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Cold snap squeezed Fla. orange harvest

By Ron Day

Bloomberg News

Florida's orange harvest, the world's second largest, will be 1.2 percent smaller than forecast after an early January cold snap damaged some fruit, the U.S. Department of Agriculture said Friday.

Growers will harvest 166 million boxes of oranges this season, down from a previous estimate of 168 million, the USDA said. However, a crop of that size would be 29 percent bigger than a year ago as trees recover from hurricane damage, the USDA said in its fourth report on the crop that will be harvested through June.

Six analysts and traders surveyed by Bloomberg expected a cut of one million boxes, on average. Two respondents said they expected a reduction, three predicted no change and one said the outlook would be raised.

"Some areas received minor fruit damage" after temperatures dropped into the upper 20s and lower 30s in the first week of January, the USDA wrote. The amount of fruit falling from trees increased in the northern and Indian River areas, the agency said.

Orange-juice futures for May delivery fell 3.1 cents, or 2.2 percent, to \$1.3515 a pound Thursday on ICE Futures U.S., formerly known as the New York Board of Trade. The decline was the biggest this month. The most-active contract has dropped 6.6 percent this year, after a 28 percent decline in 2007.

High retail prices, which damped consumer demand, and expectations for a larger harvest this season helped drive futures down last year.

Florida's crop is rebounding after hurricanes in 2004 and 2005 battered groves. Production fell to a 17-year low of 129 million boxes in the 2006-07 season. A box of oranges weighs 90 pounds.

Dry weather and a late bloom is slowing the current harvest, the state's Citrus Administrative Committee said this week.

Brazil is the world's biggest producer of oranges.