

Florida Valencia Crop Lowered by 1.0 Million Boxes Grapefruit Down by 300,000 Boxes

Oranges

Today's citrus crop report brought bad news for Florida production, with its already tiny crop falling another 1.0 million boxes, all in the Valencia segment. Orange production in California and Texas increased modestly.

Have questions? Contact us for answers!

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Florida

The early-mid crop is still projected at 36.0 million boxes. Fruit is sizing smaller than forecast last month, with fruit count now estimated at 317 per box, up from 310 last month. The drop rate also ticked up a bit and is now projected at 26 percent, up from last month's 25 percent. The crop has fared well so far this season in terms of weather, despite dry conditions that have required growers to irrigate.

U.S. Orange Production (million boxes)

Variety	2015/16 Crop Year				2016/17 Crop Year Forecast			
	Florida	California	Texas	U.S.	Florida	California	Texas	U.S.
Early/Mid & Navels	36.1	45.5	1.351	82.951	36.0	44.0	1.450	81.450
Valencia	45.5	8.7	0.340	54.540	35.0	9.0	0.350	44.350
Total	81.6	54.2	1.691	137.491	71.0	53.0	1.800	125.800
	<i>Year-on-Year Change, Total Crop</i>				<i>-13.0%</i>	<i>-2.2%</i>	<i>6.4%</i>	<i>-8.5%</i>

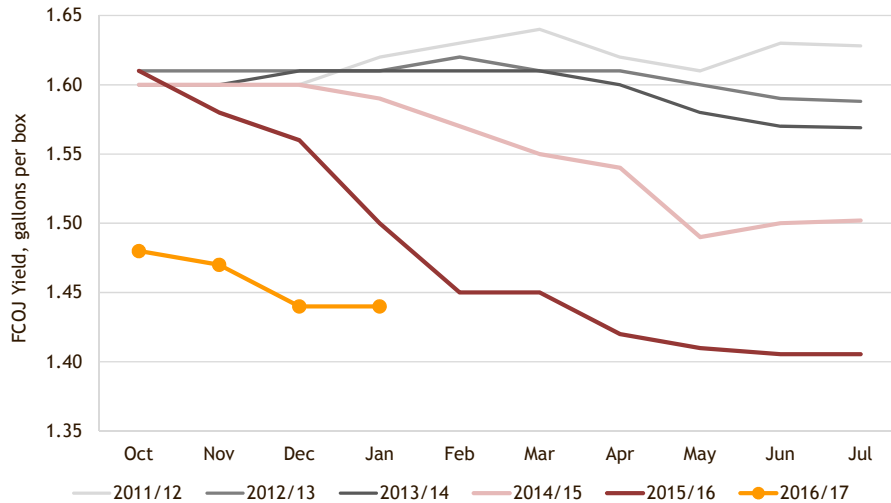
Valencias are expected to suffer more from the persistent dryness. Although the drop rate increased just 1 point, to 29 percent, projected fruit count increased to 241 per box, up from 233 last month. For comparison, last season Valencias had a 29 percent drop rate (per April 2016 report; last January the industry expected the drop rate to be as high as 40 percent) and a count of 228 fruit per box.

USDA 2016/17 Florida Citrus Forecast Components, by variety

	Bearing Trees	Fruit per Tree	Droppage	Fruit per Box
	1,000 trees	number	percent	number
Oranges:				
Early-mid	20,872	766	26%	317
Navel	1,005	219	27%	144
Valencia	28,925	450	29%	241
Grapefruit:				
White	832	410	45%	135
Red	3,092	393	36%	137

USDA maintained estimated FCOJ yield at 1.44 gallons per box, unchanged from the December report. Yield from early-mid oranges is estimated at 1.36 gallons per box and yield from Valencias at 1.54 gallons per box.

Estimated FCOJ Yield Progression, by Season



California & Texas

Beneficial growing conditions in California and Texas have allowed production increases. California orange production is now forecast at 53.0 million boxes, up from 50.5 million estimated last month. Most of the increase comes from higher non-Valencia orange production, now pegged at 44.0 million boxes, up 2.0 million from last month. Texas oranges are now seen at 1.8 million boxes, up from 1.35 million a month ago and up from 1.69 million last season. The non-Valencia sector accounts for all the increase seen in Texas.

Grapefruit

Florida grapefruit production was reduced by 300,000 boxes from last month’s report, all from white grapefruit, now forecast at 1.7 million boxes; red grapefruit production held steady at 7.3 million boxes. The drop rate for white grapefruit increased substantially to 45 percent, up from 32 percent estimated in December. Fruit is also very small.

Production increased in Texas and California. Texas grapefruit is now projected at 5.3 million boxes, up from 4.7 million estimated last month and 4.8 million in 2015/16. California production is expected to be 4.1 million boxes, up 100,000 boxes from December and up 300,000 boxes from last season.

U.S. Grapefruit Production (million boxes)

Variety	2014/15 Crop Year				2015/16 Crop Year Forecast			
	Florida	Texas	California	U.S.	Florida	Texas	California	U.S.
White	2.49				1.70			
Red	8.31				7.30			
Total	10.80	4.80	3.80	19.4	9.00	5.30	4.10	18.40
	<i>Year-on-Year Change, Total Crop</i>				<i>-16.7%</i>	<i>10.4%</i>	<i>7.9%</i>	<i>-5.2%</i>

Concentrates

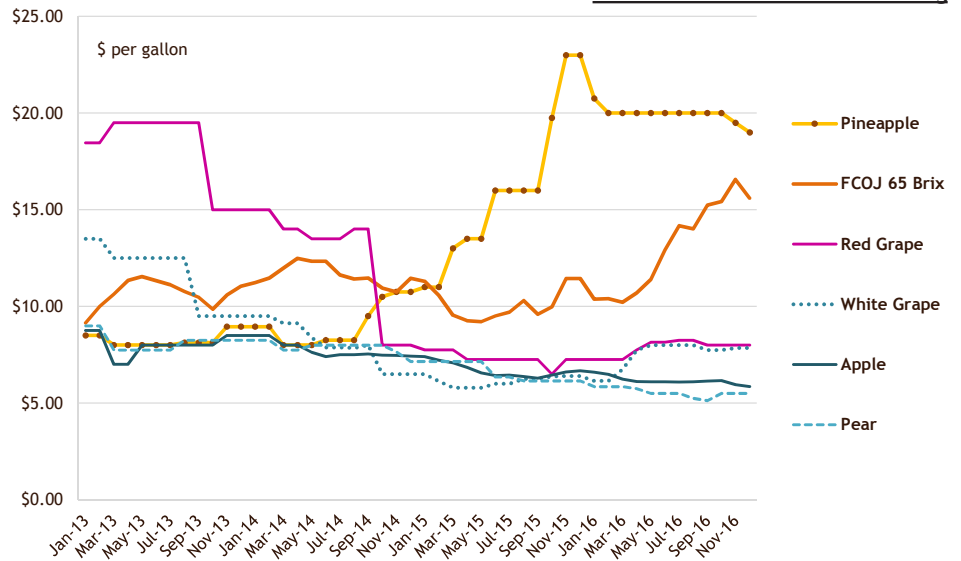
Orange: Season to date, pack as of Dec. 31 totaled 65.15 million pounds solids (ps) compared with 78.58 million ps last year. Total movement was 94.73 million ps, down 5 percent from a year ago. Inventory, at 196.31 million ps, was up 3 percent week over week but down 23 percent from last year. Sellers are asking \$0.15 per pound over futures. In Brazil, processors in the second half of 2016 paid on average over 22.2 reals per box of late oranges, up 79 percent from Q3-Q4 in 2015, reported CEPEA last week.

Apple: Apple juice concentrate from China and Europe is in good supply, and the market should become more active now that we're past the holidays. AJC from China is selling between \$5.25 and \$5.75 per gallon; AJC from Europe is selling for about a dollar higher and from South America about 25 cents higher. Domestic AJC in December was around \$8.50 per gallon FOB West Coast.

Grape: Domestic white grape concentrate is selling for around \$7.00 per gallon, bulk trucks. Price may increase, however, due to poor crops in Argentina and Spain. Spain is asking \$8.70 per gallon, drums, and Argentina is asking \$8.35 per gallon, drums.

Pineapple: Thailand's winter harvest is in full swing, and supply is looking better than previously thought. Field price has declined from THB10.00 to 12.00 per kilogram to around THB8.50 to 10.00. Color has improved, but nitrate levels are still high. Increased supply and weaker demand, due to last season's high prices and large inventories, have encouraged buyers to wait. Offers are around \$14.80 per gallon for 60° Brix frozen concentrate, and pricing could get lower if the crop doesn't deteriorate.

Concentrates: Historical Pricing



Mar-17 FCOJ Futures

