

CITRUS OUTLOOK '06 – '07

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Citrus Summary

- A number of sales occurred this past year with citrus in the Yuma Area, but only a few with citrus as its highest & best use.
- A lot of “development potential” exists with most of the sales and the prices being paid.
- A maximum of around \$18,000 per acre is probably justified for prime lemons. Some activity has occurred as high as \$23,500 per acre for lemons but may include a slight premium for its development potential (18th Street & 1E area).
- Commodity prices are significantly higher this year, particularly for lemons. Yields are down slightly but the higher prices are going to more than offset the shortage in production (*typical production 500 to 600 F.B per acre, this year 375 to 400 F.B. per acre*).
- In talking with one area packing house most growers will probably receive a return from \$8.00 to \$8.50 per Field Box vs. \$2 to \$3 per F.B. over the past couple of years. Most growers will cover their operating expenses and return a significant profit to the “land” for lemons.
- It should be noted, the early “window of opportunity” traditionally occurring in late August or early September for extremely high lemon prices in Yuma has been significantly reduced. Mexico and Chile have started to ship a lot of fruit into the United States with the effect of removing some or most of the premium for early fruit. Argentina is still not shipping into the U.S. market because of disease problems which helps the U.S. market. Chile had a light crop this year and Florida has been hit especially hard by the hurricanes- global production down.

Citrus Summary

- **Minneola prices are good with it being an “off year” for production** (alternate bearing crop, one year on, one year off). Most growers should experience an \$8 to \$10 return per F.B. in talking with an area packing house.
- Grapefruit is doing very well with Florida basically out of the market this year due to the hurricanes. Arizona does not have a lot of grapefruit.
- Oranges are also doing well this year with Florida out of the market. Arizona does not have a lot of oranges but California does and is reaping the benefit.

Citrus Notes

- 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.

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