

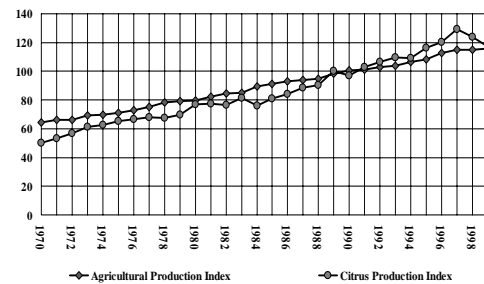
Economic Considerations of Fresh Citrus Markets

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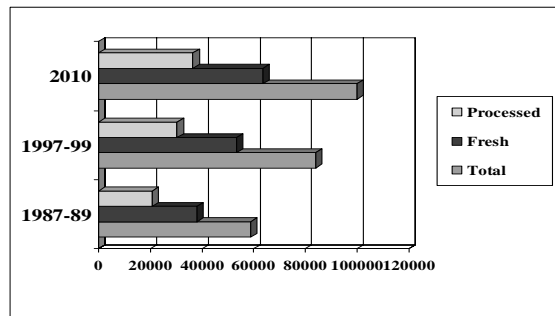
- The world citrus industry has experienced a period of rapid growth over the past 15 years.
- World citrus production grew at 3.5 percent compounded rate over the period 1987-89 through 1997-99.
- The rate of growth for tangerines and lemons was higher, at 4.3 percent and 3.6 percent, respectively.
- Rapid production growth has supported higher levels of consumption.

- World per capita consumption of all citrus was 14.2 kg in 1997-99, up from 11.5 kg in 1987-89.
- With rapid growth in production has come declining prices for both fresh and processed citrus products.
- Prices for many individual citrus products have reached lows not seen in many years.
- These low prices will inevitably slow the rate of production growth.

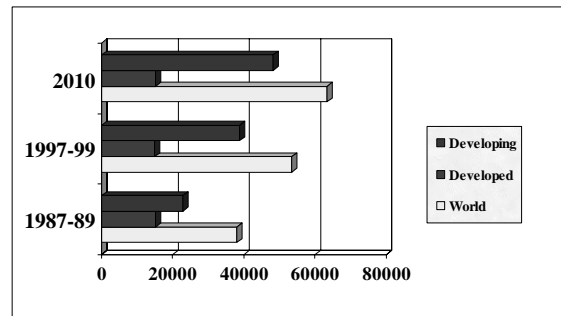
Growth of World Agricultural Production and Total Citrus Production
 (Index 1989-91 = 100)



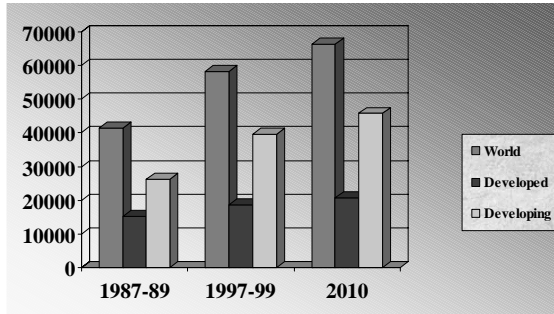
CITRUS - CONSUMPTION actual and projected (thousand MT)



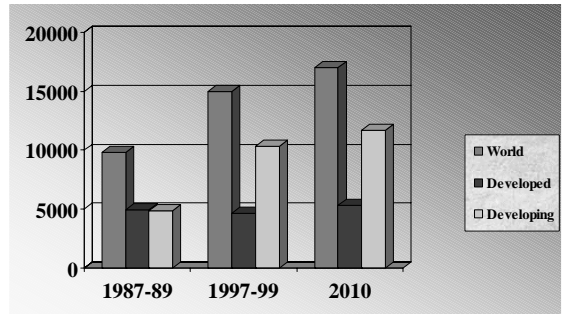
CITRUS - CONSUMPTION FRESH actual and projected (thousand MT)



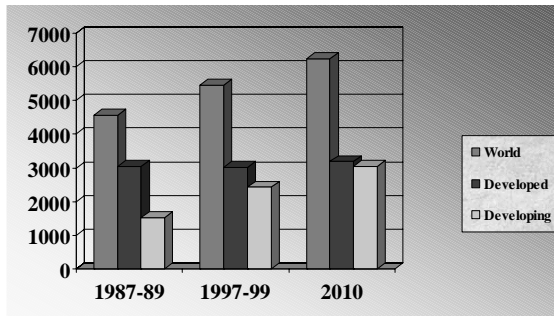
ORANGE PRODUCTION actual and projected (thousand MT)



TANGERINES - PRODUCTION actual and projected (thousand MT)



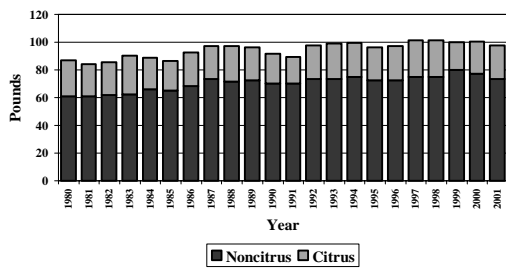
GRAPEFRUIT - PRODUCTION actual and projected (thousand MT)



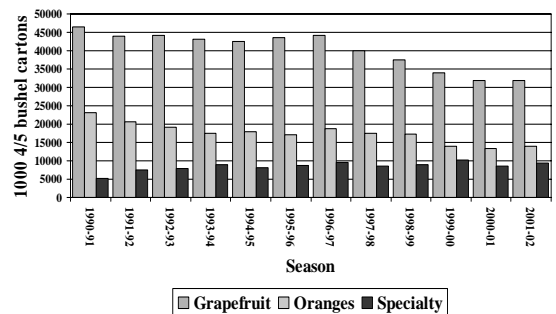
Trends in the U.S. Market

- Per capita consumption of fresh fruit in the United States has been increasing.
- Per capita of fresh citrus has remained flat.
- Fresh citrus' share of total fresh fruit consumption declined from 30 percent in 1980 to 24.8 percent in 2001.
- Grapes, strawberries, kiwi, mangoes, and pineapple have all gained market share.

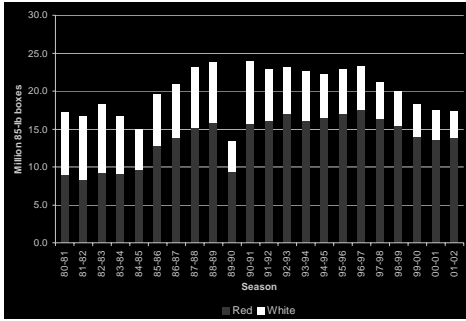
Per Capita Consumption of Fresh Citrus and Non-citrus Fruits



Total Florida Fresh Citrus Shipments



Fresh Utilization of Florida Grapefruit 1980-2002



Source: FASS

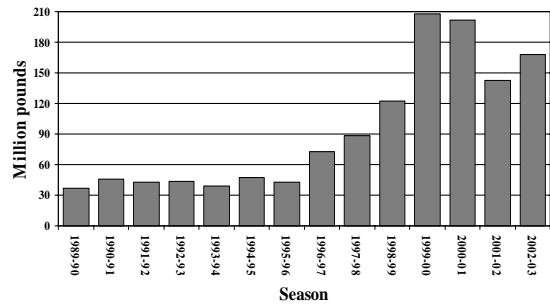
Season Average FOB Prices for Florida Fresh Citrus

Season	Oranges		Grapefruit	Tangerine
	Navel	Valencia	Red	Honey
	Dollars per 4/5 bushel carton			
1997-98	6.45	6.48	6.13	13.91
1998-99	9.35	8.70	7.61	16.94
1999-00	8.89	6.49	7.69	12.77
2001-02	6.38	6.94	7.20	14.14
2002-03	7.21	7.31	7.63	14.41

U.S. Fresh Orange Imports

Year	S. Africa	Australia	Mexico	Bahamas	Dom Rep	Others	World
	Short Tons						
1992	0	2,775	2,412	171	3,809	1,645	10,812
1993	0	5,022	1,877	0	2,551	2,624	12,074
1994	0	10,342	1,793	0	2,892	2,151	17,178
1995	0	6,088	8,767	0	3,364	1,899	20,118
1996	0	12,732	8,414	462	3,563	553	25,724
1997	297	16,973	11,531	296	3,216	2,542	34,855
1998	139	28,398	8,919	861	2,424	1,731	42,472
1999	827	24,403	56,410	2,220	2,382	28,314	114,556
2000	10,377	26,545	8,590	190	1,585	4,187	51,474
2001	19,201	17,784	16,805	4,680	1,276	1,694	61,440

U.S. Fresh Tangerine Imports



U.S. Clementine and Tangerine Imports

August-May		Change
2001-02	2002-03	
Million pounds		%
131.85	168.16	27.5

Concluding Remarks

- World citrus production is expected to grow at a slower rate compared to the previous 20 years.
- Most production expansion will occur in the developing countries of Asia and Central and South America.
- Fresh orange and grapefruit consumption in developed countries has been declining.

- Fresh citrus consumption in the U.S. is stagnant.
- Increased availability of other fresh fruit products has adversely affected fresh citrus and stone fruits.
- Increased imports of oranges have been mostly counter seasonal supply to Florida.
- Increased imports of Clementines from Spain and Morocco have hurt early tangerine varieties.

Future Directions

- Fresh citrus is facing a difficult situation.
- Clearly, there appears to be a market seedless easy-peelers. Can we grow these varieties in Florida?
- Convenience appears to be another factor working against fresh citrus. Is fresh cut citrus a viable alternative?
- Continue to pursue export markets.

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