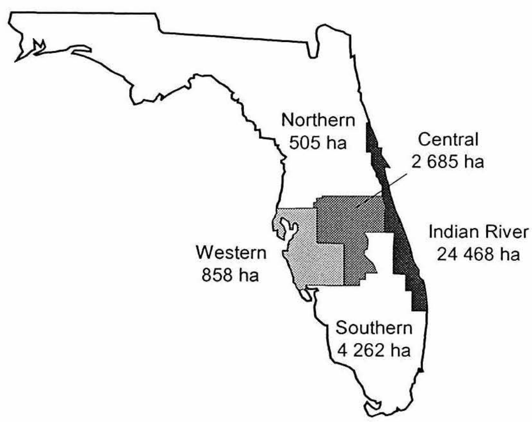
Florida Grapefruit

Florida is the leading grapefruit producer and exporter in both the fresh fruit and concentrated juice segments. This supremacy is the result of favourable soil and climate conditions for growing high quality tropical grapefruit, especially in the Indian River area, and the strong structuring of a sector with some of the most severe self-imposed quality criteria in the world. Nevertheless, since the 2004-2005 season, the sector has experienced the most serious difficulties of its history as the passage of several hurricanes has caused the recrudescence of plant health problems and especially citrus canker.

Grapefruit - Florida - Production area
32 778 hectares



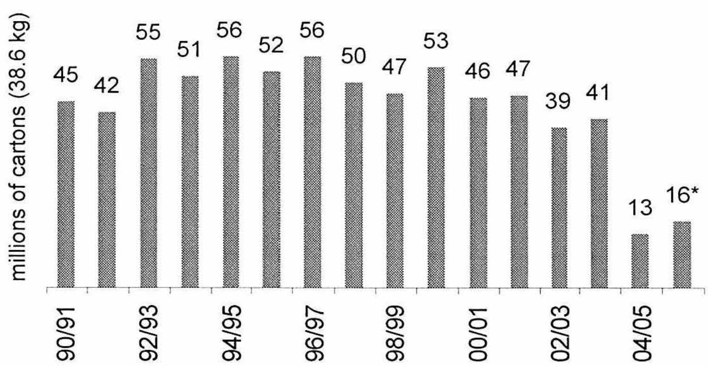
Source: FASS - 2004 Commercial Citrus Inventory

Production zone

The Indian River area is a coastal strip running from Daytona Beach to Palm Beach in south-east Florida and accounts for 75% of production, with 70% from St Lucie and Indian River counties. Less built-up than the central part of the peninsula, it is also less subject to the sometimes devastating frosts that hit the counties further north as it is close to the Tropic of Cancer and the Gulf Stream. Furthermore, water resources are comparatively abundant (ground water is at a fairly shallow depth and rainfall is quite abundant) and the soil is richer than the less clayey, more sandy soils in the central zone. The rest of production is concentrated in neighbouring counties to the south (13% in Hendry in particular) and centre (7% in Polk). Producers pay a special tax to finance their own support structure, the Florida Department of Citrus (FDOC), a very active body, especially in marketing. They also receive assistance from other local bodies (Florida Department of Agriculture, University of Florida, etc.) and federal institutions (USDA).

Volumes

Grapefruit - Florida - Production



Source: USDA / *: forecasts 05/06

Grapefruit was introduced in 1823 but the crop did not gain real momentum until the end of the nineteenth century. Production grew strongly and steadily between the mid-1960s and the end of the 1970s, when it reached a record 55 million boxes. It was very irregular in the 1980s when the orchards were hit by frost many times and then returned to strong levels from 1992-1993 onwards. The cultivated area had to be adapted to declining demand from the end of the 1990s onwards and production decreased steadily to 40 million boxes in 2003/2004. The sector has experienced one of the worst crises of its existence since the 2004-2005 harvest, with the direct and indirect effects of several hurricanes that caused enormous production losses and the aggravation of problems of citrus canker in an area already affected by tristeza. Production fell to 12 million boxes in 2004-2005 and the FDOC does not think that it will recover to 20 million boxes until 2010, especially as greening, another serious plant health problem, appeared in 2005.

Grapefruit — Florida — Production calendar

	S	O	N	D	J	F	M	A	M	J	J	A
Flame												
White Marsh Seedless												
Ruby Red												

Fruit availability in Florida/Different periods on the export markets

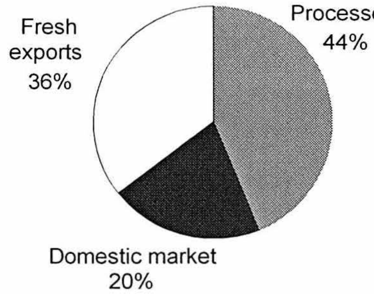
Production calendar

Coloured fruits achieved dominance in production during the 1980s, but 'White Marsh' accounts for a significant proportion of the harvest at about 40% of volumes until 2004-2005 and 25 % in the last two seasons. Pink fruits are dominant, and in particular 'Ruby' or 'Ruby Red', an old variety that nevertheless still represents the heart of the Florida orchards. Red varieties such as 'Flame' are gaining ground fairly markedly. 'Star Ruby' is little planted as it seems fairly poorly suited to the soil and climate conditions.

Outlets

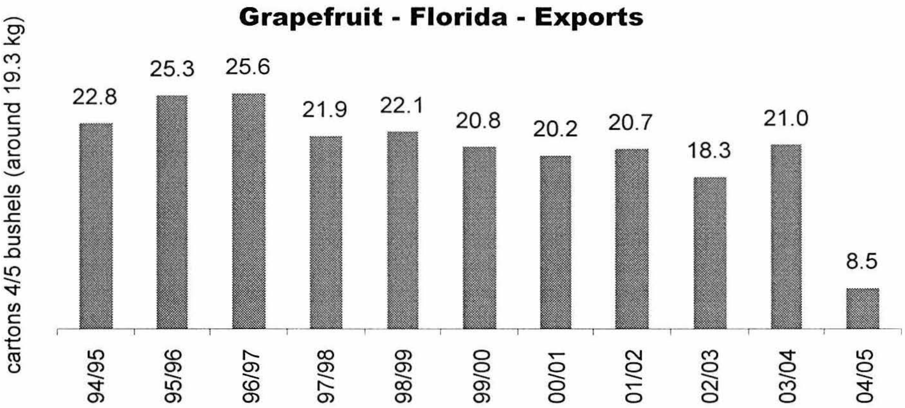
The fresh fruit sector is more profitable than selling fruits for processing. However, it accounted for only 40% of the harvest until 2003-2004. The quality standards required for access to the fresh sales segment form the keystone of the success of Florida grapefruit and are very severe, with control in the field by a team of inspectors. Demand is also decreasing, especially on the local market (consumers have doubts with regard to negative interactions between grapefruit and medicines). Fresh grapefruit consumption decreased from 2.7 kg per person per year in 1994-1995 to just less than 1.9 kg in 2002-2003. The sudden fall in production observed since the 2004-2005 season has resulted in an inversion of fruit distribution by outlet.

Grapefruit - Florida Outlets



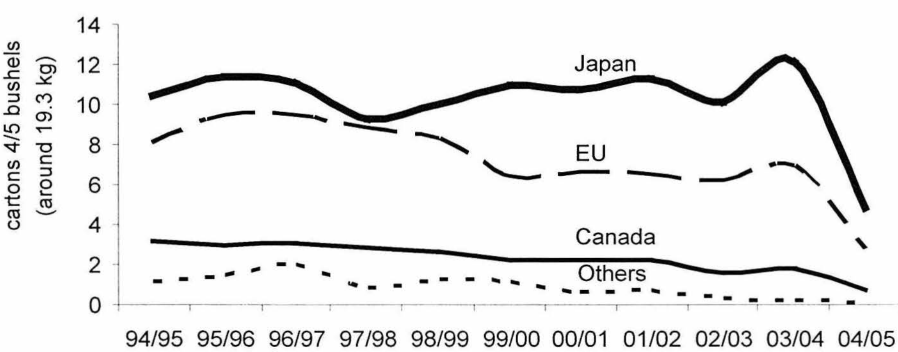
Source: FDOC 2004-2005

Grapefruit - Florida - Exports



Source: FDOC

Grapefruit - Florida - Exports by destination



Source: FDOC

Exports

Exporters are focused on three main destinations. The Japanese market is very particular with regard to quality (large fruits with no blemishes) but very profitable and by far the leading export market, taking 55 to 60% of total shipments. It is the main export destination of 'White Marsh', although the taste for coloured fruits is more marked every year in Japan. The European Union is in second position. The fruits enter mainly via Belgium and Holland and batches are then shipped to the main markets (starting with France). Canada accounts for 8 to 9% of exports by volume. Shipments to the Far East are more modest but significant (with fruits shipped mainly to Taiwan, South Korea, Hong Kong and to China since 2000). Grapefruit is also exported to Oceania (Australia and New Zealand) and small quantities are shipped to Eastern Europe (Poland) and Latin America.

Logistics

Practically all the fruits shipped to Europe and Japan are packed in containers. The main shipping ports are Miami, Savannah and Charleston, the two latter being further north, in Georgia and South Carolina respectively. Numerous shipping companies are involved, with regular services to Europe and Asia.

Grapefruit — Florida — Logistics

Markets	Main shipping lines		Shipping time	Observations
	Port of departure	Port of arrival		
EU	Charleston, Savannah, Miami	Antwerp, Rotterdam, Le Havre, Felixstowe	10 to 14 days	Numerous lines (Maersk and Hanjin in particular)
Japan	Charleston, Savannah, Miami	Yokohama	23 to 26 days	Numerous lines (Maersk and Hanjin in particular)