Hung Dau

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M, 5:30PM – 8:00PM

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**Brazil’s Orange Production is Decreasing**

**Background**

Brazil is always known as the biggest producer of both orange and orange juice in the world. Since Florida’s orange crops declined 47% and from 207 million boxes to 110 million boxes between 1970 and 1980, Brazilian orange’s production increased faster than ever (Morris, 2017). In the 1980s, 55% of orange juice in the U.S market was supplied by exports from Brazil (Morris, 2017). However, in these recent years, the orange production in Brazil has fallen quickly from 400 million boxes to 242 million boxes (Gallas, 2017). The Brazilian orange industry faces the serious macro and micro environmental conditions, which hurt the orange production in the country.

The macro and micro environmental factors that influence the decline of the orange production in Brazil are the change in people’s breakfast taste and the export of Brazilian oranges. After World War Two, orange juice was a dominant breakfast beverage in Europe and the U.S (Gallas, 2017). Nevertheless, many consumers have grown leery of high sugar content in juice products or have simply embraced a breakfast-on-the-go mentality that has them buying up more convenient breakfast bars and yogurt (Purdy, 2017). Thus, the consumption of oranges abroad has decreased intensively. Moreover, because 95% of oranges in Brazil are exported as orange juice, the Brazilian producers feel that it is hard to continue in this industry. They have the tendency to move to the meat industry, where 80% of Brazilian meat is consumed within the country (Purdy, 2017).

The fewer number of consumers abroad and producers is the reason why the production of oranges in Brazil is declining. Despite changing trends, orange is still juice drinkers' preferred choice and has a 30% market share (Gallas, 2017). The Brazilian growers and government are also trying to fight back and bring up the orange production in the 2017-18 harvest (Gallas, 2017).

**Problem Statement**

The orange production companies in Brazil are finding it hard to continue in the industry due to the changing tastes of the customers aboard. They must decide whether to move forward with the orange industry or look to new opportunities to increase their revenue.

**Alternative Solutions**

Realizing that moving into another industry will have many expenses and hidden risks, the producers in Brazil should choose to keep up with manufacturing oranges and different kinds of orange’s products. Since Brazil has already had the reputation in supplying oranges abroad, the orange producers in Brazil will still have the opportunities to develop and expand. Consumers tend to refuse drinking orange juice because of its high sugar level so the companies can try to adjust the amount of added sugar in order to attract consumers and meet their needs. The companies can also use oranges to produce other kinds of products such as ice cream, yogurt, or candy to target a wider range of consumers.

Another solution to prevent loss for the producers in Brazil is to move to the meat industry where they can target consumers within the country. The changes in breakfast taste abroad has made producers in Brazil lose a decent amount of orange consumption, because 95% of oranges in Brazil are exported (Purdy, 2017). Thus, continuously investing into this industry may bring uncertainty to the companies and producers. On the other hand, 80% of meat production in Brazil is consumed within the country (Purdy, 2017). This industry will create opportunities for producers to avoid being exposed to problems that rely on exports.

**Recommendations**

The best and long-term solution for companies and producers in Brazil to deal with the threat is to keep up with manufacturing oranges and different kind of orange’s products. The advantage of staying within the orange industry is to help companies avoid the high cost and risk of investing into another industry. Moreover, since orange is the juice drinkers' preferred choice and has a 30% market share, the companies can still develop the products and expand within the market.

**Program Performance Metrics**

The immediate performance metrics that helps the companies calculate the efficiency of the solution is the number of consumers. If the number of consumers increases, that means the consumers enjoy less sugar orange juice and the other orange products. The increase of consumers demonstrates that the companies have successfully implemented the solution.

The conclusive performance metrics that the companies can use to determine the effectiveness of the solution is the increase in profit and revenue. As the reduced sugar orange juice satisfy consumers’ tastes, they will demand more and increase the companies’ profit and revenue from selling orange juice. In addition, if different kinds of orange products attract more buyers, the companies in Brazil can find more opportunities to increase their profit.

**What I Have Learned from This Critical Analysis Exercise**

This critical analysis exercise is an opportunity for me to practice analyzing the market and companies’ strength, weakness, opportunities, and threats. Making the right decision is really crucial and the wrong decision can intensively affect the organization. This crucial analysis advances a person’s critical thinking and decision making, which is really helpful in the future.

**References**

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