

CITRUS OUTLOOK

'08 – '09



Mr. Scott A. Halver, ARA, MAI
Ganado Group, Inc.

Citrus Summary

- **Only a few citrus sales have occurred the past couple of years, particularly with citrus as its highest & best use; with most of the sales in-and-around Yuma, AZ.**
- **A lot of “development potential” exists with most of the sales and the prices being paid. Some activity has occurred with state Ag leases indicating market recognition for the citrus above and beyond the underlying Ag Land.**
- **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.**
- **Commodity prices are significantly lower this year, but strong yields were experienced. In talking with area packing houses, most growers will receive something like \$3 per Field Box (F.B.) back from the packing house with yields varying from 400 to 700 F.B., a few over 800 F.B. per acre.**

Citrus Summary

- **Some growers will just cover their operating expenses while other growers will net as much as say \$1,000 to \$1,500 per acre after growing expenses. Last year was an exceptionally good year with growers receiving from \$8 to \$12 per F.B. back – freeze in California and parts of Yuma.**
- **Historically Mexico and Chile have shipped a lot of fruit into our market. The past couple of years Mexico and Chile have not shipped as much fruit. Mexico had one lemon grove with something like 4,000 acres of which 75% was budded over to grapefruit and valencias- takes a lot of lemons off the market normally competing with Yuma's late summer-fall window.**

Citrus Summary

- **Minneola prices are good again this year although this is an “off year” for production (alternate bearing crop, one year on, one year off). Most growers should experience a \$12 to \$15 return per F.B.**
- **Demand for grapefruit continues to be low, except for the “deep red” grapefruit varieties.**

Citrus Summary

- 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 “Coniophera” 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).
- Coniophera is a wind-borne disease. In actuality, two new strains of the disease have been found, Antrodia and the other are 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, Coniophera 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.

Pricing Summary

Yuma Mesa	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*

Pricing Summary Cont.

Bard, California	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**
- **Note: Most older groves are not being replanted with citrus in the Bard area - going to vegetables**

Citrus Values - Yuma

