Florida Orange Juice Outlook, Research and Marketing

Presented to International Citrus & Beverage Conference
Clearwater Beach, Florida
Wednesday September 12, 2019
Contact Information

Samantha Lane
Director of Global Marketing

Email: slane@citrus.myflorida.com
Phone: 863-537-3967
Address: 605 E. Main Street, Bartow, FL 33830

Dr. Marisa Zansler
Director of Economic and Market Research

Email: mzansler@ufl.edu
Phone: (352) 392-1874
Address: 2125 McCarty Hall – University of Florida, Gainesville, FL 32611-0249
Overview

(1) Trends influencing domestic orange juice availability;
(2) Current OJ retail sales trends and consumer demand;
(3) Overview of current scientific research on OJ nutrition and communication to consumers.
Florida Processed Orange Trends
USDA Citrus Crop Forecast – Oct. ’18 to July ‘19

USDA Oct. Forecast: 79 mil boxes, up 76%

USDA July Forecast: 71.4 mil boxes, up 58.8%

Florida Orange Production

Citrus forecast Data Source: USDA
Florida Processed Orange Utilization

Utilization – 96.5% of Florida oranges into processed

Florida Citrus Season (Oct - Sept)

Millions 90-lb Boxes

- FCOJ/Recon
- NFC

Utilization percentages for 1992-93 to 2018-19p:
- 53.7%
- 15.2%
Florida OJ Availability

• Beginning inventory
• Pack from Fruit: production, juice yields
  – Estimated pack from fruit declined since USDA October forecast by 32 million SSE gallons
• Net Imports
• Movement
• Ending Inventory
• External Trends*
Beginning Inventory – FCOJ/Recon ↓14%, NFC ↓6% YOY

Florida Citrus Season (Oct - Sept)
NFC from Florida oranges – up 59% YOY

SSOJ Net PS from Fruit, is equiv to 309,101,386 million SSE Gallons.

Pack from Fruit
FCOJ/Recon from Florida oranges – up 112% YOY

FCOJ Net PS from Fruit, is equiv to 84,826,793 million SSE Gallons.
FL Processor OJ Imports* and Juice from FL fruit comparison

*Includes Domestic Receipts; 2018-19STD Season-to-date through August 10, 2019
FPC Imports/Domestic Receipts down by -9% through August 17, 2019

FPCJ Imports/Domestic Receipts
268 million pounds solids

SSQJ
97 million pounds solids

Mexico, 20%
Brazil, 78%
Domestic, 2%

NFC Imports/Domestic Receipts up by 5% through August 24, 2019

Mexico, 74%
Brazil, 13%
Other Foreign, 9%
Domestic, 4%
FL Processor OJ Exports*

*2018-19 Season-to-date through August 24, 2019
Florida FCOJ/Recon and NFC Movement –

Florida Processor Movement and Pack, By Season and Type

- **FCOJ/Recon Movement**
- **FCOJ/Recon Pack**
- **NFC Movement**
- **NFC Pack**
Florida Processor Inventory - FCOJ ↑, SSOJ ↑

<table>
<thead>
<tr>
<th>Current Weeks Supply</th>
<th>8/24/2018</th>
<th>8/24/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>FCOJ</td>
<td>44</td>
<td>53</td>
</tr>
<tr>
<td>SSOJ</td>
<td>21</td>
<td>35</td>
</tr>
<tr>
<td>Combined</td>
<td>32</td>
<td>44</td>
</tr>
</tbody>
</table>

Florida Citrus Season (August - July)
Historical Beginning OJ Inventories (measured in Weeks Supply)

<table>
<thead>
<tr>
<th>Season</th>
<th>Week #</th>
<th>FCOJ</th>
<th>SSOJ</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011-12</td>
<td>1</td>
<td>17.9</td>
<td>17.7</td>
</tr>
<tr>
<td>2012-13</td>
<td>1</td>
<td>25.1</td>
<td>19.0</td>
</tr>
<tr>
<td>2013-14</td>
<td>1</td>
<td>36.4</td>
<td>21.5</td>
</tr>
<tr>
<td>2014-15</td>
<td>1</td>
<td>35.0</td>
<td>21.9</td>
</tr>
<tr>
<td>2015-16</td>
<td>1</td>
<td>41.9</td>
<td>27.6</td>
</tr>
<tr>
<td>2016-17</td>
<td>1</td>
<td>30.6</td>
<td>24.8</td>
</tr>
<tr>
<td>2017-18</td>
<td>1</td>
<td>27.3</td>
<td>24.4</td>
</tr>
<tr>
<td>2018-19</td>
<td>1</td>
<td>41.5</td>
<td>17.7</td>
</tr>
<tr>
<td>2019-20est</td>
<td>1</td>
<td>48-50 weeks</td>
<td>28-30 weeks</td>
</tr>
</tbody>
</table>

*Estimated 2018-19 Beginning Weeks Supply based on current movement/import trends*
Shifting trends in packaging – Recon

Recon OJ 50 to 70-Ounce Package Category

SALES ( Millions Equiv Gallons )

Nielsen 4-week Period

SALES UNITS EQU - GALLON BASIS

Ounces per unit
Shifting trends in packaging - NFC

NFC OJ 50 to 70-Ounce Package Category

Sales (Millions Equiv Gallons)

Ounces per unit

Nielsen 4-week Period

SALES UNITS EQU - GALLON BASIS

- Ounces per unit
## Retail Orange Juice

<table>
<thead>
<tr>
<th>NFC Size</th>
<th>4 Wks YA</th>
<th>4 Wks</th>
<th>% Chg</th>
<th>4 Wks YA</th>
<th>4 Wks</th>
<th>% Chg</th>
<th>4 Wks YA</th>
<th>4 Wks</th>
<th>% Chg</th>
</tr>
</thead>
<tbody>
<tr>
<td>TL OJ</td>
<td>28.03</td>
<td>26.90</td>
<td>-4.0%</td>
<td>$192.73</td>
<td>$189.38</td>
<td>-1.7%</td>
<td>$6.88</td>
<td>$7.04</td>
<td>2.4%</td>
</tr>
<tr>
<td>TL OJ REF NFC</td>
<td>16.27</td>
<td>15.31</td>
<td>-5.9%</td>
<td>$132.74</td>
<td>$131.01</td>
<td>-1.3%</td>
<td>$8.16</td>
<td>$8.56</td>
<td>4.9%</td>
</tr>
<tr>
<td>NFC &lt;11oz</td>
<td>0.17</td>
<td>0.16</td>
<td>-2.6%</td>
<td>$2.00</td>
<td>$1.98</td>
<td>-1.0%</td>
<td>$11.91</td>
<td>$12.12</td>
<td>1.7%</td>
</tr>
<tr>
<td>NFC 11-20oz</td>
<td>0.53</td>
<td>0.51</td>
<td>-2.5%</td>
<td>$7.86</td>
<td>$7.96</td>
<td>1.2%</td>
<td>$14.88</td>
<td>$15.46</td>
<td>3.9%</td>
</tr>
<tr>
<td>NFC 20-50oz</td>
<td>0.14</td>
<td>0.12</td>
<td>-14.4%</td>
<td>$1.81</td>
<td>$1.73</td>
<td>-4.6%</td>
<td>$13.29</td>
<td>$14.82</td>
<td>11.5%</td>
</tr>
<tr>
<td>NFC 50-70oz</td>
<td>10.75</td>
<td>9.78</td>
<td>-9.1%</td>
<td>$83.30</td>
<td>$80.84</td>
<td>-3.0%</td>
<td>$7.75</td>
<td>$8.27</td>
<td>6.7%</td>
</tr>
<tr>
<td>NFC 70-110oz</td>
<td>3.96</td>
<td>4.03</td>
<td>1.8%</td>
<td>$32.92</td>
<td>$33.75</td>
<td>2.5%</td>
<td>$8.32</td>
<td>$8.37</td>
<td>0.7%</td>
</tr>
<tr>
<td>NFC &gt;110oz</td>
<td>0.73</td>
<td>0.71</td>
<td>-2.8%</td>
<td>$4.85</td>
<td>$4.76</td>
<td>-1.9%</td>
<td>$6.64</td>
<td>$6.70</td>
<td>0.9%</td>
</tr>
<tr>
<td>TL OJ REF RECON</td>
<td>9.69</td>
<td>9.63</td>
<td>-0.7%</td>
<td>$47.36</td>
<td>$46.67</td>
<td>-1.5%</td>
<td>$4.89</td>
<td>$4.85</td>
<td>-0.8%</td>
</tr>
</tbody>
</table>

Nielsen, FDOC Report #11 of the 2018-19 season period ending 8/03/2019
Displacement of NFC within OJ Category for Recon and Shelf Stable

Total OJ Category vol with OJ Blends contracted (-3.7%)

Note: SS stands for Shelf Stable Juice

<table>
<thead>
<tr>
<th>Share</th>
<th>Share Chg from 2017-18</th>
<th>Share Chg from 2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>NFC OJ</td>
<td>-1.92%</td>
<td>-2.58%</td>
</tr>
<tr>
<td>RECON OJ</td>
<td>1.86%</td>
<td>3.05%</td>
</tr>
<tr>
<td>FRZ OJ</td>
<td>-0.11%</td>
<td>-0.20%</td>
</tr>
<tr>
<td>SS OJ</td>
<td>0.27%</td>
<td>0.31%</td>
</tr>
<tr>
<td>OJ BL</td>
<td>-0.10%</td>
<td>-0.57%</td>
</tr>
</tbody>
</table>

Share of Volume Sales in OJ Category

Source: FDOC custom Nielsen database

2018-19:16 Wks Ending 06/08/19
2017-18:16 Wks Ending 06/09/18
2016-17:16 Wks Ending 06/10/17
Share of NFC and Recon dollars sales

<table>
<thead>
<tr>
<th></th>
<th>Share Chg from 2017-18</th>
<th>Share Chg from 2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>NFC OJ</td>
<td>0.18%</td>
<td>0.01%</td>
</tr>
<tr>
<td>RECON OJ</td>
<td>0.12%</td>
<td>0.58%</td>
</tr>
<tr>
<td>FRZ OJ</td>
<td>-0.13%</td>
<td>-0.24%</td>
</tr>
<tr>
<td>SS OJ</td>
<td>-0.12%</td>
<td>0.17%</td>
</tr>
<tr>
<td>OJ BL</td>
<td>-0.05%</td>
<td>-0.52%</td>
</tr>
</tbody>
</table>

Note: SS stands for Shelf Stable Juice

Source: FDOC custom Nielsen database
NFC – %Chg in Share of Volume Sales by Activity

<table>
<thead>
<tr>
<th>% Share Chg vs YA</th>
<th>No Promo</th>
<th>Features</th>
<th>Display</th>
<th>Features &amp; Display</th>
<th>Price Reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;11oz</td>
<td>0.41</td>
<td>-0.19</td>
<td>0.43</td>
<td>-0.03</td>
<td>-0.63</td>
</tr>
<tr>
<td>11oz – 20oz</td>
<td>0.99</td>
<td>-0.85</td>
<td>0.05</td>
<td>-0.04</td>
<td>-0.15</td>
</tr>
<tr>
<td>20oz – 50oz</td>
<td>4.31</td>
<td>-1.01</td>
<td>-0.33</td>
<td>-0.10</td>
<td>-2.86</td>
</tr>
<tr>
<td>50oz – 70oz</td>
<td>-0.20</td>
<td>0.75</td>
<td>-0.39</td>
<td>-0.07</td>
<td>-0.10</td>
</tr>
<tr>
<td>70oz – 110oz</td>
<td>5.55</td>
<td>-1.84</td>
<td>-0.97</td>
<td>-0.03</td>
<td>-2.71</td>
</tr>
<tr>
<td>&gt;110oz</td>
<td>0.11</td>
<td>0.76</td>
<td>-0.66</td>
<td>0.01</td>
<td>-0.22</td>
</tr>
</tbody>
</table>

Source: FDOC custom Nielsen database

52 Wks Ending 6/08/19
52 Wks Ending 6/09/18
Shopping Locations

Where have you personally shopped for food in the past 30 days?

Source: Florida Department of Citrus, 2019
Summary OJ Retail Sales Trends

- Incremental decline in total OJ Category YOY.
- Decline in total NFC volume and dollar sales associated with decline in distribution and expenditures for promotional activity.
- Decrease in price and/or higher promotional activity contributed to increase in volume and/or dollar sales within some categories of container sizes this season.
- Adjustment in packaging skews YOY comparison for NFC 50-70oz container range.
Consumer Demand for OJ Increases with Positive Awareness

Florida Orange Juice Nutrition Research

Samantha Lane
Global Marketing Director
100% Orange Juice...A Nutrient Dense Beverage

Excellent Source:
Vitamin C
Calcium, Vitamin D (fortified)

Good Source
Potassium
Folate
Thiamin
Vitamin B6

Lesser Amounts (<10% Daily Value):
Magnesium
Riboflavin
Niacin
Vitamin A

Phytonutrients:
Flavonoids
• Hesperidin – unique to citrus
• Naringenin

Carotenoids
• Beta-carotene
• Alpha-carotene
• Beta-cryptoxanthin
• Lutein
• Zeaxanthin

8 oz. serving
Research Supporting 100% OJ

- Heart Health
- Brain Health
- Blood Sugar

- Higher diet quality and increased levels of key nutrients
- No Association with Weight Gain
- Hydration and rehydration after workouts
Bioactives: Polyphenols

Polyphenols are associated with benefits seen with cocoa/chocolate, red wine, green tea, grape seeds and skin

Hesperidin plays a valuable role in the overall benefits of 100% orange juice and may play a positive role in:

- Antioxidant activities
- Anti-inflammatory processes
- Heart and vascular health
- Glucose metabolism
- Cognition

OJ is the only commonly consumed food that is a **SIGNIFICANT SOURCE OF HESPERIDIN**
Communicating the Research

Samantha Lane
Global Marketing Director
2018-2019 Methods to Reach Consumers

- Influencers
- Paid/Digital Media
- Website
- Social Media
- Content
- Earned Media
- Events
Florida OJ Health Benefits

Drinking Florida Orange Juice is not only delicious, it delivers a powerful combination of nutrients, vitamins, and antioxidants that have proven health benefits. From helping to reduce the risk of kidney stones to fighting inflammation, Florida Orange Juice is an excellent choice for overall health. See below to learn more about the benefits Florida Orange Juice provides.

**Cardiovascular Health**

The nutrients and vitamins found in 100% Orange Juice help to maintain a healthy heart.

**Iron Absorption**

100% Orange Juice may help your body absorb iron and other nutrients from foods.

**Kidney Health**

100% Orange Juice is a great juice to drink that may reduce the risk of kidney stones.

**Immune System Support**

The vitamins and minerals found in 100% Orange Juice support a healthy immune system.

**Cognitive Function**

The nutrients and plant compounds in 100% Orange Juice may have positive effects on brain function.

**Bone Health**

One ounce glass of 100% Orange Juice fortified with calcium and vitamin D provides nutrients that may help maintain strong bones.

**Skin Health**

The nutrients and antioxidants found in 100% Orange Juice can help you maintain healthy skin.

**Respiratory Health**

100% Orange Juice contains essential nutrients that may improve asthma symptoms.

**Inflammation and Oxidative Stress**

100% Orange Juice has an array of nutrients with antioxidant powers.
Detailed Nutrition Information

100% Orange Juice and Weight in Adults

Clinical studies have reported that 100% orange juice intake had no negative effects on BMI, waist circumference, body weight or body composition in adults (including large amounts of approximately 25 to 33 ounces per day for four to 12 weeks). In fact, men and women who consumed orange juice were reported to have a higher BMI and worse weight loss outcomes than those who consumed water. 

References


© 2018 Florida Department of Citrus
Post. Box 9030, Daytona, FL 32121-9030, US
Telephone: 800-537-3509

TERMS & CONDITIONS
PRIVACY POLICY
ABOUT
OPEN GOVERNMENT
ACCESSIBILITY
INDEPENDENT REVIEW BOARD
NON-DISCRIMINATION STATEMENT
EDO AGENCY

DID YOU KNOW?

many commonly consumed fruit juices AND has fewer calories.16,18