CITRUS ADMINISTRATIVE COMMITTEE

FLORIDA CITRUS MARKETING ORDER NO. 905

Advisable Marketing Policy
2011-12 Season

The Citrus Administrative Committee (CAC) develops and submits, each citrus season, to the Secretary of Agriculture, an advisable marketing policy before any regulation recommendations can be considered for the ensuing season. To assist in the preparation of this Advisable Marketing Policy for the 2011-12 season, approximately 50 opinion questionnaires were sent out the in mid-August to a cross section of the Florida citrus industry. Growers and shippers were asked their opinions concerning the size of the 2011-12 Florida citrus crops, general fruit appearance, and their observations about fruit size by variety. Many of the statements made in this Advisable Marketing Policy for the upcoming season are based upon a composite of responses received.

CITRUS PRODUCTION OUTLOOK FOR FLORIDA, TEXAS AND CALIFORNIA

The official United States Department of Agriculture, National Agricultural Statistics Service (USDA/NASS) 2011-12 season citrus forecasts were released on Wednesday, October 12th. For the purpose of this advisable marketing policy, the Florida, Texas and California citrus crops estimates were taken from the information published by the USDA/NASS. The observations of the quality of the U.S. citrus crops came from discussions with persons involved with the Florida, Texas and California fresh citrus industries. The USDA/NASS published estimates of citrus production in the United States citrus production areas should be 251.1 million boxes or about 0.5% more than the USDA's citrus forecast of 249.9 million boxes for the 2010-11 season. California's estimate in October 2011, by the USDA, forecast 75.5 million boxes for the 2010-11 season (excluding lemons and including tangerines), however the October 2011 USDA citrus forecast for the 2011-12 season estimated their production at 71.2 million boxes, which if harvested is 4.3 million boxes less than their 2010-11 citrus harvest. The USDA October 2011 forecast for the Lower Rio Grande Valley of Texas for the 2011-12 season was 6.8 million boxes, which would be a decrease of 1.44 million boxes or a 18% decrease from their 2010-11 harvest. Florida's 2011-12 total citrus production was forecast to be 172.9 million boxes, which if harvested would be an increase of 7 million boxes or a 4.2% increase above the 165.85 million boxes produced last season.

FLORIDA

The official USDA citrus estimate for the 2011-12 Florida citrus crops are detailed in Table 1. Table 1 compares the estimated Florida citrus production for the upcoming season with the actual production of the previous three seasons.

Total orange production for the upcoming season is projected to be 147 million boxes, which includes Temple orange production. This estimate represents an increase of 6.7 million boxes or 4.7 percent from the 140.3 million boxes harvested during the 2010-11 season. The USDA estimated Navel orange production at 2.7 million boxes for the 2011-

12 season, which is 2% more than last season. The quality of the new orange crop is anticipated to be normal. Rust mite damage was reported to be lighter than normal for early September. The USDA reported the increased size of the Florida orange crop was due to larger fruit size and adequate rainfall late in the summer. Most respondents reported wind scarring to be a little more than normal throughout the citrus producing areas of the state.

The upcoming Florida round orange crop individual fruit sizes were reported to be larger than the previous two seasons. At the time of measurement in September, the Non-Valencia orange crop was measured for the October estimate, 42.8% were size 163 or smaller compared to last season's measurement of 72.1% size 163 or smaller. The Valencia orange crop was measured for the October estimate, 49.7% were size 163 or smaller compared to last season's measurement of 72.9% size 163 or smaller. The Navel orange crop was also projected to have larger sizes as 52% of the Navels were measured to be size 80 or larger in September. Therefore this season's individual fruit sizes for the all Florida oranges are projected to be larger than last season. A comparison of the estimated average size distribution for regulated Florida citrus for the upcoming season is shown in Table 2.

The official estimate for the Florida's seedless grapefruit crop is 20.1 million boxes, which would be a slight increase of 350,000 boxes from the 2010-11 harvest of 19.75 million boxes. At 14.5 million boxes, the red seedless grapefruit crop is projected to be up 4.3% from last season's final utilization of 13.9 million boxes. White seedless grapefruit production, which is estimated to be 5.6 million boxes, would be 250,000 boxes less than the 5.85 million boxes utilized during the previous season. Given the estimated 20.1 million boxes of grapefruit, fresh grapefruit shipments for the upcoming 2011-12 season should be in the 8.25 to 8.5 million-box range. This would be an increase of approximately 10% over last season's fresh grapefruit shipments of 7.75 million boxes due mainly to the higher quality and the projected increased fruit size.

A vast majority of respondents indicated the new seedless grapefruit crop quality would have about normal rust mite damage. The form (shape) of the seedless grapefruit crops for the upcoming season reported to be about normal for this time of year. They indicated wind scarring is also going to be more than in previous seasons. Most respondents were very optimistic about the external quality of this season's seedless grapefruit crop, as Melanose damage continues to be a concern. However, the individual fruit size was reported to be larger than the previous two season and very similar to the individual fruit size recorded in September 2006 of the 2006-07 season. The individual red grapefruit size, as reported in October forecast, indicated that 64 percent of the red grapefruit were size 56 or smaller compared to 84 percent last season at the same time. Therefore, especially at the peak of the shipping season in January through March of this season the smaller size red grapefruit should be in short supply and will affect some offshore markets, which prefer the smaller sizes.

Specialty citrus production is estimated to be 5.8 million boxes, which if harvested would be the same as last season's harvest. The fruit size of the new specialty citrus fruit crop as measured in September was smaller than last season. However, the quality of this specialty crop is reported to be above normal.

All indications are the maturity of the upcoming Florida citrus crop is three to four week earlier than the previous few seasons. Given the earlier harvest there will be ample supplies of fresh Florida citrus available after the second week in October. Given good weather conditions, above normal rainfall in September and October, there may be concern for the amount of larger sized orange and grapefruit crops throughout the 2011-12 harvest season.

Because of the reported normal quality of upcoming Florida citrus crop, it is estimated for the upcoming season, 92 percent of all Florida citrus varieties will meet the U.S. No. 1 grade classifications or higher, 6 percent will meet the U.S. No. 2 grade classifications, and only 2 percent will be U.S. No. 3 or culls.

TEXAS

During the 2010-11 season, the Lower Rio Grande Valley of Texas produced 8.05 million boxes of grapefruit and oranges. However, the USDA's Lower Rio Grande Valley's forecast for the upcoming 2011-12 season, has grapefruit production down by 1.2 million boxes or approximately 20 percent and orange production down 240,000 boxes or about 12 percent. Given the drop in their projected production, combined fresh grapefruit and orange shipments should be approximately 7.7 million cartons, which would be approximately 15% less than last season. Due to the dry summer the Lower Rio Grande Valley experienced, the new Texas citrus crop individual fruit size expected to be below normal.

CALIFORNIA

On October 12th, the USDA-NASS forecast the 2011-12 California Navel orange crop at 88 million cartons, which is approximately 9 percent below last season. Under normal conditions, approximately 65 percent of the Navel orange crop is utilized for domestic shipments. The 2012 California Valencia crop was estimated at 27 million cartons, which equals their 2011 harvest. Arizona's combined Navel and Valencia orange crops was discontinued by the USDA at the end of the 2008-09 season. The new 2011-12 California grapefruit crop is forecast to be 3.4 million boxes, which is down from the 4.1 million boxes or 17% from their projected 2010-11 season's harvest.

As we have been reporting for the last four years, the greatest change in California citrus acreage comes from tangerines. California's total tangerine acreage was 38,826 acres in 2010 an increase of over 7,400 acres or approximately 23 percent from the 2008 California Citrus Acreage Report. It must be noted; the greatest change from the 2008 California Citrus Acreage Report to the most current 2010 report is the more than 27% increase in bearing tangerine acreage. As of 2010, California's non-bearing tangerine acreage is 15% of their total tangerine acreage. On October 12th, the USDA's forecast indicated only a very slight, 400,000 box, increase in tangerine production from California for this season over last season's production of 9.9 million boxes. However, since the 2008-09 season, California's tangerine production has increased over 33%, which tracks their tangerine acreage increases.

SUMMARY

Citrus fruit production for the United States was estimated by the USDA on October 12th to be 251.1 million boxes or 0.5 percent greater than the USDA's July 2011 forecast of 249.9 million boxes. California is projected to produce 71.2 million boxes of oranges, grapefruit and tangerines while the Florida orange, grapefruit and specialty citrus crop is projected to be 172.9 million boxes approximately 7% greater than the previous season. The forecast for Texas citrus production is for a decrease of approximately 1.2 million boxes below last season's harvest. Citrus production in Arizona has decreased to only 200,000 boxes of tangerines. The quality of the upcoming citrus crop from all citrus producing states is reported to be normal. Given the quality of the new citrus crop there will be ample amounts of fresh citrus fruit available throughout the year.

PROJECTED DOMESTIC FRESH CITRUS SHIPMENTS FROM CITRUS PRODUCING STATES

As previously noted California domestic shipments of Navel oranges will be less than last season due to their smaller Navel orange crop. Therefore, California domestic Navel orange shipments are estimated to be approximately 57.2 million cartons. Given the decrease in Navel orange production and their Valencia orange production level at 27 million cartons, coupled with the slight increase in tangerine production and the decrease in grapefruit production total fresh citrus shipments from California could be down from last season's shipments due to their projected smaller citrus production for the 2011-12 season. Still total fresh citrus shipments from California could approach 100 million cartons. Total fresh citrus shipments from Texas are expected to be approximately15% less than last season. Given the estimated citrus crops from the non-Florida citrus producing states, fresh citrus shipments should decrease approximately 5% from last season. Table 3 gives the estimated domestic shipments of fresh citrus from competing production areas in the United States for the upcoming season compared with the shipments for the previous two seasons.

PROJECTED FRESH FLORIDA CITRUS SHIPMENTS

It should be noted movement of fresh Florida citrus fruit to markets for the 2011-12 season will continue to be controlled by the USDA's Fresh Fruit Shipment Procedure, as outlined in the Code of Federal Regulation, CFR 301.75 Subpart-Citrus Canker and the Federal Domestic Quarantine Order, Guignardia citricarpa, Causal Agent of Citrus Black Sport (CBS), DA 210147, which was effective on October 14, 2010.. Given these requirements for shipping fresh Florida citrus, the outlook for regulated fresh Florida citrus shipments could be down slightly from last season but should still be approximately 30 million cartons. In projecting fresh shipments for this season, consideration was given to the effect citrus canker is having on the Florida citrus industry, especially grapefruit. In addition, the sluggish world economy and weaker U.S. dollar could also affect the amount of fresh citrus shipped to offshore markets.

Last season, 28.52 million cartons of regulated Florida citrus were utilized in interstate and export markets. The 28.52 million cartons shipped last season was a decrease of approximately 1.8 million cartons. It is estimated approximately 30 million cartons of regulated Florida citrus will be utilized in interstate and export markets, an increase of

approximately 1.5 million cartons or approximately 5 percent. The basis for these projections is shown on Table 4.

Fresh orange citrus shipments are projected to be slightly more than last season. The main reason for the slight increase in round orange shipments will be increase in Florida's orange production and slight decrease in California's orange crop. At these projected levels, total regulated fresh orange shipments could be approximately 8 million cartons.

Given the projected reduced volume of Texas red grapefruit shipments, should translate into slightly more domestic grapefruit shipments. Offshore export shipments of grapefruit are expected to be up to 10.5 million cartons or 1.5 million more cartons than shipped offshore last season. One of the overriding factors in projecting fresh grapefruit shipments is the projected larger individual fruit sizes and the increase amount of grapefruit that should be available for fresh shipments. Last season the freezes reduced the supply of grapefruit available for fresh utilization.

The regulated specialty citrus shipments for last season totaled slightly over 5.6 million cartons, which was reduced mainly by the January freeze that limited Sunburst tangerine and Honey-T shipments. Regulated specialty citrus fruit shipments for the upcoming this season are projected to be approximately 5.6 million cartons or about the same as last season, mainly due to the increased competition for California tangerine crop.

Comparisons by variety of regulated fresh Florida citrus shipments over the previous two seasons and the estimated shipments by varieties for the 2011-12 season are outlined in Table 4. These shipments exclude the approximate 2 million cartons of fresh Florida citrus, which will be marketed within the production area of Florida.

PROCESSED CITRUS PRODUCTS

The movement and ending inventories of processed citrus is of importance to the grower and shipper of fresh Florida citrus utilized for fresh shipments. The processed information outlined below was published in the Florida Citrus Outlook for the 2011-12 Season by the Economic and Market Research Department of the Florida Department of Citrus.

ORANGE

Florida ended the 2010-11 season with an OJ inventory level of 391.2 million SSE gallons or 18.1 weeks of supply. Adding the 2010-11 ending inventory to the 2011-12 estimate of Florida OJ production of 914.5 million SSE gallons equals an estimated import level of 123.9 million SSE gallons. Total movement in 2011-12 is projected at 1.036.1 million SSE gallons, down 7.6% from last season. At the end of the 2011-12 season, Florida's OJ inventory level would stand at 393.6 million SSE gallons or 19.8 weeks supply, approximately 8% greater than last season.

Given the official estimate of Florida orange production and the amount of OJ inventory and movement projections, the prices Florida orange producers will receive for the 2011-12 season should be slightly less than last season. Even with the increase in Florida's and Brazil's orange production, the expected returns back to the tree for this season should be slightly higher than the previous 2010-11 season.

GRAPEFRUIT

Florida begins the 2011-12 season with 33.1 million SSE gallons of GJ in inventory, down 9 million SSE gallons from the beginning inventory in the previous season. The 2011-12 beginning inventory represents 34.4 weeks supply, which is down from last season by 1.4 weeks supply.

Florida GJ production in 2011-12 is estimated at 62.0 million SSE gallons, up 6.5 million SSE gallons from last year. Combining production with beginning inventories, Florida GJ availability this season is estimated at 95.1 million SSE gallons, down 8.5 million SSE gallons or 8.3% from last year.

GJ movement is estimated at 63 million SSE gallons, down 10.6% from last year. The 2011-12 ending-inventory levels for Florida GJ are estimated at 32 million SSE gallons or 26.4 weeks supply.

Total grapefruit commercial utilization last season was 19.750 million boxes down approximately 3% from the previous 2009-10 season. The estimated 20.1 million-box grapefruit production for the upcoming 2011-12 season is an increase of 350,000 boxes or approximately 2 percent. Given the above information, grapefruit growers should receive lower per pounds solid prices for their 2011-12 grapefruit crop utilized in the production of FGJ. Given these projects, grapefruit growers can anticipate lower on-tree returns this season.

CONSUMER INCOME AND ECONOMIC OUTLOOK

The following U.S. Economic Indicators for October 2011 was taken from the October 20, 2011 Economic Outlook published in the Corporate Executive Board (CED) Views.

While there are no signs of imminent recession, U.S. economic indicators point to a deceleration in economic growth. The economy still remains depressed by low consumer spending, weak labor and moribund housing markets. Real personal consumption increased in August only by 1.8% year-on-year while the nominal personal consumption grew by 0.2%. Real disposable income grew by meager 0.3% on a year-on-year basis while the nominal disposable income did not grow at all. While the official unemployment rate remained at 9.1% in September, the number of new unemployment insurance applications inched down and the labor force participation rate inched up. Further, consumer sentiment inched up by 0.4% in September, and producer sentiment climbed to 51.6, staying above the neutral benchmark. There were signs of a continued correction in the housing market: prices continued to fall; the months' inventory of homes remained at the pre-crisis level; and the number of new building permits in August fell. Other key changes in the past month include: in August, new orders for consumer goods fell by 0.23%; new orders for capital goods fell by 1.2%; and the Consumer Price Index grew by 3.8% year-on-year and 0.4% month-on-mouth.

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PROSPECTIVE SUPPLIES OF NON-CITRUS FRUIT

The USDA on September 30, 2011 reported the following information on supplies of non-citrus fruit in their Fruit and Tree Nuts Outlook report. The USDA's National Agricultural Statistics Services (NASS) initial forecast in August for the 2011 U.S. apple crop was set at 9.51 billion pounds, up 2 percent from a year ago and about the same as the previous 5-year average. However, the USDA reported that fresh-market production will likely be down in 2011-12. The anticipated smaller fresh-market crop, harvest delays, and dwindling supplies from the previous crop boosted early 2011-12 fresh apple prices. NASS forecast the 2011 U.S. grape crop at 14.4 billion pounds, down 3% from last season. The U.S. 2011 pear crop was forecast by NASS to be 1.78 billion pounds, 9% greater than the 2010 crop

U.S. consumers continue to struggle with tight budgets through tough economic times; retailers have been more aggressive in their efforts to make non-citrus items more affordable to their consumers. The sufficient supplies of non-citrus fruit available from domestic production and ever-increasing global supplies, there will be more than sufficient supplies of non-citrus fruit available to the consumer throughout the year.

PROPOSED REGULATIONS

The CAC will meet, as necessary, during the 2011-12 season to review all relevant supply, demand and quality factors and to consider changes in minimum grade or size regulations for each variety of Florida citrus fruit shipped to interstate and export markets. Meeting notices are widely disseminated to all handlers of fresh Florida citrus, importers and exporters of fresh citrus fruit and other interested parties at least 7-10 days prior to any CAC meeting. Also, only those items listed in the meeting notice will be considered by the CAC.

To guide the CAC this season, the CAC Chairman may again appoint an Orange/Specialty and Grapefruit Subcommittee which will meet on an as needed basis to review and consider fruit and market conditions as they may affect the need to relax minimum grades, maturity and sizes during the upcoming season. It is possible, but not very likely the Orange/Specialty Subcommittee may consider developing a rule, much like the Size 48 and Smaller Red Grapefruit, for dealing with the smaller size 210 Sunburst tangerines. However, given the projected red grapefruit crop for the 2011-12 season it is unlikely the Grapefruit Subcommittee will meet after the official crop estimate to review and consider recommending, to the CAC, the utilization of the Size 48 and Smaller Red Grapefruit Rule (Rule) for this season. Also, the Grapefruit Subcommittee may review and consider the minimum maturity standard for fresh grapefruit shipments to regulated markets. Interstate regulations for both red and white seedless grapefruit recommended by the CAC and approved by the secretary should include continuous coverage under Section 8e of the Agricultural Marketing Agreement Act of 1937, as amended. This requires that the quality of grapefruit imported to the United States must meet the same minimum grade and size requirements, as Florida grown red and white seedless grapefruit interstate shipments under the order.

A proposed schedule for minimum grade and sizes for the various citrus varieties regulated during the 2011-12 season is shown in Table 5. The actual recommendations to be made by the CAC and the timing of any changes may vary from the proposed schedule due to changing supplies, demand, and weather conditions which cannot be foreseen at this time. It is important to note, that depending on crop and market conditions, most recommended regulations may be determined to be critical and time sensitive. As such, these regulations will require approval in an expedited manner, as provided under the Administrative Procedures Act.

The Citrus Administrative Committee will be reviewing and considering a number of possible amendments to the order during the 2011-12 season. Two of the purposed amendments the CAC will be considering would have a direct effect on regulated citrus shipments from Florida. The first amendment would include the regulation of regulated varieties within the production area. The second amendment would authorize the inclusion of new varieties and hybrids if and when they become commercially viable. The other purposed amendments deal with the administration of the order.

MARKETING POLICY OBJECTIVES

ORDERLY MARKETING

There are approximately 8,000 Florida citrus growers of which maybe only 1,000 produce citrus for the fresh channel of trade. Currently there are approximately 50 shippers of fresh Florida citrus fruit. The largest 10 handlers handle over 50% and the top 25 handlers handle over 92% of the shipments of fresh citrus fruit from Florida. Minimum quality controls as provided under this marketing order play an important role in the orderly marketing of the projected 30 million cartons of Florida citrus fruit to be shipped in regulated channels during the upcoming season. If the marketing order was not in place, the shipment of immature, lower grade, possible freeze damaged and extremely small sizes of Florida citrus fruit could do irreparable harm to the quality image built of many years by the Florida citrus industry. Oranges that do not meet the minimum regulation requirements can often be profitably utilized in process products with a greater overall return to the Florida orange grower. However, even with the smaller grapefruit crop, it is expected that grapefruit growers selling their grapefruit for processing during the upcoming season will not return the cost of production. Therefore, maintaining a strong fresh market through orderly marketing is of vital importance to the Florida citrus grower and consumers of Florida citrus fruit.

CONSUMER CONFIDENCE

Many consumers buy fresh Florida citrus fruit on the basis of eye appeal. The shipment of excessively blemished, discolored and misshapen citrus fruit and extremely small sizes does not result in consumer confidence in the quality of the product. Therefore, the minimum grade and size requirements recommended by the CAC are designed to provide an ample and consistent supply of quality fresh Florida citrus fruit, which will gain consumer confidence and encourage repeat purchases.

REASONABLE PROFITS FOR FLORIDA CITRUS GROWERS

According to past studies by Ronald P. Muraro, University of Florida - IFAS, CREC, the cost to produce Florida citrus fruit for the fresh market range from an estimated $1,300 an acre to $1,800 or more per acre for irrigated citrus groves in the different citrus producing area of Florida. These costs did not include ad valorem taxes, interest on production costs, insurance, depreciation, and other costs, which may vary widely among Florida citrus growers. These other costs are estimated to add an additional 10 to 20 percent to the cost of production. However, for the upcoming 2011-12 season production cost may continue to increase due to the recent spike in energy, fertilizer and chemical cost. However, with the cost for scouting in their management of greening and citrus canker, production cost will continue to rise each season. Also, these additional costs associated with greening and citrus canker management could add an additional $300 or more per acre. An important objective of this marketing order is to obtain a reasonable profit and return for Florida citrus growers producing citrus fruit for the fresh market. The fresh market is very important to growers of seedless grapefruit, tangerines, tangelos, Temples, Navel oranges, and round oranges. However, because the fresh market discounts heavily the lowest grades and smallest sizes of each variety it is these least desirable grades and sizes, which usually fail to return the cost of production to the Florida citrus grower. Therefore, throughout most of the marketing season, the lower grades and extremely small sizes are restricted at a reasonable level above the cost of production.

AIM FOR PARITY

One of the objectives of this marketing order is to strive to achieve parity for all Florida citrus fruit sold in fresh channels. With the estimated citrus production in Florida this season, it is believed that the 2011-12 average on-tree returns most likely will not exceed parity.

EFFECT OF REGULATORY ACTIONS ON SUPPLY - PRICE - INFLATION

EFFECT ON SUPPLY

During the previous season, the processing segment of the Florida citrus industry utilized 96.percent of the round orange crop, 54 percent of the grapefruit production, and 33 percent of the specialty citrus varieties (Tables 6 and 7). In contrast to many fruit and vegetable industries, Florida citrus fruit for processing often returns the grower more money than the fresh segment, especially for oranges with high-pound solids. As a result, Florida citrus delivered to packing houses that does not meet the minimum grade or size requirements of Marketing Order No. 905, but is wholesome and passes all maturity tests, can be profitably used for FCOJ, FCGJ, chilled juice or sections, most seasons. Regulatory requirements under Marketing Order No. 905 does not reduce the overall supply of Florida citrus fruit that can be shipped fresh because approximately 75 percent of each variety can meet the minimum grade and size requirements sometime during the marketing season. Minimum quality regulations promulgated under this marketing order simply guarantees the best quality citrus fruit will be shipped fresh, resulting in increased consumer purchases.

While minimum size regulations may cause delays in harvesting certain crops, these delays can increase the total supply because fruit will continue to increase in size throughout most of the season.

EFFECT ON PRICE

Since lower grades and smaller sizes are generally discounted in the marketplace and adversely affect the returns for better grades and sizes, overall grower returns benefit from diverting the least desirable grades and sizes of Florida citrus fruit to processed products throughout most of the season. Price fluctuations are kept at a minimum as a result of these regulations, which provide a consistent supply of good quality fresh Florida citrus in the markets for approximately eight months each year. The effect of Marketing Order No. 905 regulations on the retail price is insignificant. This is because the retail price for fresh Florida citrus fruit primarily reflects the cost of harvesting, packing, transportation, wholesaling, and retailing rather than the cost of the citrus fruit itself. The FOB shipping point price is approximately 30 to 40 percent of the retail price of Florida citrus fruit. The on-tree return to Florida citrus growers would be lower as a percentage of the retail price because of the harvesting; hauling, packing and selling are deducted for FOB packinghouse price. Therefore, price changes at the on-tree level generally have only a slight effect on retail pricing unless there is a severe freeze or other natural disaster. Fresh Florida citrus fruit will remain an excellent buy in comparison with other fresh fruit and vegetables on a price-per-pound basis during the upcoming season.

EFFECT ON INFLATION

Regulations under Marketing Order No. 905 have no effect on inflation, productivity, employment, critical supplies or competition. The minimum quality regulations authorized by this marketing order should actually increase demand and the total volume of Florida citrus fruit sold fresh.

COST - BENEFIT SUMMATION

Under normal growing conditions, approximately 10 percent of the total Florida citrus crop is marketed as fresh fruit. However, returns from fresh sales are of great importance to the Florida citrus grower. The returns on the portions sold fresh are usually the difference between profit and loss, especially for the Florida citrus growers producing Navel oranges, grapefruit, tangelos, tangerines, Temples, and Honey tangerines. The value of this season's citrus marketed in fresh form should exceed $400 million at the FOB packinghouse level. This marketing order program contributes to the increased value of Florida citrus fruit sold fresh and the cost of the program is $0.0072 per 4/5-bushel carton of regulated fresh Florida citrus shipped.

In developing this advisable marketing policy, the CAC has considered the practical problems associated with harvesting and marketing the crop and believes that the adjustments necessary for the industry to conform to the regulations will be negligible in comparison to the benefits that will accrue to the Florida citrus growers.