

Market News

Subfreezing temperatures in parts of California are threatening to damage the state's \$2 billion a year citrus industry and have forced farmers to adopt emergency measures. It's too early to assess the latest damage, but an Arctic cold front that reached the state Jan. 10 has led California farmers to spend more than \$10 million in cold-containment measures, such as wind machines that circulate warm air at night. Small citrus fruit such as lemons and mandarins will be the most vulnerable to shortages and price hikes, farmers stated. But other crops- strawberries, lettuce, avocados, broccoli- could be affected, reported *The Wall Street Journal*. [Full Story](#) (WSJ Subscription Required)

The U.S. all orange forecast for the 2012-2013 season is 8.83 million tons, down 2% from both the previous forecast and the 2011-2012 final utilization. The Florida all orange forecast, at 142 million boxes, is down 3% from both the December forecast and last season's final utilization. Florida frozen concentrated orange juice yield forecast for the 2012-2013 season is 1.61 gallons per box at 42.0 degrees Brix, unchanged from the December forecast but down 1% from last season's final yield of 1.63 gallons per box. [USDA Report](#)

The severe drought the U.S. experienced in 2012 is threatening to cripple economic growth in 2013 and forcing consumers to pay higher food prices. Forecasts are for a 4% price increase in food this year, with beef, pork and chicken to be significantly affected, according to an economic professor at Creighton University and who studies farming issues. The professor also thinks food prices will likely be going up much more than the forecast, reported *CNBC.com*. [Full Story](#)

Amino acids in orange juice might reveal secrets to the successful attack strategy of the plant pathogen that causes citrus greening disease, also known as Huanglongbing or HLB. Studies of these amino acids by a USDA chemist and University of California-Davis professor may pave the way to a safe, effective, environmentally friendly approach to undermine *Candidatus Liberibacter asiaticus*, the microbial culprit behind HLB. [Full Story](#)

Frigid temperatures damaged the winter lettuce crop in Yuma County, AZ, resulting in smaller harvestable heads, slower plant development and harvest, and higher prices for consumers. The hardest hit crops were whole head lettuces (iceberg and romaine) within three weeks of harvest, reported *Western Farm Press*. [Full Story](#)

With the exception of grapefruit, the production of all citrus crops is expected to be lower in the EU in marketing year 2012/13, a consequence of Italy's lower orange crop and Spain's lower mandarin and lemon crops. The Autumn rains had a positive influence in the size and quality of fruits and the farmers are seeing this season as an opportunity to increase revenue and compensate for

previous years when prices were lower. [USDA Report](#)

Under new USDA standards, shippers can pack different types and colors of eggplant in the same pack and have them certified to a USDA grade. Under the standards, if an eggplant pack is designated as mixed or specialty, it can contain more than one color or type of eggplant and receive a Fancy or No. 1 grade, stated a USDA standardization specialist. In the past, U.S. shippers could pack mixed packs, but they were not grade-certified, reported *The Packer Online*. [Full Story](#)

A Georgia conservation group is planning to use more than \$19,000 in grant funding to help small farms and new farmers, according to *The Associated Press*. The Broad River Soil and Water Conservation District will use the funding to assist farmers in its district, and will hold four targeted outreach programs and host a small farm conference this year. Officials stated farm tax and accounting principles, organic farming, water efficiency and product marketing practices will be among the topics they will cover with new farmers, reported *Atlanta Journal-Constitution*. [Full Story](#)

Valley citrus growers were breathing a collective sigh of relief Jan. 15 as they appeared to dodge significant damage from a fifth-straight night of freezing temperatures. Temperatures dropped rapidly the night of Jan. 14 and averaged 26 degrees in the Valley. Citrus farmers relied on wind machines to raise grove temperatures three to five degrees above critical levels, reported *The Fresno Bee*. [Full Story](#) (Free Registration Required)

With interest in locally grown food soaring, the federal government created a small loan program to help community farmers who might not be able to borrow money from banks, according to *The Associated Press*. The low-interest "microloans" of up to \$35,000 are designed to aid startup costs, bolster existing family-run farms and help minority growers and military veterans who want to farm, reported *St. Louis Post-Dispatch*. [Full Story](#)

The Oppenheimer Group inked a deal with a greenhouse bell pepper and cucumber grower. The addition of Randhawa Farms is expected to increase Oppenheimer's British Columbia pepper volumes to 2 million boxes, reported *The Packer Online*. [Full Story](#)

Poland's 2012 grains production is estimated at 28.5 million metric tons. Higher yields and changes in cropping patterns contributed to the 6.6% increase in output over the 2011 level. In 2012, Poland's corn production set a new record at four million tons while wheat output fell 8%. [Full Story](#)

The citrus industry in Brazil is finishing a difficult 2012-13 season marked by low farm prices, declining production and high orange juice inventories, which resulted in an estimated 40 million boxes of oranges left unharvested on the tree.

Economists attributed the topsy-turvy Brazilian market to the government's orange price support programs. Despite the global trade in orange juice, however, the oversupply in Brazil has not yet affected farm prices in Florida or retail OJ prices in the U.S., judging by trading on the U.S. futures market, reported *The Lakeland Ledger*. [Full Story](#) (Free Registration Required)

Red potato movement was brisk in the first half of January, but extreme cold in Idaho is limiting russet shipments. Sub-zero temperatures made it very difficult, sometimes impossible, to haul russets from cellars to plants without them freezing, stated the senior vice president of sales and marketing for Wada Farms, reported *The Packer Online*. [Full Story](#)

The Illinois Department of Agriculture is launching a campaign to encourage consumers to buy locally grown fruits and vegetables, reported *The Associated Press*. The state could see economic activity grow by \$20 billion a year if consumers increased spending on locally grown food by 10%, according to an agency director. [Full Story](#)

A string of cold nights in California should not make much of a dent in the state's strawberry crop. Thanks to extensive freeze-protection measures, volumes and markets will not likely be significantly affected by the cold weather, stated the director of communications for the California Strawberry Commission. Most Oxnard growers ran wind machines, sprayed with water and, in some cases, brought in helicopters to mitigate damage for five nights beginning Jan. 10, reported *The Packer Online*. [Full Story](#)

Wing prices set to soar to record highs

Chicken wing prices are on track to rise 2% to more than \$2 per pound by the Feb. 3 Super Bowl and hold steady for weeks afterward, said Koch Foods CEO Joe Grendys. Wing sales typically peak around the time of the Super Bowl, but year-round demand has been rising as more eateries add wings to the menu. [Bloomberg Businessweek](#)

Chipotle: Higher food costs to take a bite out of profits

Chipotle's food costs will account for 33.5% of total sales, and restaurant operating margins are expected to decline 1.5% on higher food costs in the fourth quarter, the chain predicted. "While food costs driven by underlying inflation increased faster than expected in the fourth quarter, we're optimistic that food inflation will level off in 2013," said co-CEO Monty Moran. [The Wall Street Journal](#)

Farmers in top U.S. grain states are planning to rotate to other crops after repeated plantings of corn on the same fields, combined with a devastating drought in 2012, badly hurt yields.

Farmers in Iowa and Illinois, which accounted for almost 30% of U.S. corn production in 2012, are expected to shift some acreage that was seeded exclusively with corn over the past several years to soybeans this spring, reported *Reuters*. [Full Story](#)

The FDA declared that genetically modified salmon "is as safe as food from conventional Atlantic salmon," and is looking for consumer feedback. As soon as next year, salmon could become more abundant and less expensive, meaning that salmon lovers will enjoy this heart-healthy food more easily and often. Before that can happen, however, GM salmon must overcome the harsh opposition of radical anti-biotech groups, reported *Western Farm Press*. [Full Story](#)

An estimated 79 million-lbs. of avocados are expected to be served at parties and other events surrounding the Big Game.

That is enough avocados to fill a football field end zone to end zone 30-ft. deep, according to Hass Avocado Board. This year's expected total would top last year's by close to 8 million-lbs., reported *The Packer Online*. [Full Story](#)

California's Sacramento County has become the epicenter of U.S. sturgeon and caviar production. and the state now accounts for

sturgeon and caviar production, and the state now accounts for **an estimated 70% to 80% of U.S. production**, according to seafood experts. Most of the world's caviar production no longer comes from such exotic spots as Russia's Volga River and western Asia's Caspian Sea, as those supplies are almost completely depleted from pollution, poaching and overfishing of the caviar-egg-bearing sturgeon. The shift in world production can be traced to a breeding program in the Sacramento River from 1985 to 1987 and the contributions of Serge Doroshov, a fish research biologist who defected from the former Soviet Union and was employed at UC Davis, reported *The Los Angeles Times*. [Full Story](#) (Free Registration Required)

Cargill will indefinitely idle a Plainview, TX beef processing plant Feb. 1 primarily because of a dwindling cattle supply resulting from drought conditions. The Plainview plant employs about 2,000 people and is one of Cargill's five plants that take in live cattle and ship out boxed beef, reported *The Minneapolis Star Tribune*. [Full Story](#)