

Acerola Market Update #2

February 19, 2025

CROP 2024/2025 2024.2

In the second half of 2024, the influence of La Niña on temperatures and rainfall was observed, though the intensity was lower than expected (a mild La Niña in the Petrolina region). Important to note that over the past two years, the northeast of Brazil experienced a strong La Niña effect, with heavy rainfall and extremely low nighttime temperatures, especially in 2022, which resulted in one of the worst crop yields of the last years.

The temperatures reached lows of 18°C, particularly at night, and highs of 35.3°C in the region of Petrolina, Brazil. Total rainfall during this period was 85.9mm. From August to September, there was no recorded rainfall in Petrolina and the surrounding regions, which delayed the harvest initially scheduled for October, resulting in a small loss of the crop volume compared to the forecast with the actual start of crop happening at December.

Additionally, farmers continue to face labor shortages, which limits their ability to harvest the full volume of fruit produced by the bushes.

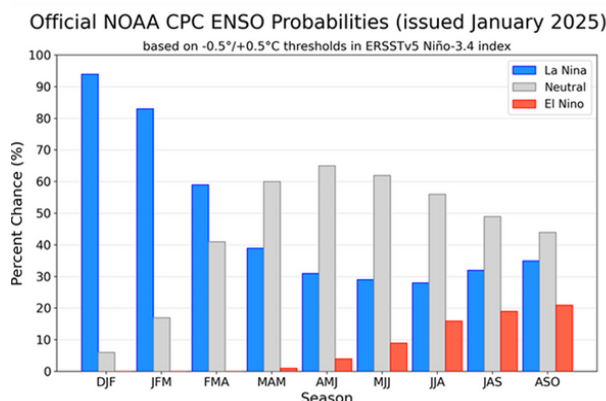
Under these circumstances, and by proactively managing the risks, Niagro has successfully implemented countermeasures, such as supporting the expansion of acerola cultivation areas by regional producers, to ensure supply management and maintain safety stock.

2025.1

The harvest season for 2025.1 started at full speed with Acerola bushes currently blooming. A peak harvest is expected in the coming weeks, assuming there are no significant weather changes due to a moderate La Niña influence in Q1.



January has seen rainfall of 87.5mm so far, and forecasts predict the La Niña will shift to neutral conditions for Q2, leading to a more balanced and favorable climate conditions for the crop. These conditions lead to the expectations for this season to run until May.



*Figure provided by National Oceanic and Atmospheric Administration

Supply Update

Niagro is already preparing to meet forecasted volumes and cover customer demands, including during the offseason for Acerola products, all of which maintain our high standards of quality and sustainability.

We are committed to fulfilling the volumes contracted by our customers and ensuring timely deliveries throughout the year. While it is expected a normal availability for conventional Acerola, the organic fruit quality still faces challenges of supply due to its limited availability. Caution in contracting organic is advised.

Events

To reinforce our commitment to quality and operational excellence, we recently held our 28th Annual Niagro Acerola Producers Meeting for more than 300 farmers. During this event, we reviewed the best practices for soil treatment, productivity, pest control, and zero waste with our producers.





Acerola Market Update #2

February 19, 2025

We also provided updates on market trends, strengthened relationships with our farmers group the supply chain, and emphasized how important our producers are in ensuring a consistent, reliable and high-quality product.

By:

Victor Falbo

Mayra Souza

External Sources:

<https://www.climatempo.com.br/previsao-do-tempo/cidade/258/petrolina-pe>

https://www.cpc.ncep.noaa.gov/products/analysis_monitoring/lanina/enso_evolution-status-fcsts-web.pdf