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AGRICULTURE

Storm puts squeeze on OJ drinkers

Due to damage Hurricane Wilma caused to Florida's citrus crop, the price of orange juice futures in New York rose to the highest in seven years Friday.

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VERO BEACH - In its path through the state in October, Hurricane Wilma knocked 15 percent of the Florida's fruit crop off orange trees still suffering from three hurricanes of 2004, citrus officials said Friday.

The shortage means higher orange prices for growers -- they're getting about 40 percent more for their oranges than last year, according to Florida Citrus Mutual, the state's biggest grower association -- and higher orange juice prices for consumers.

The price of orange juice futures in New York rose to the highest in seven years Friday after the U.S. Department of Agriculture's Florida crop report. The damage was worse than analysts expected.

At \$1.266 per pound for orange juice delivered in January, prices are up 44 percent this year.

Florida orange juice processors such as PepsiCo's Tropicana Products, which buys one of every three oranges produced in Florida, said it had 31 percent fewer gallons of frozen concentrated orange juice in storage than a year earlier, as of Nov. 26, according to the Florida Citrus Processors Association.

Tropicana already has said it will raise prices in January by 10 to 15 cents per half-gallon.

BILLIONS IN DAMAGE

Wilma pummeled citrus with steady winds in excess of 74 miles an hour and higher gusts when it crossed the southern and lower east-central citrus region. Hurricanes did \$2.2 billion damage to agricultural crops and infrastructure this year.

The state, the world's second-biggest orange grower after Brazil, will produce an estimated 162 million boxes of oranges this season, up from last year but well below the decade average.

GRAPEFRUIT SHORTAGE

Grapefruits, however, fared worse. The USDA trimmed estimated grapefruit production by a third, 16 million boxes this season, down from 24 million last year.

"The grapefruit industry really took a hit," said Doug Bournique, executive director of the Indian River Citrus League, a Treasure Coast-based industry association.

But it's too early to tell the financial impact, said Duke Chadwell, of the Citrus Administrative Committee, because the season's start is running a month late and there have not been enough grapefruit picked to produce meaningful figures.

This report was supplemented with information from Bloomberg News.