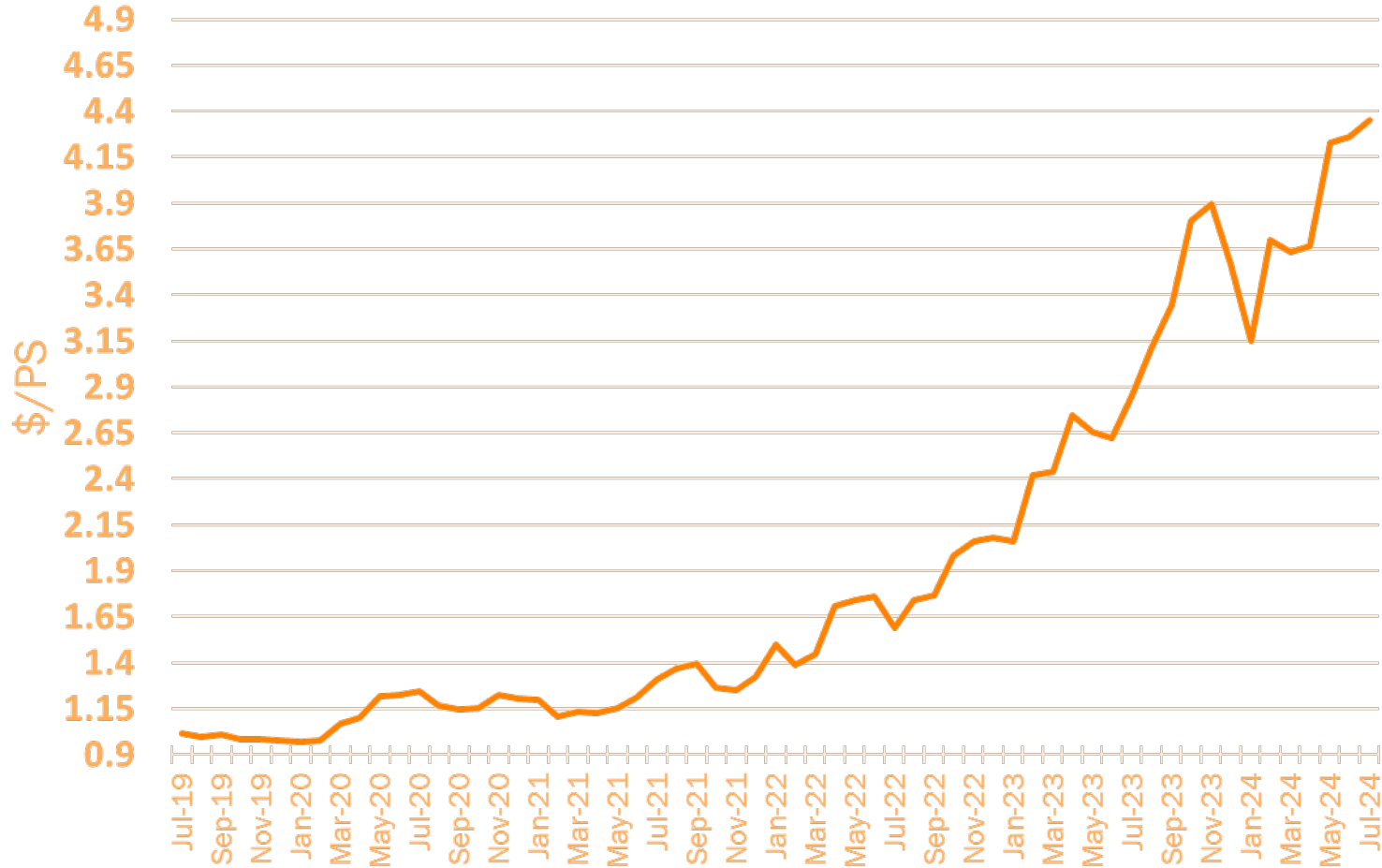
2023-24 Season





# FCOJ Futures Monthly Average Prices July 2019 through July 2024

— Futures \$/PS



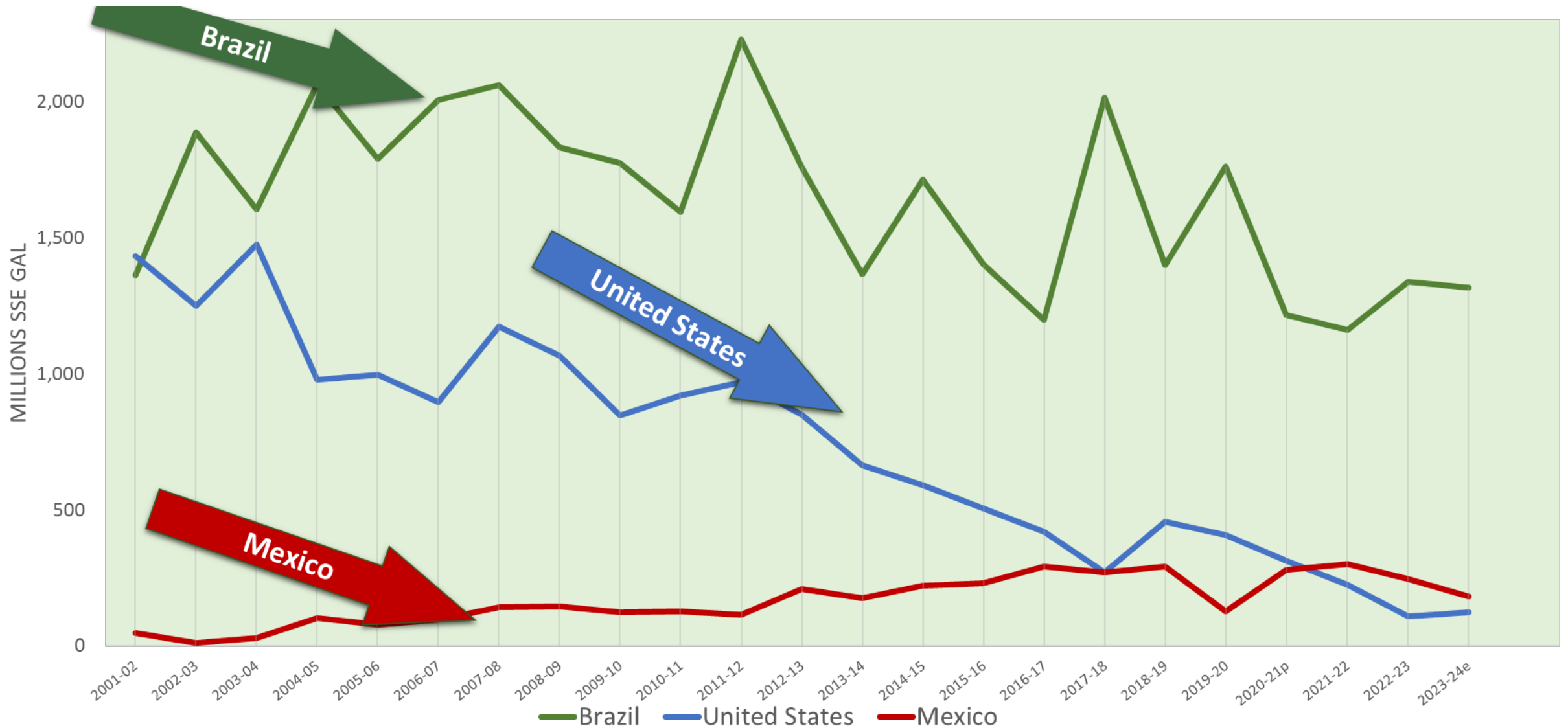
## FCOJ Prices July

	2023	2024	Change
	- \$ / PS -		- % -
<b>FCOJ Futures</b>	<b>2.8601</b>	<b>4.3513</b>	<b>+52.1</b>

SOURCES: TradingView.com

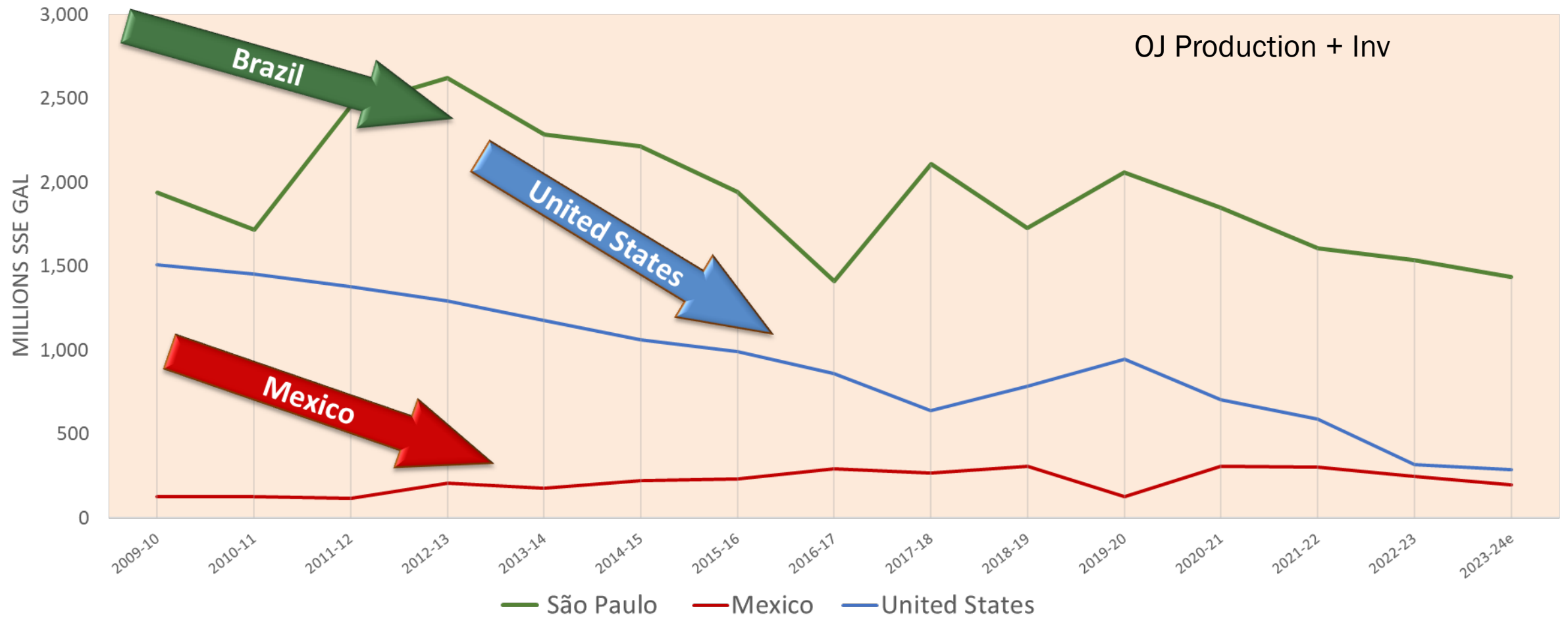
# Leading World OJ suppliers

Estimated Overall OJ **production** down between 4-5% last season



# Leading OJ suppliers to US market

Estimated Overall **availability** down between 10-12% due to reduced inventory on 23-24



## Brazil Orange Juice Exports

Destination	Season-to-date July - June				Change from 3 season average	
	2020-21	2021-22	2022-23	2023-24		
million SSE Gallons					%	
<b>USMCA<sup>b</sup></b>	<b>Total</b>	<b>291.5</b>	<b>283.1</b>	<b>444.4</b>	<b>451.9</b>	<b>+33.1</b>
	<i>FCOJ</i>	155.8	121.5	193.9	174.0	+10.8
	<i>SSOJ</i> (NFC)	135.7	161.7	250.5	277.9	+52.2
<b>Europe<sup>c</sup></b>	<b>Total</b>	<b>968.3</b>	<b>889.2</b>	<b>716.4</b>	<b>746.5</b>	<b>-13.0</b>
	<i>FCOJ</i>	712.6	669.9	528.3	535.3	-16.0
	<i>SSOJ</i> (NFC)	255.7	219.3	188.1	211.2	-4.4
<b>East Asia<sup>d</sup></b>	<b>Total</b>	<b>144.1</b>	<b>164.3</b>	<b>147.4</b>	<b>165.9</b>	<b>+9.2</b>
<b>Others</b>	<b>Total</b>	<b>83.7</b>	<b>74.4</b>	<b>55.1</b>	<b>51.4</b>	<b>-27.7</b>
<b>Total</b>		<b>1,487.6</b>	<b>1,411.1</b>	<b>1,363.2</b>	<b>1,415.7</b>	<b>-0.3</b>

Europe is  
Leading  
Destination  
for Brazil OJ

<sup>a</sup>Assumes exports with codes 2009.11.00 (FCOJ) and 2009.19.00 (Other) are 66° Brix, while exports with code 2009.12.00 (NFC) are 11.8° Brix.

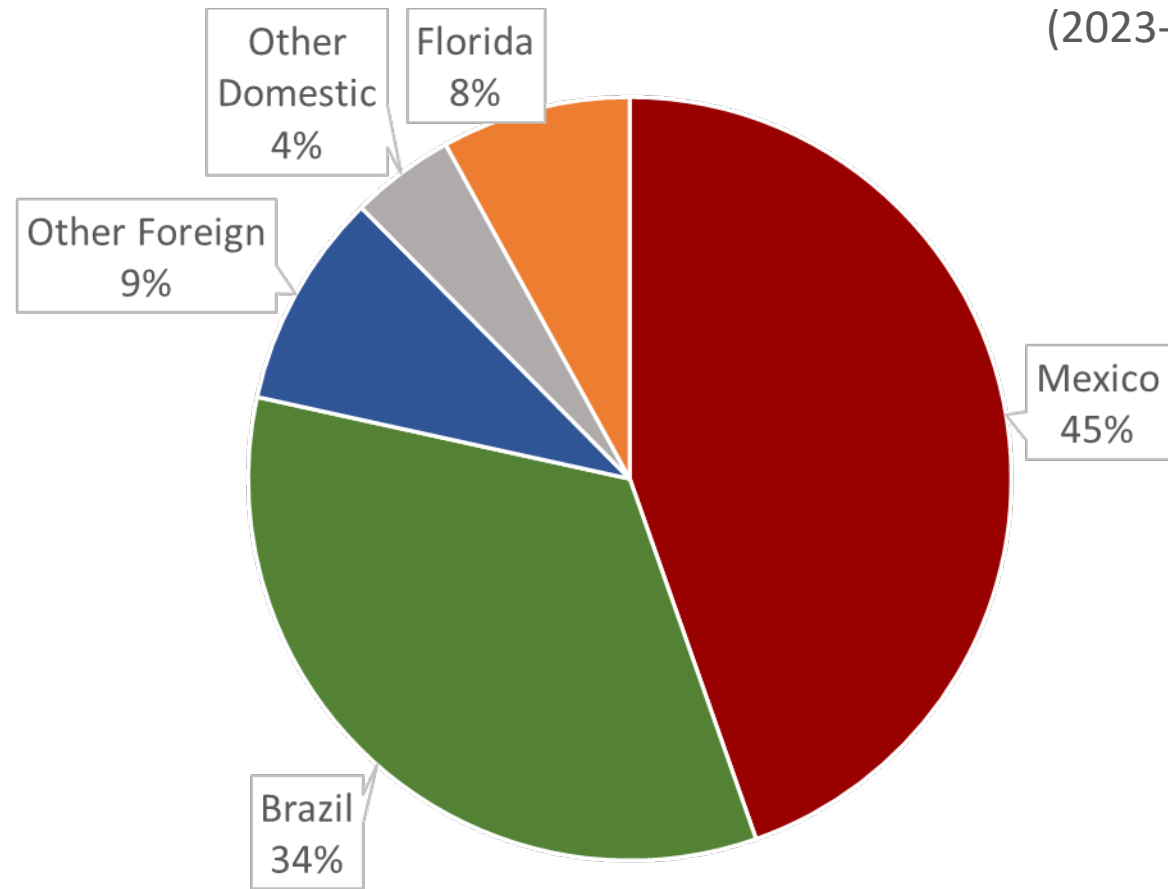
<sup>b</sup>U.S., Canada, and Mexico.

<sup>c</sup>Russia, Ukraine, and Turkey are included in Europe.

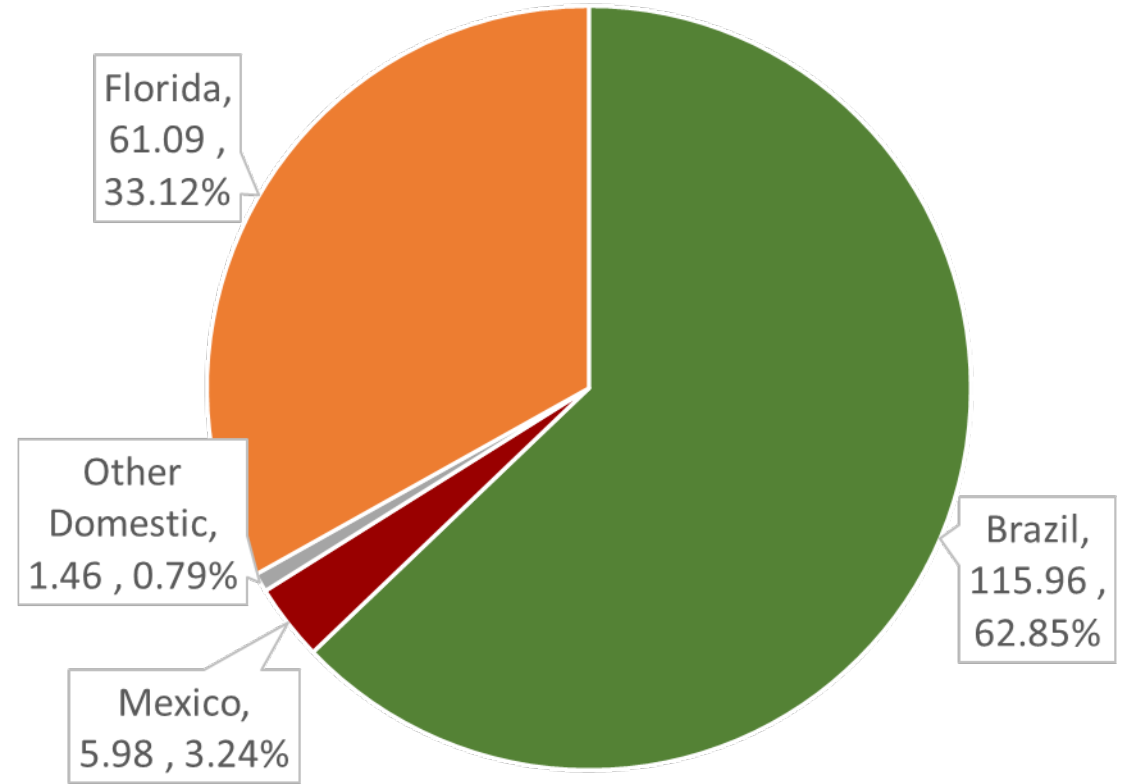
<sup>d</sup>China, Japan, Taiwan, Hong Kong, Macau, South Korea, North Korea, Philippines, and Vietnam.

SOURCE: Secretary of External Commerce - Brazil

# Florida Processor OJ Receipts, by Source and Type



FCOJ FL/Imports/Domestic Receipts (208.61 M pounds solids)



SSOJ FL/Imports/Domestic Receipts (184.77 M pounds solids)

Conversion: 1pound solids = 0.971817 single-strength equivalent gallon

Actual for the Florida Citrus Season (October - September) based on data available through August 2024.

The image features a stylized graphic on the left side, depicting a glass being filled with orange liquid. A thick, orange, wave-like shape flows from the top right towards the glass, suggesting a large volume of production or supply. The background is a light blue gradient.

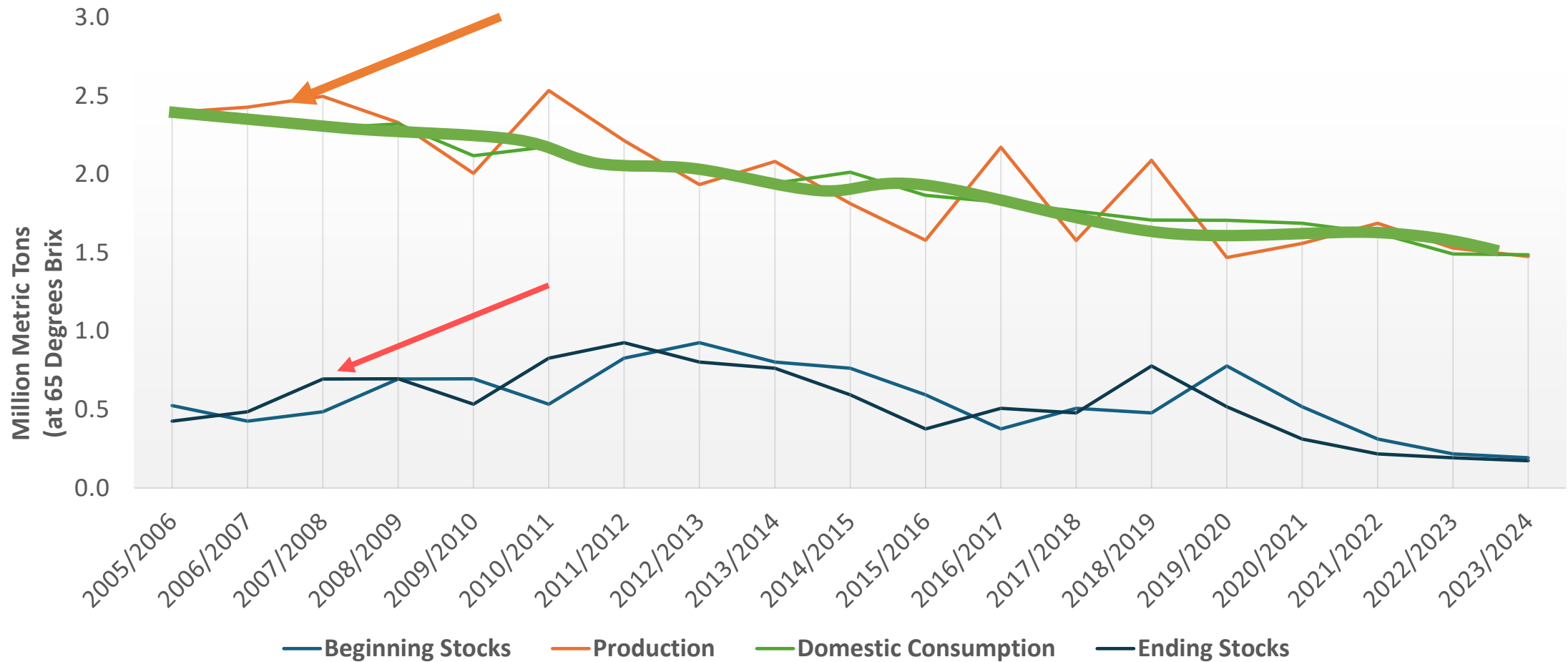
## **Part 2: Global Production Impact on U.S. Consumption**

# How do we evaluate consumer demand for orange juice?

First, we must differentiate between OJ Demand and OJ Consumption:

- Demand represents the desire and willingness to purchase goods or services, while consumption refers to the actual act of using those goods or services after they have been acquired.
- Demand is a pre-purchase concept, while consumption is a post-purchase concept.
- Declining production and inventories reduce available product for consumption

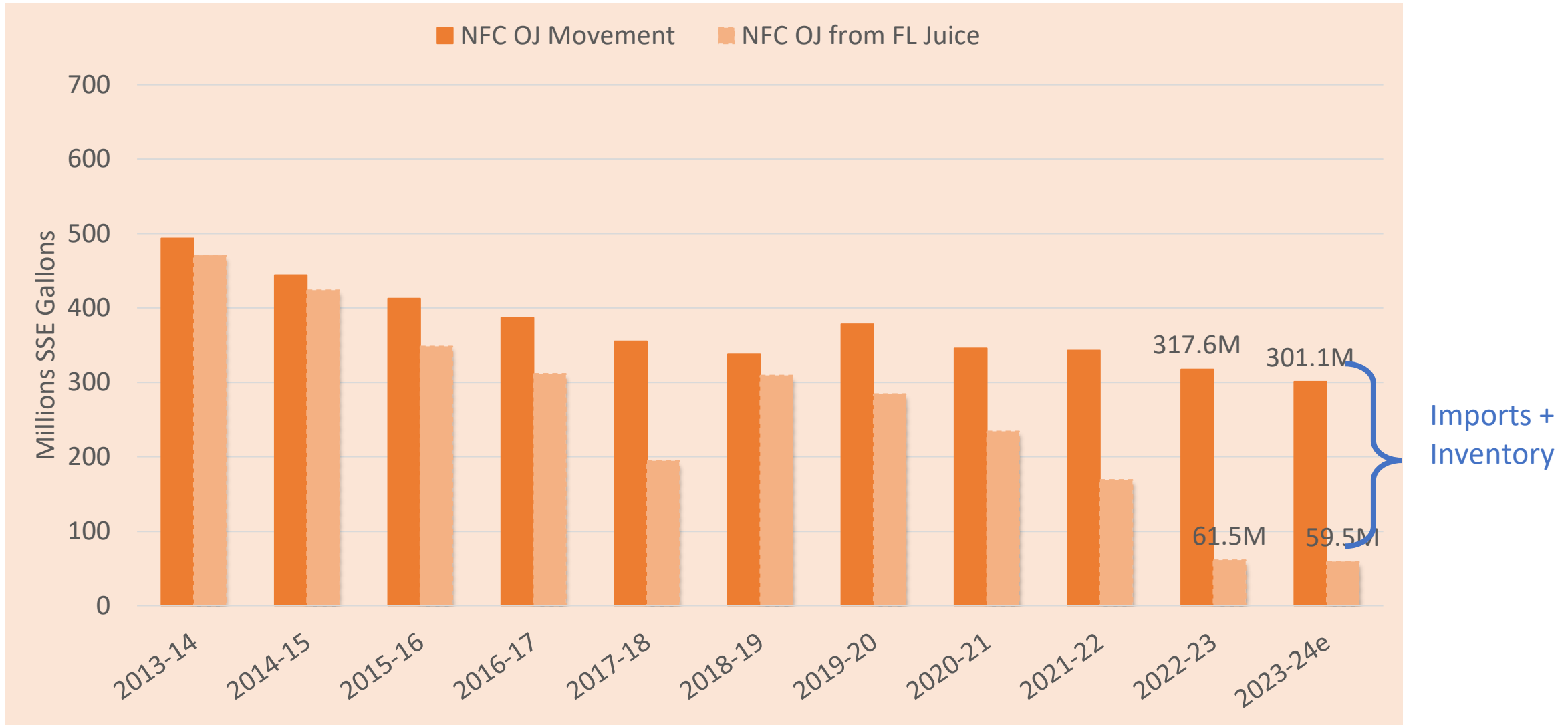
# Global Orange Juice Consumption Declines with Supply Shortages



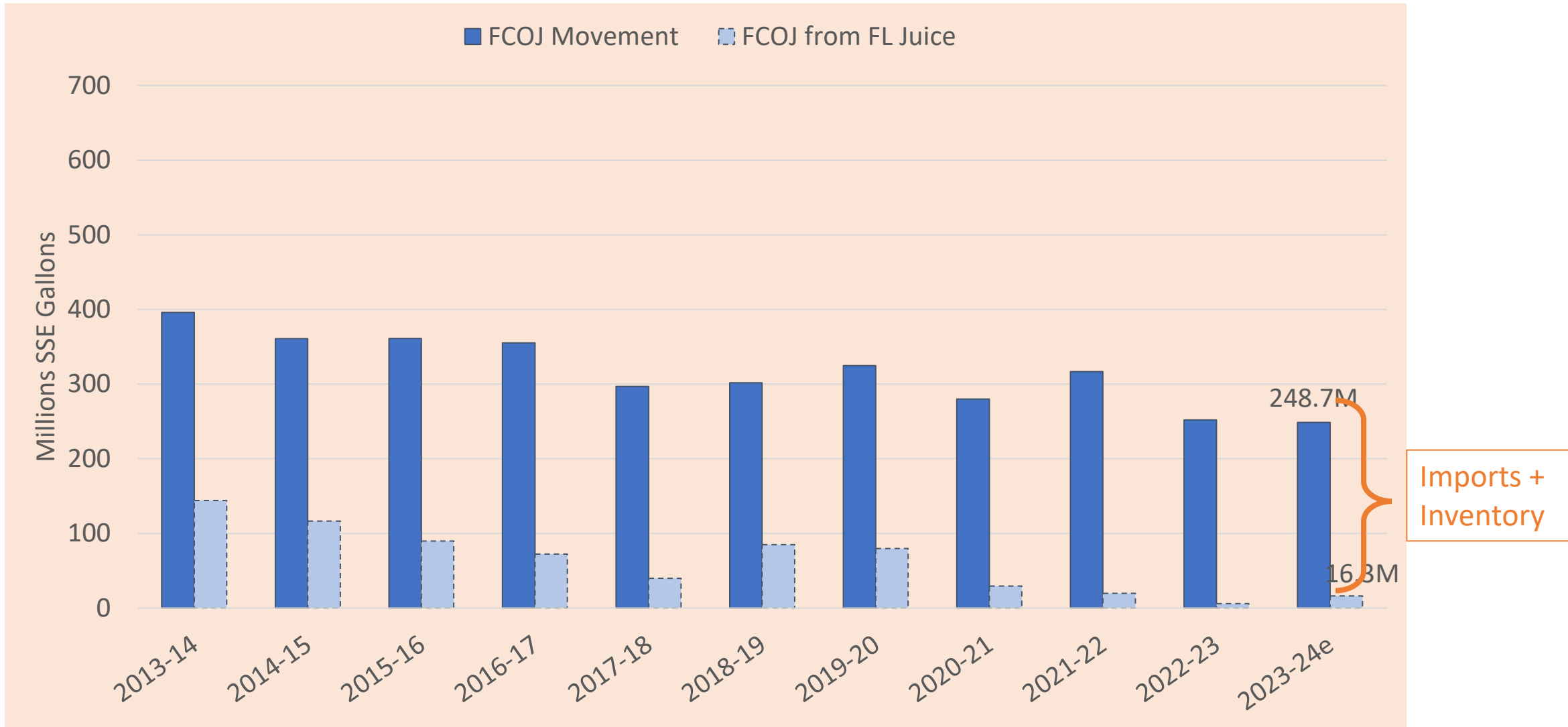
Source: Foreign Agricultural Service/USDA <https://apps.fas.usda.gov/psdonline/app/index.html#/app/home>.



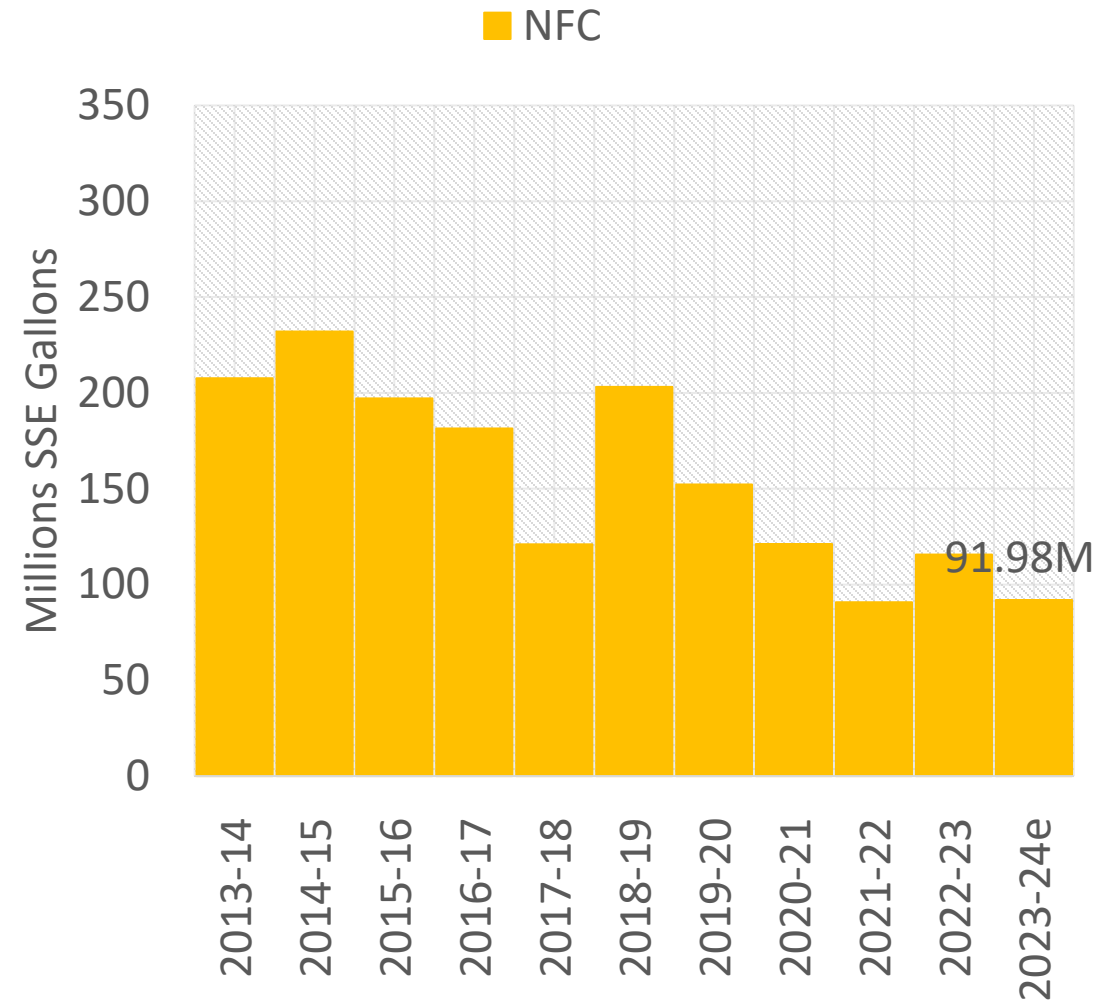
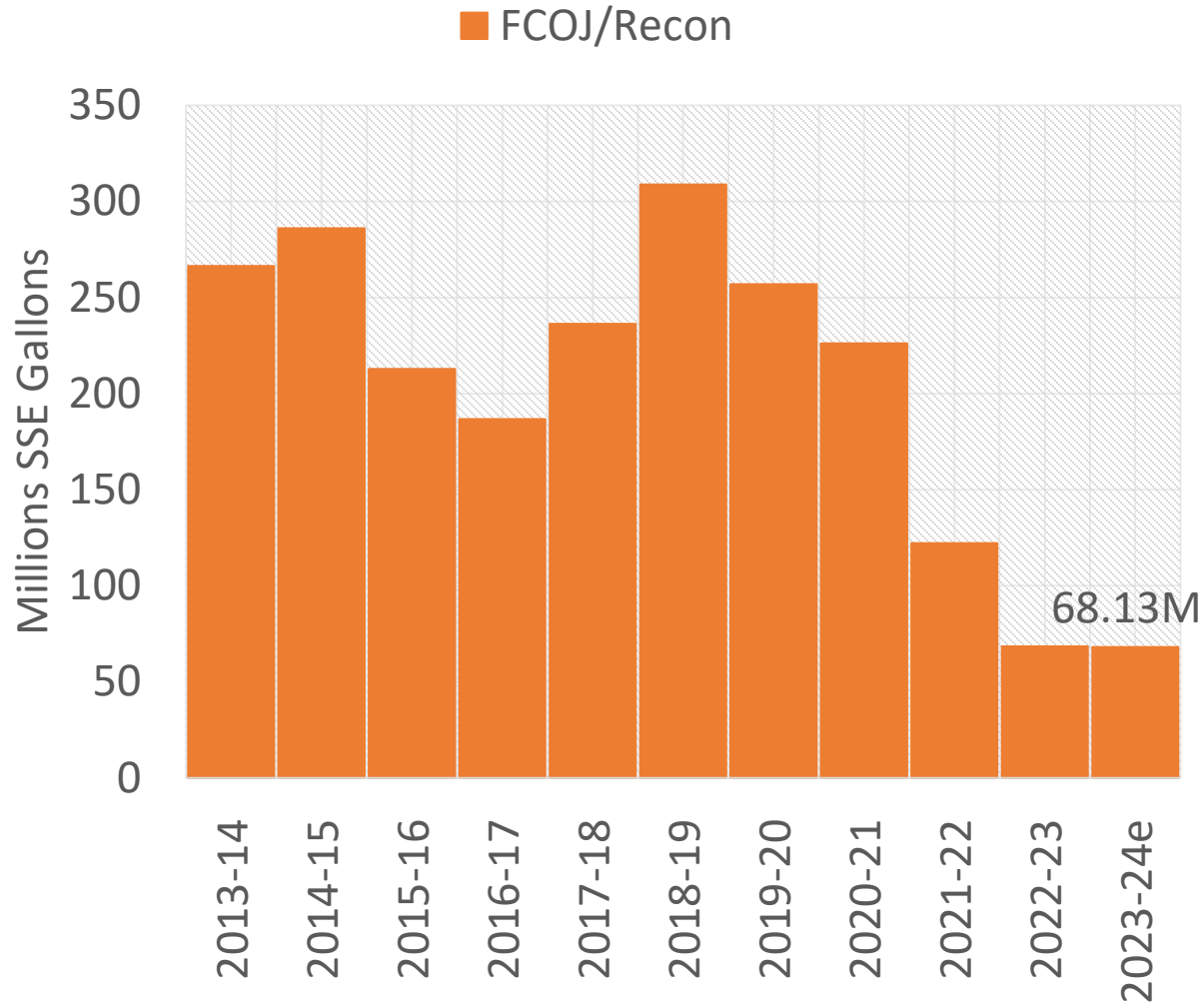
# Florida Processor Movement and Pack, By Season and Type



# Florida Processor Movement and Pack, By Season and Type



# Estimated FL OJ Ending Inventory – September 2024




Florida Citrus Season (October - September)

Preliminary estimates for the Florida Citrus Season (October - September) based on data available through August 2024.

# U.S. OJ Supply & Domestic Use – Proxy for Consumption

Season	Beginning Inventory	Other U.S. Production	U.S. Imports	U.S. Exports	Ending Inventory	Disappearance
	----- million SSE gallons -----					
2019-20	533.5	408.7	292.2	47.8	421.8	764.9
2020-21	421.8	315.9	393.8	43.2	371.9	716.5
2021-22	371.9	218.8	440.6	42.2	234.9	754.1
2022-23	234.9	106.3	567.8	32.4	203.6	673.0
<b>2023-24e</b>	<b>203.6</b>	<b>121.6</b>	<b>561.7</b>	<b>33.4</b>	<b>174.5</b>	<b>679.0</b>

Preliminary estimates for the Florida Citrus Season (October - September) based on data available through August 2024.



## **Part 3: U.S. Orange Juice Demand & Retail Trends**

# Majority of Florida orange crop destined for retail channels

- Share of total OJ as retail consumption is estimated to range from 64-66%.\*
- Estimated share of FL processor NFC consumed through retail and on-demand food service.

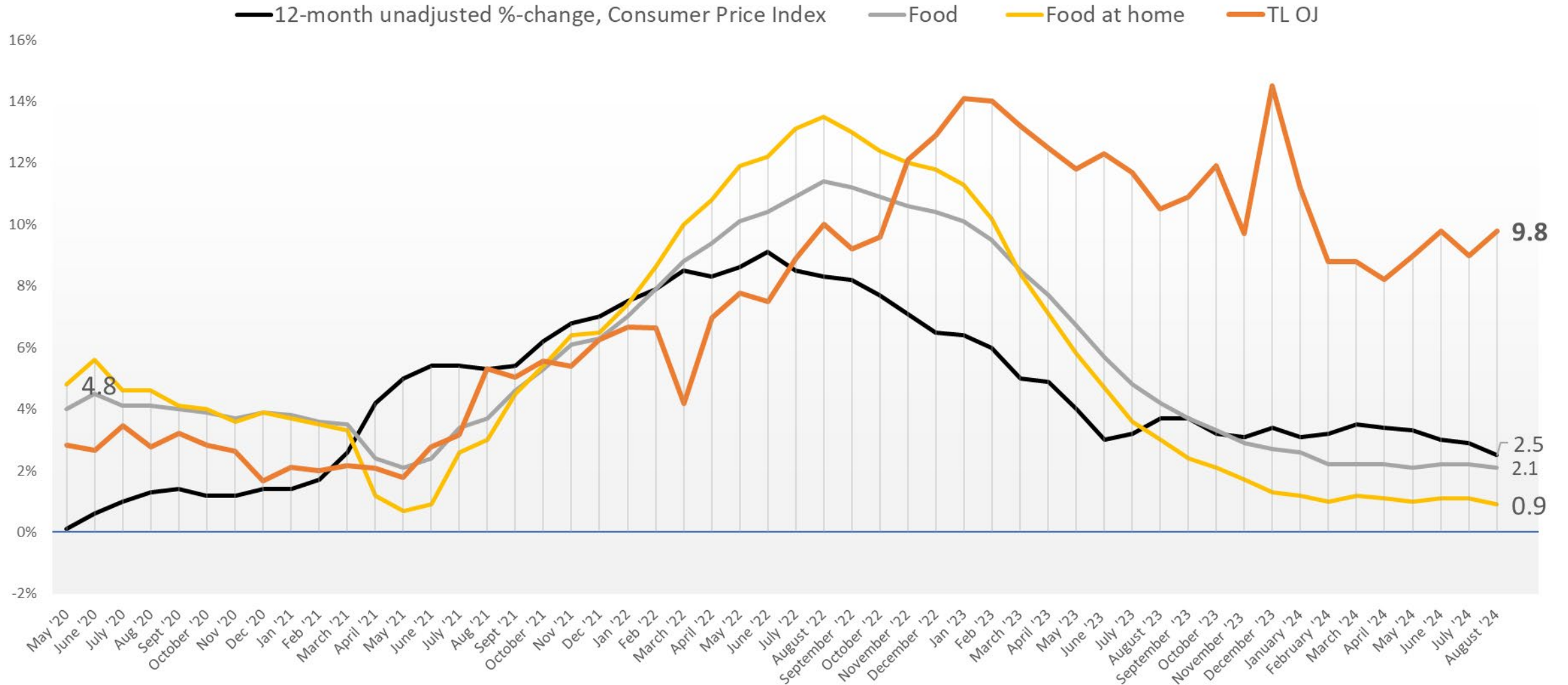
NFC	16-17	17-18	18-19	19-20	20-21	21-22	22-23	23-24p
Total NFC Packaged	92.2%	92.7%	94.2%	93.2%	99.5%	97.0%	96.5%	90.1%
FCOJ Domestic Bulk Movement Packaged/Out of State or Food Svc	7.8%	7.3%	5.8%	6.8%	0.5%	3.0%	3.5%	9.9%

- Estimated share of FL Processor Recon consumed through retail and food service.

Recon/Other	16-17	17-18	18-19	19-20	20-21	21-22	22-23	23-24p
Total Packaged	19.3%	21.8%	20.4%	16.6%	19.5%	18.9%	21.2%	22.6%
FCOJ Domestic Bulk Movement Packaged/Out of State or Food Service	63.8%	73.0%	73.2%	78.7%	72.6%	75.0%	77.7%	75.5%

\*Estimates are approximations and Assumes Nielsen data coverage is 85% of total OJ at retail.

# U.S. Inflation and perceptions of consistently high food prices

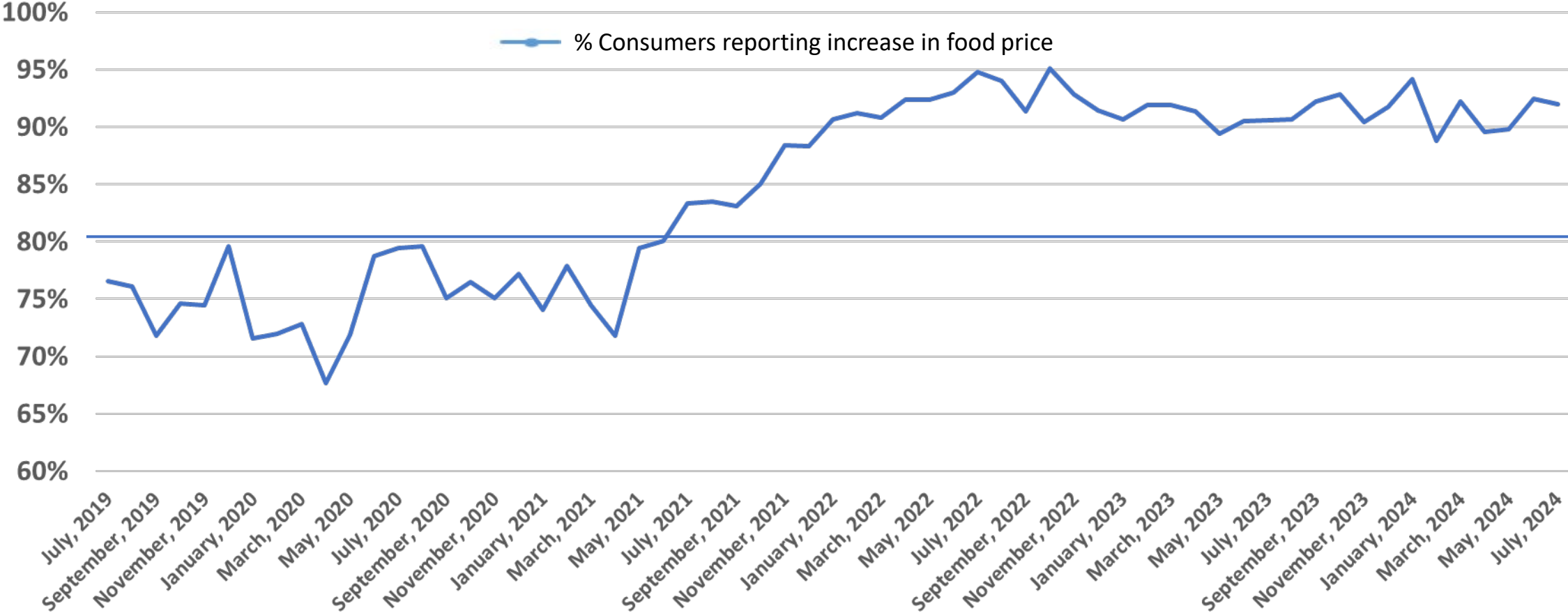


Source: U.S. Bureau of Labor Statistics - <https://www.bls.gov>; Total OJ Source: FDOC Nielsen Custom Database

# Consumers' price perception remains elevated even as CPI Drops



Consumer agreement with "I have noticed an increase in food prices at my grocery store recently"  
July 2019-2024



Sources: FDOC Consumer OJ Tracker, managed by UF-FAMRC



# Consumers' responses to increased food prices at grocery

Consumer Response	2018	2019	2020	2021	2022	2023	2024*
Reported No change in food shopping behaviors	21%	21%	24%	27%	20%	19%	18%
Reported their food shopping behaviors had changed	79%	79%	76%	73%	80%	81%	82%
▪ Looked for in-store promotions/deals/coupons	40%	38%	35%	33%	35%	34%	35%
▪ Purchased store brands/economy size	22%	23%	24%	23%	25%	28%	29%
▪ Switched from traditional to supercenters/bulk stores	10%	11%	10%	10%	8%	8%	7%
▪ Purchased less food	7%	7%	7%	7%	12%	11%	11%

Source: FDOC Consumer OJ Tracker, managed by UF-FAMRC

\*2024 January-July

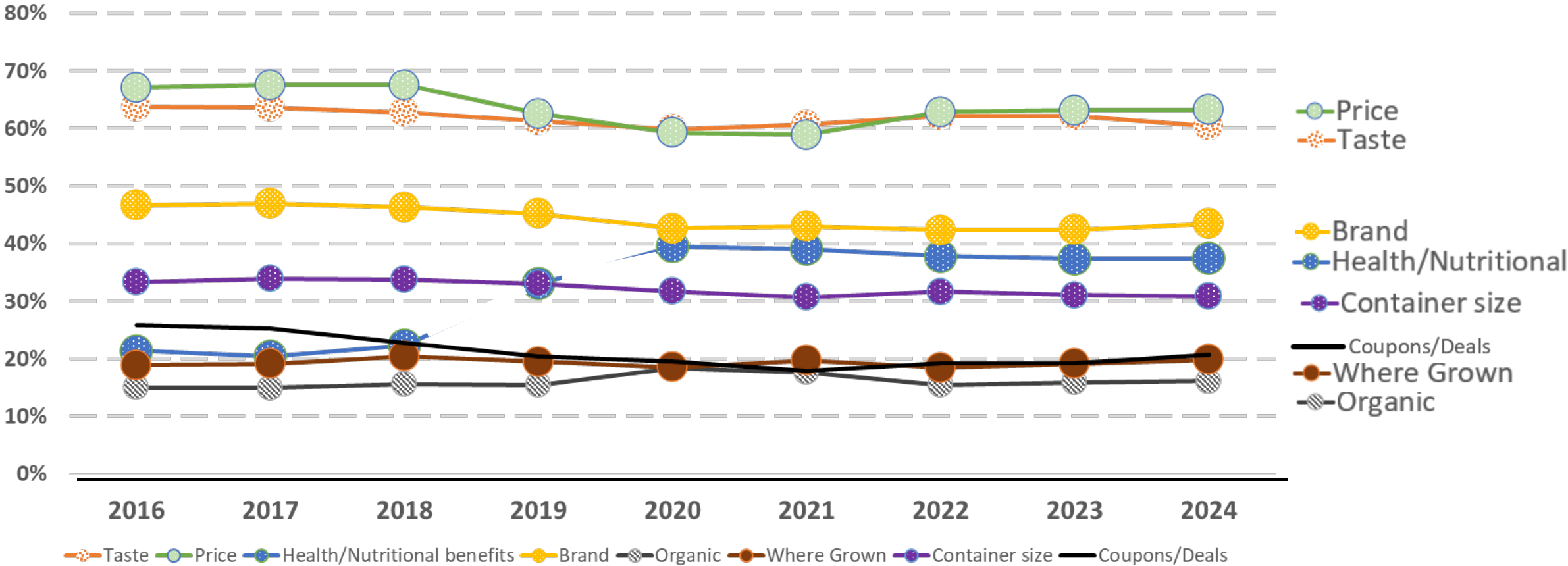


❖ Consumers who purchased OJ were more likely to report no changes in food shopping behaviors when compared to non-OJ buyers.



# Heightened Significance of Price, Health/Nutritional and Other Key Drivers in 2024 – Select Top 3

Question: When choosing 100% OJ, what factors went into your decision?  
 OJ Purchase Drivers(Among All Three Choices)



\*2024 Data is January – July; Health and Nutritional Benefit statements revised in 2020

Source: FDOC OJ Tracker – Managed by UF-FAMRC



### Further Declines in Inventory Expected:

- The current global orange production forecasts indicate a nearly immediate shortage in orange juice supplies.
- The current reduction in global orange juice availability is anticipated to lead to ongoing declines in inventory levels.

### Rising Prices in the Face of Supply Shortage:

- With the existing supply shortage, prices are experiencing an upward trend.
- Average price of 100% orange juice sold on trade promotion greater than previous year's non-promo price.

### Reduced availability and rising prices of orange juice may contribute to changes in consumer spending habits, impacting the category.

- OJ scarcity and high prices may lead to consumers exploring alternative beverages, potentially affecting long-term market preferences.
- As package sizes change, the impact on consumer perception of orange juice as a value may decline.



### **Sustaining Demand for Orange Juice:**

- The demand for orange juice exists, albeit somewhat fragile.

### **Forward-Thinking Approach:**

- Collaborative industry efforts to identify solutions (CRAFT, tree therapies, expedited propagation of tolerant trees, ongoing research efforts).
- Recognizing the importance of this \$6.9B industry, Florida is making strategic investments in replanting efforts today to ensure a more resilient and productive future.

### **Nurturing Demand for Long-Term Viability:**

- It's imperative to foster and support the demand for orange juice through strategic marketing.

**Thank You**

