

THE VALENCIA ORANGE SITUATION AND OUTLOOK

Another major freeze during the winter of 1949-50 has reduced the quantity of California Valencias to be marketed in 1950. The March 1st forecast is for 23,480,000 boxes from California and Arizona, slightly above the forecast of a year ago, as a result of freezes the previous winter but below the actual 1949 crop. This will result in another year of shipments somewhat below 1946 to 1948. With consumer purchasing power still fairly good in 1950, although declining from previous years, prices for good fruit should be close to 1949 levels. But, the freeze affected different orchards quite differently and some growers will have very low yields and quality with very low income for the second year. With a large national supply of citrus fruit and canned and frozen products, a freeze which reduces our local crop does not result in as great an increase in price as formerly when summer oranges had less competition. 1950 will probably be a year like 1949 with highly variable returns among different growers.

TABLE 10- California Valencia Oranges, Five Year and Annual Averages

Period or year	California bearing acreaqe	California & Arizona		Per cent shipped fresh	Calif. C.O.C. prices pkd. box	Calif. Farm value all	Returns reported Valencia study
		Production 1000	Fresh shipments Boxes				
1926 to 1930	89,901	13,551	13,044	97	\$4.40	\$3.49	\$3.13
1931 to 1935	107,717	19,924	17,740	89	2.12	1.37	1.29
1936 to 1940	131,171	23,099	19,015	82	2.30	1.41	1.14
1941 to 1945	143,311	32,554	26,632	81	3.54	2.62	2.55
1946	148,498	26,970	21,019	79	4.80*	3.50	3.40
1947	148,919	34,460	24,895	73	2.94*	1.47	1.58
1948	149,520	27,230	19,900	73	3.44*	1.84	1.74
1949	149,800	25,260				1.66	1.65
1950		23,480				--	--

* California and Arizona

The long-time outlook for California Valencia oranges is for increasing production and for heavy competition from other fresh and processed citrus fruits. Although bearing Valencia acreage in California is not increasing much in recent years, total production can continue to increase. The expected increase in orange and grapefruit production in Texas and Florida will result in heavy future supplies of citrus fruit. Although local Valencias are marketed in the summer, later than the fresh fruit from those districts, they still have to meet the competition of frozen concentrate, canned fruit and juices. The low price for these products also limits the returns obtainable for surplus and off sized fruit processed for juice to a level too low to be profitable to orange growers.

Consumer purchasing power, after several years of high levels, is now declining moderately as production and business activity becomes adjusted to current domestic and export needs. Production costs are still high but contain some opportunity of reduction.

The outlook is for lower future prices for Valencia oranges and for only small cost reductions and hence, for lower earnings for Valencia orchards. Some orchards will be so unprofitable as to call for abandonment or removal. But, orchards with good yields of good quality and size of fruit, economically operated should continue to show some net income in most years.

TO MEET LOWER PRICES GET MORE BOXES FOR LOWER CULTURAL COSTS PER ACRE

1949 Study
Average

Economy
Standard

