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CITRUS

Price of OJ to increase, forecasters say

Florida's citrus crop is beginning to bounce back, but continued shortages will lead to a increase in the retail price for a gallon of juice.

BY Susan Salisbury

Palm Beach Post

That glass of orange juice is about to get more expensive.

Although data released Wednesday shows Florida's citrus crop is beginning to bounce back from last year's hurricanes, continued fruit shortages will mean retail orange juice prices are likely to go up from 10 cents to 15 cents a gallon.

The prediction from state Department of Citrus officials came the same day as the U.S. Department of Agriculture's forecast that Florida growers would harvest 27 percent more fruit in the 2005-2006 season than last year's storm-battered haul. They expect a crop of 190 million 90-pound boxes.

Grapefruit, which was particularly hard-hit by Hurricanes Frances and Jeanne, will come in at 24 million 85-pound boxes, the fewest since the 1944-45 season, the USDA said. But that's still double last year's crop, the smallest since the 1935-36 season.

The prime Indian River grapefruit-growing region, from central Palm Beach County to Daytona Beach, will harvest 14.6 million boxes of grapefruit, up from 4.8 million last season.

"I consider this a bit of a resurgence," said Doug Bournique, executive vice president of the Indian River Citrus League. "The trees had such a beating with Frances just sitting here for days."

The coming harvest caps a particularly difficult year for citrus. After sustaining significant damage from the storms of 2004, the citrus canker infection that had been plaguing the state's fruit trees was detected in St. Lucie County in December. More than 2 million trees in St. Lucie County alone are slated to be destroyed in an attempt to stop canker's spread.

"I do not think we are at the end of this," said Dan Gunter, executive director of the Department of Citrus. "We are getting in front of the disease."

Gunter expects further tree losses because of canker. Fewer trees means fewer oranges to process into juice.

Bob Norberg, the Citrus Department's director of economic and market research, said decreases in both orange juice inventory and production will lead to the price hike for orange juice at the retail level.

"Florida and Brazil combined produce 80 percent of the world's orange juice. Florida's orange juice availability is down 1 percent, and Brazil's is down 9 percent," Norberg said. "Thus, world availability is down 5 percent, or 200 million gallons of orange juice."

The predicted increase does not take into account increased energy or labor costs, and Gunter and Norberg said it's difficult to calculate those two factors' impact.

While growers expect to continue to receive strong prices perhaps at or slightly below 2004-05 levels, they are paying higher costs for harvesting because of fuel price increases. In the 2004-05 season, growers

received an average of \$14.88 for a 42-pound box of red grapefruit, not including the cost of transportation to the buyer. That's up from \$8.24 in 2003-04.

Scott Hurley, vice president for fresh fruit at Becker Indian River Fruit Co. in Vero Beach, estimates his groves will produce 600,000 85-pound boxes of white grapefruit this season.

"We just started harvesting yesterday," he said. "From the packinghouses I have talked to, pricing has been fairly strong. "

Hurley said it's devastating to learn that the latest citrus disease to hit the state, citrus greening, was confirmed this week by the Florida Department of Agriculture in two residential areas of Martin County and three in Palm Beach County.

The disease causes trees to produce misshapen, bitter-tasting fruit and die within a few years.

"I am hopeful they will be able to come up with something to control it, or this industry as we know it will no longer exist," Hurley said.