TEXAS A&M UNIVERSITY-KINGSVILLE

CITRUS CENTER

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NEWSLETTER

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VARIETAL CONSIDERATIONS

Most growers are not contemplating the planting of new orchards at the current time, especially in view of limited returns in the last couple of years. Nonetheless, a few have wondered about the current varietal makeup of the industry, with an eye to which varieties they might consider for future plantings. Unfortunately, current acreages are just estimations, as there has not been a citrus inventory since 1995. Still, the marketing situations of the last couple of seasons provide some insight into the current composition of the industry.

Harvested production of grapefruit during the 2001-02 season accounted for 77.6 percent of the total citrus crop, with earlies, mids and navels being 19.8 percent and Valencias only 2.6 percent. During the 2000-01 season, the numbers were 76.3, 21.2 and 2.5 percent, respectively.

Within grapefruit, the major variety is, obviously, Rio Red. The Ruby-Sweet varieties of grapefruit, while undoubtedly of better shape and probably of better overall quality, simply are not in sufficient demand in our markets. Unknown volumes of the Ruby-Sweet varieties have remained unharvested in each of the last two seasons, as have some Rios. That and the fact that packinghouses have remained open into late May and June during the last few seasons implies that Texas growers are overproducing grapefruit—Rios as well as Ruby-Sweets.

Within earlies, mids and navels, the predominant varieties are Marrs and navels. When growers are forced to pick early oranges straight to the juice plant, such as has occurred twice in the last half dozen seasons, it is logical to conclude that the industry may have too many earlies. Similarly, when packinghouses are still trying to ship navels well into February, one suspects there are too many acres of navel oranges for our market.

As every grower knows, packouts are pathetic near the end of the season, regardless of variety. Combining low packouts with low prices and low juice returns results in dismally low returns overall. Thus, it might be concluded that Texas does not need more grapefruit, more earlies or more navels. So, what else is there?

If one accepts the premise that oranges help move grapefruit, then it follows that Texas needs more mids and Valencias—but only a few growers are willing to take the risks associated with Valencias. Too, despite recent plantings of Valencias, overall volume could probably be packed and sold in a few short weeks—long before we run out of Rios. Mids, however, especially Pineapple (the one that matures about the first of December), are perhaps more attractive from the risk standpoint, since their season overlaps both earlies/navels and Valencias. Additional production of mids could extend the season between earlies/navels and Valencias, thereby delaying the need to start harvesting Valencias until somewhat later in the grapefruit season.

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NEW PRESIDENT IN KINGSVILLE

Texas A & M University-Kingsville has a new President. The appointment of Dr Rumaldo Juarez as the new President has just been confirmed by the Texas A & M University System Board of Regents.

Dr Juarez is currently Dean of the College of Health Professions at Southwest Texas State University in San Marcos, a position he has occupied since 1994. He is very familiar with the Valley, having previously served for 4 years as Director of the University of Texas System's Texas-Mexico Board Health Coordination Office at UT Pan American. He has also taught at UT-Pan Am, and has served on the Environmental Resources Committee of the LRGV Development Council, and the boards of the Center for Health Policy Development Inc., Elder Care Inc. and the Hidalgo County Home Health Services.

We congratulate him on his appointment, and look forward to showing him around the Center - he has already accepted an invitation to visit as soon after he takes up his appointment as possible.

Jose Amador & John da Graca

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Since, our industry is based on fresh grapefruit and oranges, we are not really in a position to readily market the specialty varieties such as mandarins, tangelos and others. That's not to say that those types of citrus would not be profitable—only that marketing of such varieties would have to be done by the innovative grower individually. Thus, the investment of the grower's time in harvesting, packing and marketing specialty citrus would impact profitability.

Obviously, there are no easy answers regarding which varieties of citrus would be more profitable. However, we apparently cannot easily market all of our current production of Rios, Marrs and navels year in and year out at prices that cover the costs of production and also provide a decent return on the grower's investment of time and capital. Thus, alternative varieties that are in more limited production may be a viable option for some growers.

Julian W. Sauls, Ph.D.
Professor & Extension Horticulturist

ERIK MIRKOV RECEIVES PRESTIGIOUS AWARD

Dr Erik Mirkov, molecular virologist at the Texas Agriculture Experiment Station, received the prestigious Syngenta Award at the annual meeting of the American Phytopathological Society in Milwaukee at the end of July. This award is given to scientists in their first 10 years of professional work who have excelled in their particular field. Erik was recognized for developing methods and tools to improve the agricultural and biotechnological value of sugarcane and citrus. His work on citrus includes introducing untranslatable *Citrus tristeza virus* coat protein gene into Rio Red grapefruit to develop virus resistance trees. He has also produced transgenic citrus with possible insect and bacterial resistance, and has been working on identifying the tristeza resistance gene in trifoliate orange. He is the only scientist in the US to have permission to test transgenic citrus in the field. We congratulate Erik on this remarkable achievement.

TIAN-YE CHEN COMPLETES GRADUATE DEGREE

Mr. Tian-Ye Chen, Citrus Center Graduate student, has completed his thesis and academic studies and will be awarded his Master of Science degree in August from Texas A&M University-Kingsville. Known as "Chen" by fellow students and faculty, he has a most pleasing and outgoing personality. Chen not only maintained a perfect cumulative straight A (4.0 grade point average) in his course work, but undertook and completed an unusual and difficult thesis research project in citrus entomology. His research conducted in Dr. French's laboratory, dealt with a beneficial mite species, *Galendromus helveolus*, and its predation on a serious Texas citrus mite pest known as the 'false spider" or flat mite. He developed innovative methods of handling and culturing mites and plants used in his studies. Moreover, he showed both persistence and patience since most of his observations on mite predation and mortality were done under a microscope. One never heard him complain when his experiments extended into the evenings and weekends. Chen's research definitively demonstrated the effectiveness of this beneficial mite against the target pest, and could prove to be a much needed biological mite control alternative to the chemical spray program citrus growers overly rely on.

Chen gave excellent presentations on his research at two graduate student symposia, both at the Citrus Center and the Dept. of Agronomy & Resource Sciences in Kingsville. He also gave a presentation in the student oral competition at the 2001 Rocky Mountain Entomological Conference in Woodland Park, CO. His article entitled: 'Beneficial Mite on Texas Citrus' appeared in the December, 2001 Citrus Center Newsletter. Chen plans to co-author with Dr. French two research articles for publication in recognized entomological journals. Chen previously worked for 2 years with Dr. T. X. Liu, Research Entomologist, at the Texas Agricultural Experiment Station (TAES) here in Weslaco. During that period he authored and co-authored six refereed papers in leading journals. Most recently, Chen

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RISK MANAGEMENT, TEXAS CITRUS SEASONAL GRAPEFRUIT PRICES

Recently, I became curious about the behavior of monthly grapefruit prices during the yearly season. It is generally thought that a price premium exists at the beginning of the season, so in particular: How large is such a premium, and how long might it last? To answer these questions I collected monthly price data from the 1980-1981 season through the season just marketed 2001-2002. The data is available on the web at http://www.usda.gov/nass/pubs/rptscal.htm, from here select the month you are interested in and then select "Agricultural Prices," which is usually released on the 28th of each month. What I learned was a little bit surprising.

First, as the season wears on, the F.O.B. prices tend to hold better than the packinghouse- door (PHD) price and also the on-tree (OT) price. This is due largely to the F.O.B. price being only fresh whereas the other two prices include an average of fresh and processed. This is not so surprising, what was though, is that in the 22 seasons 2000-2001 was the first season with enough movement to generate an F.O.B. price in September. The only years to generate a June F.O.B. price were 1981-82, and 1982-83, and then again in 2000-01 and 2001-02. What is interesting in the data is the calendar year 1981 was the largest harvest in the range, 2001 was next. When supply is high the season pushes out into September and June which are not normally a part of the marketing season. Strong supply is definitely a factor causing weak prices, but looking at some data I'll discuss more next time, it looks like Texas is capturing market share. So while prices are soft now, there are some forces in the market that may help Texas prices in the future, if Texas supply stabilizes.

Looking a little closer at the monthly prices, the average nominal price (prices that have not been detrended for inflation) for the 22 seasons in October was $6.54/box PHD (Figure 1). Also of interest were the average prices for November of $6.78 and December of $5.92. Compare these to the respective prices for the last three months in the market season $2.63, March; $2.50, April; and $2.23 for May. The difference between the average of the first three months and the last is $3.96. That's the early season premium. Now, on average there is not a huge premium for October vs. November harvest, but it is there. This shows up in the standard deviations. The standard deviation for October is $4.55 and November is $3.76. This number tells you that 68 percent of the time the October price will be between the average plus or minus the standard deviation. So looking at the top end, 68 percent of the time there is a $0.55/box higher price reach in October than in November. But then looking at the 2001-02 season it was larger still, $12.20 in October versus $7.40 in November. The good news is the premium tends on average to hold for the first three months of the marketing season, but the real story is the early bird gets the apple.

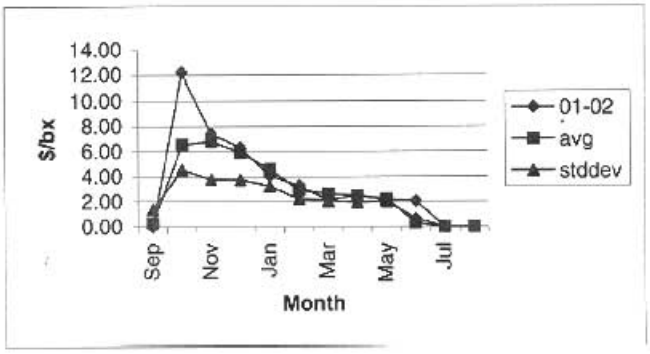

Figure 1. Average monthly Texas grapefruit prices at the packinghouse-door for 22 market seasons 1980-81 through 2001-2002.

Gary McBryde
Agricultural Economist TX A&M Kingsville

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was offered and accepted an Entomology Research Associate position ,and will work at the USDA-ARS Western Cotton Research Laboratory in Phoenix, AZ. Chen will be missed by students and faculty at the Citrus Center and TAES, and we all wish him and his wife, Shengzi Zhou, and daughter, Connie Chen, the very best in their relocation to Arizona.

J. Victor French

VISITORS TO THE CENTER

Recent visitors to the Citrus Center have been Dr Mario Rocha-Peña (INIFAP, Monterrey, Mexico), Mr Ken Cradock (Ohio State University, Columbus), Mr Drew Palrang (Bayer), Dr Rosemary Walzem (Texas A & M, College Station), and Drs Doug Young & Ralph Carlson (University of Texas-Pan American).

NEW FACES AT THE CENTER

A number of new faces can be seen at the Citrus Center, with three new post-docs and five new graduate students joining us during this summer. **Dr Girija Raman** and **Dr Sankar Ananthakrishnan** have joined Dr Patil's group as post-doctoral scientists. They came here from India, and have valuable experience in plant biochemistry and chemistry and will make major contributions to his research on beneficial chemicals in citrus. Two new graduate students have also begun lab work in his Functional Food Lab - **Radhika Thokala**, who came here from Texas A&M - Commerce as a summer intern, has decided to transfer to Kingsville, and **Viola Gade** who has completed a semester of coursework in Kingsville and will be working with Dr Patil and Dr Shad Nelson.

Dr Louzada's lab has just acquired **Dr Ying Jia**, who has an excellent background in molecular cytogenetics and gene cloning in China, and will work on citrus gene isolation and characterization as a post doc. In addition three graduate students have joined the lab. **Madhura Kunta** is working on the molecular characterization of the hybrids created by chromosome transfer, **Mayra Arredondo** is working on creating more partial hybrids, and **Pedro Trejo** is doing some tissue culture research.

Several new graduate students are also expected to register this fall and begin taking classes in Kingsville or College Station.

John da Graca, Bhimu Patil and Eliezer Louzada

NEWSLETTER SURVEY RESULTS

The results of the survey,where we asked who wanted an electronic form of the newsletter, so far are:
91 responses out of 262 subscriptions
28 responses for electronic
68 responses for mail

If you want a e-mail reminder and you didn't send me your e-mail address. Send an e-mail to m-ambos@tamu.edu .

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