



FOR IMMEDIATE RELEASE
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TEMPERATURES WARM – WHAT’S NEXT?

Moderating temperatures begin Tuesday evening, Wednesday morning with the low temperature in the mid to upper 20s. The warmer areas in the citrus region didn’t drop below freezing until after midnight. This upward trend is expected to continue, and the hope is growers will be able to suspend frost protection measures by the end of the week. Statewide the cost to protect the crop and trees is approaching \$90-95 million.

Today will be the first day that packing houses are allowed to release fruit that was picked on Friday, January 12, subsequent to inspection by their respective county agricultural commissioner’s office. As previously reported, there is a five-day hold from day of harvesting on all fruit; to ensure that damaged fruit doesn’t enter the market channels.

A high percentage of citrus growers have crop insurance, which will help cover a portion of their expenses incurred in growing this year’s crop, but it is not 100% coverage nor does it cover revenue loss. Additionally, growers will have a further financial burden as they secure funds to grow next year’s crop, realizing there will not be any income until at least March 2008.

How does this affect the prices in the markets? Prior to the freeze, the net revenue return to the growers was in the range of four to five cents per pound for navel oranges. With the freeze event, growers with marketable fruit are hoping to receive a return in the range of 8 to 10 cents a pound.

Official damage estimates will not be available until the week of January 22, however it is safe to say the citrus industry has sustained at least a 50% crop loss.

The artic air that took up residence in California this week is now moving out. Low temperatures should rise into the upper twenties to low thirties through the weekend. Another cold front is forecast to move into the area early next week, once again dropping the lows into the mid twenties for 3 to 4 nights then warming late by week. The long range forecast indicates the potential for additional cold weather late in the month. The frost season took its time getting here and now it looks like it is going to take its time leaving. The forecasts and updates on the CCM phone line and website have fortunately or unfortunately proven be very accurate.

Note: This is the final press release this week.
Next release is scheduled for Tuesday, January 23, 2007

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