

CITRUS OUTLOOK

'10 – '11

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A stylized silhouette of a mountain range in a darker shade of teal, located in the bottom right corner of the slide.

Market Update

- ◆ Only a few sales have occurred the past couple of years with citrus. Most of the sales are located in-and-around Yuma, Arizona. A lot of “development potential” exists with the sales and the prices being paid. A maximum of around \$18,000 per acre is probably justified for prime lemons on deeded land. Some activity has occurred as high as \$23,500 per acre for lemons.

Market Update

- ◆ Commodity prices have been strong this past year with good yields, especially lemons. In talking with area packing houses, most growers will receive something like \$4 to \$7 per Field Box (F.B.) back from the packing house on lemons with yields varying from 600 to 700 F.B., a few at 800 F. B. per acre. Most growers will cover their operating expenses and net as much as say \$1,500 to \$3,000 per acre after growing expenses (good quality groves).

Market Update

- ◆ The past couple of years have been very good for citrus/lemons- last year good with most growers at from \$1,000 to \$2,000 per acre net back after growing expenses. Yuma experienced a **freeze** in January of 2011. Some groves were hit very hard. Next year will have a much lighter crop with no crop for some groves.

Market Update

- ◆ **Minneola prices are good this year but production is down “off year” for production** (alternate bearing crop, one year on, one year off). Most growers should experience approximately a \$5 return per F.B. with yields around 200 F.B./Acre. Demand for grapefruit is very good with the freeze in Texas and Florida. A significant amount of Medjool dates are being planted in the Yuma area- approaching 10,000 acres. Prices have been good for Medjool dates, but the future supply is increasing significantly.

Market Challenges

- ◆ Since the mid 1990's a significant amount of acreage has been removed in District III (desert- Yuma, Phoenix, & Coachella Valley), partly because of disease but also because of aging groves and urbanization.
- ◆ **“Macrophylla Decline”** and **“Coniopohera”** are being named as the cause of accelerating the decline in older lemons. Macrophylla Decline is described as an incompatibility between Macrophylla rootstock and the bud- particularly Frost New Cellar (Frost New Cellar budded to the rootstock/Macrophylla). Other varieties of lemons do not seem to have experienced the “decline” (tree declines at say 27 yrs of age while others go to say 35 years). Coniopohera is a wind-borne disease. In actuality, two new strains of the disease have been found, **Antrodia** and the other too new to have a name. This wind-borne (may also be transmitted via mechanical tree trimmers) disease affects the limbs of the trees causing premature limb breakage. If caught in time, Coniopohera can be minimized- cut limbs with chain saw. Macrophylla rootstock is still being planted because of its early fruit and high yields. Rough lemon rootstock produces a lower yield but lasts a lot longer. Two varieties of lemons exist, Lisbon and Eureka.

The *Asian Citrus Psyllid* or *Greening Disease* is the newest to impact the citrus industry. Citrus Greening was first found in Florida in 1998. No cases have been found in the Yuma area to date—citrus psyllid found but not the disease (nearest case 800 miles away in Guadalajara, Mexico). The disease is characterized by blotchy mottle on the leaves, alters the fruit taste, and in some cases the fruit tends to “green back-up” after partially maturing/coloring. The disease is transmitted by the Psyllid and/or by grafting infected trees. Nursery stock has been impacted. Young citrus trees can only be sold in areas within the quarantine area (includes southern California and Yuma, but not Phoenix).

Bard, CA

	Value Per Acre	Activity Trend	Rent Range	Activity Trend
Young Groves 1-5 Yrs.	\$8,000 - \$10,000	Limited/Stable	Seldom Rented	Stable
Mid-life 6-15 Yrs.	\$8,000 - \$15,000	Limited/Stable	Seldom Rented	Stable
Late-life 16-30 Yrs.	\$8,000 - \$8,500	Limited/Stable	Seldom Rented	Stable

- ◆ Bard Water District, \$45.00, 5 or 8 ac ft depending on soils-loam or sandy, additional \$10.50/acre foot
- ◆ Most older groves are not being replanted with citrus in the Bard area- going to vegetables.

Yuma Mesa ID

	Value Per Acre	Activity Trend	Rent Range	Activity Trend
Young Groves 1-5 Yrs.	\$7,000 - \$8,000	Limited/Stable	Seldom Rented	Stable
Mid-life 6-15 Yrs.	\$7,500 - \$18,000*	Limited/Stable	Seldom Rented	Stable
Late-life 16-30 Yrs.	\$5,500 - \$8,500	Moderate/Stable	Seldom Rented	Stable

- ◆ Yuma Mesa Irrigation and Drainage District, \$60.00 acre for nine acre feet, additional \$6.00/acre foot.
- ◆ Unit B, \$125 for 10 acre feet, additional \$13/acre foot. (west side of mesa)
- ◆ **Prices as high as \$23,500 per acre have been experienced in the southern end of the mesa w/ development 5 to 10 years off*