

Apple Becomes Brazil's Number One Fruit Export

Contributed by Isaura Daniel
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Apples are the fruit that generated the largest foreign trade revenues for Brazil this year. The Brazilian Fruit Institute (Ibraf) forecast is that apples are going to rise from the fourth place among the main fruit exported by Brazil to the first.

The sector generated US\$ 72.5 million with foreign trade up to the month of September, a figure that may cause the fruit to exceed mango, grape and melon in terms of foreign trade revenues.

Last year, mangos were the fruit most exported by the country, followed by grapes and melons. "Some of these fruit had problems with excessive rain and apples had excellent export performance," stated the Ibraf export manager, Maurício de Sá Ferraz.

Mango export, for example, should only reach the same US\$ 73 million of last year. Foreign trade of apples, in turn, rose 91% in terms of revenues up to September this year.

In terms of volume, export has doubled and reached 152,200 tons. As harvests take place between the months of January and May, sales are normally completed up to August.

The increase in foreign trade has taken place due to an expressive growth in production and also to the harvest reduction faced by Europe last year.

A total of 989,900 tons of apples have been harvested by Brazilian farms this year, against 701,000 last year.

Europe purchased around 90% of the apples exported by the country this year, a fact assisted by the price drop due to the good crop in the southern hemisphere.

The ton was sold for an average of US\$ 450, between 5% and 10% lower than the total last year. The historic average price per ton of apples is US\$ 500.

According to the vice president of the Brazilian Apple Producer Association (ABPM), Laor Alves, producers from the country also invested in new technologies, cultivation practices, phytosanitary defence and fertilization so as to improve the productivity and quality of products and have access to the foreign market.

"Two thirds of the increase in production have occurred due to the productive growth," stated Alves. The climate conditions favour production.

Up to the month of September, apples already answered to around 30% of Brazilian revenues with fruit export, according to figures supplied by the Ibraf.

The country had revenues of US\$ 228.5 million with foreign trade in the first nine months of the year. Sales totalled 570,000 tons of Brazilian fruit on the foreign market up to September.

Apple Hubs

Apples normally need cold to develop well. For this reason, the two largest Brazilian producers are the southernmost states of Santa Catarina and Rio Grande do Sul, where temperatures in winter are the lowest.

Santa Catarina is the largest hub, with 532,000 tons produced in the last harvest, and Rio Grande do Sul is the second, with 409,000.

Both states have the largest productive cities: Fraiburgo, in Santa Catarina, and Vacaria, in Rio Grande do Sul.

According to the president of the Gaucho Apple Producer Association (Agapomi), Blaise de Laurens Castelet, the fruit needs 800 to 1,000 hours of temperatures below seven degrees Celsius (44.6 degrees Fahrenheit) in winter, so as to sprout well.

The kinds of apples that are most produced in the country are the gala, of English origin, and the fuji, of Japanese origin.

The state of Rio Grande do Sul has significantly increased its apple production this year.

The figures supplied by the Agapomi show that the harvest reached 408,000 tons against 310,000 last year.

Export almost doubled, to 66,000 tons from 35,000 tons. For 2005, the Gaúchos, people from the state of Rio Grande do Sul, expect export of 100,000 tons of apples, stated Castelet.

The performance of Brazilian apple export in 2005, however, will still depend on various factors, among them the European crop and the climate.

This year, the European Union incorporated a new partner, Poland, a large apple producer, increasing competition in the region for Brazilian producers.

The vice president of the ABPM stated that it is still too early to make forecasts, but he believes that both the crop and exports may suffer a small drop in 2005.

Apples to the Arabs

The Arab countries purchase few Brazilian apples, but imports are on the rise. They rose from having purchased 22 tons between January and September 2003 to 656 tons in the same period this year, a volume 29 times larger.

Revenues with sales to the countries in the League of Arab States have also risen from US\$ 17,000 to US\$ 324,000.

Important traders in the sector, however, believe that the region may have greater participation as a destination for Brazilian export.

"Sales to that region started this year, but they may rise. We are trying to find markets on both sides," stated Castelet.

Alves stated that one of the difficulties in selling to the Middle East is transport. As the shipping must go by refrigerated vessel, the long distance makes the cost too great for the price of the product.

Still, there are many initiatives for sales to the region. The United Arab Emirates, for example, is among the 20 main buyers of Gaúcho apples.

The country purchased 22 tons from Rio Grande do Sul in 2003. The largest state apple buyer was Holland, which purchased 30,000 tons.

Renar, from Fraiburgo

Apple producer and exporter Renar Maçãs, with offices in the city of Fraiburgo, in Santa Catarina, is one of the companies that plans to start selling to the Arabs. Company representatives should visit the region next year to prospect business.

This year, Renar produced 35,000 tons of apples in its own orchards and exported 15,000 tons. In 2005, production should be maintained, but foreign trade should exceed 20,000 tons. The company also purchases apples from third party producers so as to sell them.

Renar has recently registered at the Brazilian Securities and Exchange Commission (CVM). The intention is to open the company capital and issue 10 million ordinary shares, collecting an estimated US\$ 5.6 million.

Half of these funds should be invested in an export increase, according to the company Investor Relations director, Elvito Coldebella.

Export this year has already shown a 50% growth over the figure last year, when sales totalled 10,000 tons of apples on the foreign market. Renar sells the fruit to Europe and Asia and maintains over 900 hectares of company orchards.

The company started growing apples in 1974, a time in which the fruit started being grown in the country. Up to then, Brazilians only consumed imported apples. Nowadays production exceeds country consumption, and the product is exported.

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