

NEWSLETTER



INGREDIENTS
Your Long Term Partner

JUICE & BEVERAGE INGREDIENTS

Q2 2021

Dear Readers,

This summer was marked by a great loss to the Juice & Beverage industry with the sad demise of Mr. M.K. Prasad, a husband, father, philanthropist and the head of FSL's Juice and Beverage Division since 2009.

We wish to dedicate this edition of our J&B Newsletter to Mr. M.K. Prasad and share parts of a tribute written for him by our Executive Chairman, Mr. Deepak Dhawan. The second half of this newsletter contains our key crop situations and updates.



A Tribute to M.K. Prasad

M.K Prasad (Prasad) was born on May 24th 1964 in Calicut, India. He completed his Bachelor of Arts from Calicut University and moved to the Middle East in 1987.

Prasad joined FSL in 1992 and went onto a meteoric rise in his career due to his prowess, passion, hard work and dedication. He eventually rose to head FSL's Juice and Beverage division where he made an enduring contribution to its success while contributing to the growth of various key ingredients and brands across the MENA region.



Prasad was a much loved and highly respected member of the FSL team who never showed or caused any stress, despite how much he may have taken upon himself. He was a mentor and friend to the people he worked with and was able to develop such strong and sincere relationships with customers and principals. His character will leave an indelible imprint on FSL's DNA.

On the evening of 8th July 2021, Prasad passed away due to a sudden cardiac arrest. At one moment he was chatting and joking with his wife, as Prasad often does, and a short while later he was no more.

Prasad's passing leaves us all with a void in our hearts which will be hard to fill, such was the impact of his tremendous personality.



Message from Executive Chairman, Deepak Dhawan

"I spent an enormous amount of time working and traveling with Prasad over these past 29 years during which we built a wonderful bond of friendship, trust and bonhomie.

No words are enough to fully describe Prasad's multidimensional personality and the tremendous contributions he made to our company. He was a people's man who built relationships based on trust, mutual respect and long-term friendships.

Prasad exuded positivity mixed with humility and was patient with anyone who asked for his time and counsel. Everyone whose lives he touched loved and trusted him: his colleagues, customers and all business partners. He had a unique jovial nature and genuineness which touched our hearts.

We would like to thank everyone for your messages of condolences. Our thoughts and prayers are with Prasad's family, his wife Reeja and son Vinayak, with whom we share their enormous grief and offer our heartfelt condolences. They will always remain part of our FSL family."

Farewell to our dear friend Prasad...! Thank you for three decades of fantastic experiences together; you will be deeply missed and remembered by all of us and will always remain in our hearts.

May your jovial and kind soul rest in eternal peace.

We will toast to your memory with every sample we sip!

The FSL Team



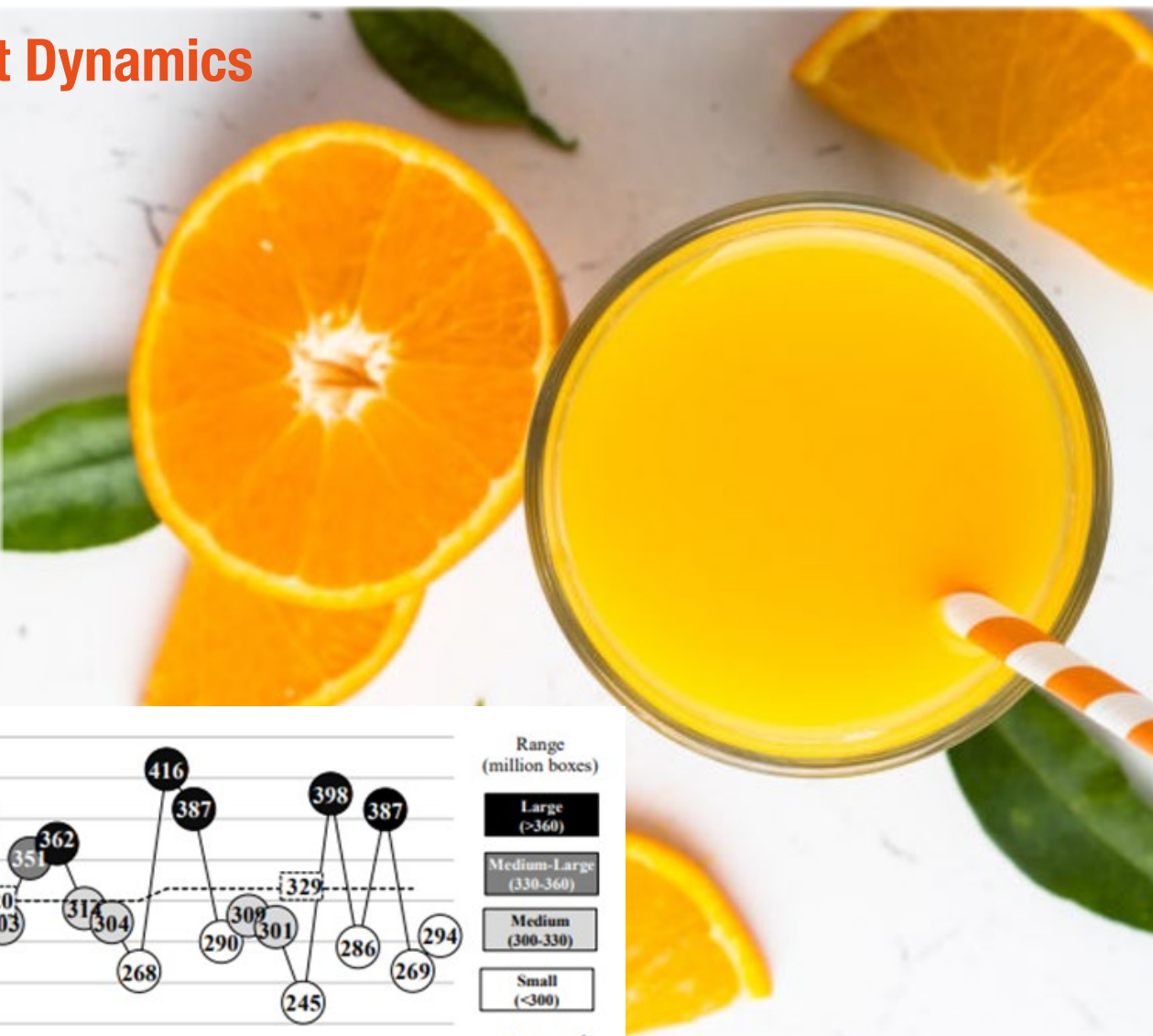
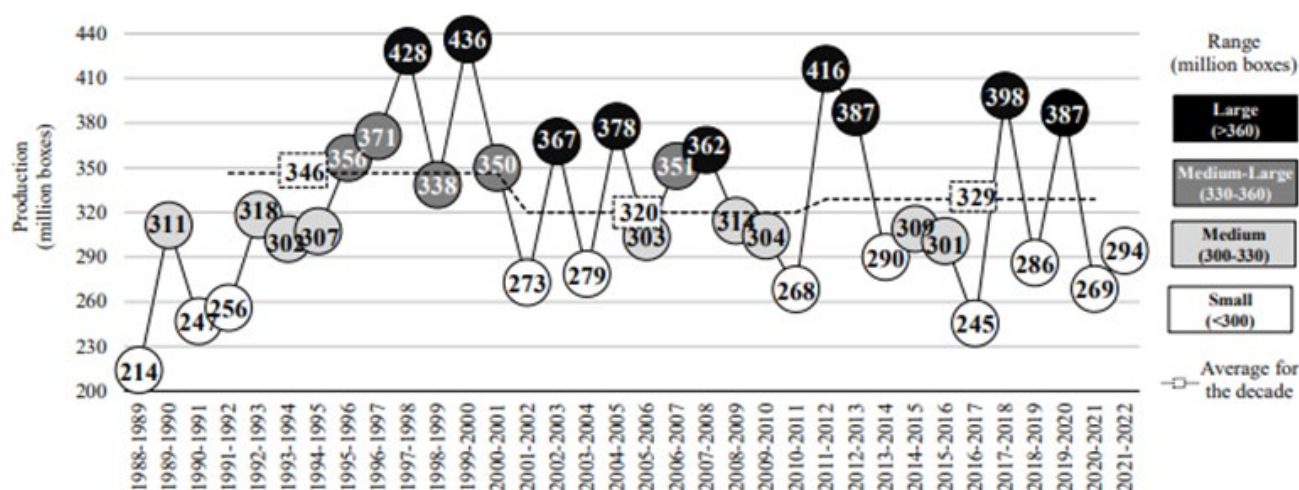
Crop Updates & Market Dynamics

ORANGE CROP

• Brazil:

Production for the 2021/22 orange crop for the São Paulo and West-Southwest Minas Gerais citrus belt in Brazil is forecast at 294.17 million boxes, says a recent report by Fundecitrus.

The current projection represents an increase of 9.51% on the final forecast of 268.63 million boxes for the previous crop. The forthcoming crop should have 'bounced back' to higher levels from the previous crop, by adverse climatic conditions, particularly a lack of rainfall, has held back production.



- **Mexico:**

Local industry sources in Mexico say the situation there is relatively unchanged from last month. The 2020/21 crop is now over and estimations on production are between 59-60 million boxes. Output was cut-back by a freeze in the northern regions, but there are no reports of tree damage and so at this stage the 2021/22 crop is not expected to be impacted.

- **Florida, USA:**

The April citrus forecast presented by the United States Department of Agriculture projected a month over month decrease in the production of Florida Oranges and Grapefruit for the 2020-21 season. The report predicted a 7% decrease for Florida Orange production, from 55.5 million boxes to 51.7 million boxes. "While we expect production to vary from season to season, today's forecast provides an important reminder that we cannot take this industry for granted. Growers need our support so that they may continue to produce great-tasting Florida Citrus and support the small communities where citrus is grown" said Shannon Shepp, Executive Director of the Florida Department of Citrus.





GRAPE CROP

SPAIN:

The Spanish Grape crops are developing naturally and smoothly. If the weather conditions do not adversely affect the harvest, good production is expected during the months of August and September.

Due to the strong demand for the product during this season, the availability of raw material for the production of juices is very limited and prices have risen considerably.

From January 2021 to July 2021 there has been a high level of demand for products from markets that are traditionally supplied from Argentina.

Nobody knows how the new campaign in Spain will develop, but everything indicates that prices will be much higher than those we have seen in this current 2020-21 season.

ARGENTINA:

The 2021 grape crop in Argentina is almost finished. Production of juice concentrate is expected to be between 115,000-12,000 MT – around 10% below last year's output.

The pandemic has presented no problems regarding picking and processing, but there are some problems sourcing containers at the ports.

Raw materials were relatively expensive during the crop and this is reflected in offers for concentrate which are between USD1500-1700 / MT 68 brix white FOB Buenos Aires in drums, compared with USD1550-1600 / MT last month.

Both Argentina and Chile are expected to pack only limited quantities of red concentrate this season. Producers in Argentina say that demand has been slow due to the higher pricing and concede that buyers could probably find cheaper juice in Europe. They add that they have lost sales in their traditional markets of the US and Canada for this reason.

Grape juice concentrate exports from Argentina so far this year are at 22,800 MT (January-March 2021), against 27,500 MT during the same period in 2020.

PINEAPPLE CROP

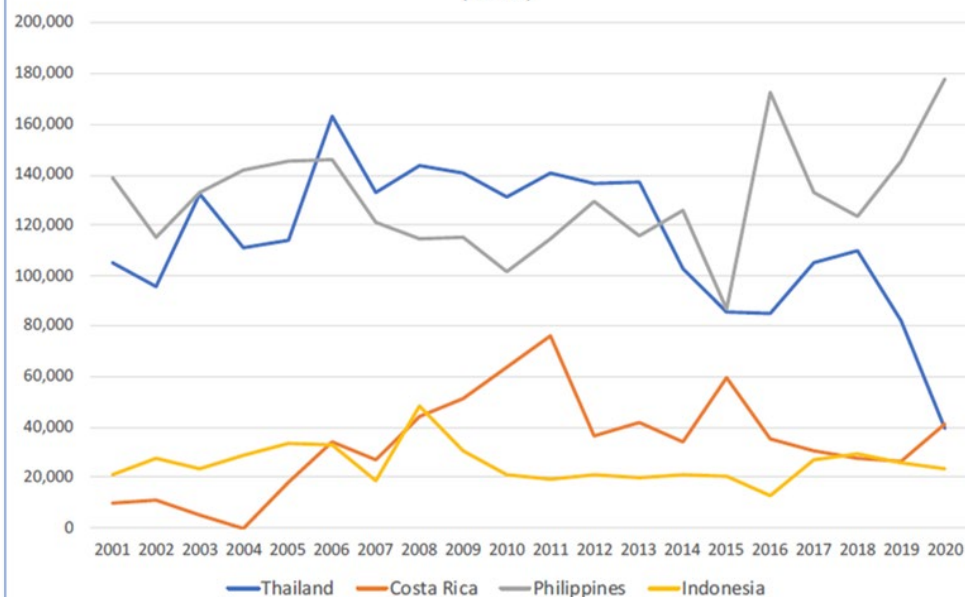
The summer pineapple crop in Thailand peaked around the middle of June, but local processors say that the deliveries of fruit to plants are low. At this time of year, the large processors could expect to receive 1000 MT of fruit everyday, but would be lucky to receive 200 MT per day at the moment.

The majority of stocks in Thailand are reportedly already allocated. Thai producers are also having to deal with the chaotic shipping industry. Analysts say the shipping companies lost a lot of money during the first 12 months of the pandemic and are now keen to regain the lost revenue.

There are limited free stocks for prompt shipment from Costa Rica and other region like Indonesia.



Exports of pineapple concentrate from key regions
(tonnes)





MANGO CROP

• Totapuri:

The 2021 Totapuri crop in India has commenced and Totapuri puree production is expected to be around 250,000 MT, similar to 2020. But production of Totapuri concentrate is expected to be around 30,000 MT, which is significantly higher than last year. There are no carry-over stocks from 2020 and new crop stocks will be available from the middle of June. Demand has reportedly been buoyant and the main importers are Europe, Middle East and India.

• Alphonso & Kesar:

The Alphonso crop in Western India has recently been hit by cyclone Tauktae which interrupted harvesting. However, the production of Alphonso mango has not been severely affected but Alphonso puree production is lower than expected.

Demand for the new crop of Alphonso mango puree has been strong, particularly from Europe, the Middle East and South-East Asia.

Meanwhile, the Kesar mango crop in Saurashtra was reportedly destroyed, one of the key growing regions of India.

APPLE CROP

In Poland, Apple processing is still continuing from cold store supplies. Industry sources say that there were 99,000 MT of fruit on hand at the beginning of May, compared with 163,000 MT at the same time last year. For this reason, they suggest that the supply of apples could be depleted within two months.

In spite of the frosts in Poland in April, growing conditions have been relatively favorable so far. A strong looking bloom last month has resulted in expectations of a good crop in 2021. Although, analysts are quick to point out that it is still early and that they will have a better idea next month. The main factor that needs to be determined is the strength of the 'June drop' – there is typically a fruit drop each June and so producers need to see how much fruit is lost from the trees before they can give a better estimate on the next crop. The World Apple and Pear Association (WAPA) will release an official forecast on the global apple production through at Prognosfruit conference in August 2021.

In China, spring production has been very limited. The main issue with China is the high freight rates and poor availability of containers – a situation that is not expected to ease in the near term.





TOMATO CROP

- **Portugal:**

Planting of the Portuguese tomato crop is now finished after a few interruptions due to rain. The forecast remains at 1.4 million MT.

- **Spain:**

While transplanting is now finished in Andalusia and in Extremadura, it continues in the North of the country. Despite the low water availability in Andalusia, the surfaces planted are higher than expected so the forecast is now raised to 3.1 million MT.

- **California:**

The official forecast was released by USDA on 28th May 2021. It reduced the expectations of volume by 400,000 short tons and surfaces by 9000 acres, with 11.6 million short tons (10.52 million MT) of processing tomatoes, and 231,000 acres (93,300 hectares) now expected. The temperatures are currently very high so some of the late planting operations are currently delayed.

- **USA Outside California:**

The outlook is currently very good. Planting started with a small delay due to cold and wet weather. The Midwest planting is on schedule and planning for a harvest similar to last year. There are no long-term weather or climate related challenges like in California: the Midwest experiences rain and thunderstorms throughout the growing season that on occasion will affect part of the crop. Tonnage and acre estimates remain unchanged from before at 500,000 short tons (453,000 MT) and 14,700 acres (59,400 hectares).

• Chile:

The final volume of production was already reported at 1,174,000 MT from 12,230 hectares.

Despite rain at the beginning of the harvest in January and February, which affected the final yield and reduced slightly the total volume, it was a very good year. Estimated average field yield was about 95 MT / Hct at country level, when it could have been above 100 MT / Hct.

There is concern about the permanent drought but there has been a significant growth of drip irrigation in recent years, with 75% of the surface now compared to 30% five years ago. Production in 2022 is currently expected to be at a similar level.

• China:

The transplanting work is progressing smoothly and has been completed. The estimate remains at 4.8 million MT.



Please contact us to discuss any of the
content or products presented here.

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