

Florida Fresh Citrus Fruit: Prospects for the 2020-21 Season

2020 Packinghouse Day

Presented by
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August 20, 2020

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Overview

- Florida fresh citrus movement increased during the 2019-20 season, largely due to increased production.
- As COVID-19 concerns forced consumers around the globe to drastically change their purchasing behaviors, the demand for fresh produce intensified beginning in mid-March.
 - Fresh oranges and tangerines were among the top ten fresh fruit produce items in highest demand in the U.S., according to IRI data.
- Short-term demand for fresh citrus may improve grower returns with Florida production in short supply for market demand.

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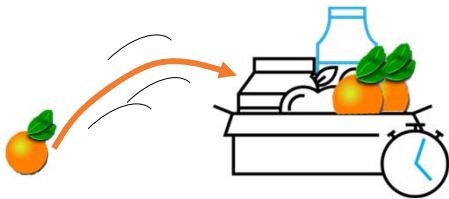
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2020 Pandemic Timeline: Consumer Shopping Behavior at Retail

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Consumer fresh fruit purchases during pandemic

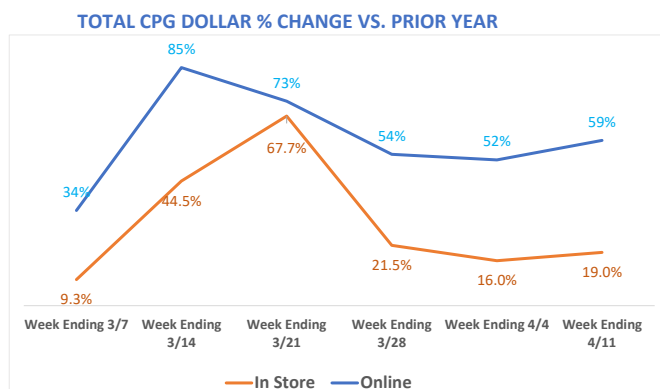


- Increase in fresh citrus sales were originally associated with
 - Pantry Preparation/pandemic shopping.
 - Bagged produce popular at onset.
 - Increased consumer traffic to traditional groceries and large-scale stores.
 - Increased consumer online purchases and use of grocery delivery services.
 - Awareness of health/wellness nutritional benefits of fresh produce.
- Challenges included distribution, increase in price, economic downturn/uncertainty.

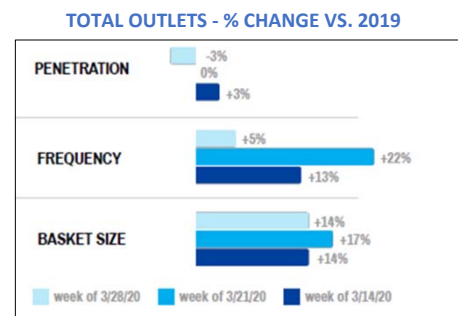
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March 2020 - Unprecedented sudden shift in consumer behavior – Growth In Store and Online



Source: Nielsen Total US xAOC; Nielsen Ecommerce measurement powered by Rakuten Intelligence



Source: Nielsen Homescan Panel

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July 2020 - Grocery and Club remain the channels of choice for consumers

n	Department	Total Combined	In-store	Online
		% Change	% Change	% Change
	Grocery	15%	11%	68%
	Meat	11%	11%	
	Dairy	14%	13%	86%
	Health & Beauty Care	7%	3%	19%
	Frozen	16%	16%	
	Household Care	13%	12%	28%
	Alcohol	12%	8%	307%
	General Merchandise	-2%	-2%	
	Pet Care	7%	3%	20%
	Baby Care	-2%	-3%	11%
	Bakery	-4%	-4%	
	Produce	13%	13%	

*Source: Nielsen RMS xAOC, WE 7/4/20 vs. YAGO week

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July 2020 - Grocery and Club remain the channels of choice for consumers

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TOP AND BOTTOM RANKED CATEGORIES, U.S.

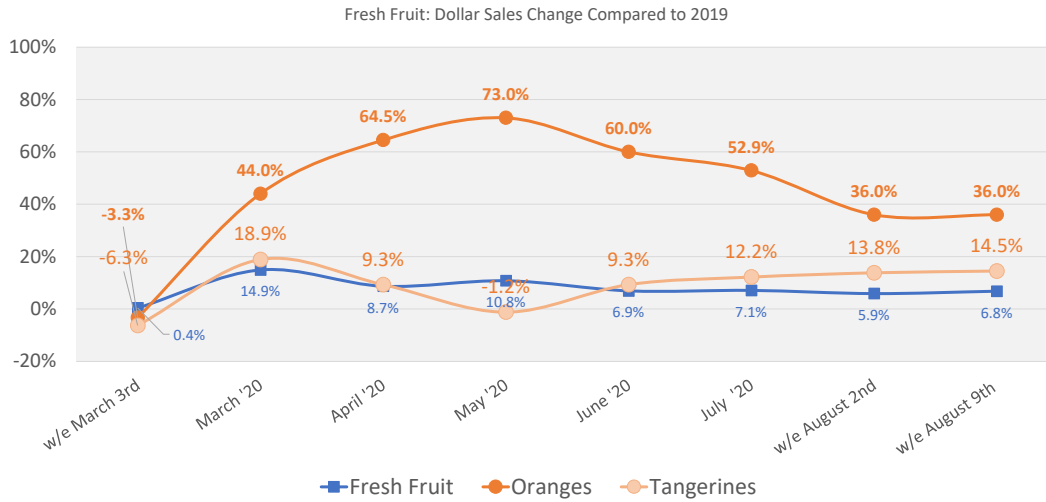
WE 8/1/2020	Top Growth Categories		Top Declining Categories
1	SEAFOOD	41%	TOBACCO ALTERNATIVES
2	FRUIT	38%	FULLY COOKED MEAT
3	EXTRACTS, HERBS, SPICES AND SEASONINGS	35%	COSMETICS AND NAIL GROOMING
4	COATING MIXES AND CRUMBS	33%	FRAGRANCES
5	ALCOHOLIC BEVERAGE MIXERS	33%	PIZZA

*Source: Nielsen RMS xAOC, WE 7/4/20 vs. YAGO week

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Fresh Oranges and Tangerines among top fruit purchases

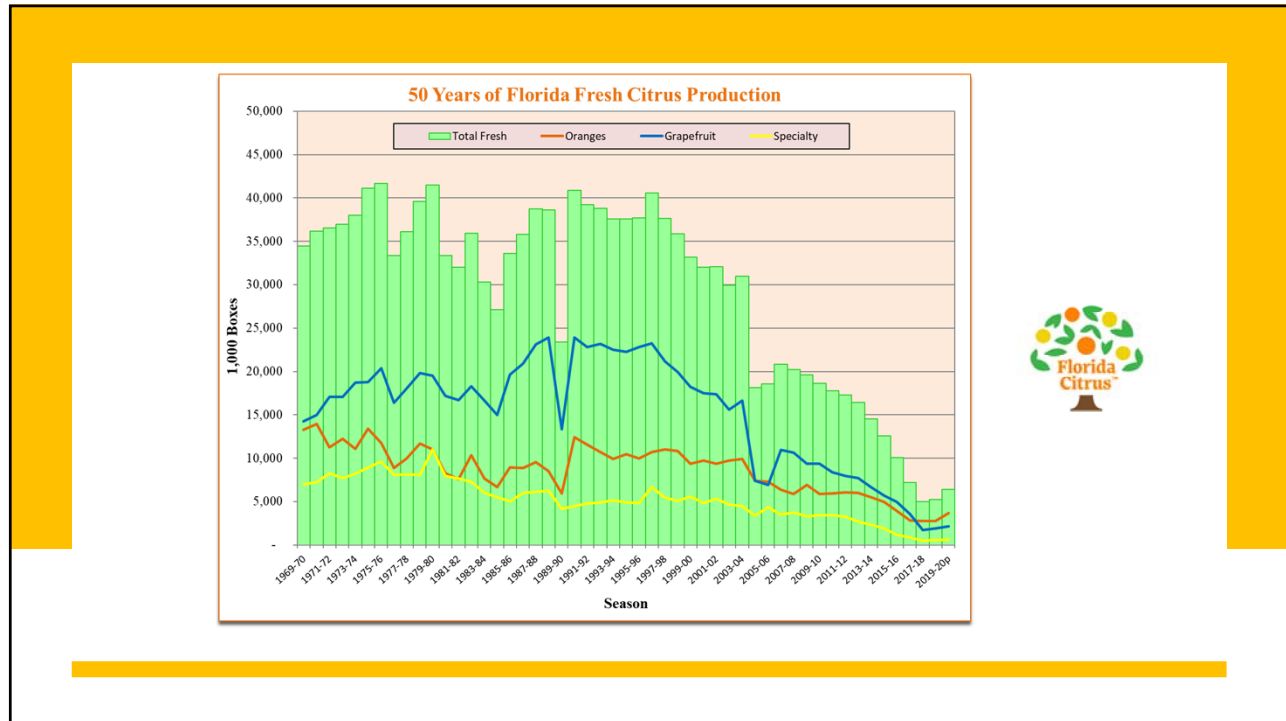


Source: IRI, Total U.S., MILO, 1 week% change vs. YA

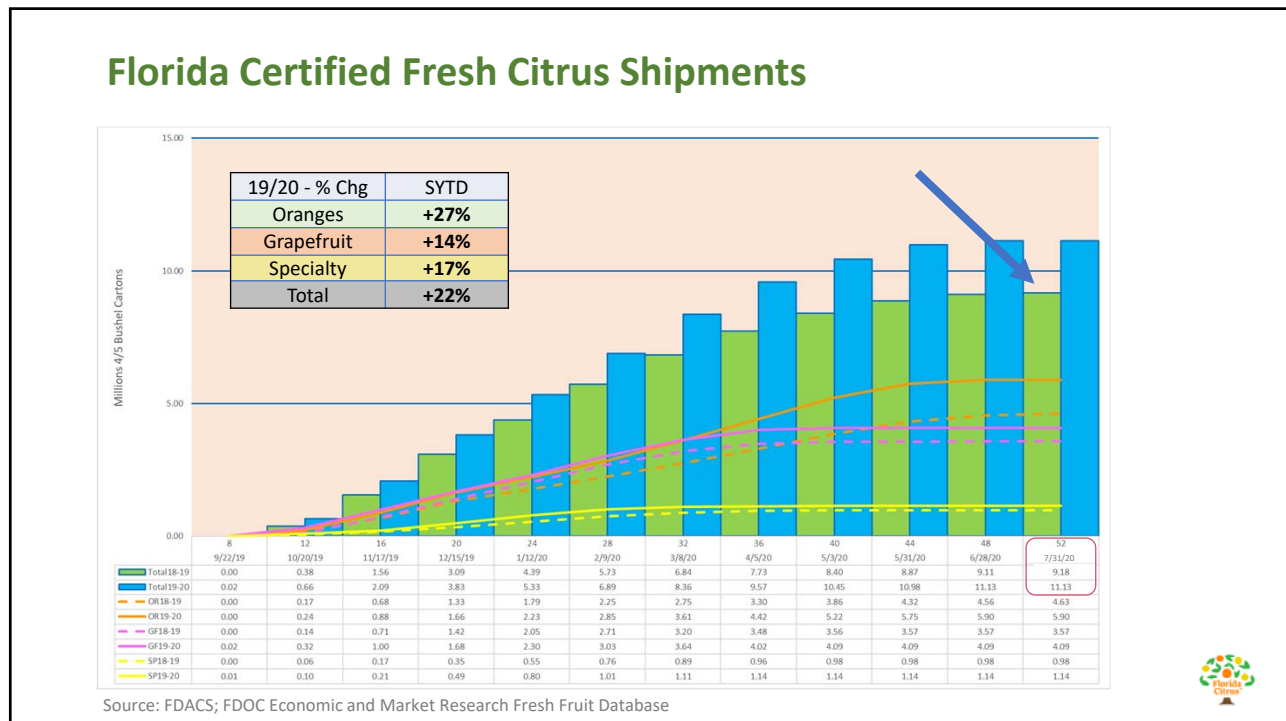
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Florida Fresh Shipments

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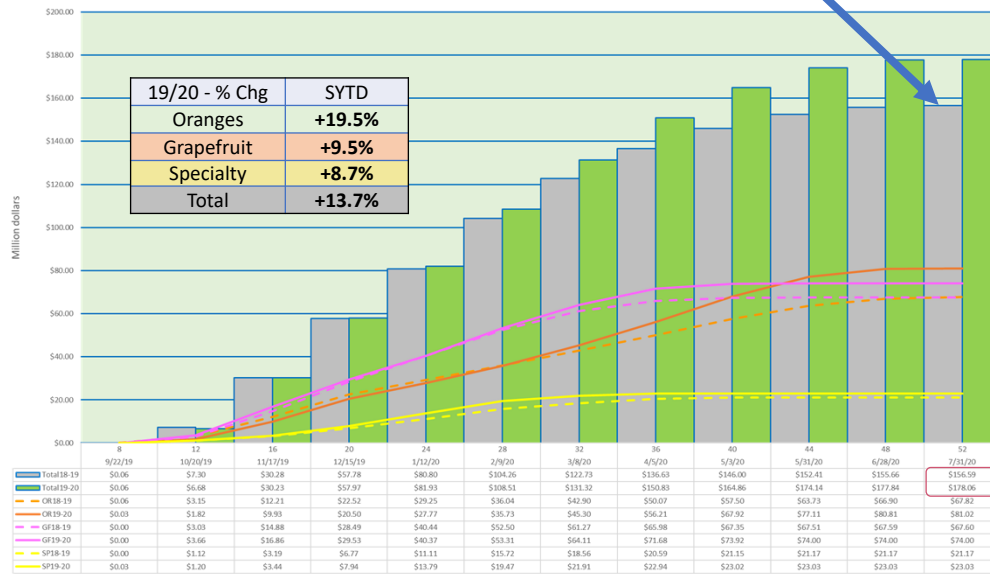


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Florida Certified Fresh Citrus Revenue



Data Sources: FDACS; FDOC Economic and Market Research Fresh Fruit Database; FOB prices estimated by CAC.



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Florida Fresh Certified Shipments – Oranges

	2013-14	2014-15	2015-16	2016-17	2017-18*	2018-19	2019-20p
Country	--- 1,000 4/5-bushel cartons ---						
United States	7,482.2	7,128.0	5,385.5	3,958.6	4,301.9	4,322.2	5,694.8
Canada	532.9	647.3	504.0	388.5	340.7	270.9	238.8
Taiwan	105.1	52.8	126.8	28.2	13.0	2.2	-
Japan	3.2	0.0	-	0.1	-	-	-

Market Ranking	State/Province	% Total Domestic & Canadian Shipments
1	Florida	24.84
2	New York	16.13
3	Illinois	9.25
4	New Jersey	6.70
5	Georgia	5.65
6	Wisconsin	4.57
7	North Carolina	3.82
8	Pennsylvania	3.70
9	Ontario	3.53
10	Massachusetts	2.81

Source: FDACS; FDOC Economic and Market Research Fresh Fruit Database

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Florida Fresh Certified Shipments – Tangerines

Country	2013-14	2014-15	2015-16	2016-17	2017-18*	2018-19	2019-20p
	--- 1,000 4/5-bushel cartons ---						
United States	4,012.4	3,451.3	2,301.1	1,664.2	845.8	943.9	1,103.5
Canada	159.5	127.4	58.4	42.4	14.7	26.6	29.5
Exports	29.8	30.6	12.6	16.4	4.6	7.6	7.2

Includes Royal tangerines (formerly known as Temples) and tangelos.

*2017-18 – Hurricane Irma season with higher drop rates.

Source: FDACS; FDOC Economic and Market Research Fresh Fruit Database

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Florida Fresh Certified Shipments – Tangerines

Honey Tangerines				Other Tangerines				Tangelos				Royal Tangerines/Temples			
Market Ranking	State/Province	1,000 4/5-Bushel Cartons	% Total Domestic & Canadian Shipments	State/Province	1,000 4/5-Bushel Cartons	% Total Domestic & Canadian Shipments		State/Province	1,000 4/5-Bushel Cartons	% Total Domestic & Canadian Shipments		State/Province	1,000 4/5-Bushel Cartons	% Total Domestic & Canadian Shipments	
1	Florida	42	28.62	Florida	258	31.42		Florida	68	49.67		Florida	13	38.80	
2	California	28	18.58	New York	105	12.82		Ohio	12	8.78		Georgia	5	15.71	
3	New York	18	11.97	California	73	8.89		Pennsylvania	10	7.68		New Jersey	3	9.33	
4	Illinois	9	6.33	Georgia	53	6.42		Kentucky	10	7.57		Pennsylvania	3	8.34	
5	Texas	7	4.80	New Jersey	47	5.70		New Jersey	8	6.04		North Carolina	2	7.07	
6	Georgia	7	4.75	Pennsylvania	39	4.77		New York	4	2.88		California	1	4.47	
7	New Jersey	6	4.27	Texas	35	4.27		North Carolina	3	2.23		New York	1	3.85	
8	Pennsylvania	5	3.06	Illinois	32	3.91		Georgia	3	2.01		Michigan	1	2.93	
9	Puerto Rico	4	2.48	North Carolina	30	3.63		Massachusetts	3	1.92		Massachusetts	1	2.79	
10	Virginia	3	2.12	Ontario	26	3.19		Kansas	2	1.77		Illinois	1	1.74	

Source: FDACS; FDOC Economic and Market Research Fresh Fruit Database

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Florida Fresh Certified Shipments - Grapefruit

Country	2013-14	2014-15	2015-16	2016-17	2017-18*	2018-19	2019-20p
	--- 1,000 4/5-bushel cartons ---						
United States	5,126	4,422	3,791	2,660	1,512	1,867	2,226
Exports	7,198	5,995	5,322	4,626	3,408	1,508	1,405
Canada	987	805	655	423	221	300	315

Domestic Market Ranking	State/Province	1,000 4/5-Bushel Cartons	% Total Domestic & Canadian Shipments
1	Florida	643	25.30
2	New York	386	15.19
3	Ontario	231	9.10
4	Pennsylvania	203	7.99
5	New Jersey	171	6.74
6	Georgia	144	5.68
7	Massachusetts	123	4.84
8	Maryland	100	3.93
9	Illinois	70	2.76
10	Quebec	69	2.72

Source: FDACS; FDOC Economic and Market Research Fresh Fruit Database

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Prospects for 2020-21 Season and Long-term

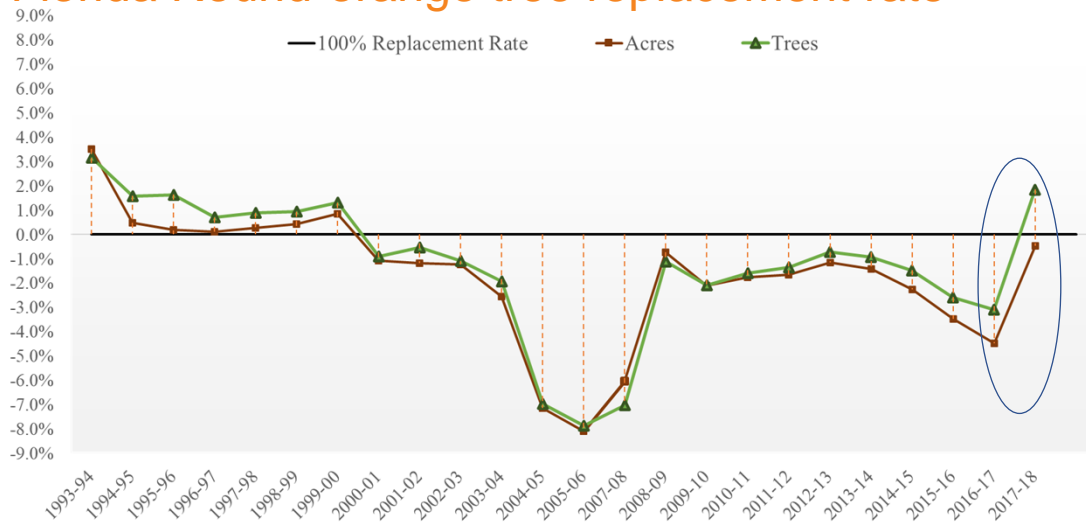
- Demand for Fresh Citrus depends on – economy, health and job security are concerns likely to increase in significance, significant price growth of fresh citrus in recent years.
- Supply for Fresh Citrus – Early projections indicate decline in Florida orange production
- Long-term Florida fresh citrus availability is dependent on
 - Replanting efforts; and
 - Citrus varieties consumer want
- Other U.S. production and imports poised to capture most of the gains in short-run.

*Source: The Conference Board® Global Consumer Confidence Survey conducted in collaboration with Nielsen Q4 2019– Global Total. HH Expenses Base: Cutting back 68%

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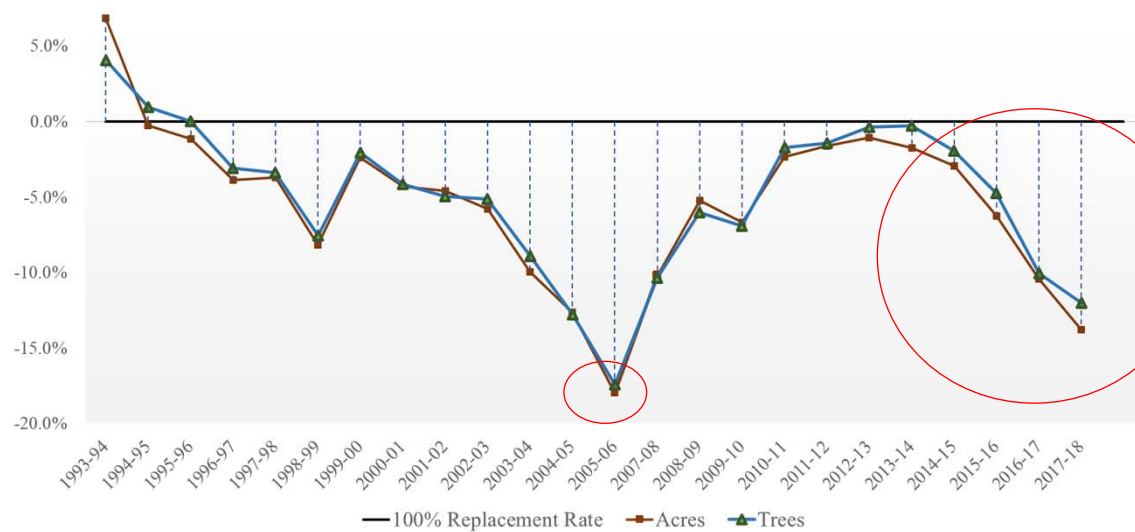
Florida Round-orange tree replacement rate*



* Calculated as difference between loss rate and replanting rates

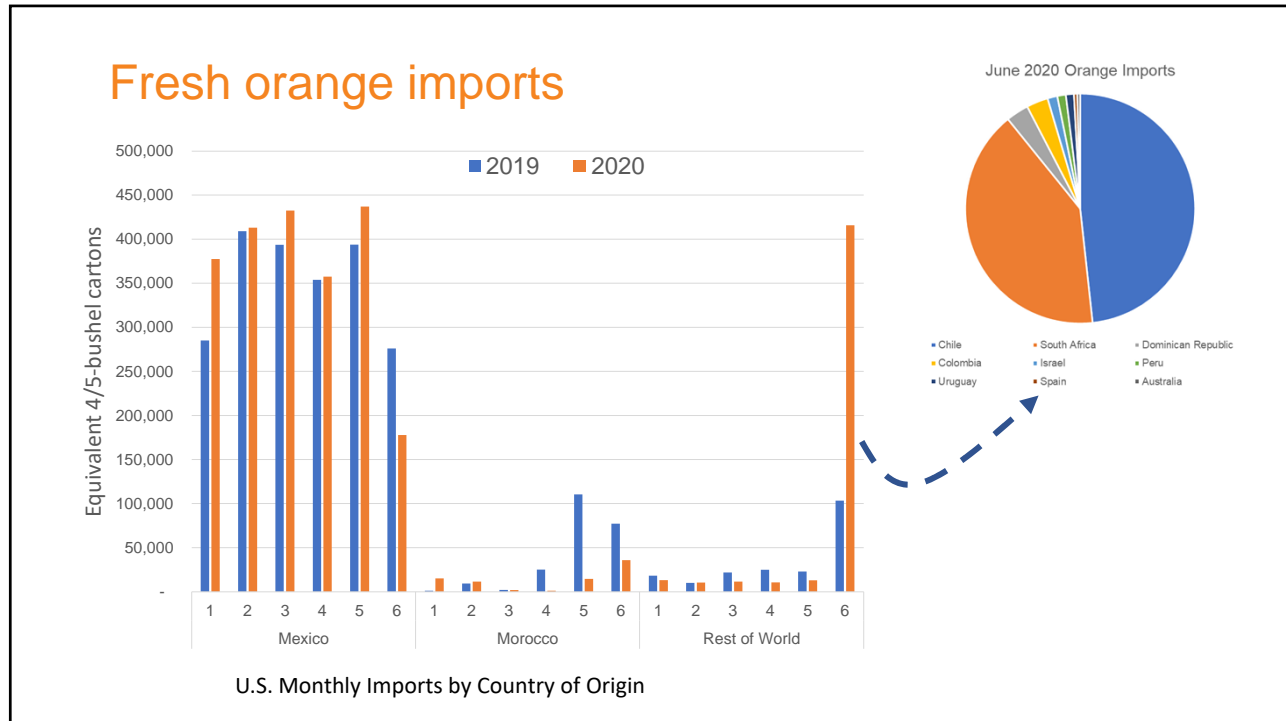
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Florida grapefruit tree replacement rate*

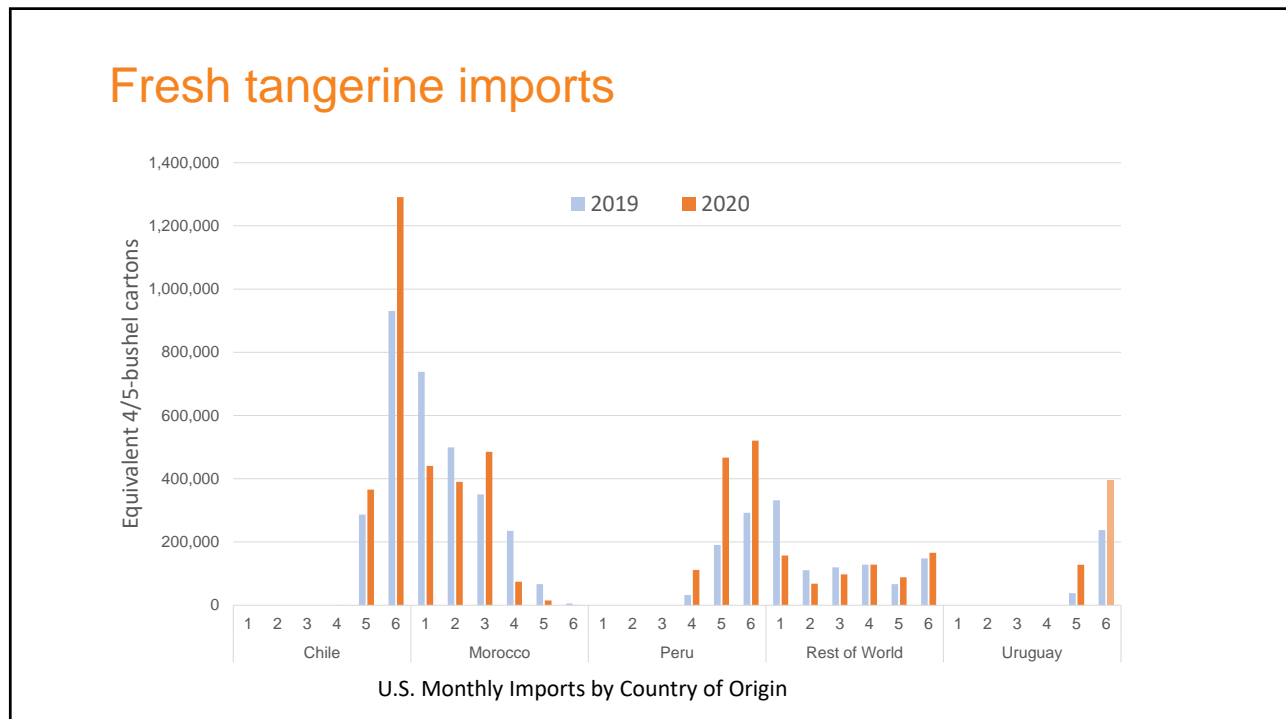


* Calculated as difference between loss rate and replanting rates

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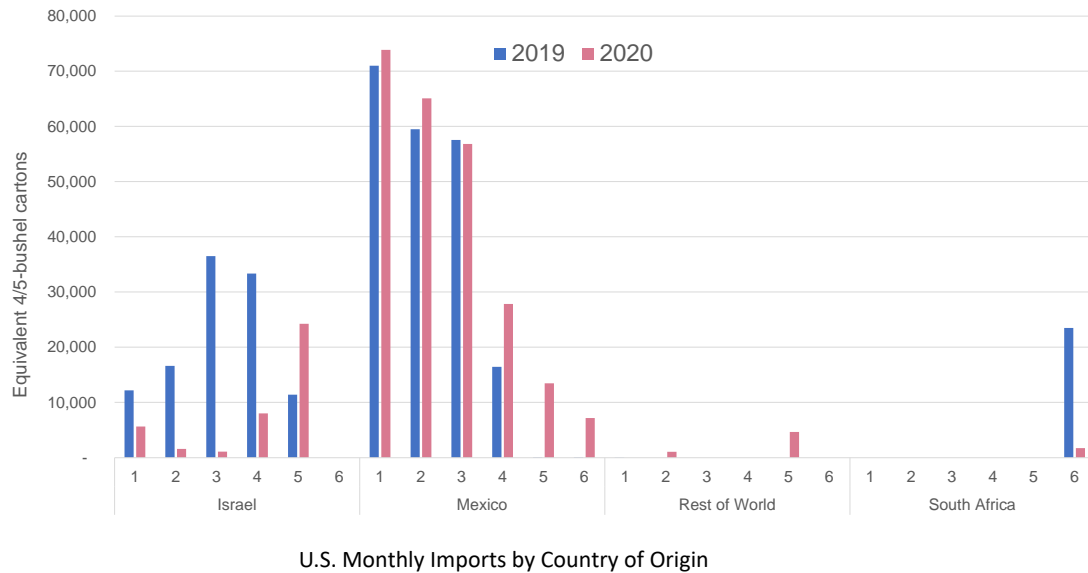


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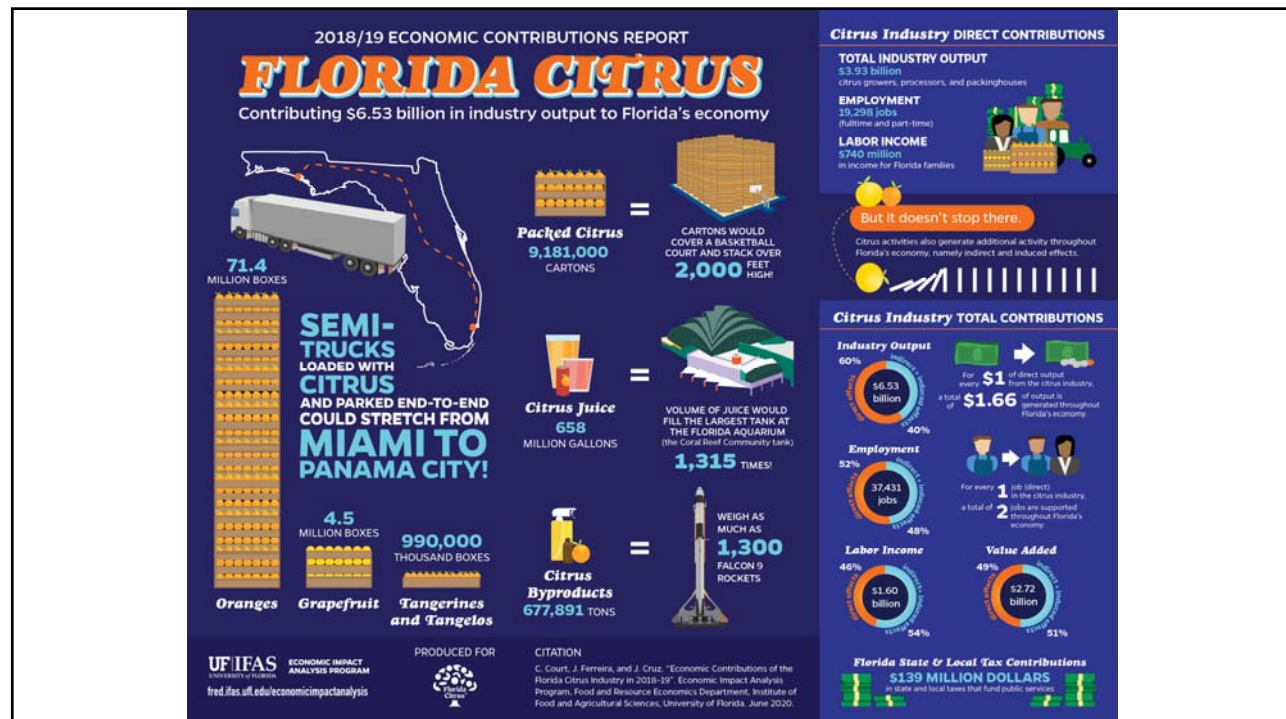


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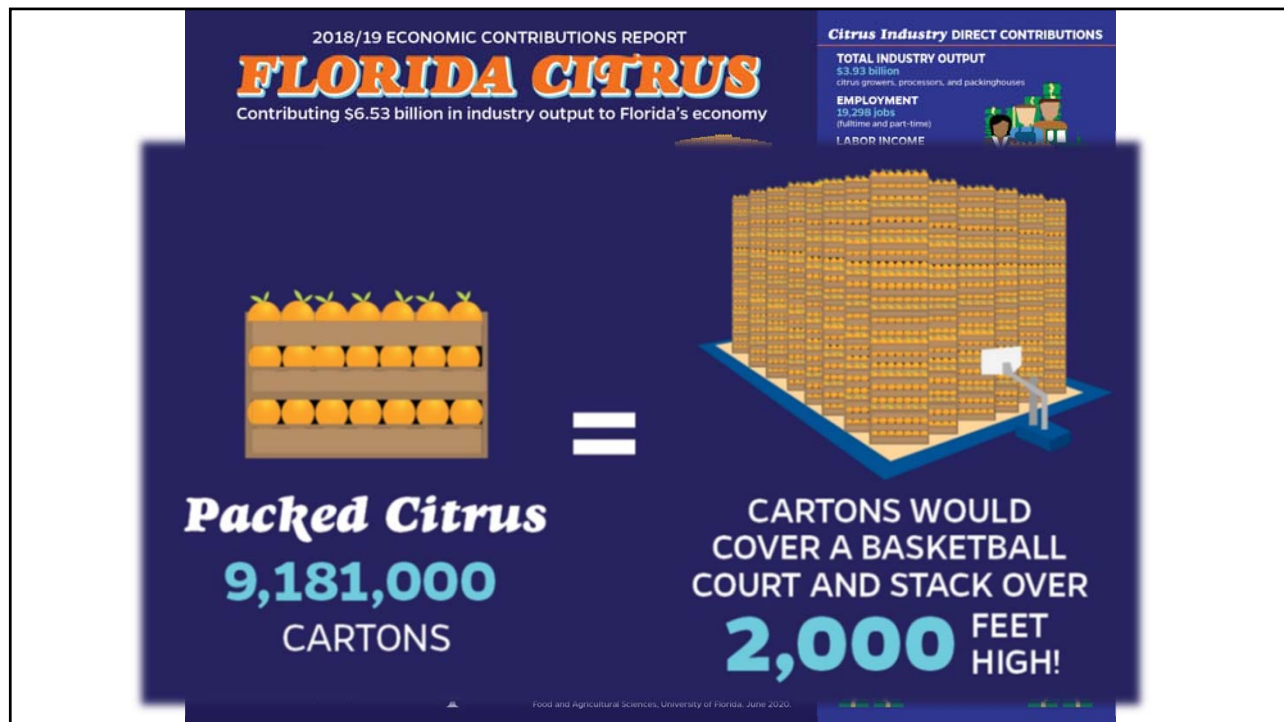
Fresh grapefruit imports



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Florida Grower and Fresh Citrus sales going forward. . .

- There *will be* a new baseline for fresh produce sales stemming from increased consumer traffic to traditional and brick and mortar.
- Fresh citrus sales would benefit in the future from marketing efforts today.
- Moving forward demand will depend on the long-term changes in consumer behavior
 - Where/how are they shopping?
 - What are their perceptions about essential purchases?
- Long-term Florida production and infrastructure utilization is key
 - Replanting, reduced costs of production, and improved yields to meet market demand.
- Investing in consumer awareness today has a lag effect that strengthens and maintains consumer demand in the future.

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Thank You

Contact Information

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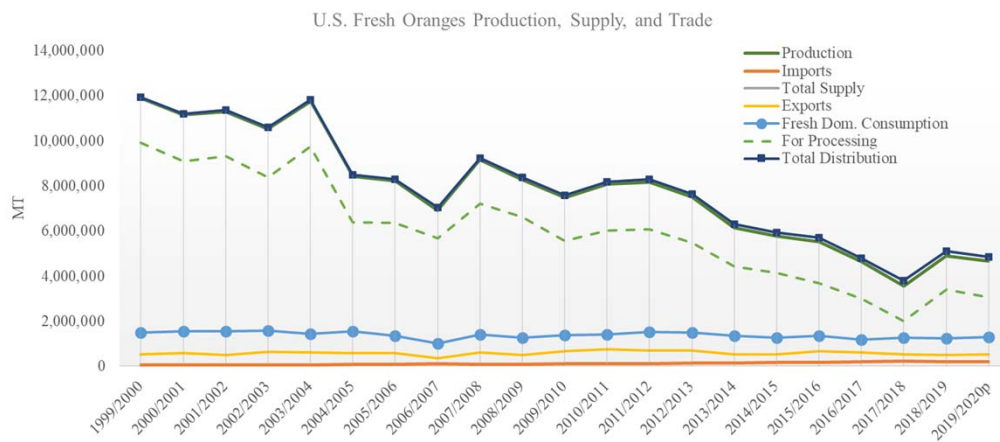
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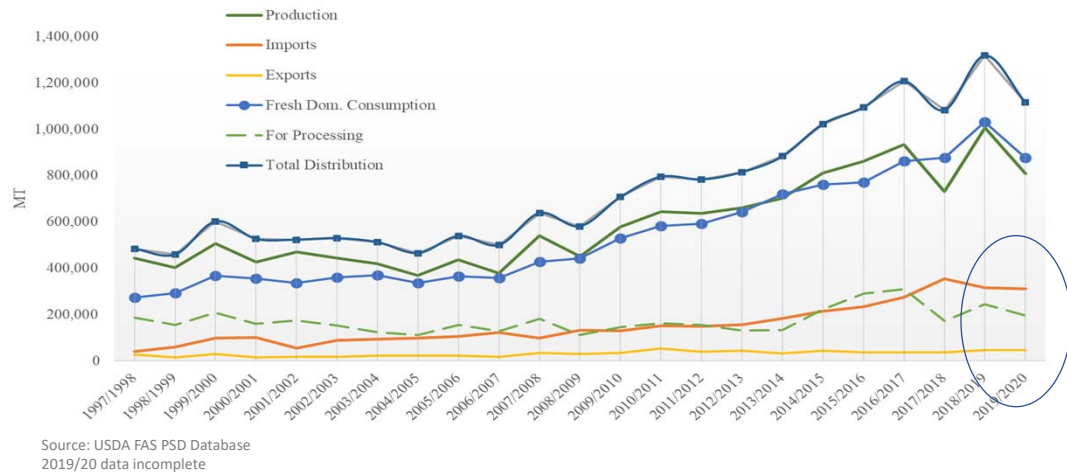
U.S. Orange Production, Supply, and Distribution



Source: USDA FAS PSD Database
2019/20 data incomplete

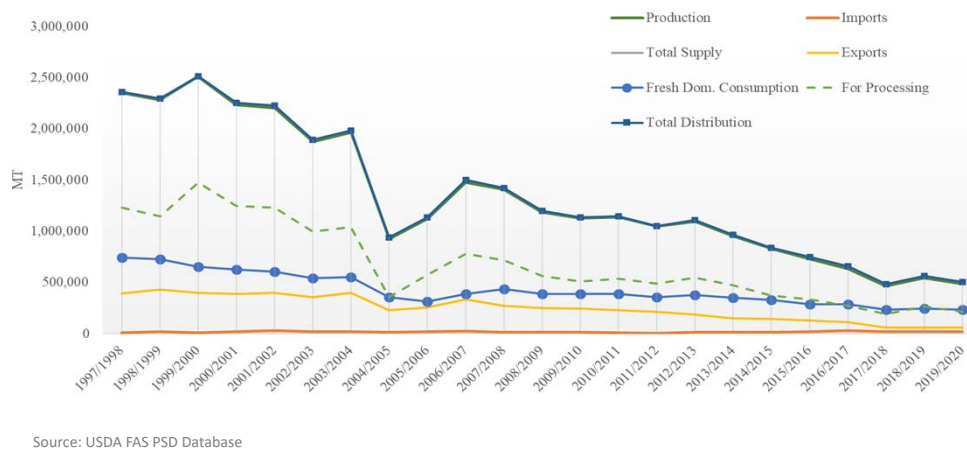
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U.S. Tangerine/Mandarin Production, Supply, and Distribution



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U.S. Grapefruit Production, Supply, and Distribution



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