

2013-2014 Florida Citrus CROP FORECAST

Industry hoping to bounce back from last season's drop.

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This is the time of year when the industry begins to ask the question: What is the outlook for next year? Here we will discuss the prospects for the upcoming season and reflect on the past season.


From The Ground Up

The big news of the 2012-2013 season is the major revisions that were made in the round orange crop forecast declining from an initial estimate of 154 million boxes in October to a final estimate of 133.8 million boxes that was released in July. It is safe to say this is the biggest change in the crop estimate that has taken place in the absence of a weather event such as a freeze or hurricanes.

The main culprit behind the smaller crop was much higher fruit drop. Even though USDA incorporates fruit drop into their forecast, the fruit drop realized this season was far above any level observed in the past. Many attribute the high level of fruit drop to HLB.

Southern Exposure


The other big news of the 2012-2013 season are events in Brazil. The USDA forecasted a crop of 390 million boxes for São Paulo, the main citrus producing state in Brazil and where most of the citrus processing takes place. This tally followed a near record crop of 420 million boxes in 2011-2012. In order to induce processors to handle the large 2011-2012 crop, the government of Brazil initiated a program known as Consecitrus in which processors agreed to pay a minimum price in exchange for



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financing of juice inventories to be held into the 2012-2013 season. When another large crop materialized in 2012-2013, this program backfired. Consequently, a large number of boxes were not harvested. Estimates are that 30 to 40 million boxes of fruit dropped to the ground. Juice inventories remain at very high level entering the 2013-2014 season. The USDA 2013-2014 crop forecast for São Paulo is 290 million boxes, which should help ease the oversupply situation there.

These factors would generally be considered to be a negative for Florida, but in the face of high juice availability in 2012-2013, Brazilian juice processors chose to maintain relatively high juice prices in Europe. We have seen increased imports to North America that have served to offset lower Florida production. Therefore, one could characterize the behavior of Brazilian processors toward Florida as neutral. In the 2012-2013 season, we saw rising delivered-in prices as the Florida crop estimate was reduced with a season average price of about \$1.70 per pound solid.

The big question entering the 2013-2014 season centers on the issue of fruit yields. Bearing tree numbers will be down again, although not by a large amount. The low level of new plantings in recent years is insufficient to replace trees lost to normal attrition and HLB. If the high drop episode of 2012-2013 repeats in 2013-2014, then we could well see a crop of 130 million boxes and even higher delivered-in prices. 

Author note: This column was written before the Steger and Dreyfus estimates were released. Therefore, I was not able to incorporate those numbers into my outlook.

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