

THE FUTURE OF GRAPEFRUIT IN FLORIDA

2019 INTERNATIONAL CITRUS
BEVERAGE CONFERENCE

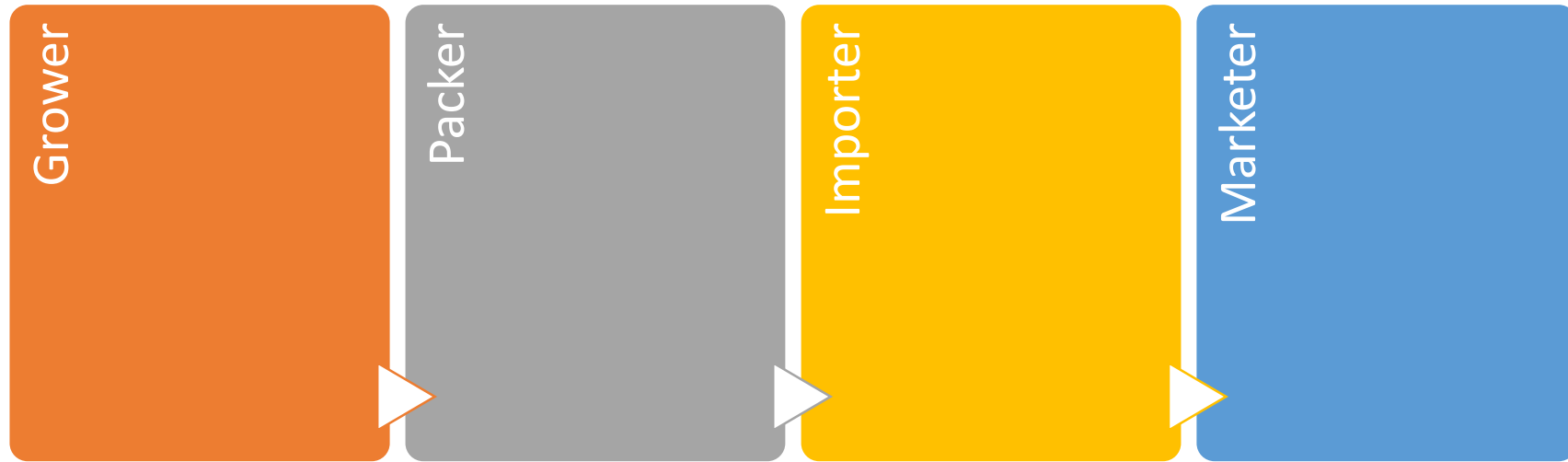
Scott Kerr | Melanie Ressler

IMG Citrus, Inc.





INTEGRATED FRESH CITRUS COMPANY



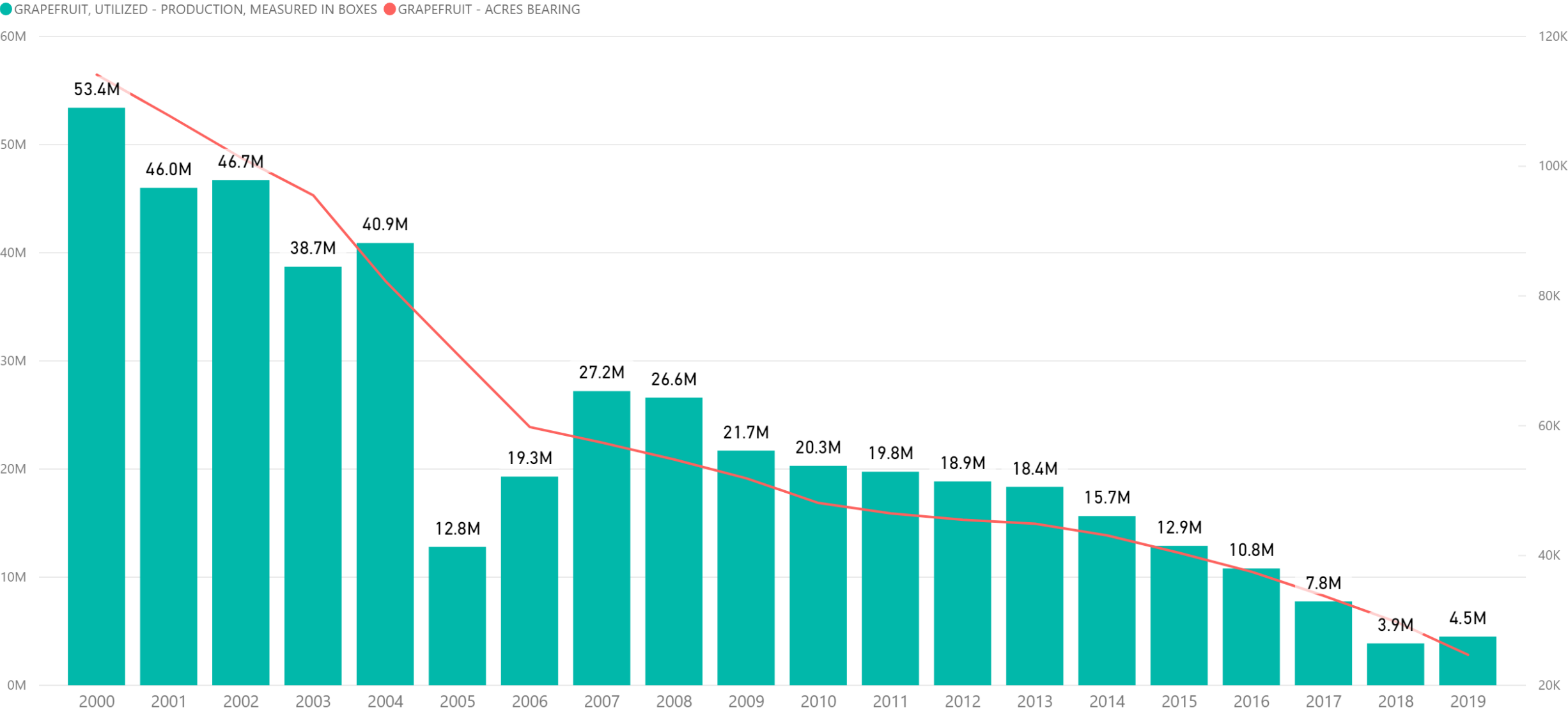
CITRUS GROVE OPERATIONS



TOTAL ACRES: 9,140 (3,700 ha)
75% Planted in Grapefruit



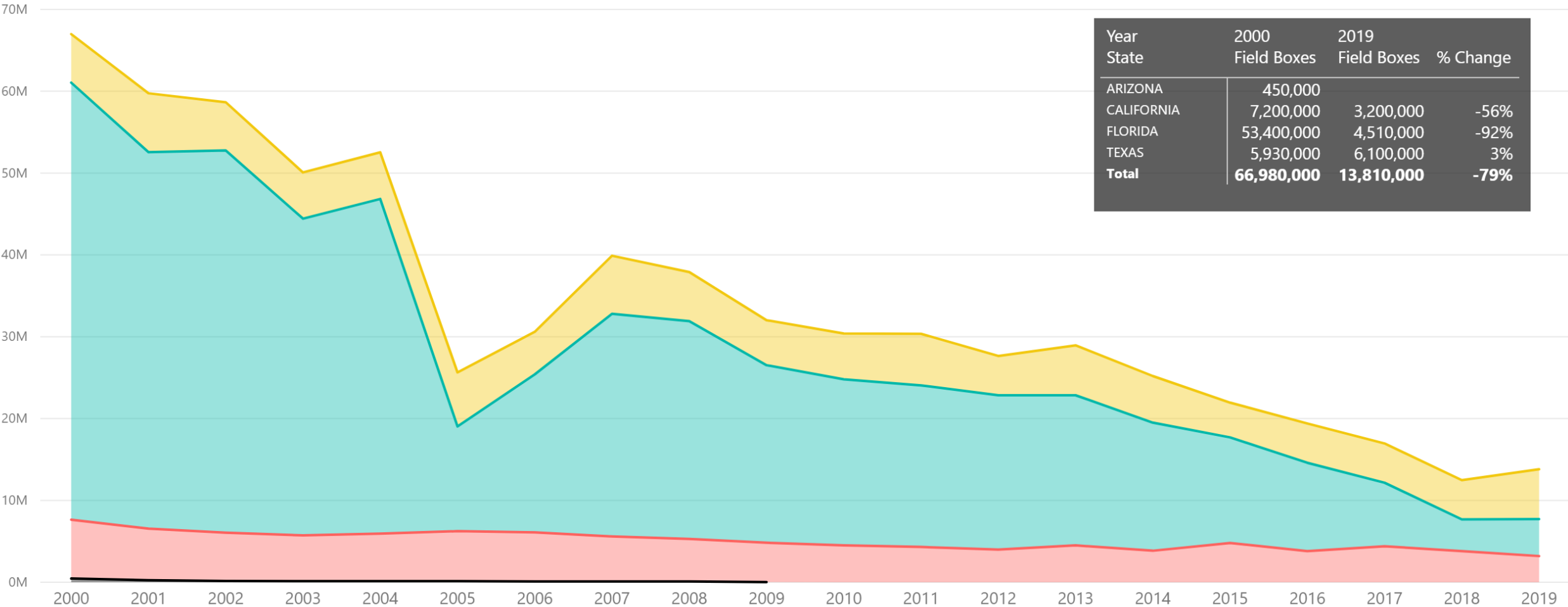
FLORIDA GRAPEFRUIT PRODUCTION (Field Boxes)



Source: USDA National Agricultural Statistics Service

UNITED STATES GRAPEFRUIT, UTILIZED - PRODUCTION, MEASURED IN BOXES

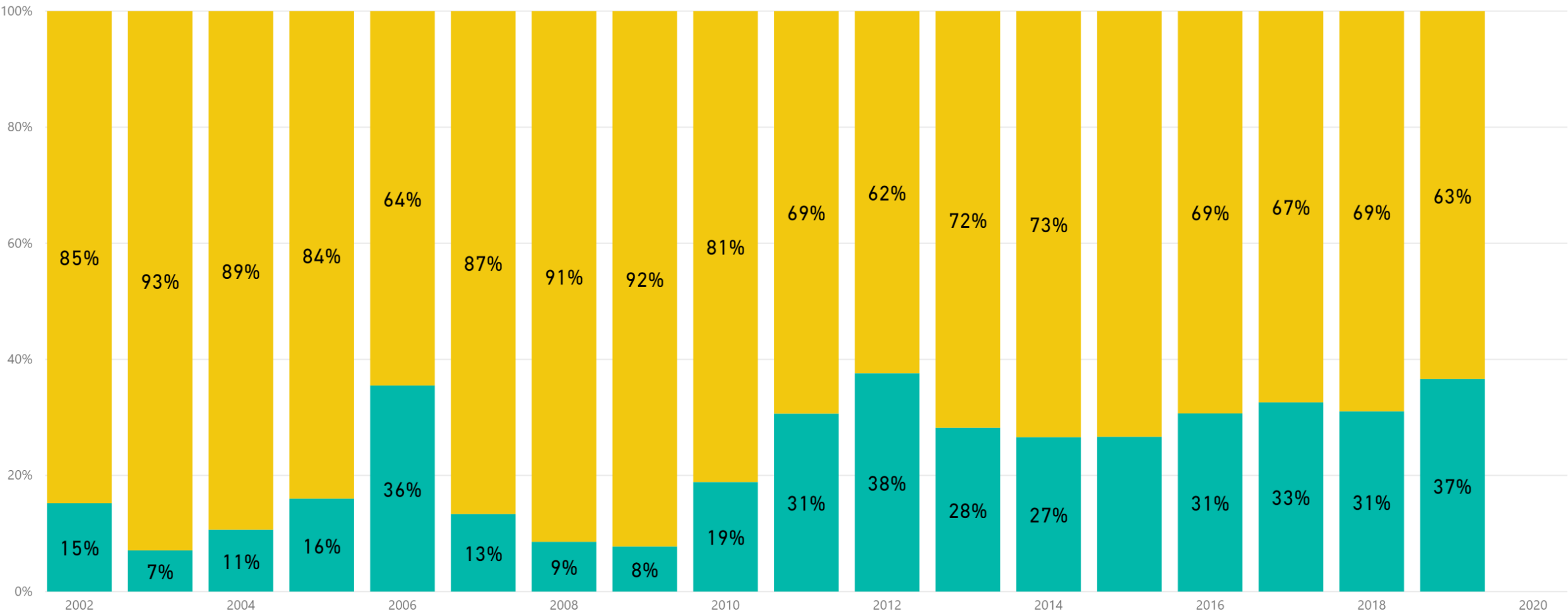
State ● ARIZONA ● CALIFORNIA ● FLORIDA ● TEXAS



Source: USDA National Agricultural Statistics Service

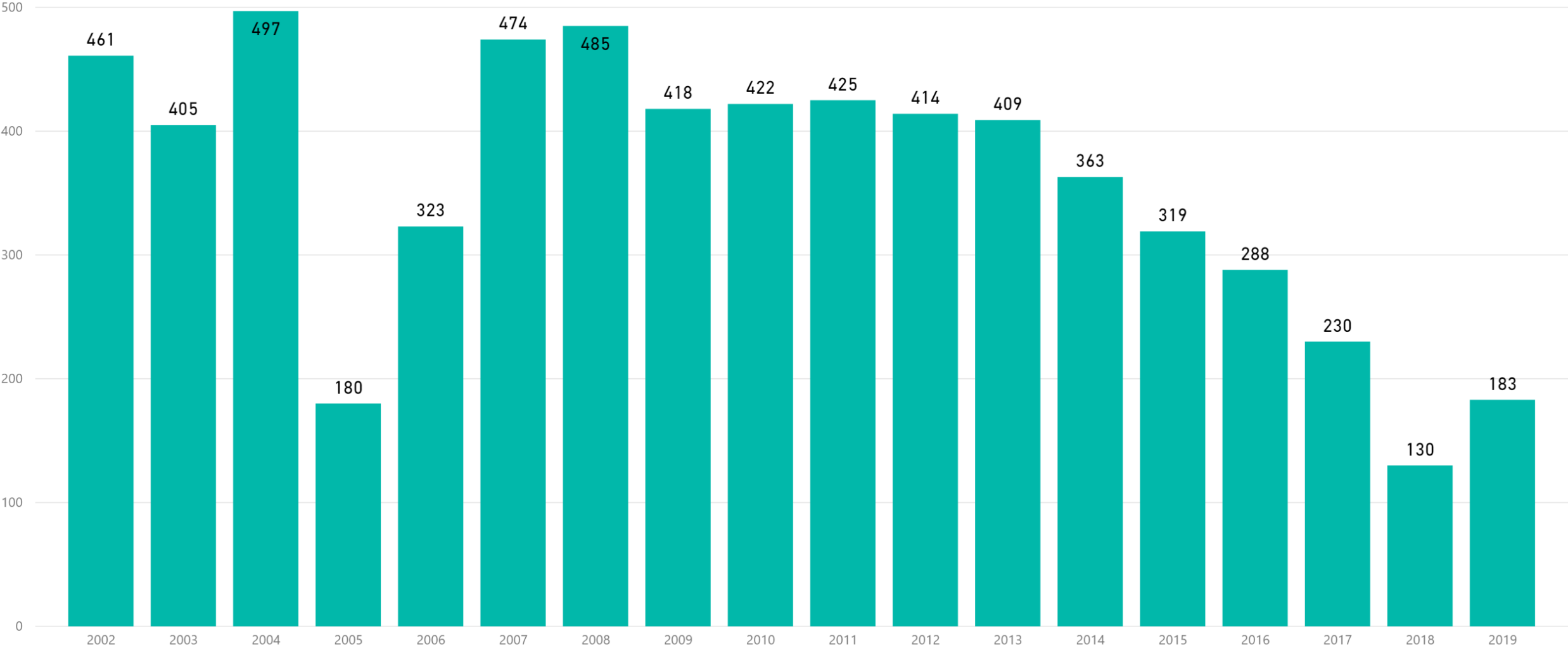
FLORIDA GRAPEFRUIT CROP VALUE

● Processed ● Fresh



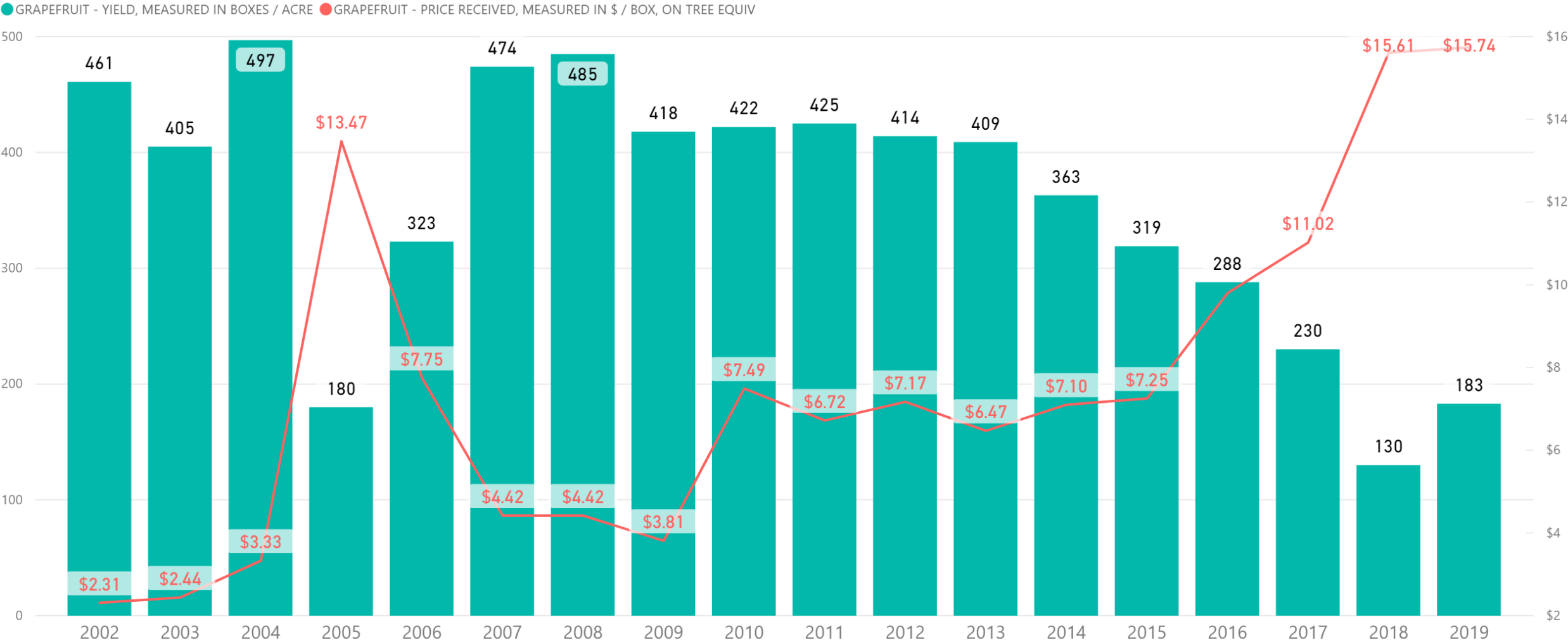
Source: USDA National Agricultural Statistics Service

GRAPEFRUIT - YIELD, MEASURED IN BOXES / ACRE by Year



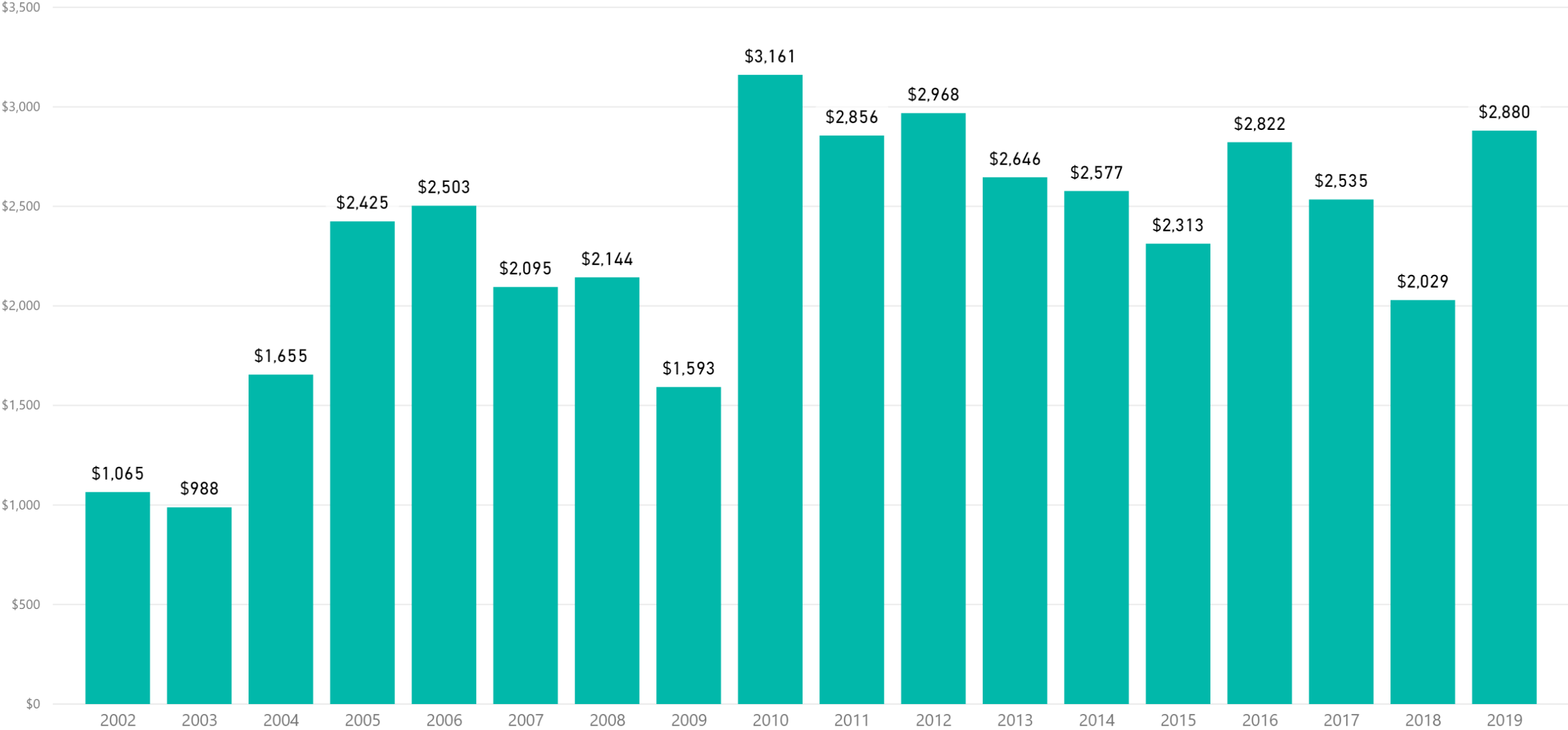
Source: USDA National Agricultural Statistics Service

FLORIDA GRAPEFRUIT YIELD (Field Boxes) and PRICE (on tree per field Box)



Source: USDA National Agricultural Statistics Service

FLORIDA GRAPEFRUIT - ON TREE RETURN PER BEARING ACRE



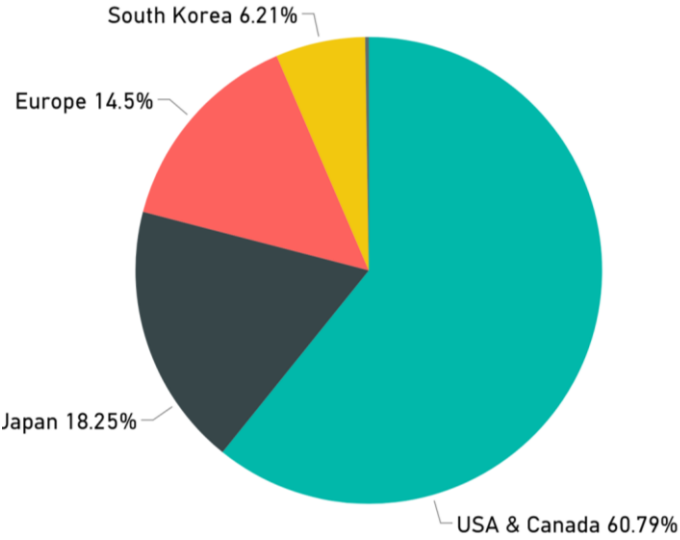
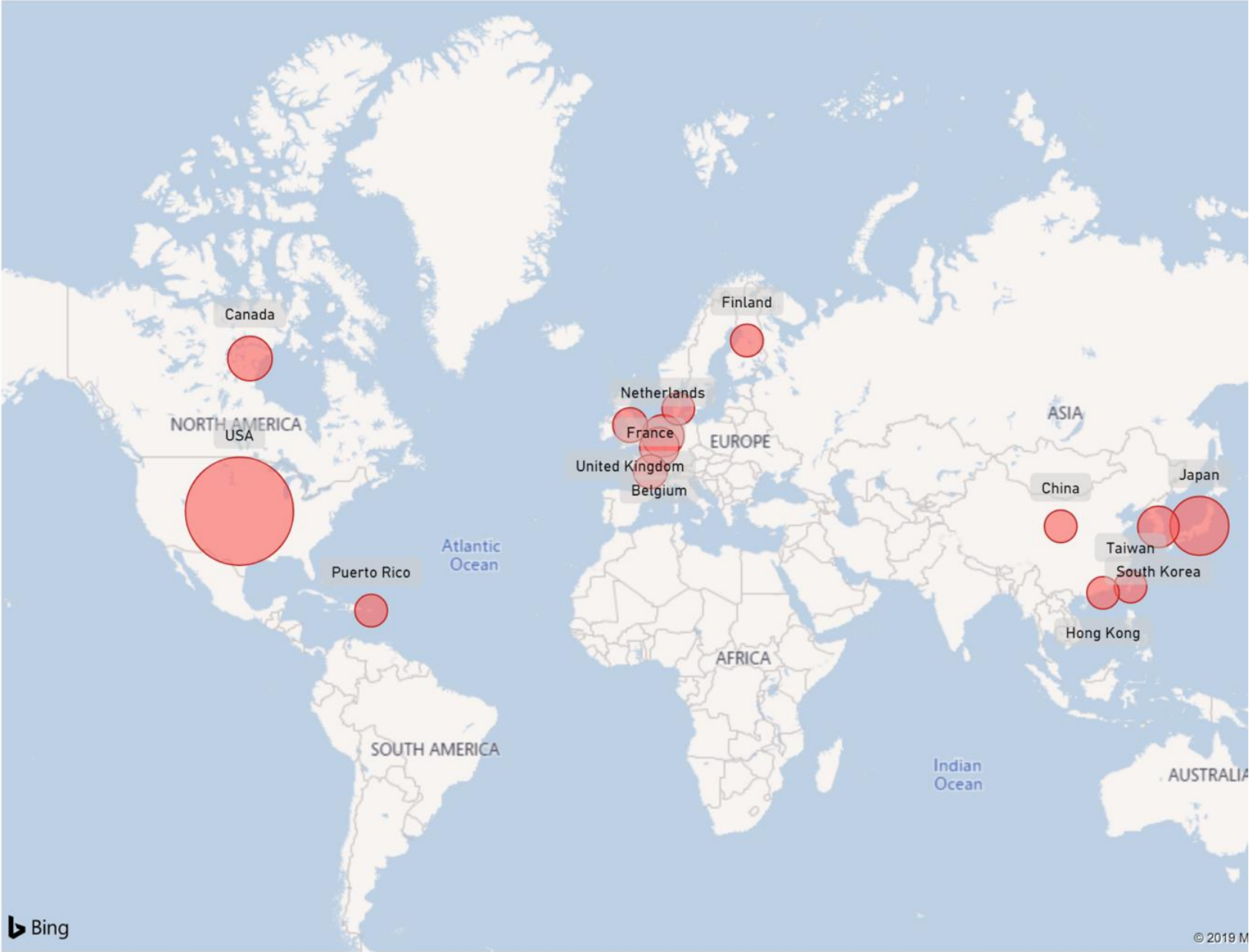
FLORIDA GRAPEFRUIT MARKETS

- Drug Interaction is an issue on most markets
- Market decline – Supply Decline | Price
- Consumers recognize superior quality of Florida
- Opportunity to select customers who are committed to the Florida Origin
- Specialty item in a strong year-round citrus category

NICHE MARKET



2019 WORLD DISTRIBUTION OF FLORIDA GRAPEFRUIT'



Source: USDA National Agricultural Statistics Service

A world map showing major continents and oceans. Callout boxes are placed over Europe, North America, Japan, and Korea. The map is light blue with landmasses in light beige. Major cities are marked with red dots. The callout boxes contain text about grapefruit markets in those regions.

EUROPE

- Strong markets France, Belgium, UK, Scandinavia
- Consumed as an appetizer, desert, breakfast (smorgasbord), cuisine, snack, juice.
- Consume grapefruit year-round (Florida, Turkey, Spain, South Africa)
- Willing to pay 2-3x price of Spanish grapefruit for Florida
- Strong image of Health & Sophistication
- High end retailers use the fruit aisle for differentiation
- Tradition of open-air market

JAPAN

- At one time the largest market for grapefruit in the world
- Distribution system is complicated
- Issue with timing of consumption and availability of supply (refreshing summer product)
- Increased presence of other origins
- Primary market for white grapefruit
- Used in food service, as gift, breakfast, snack, juice
- Strong image of health

USA & CANADA

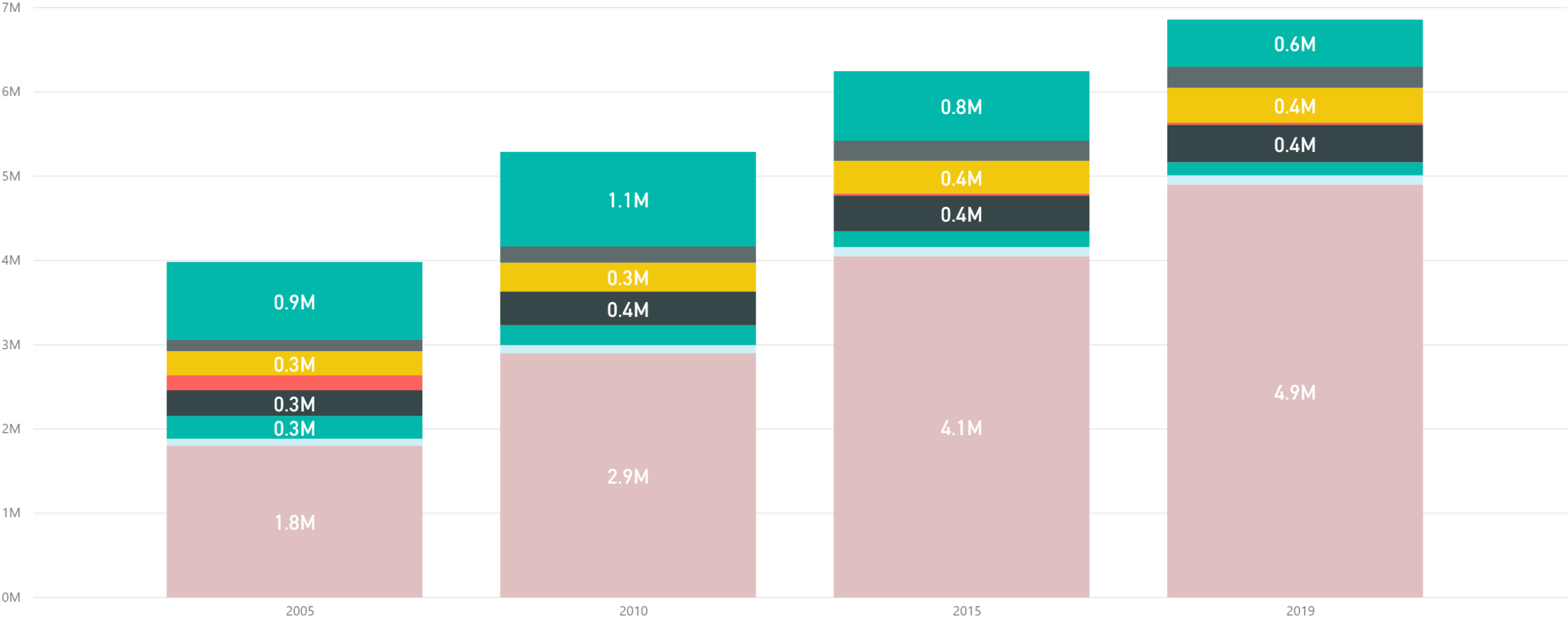
- Year-round shelf space
- Preference for Florida (East Coast, Canada)
- Strong, growing citrus category
- Increased use in cooking
- Consumed at breakfast and for juice
- Healthy diet food
- Source of vitamin C in winter

KOREA

- Growing market for Florida Grapefruit
- Trendy product
- Health perception very strong and desirable

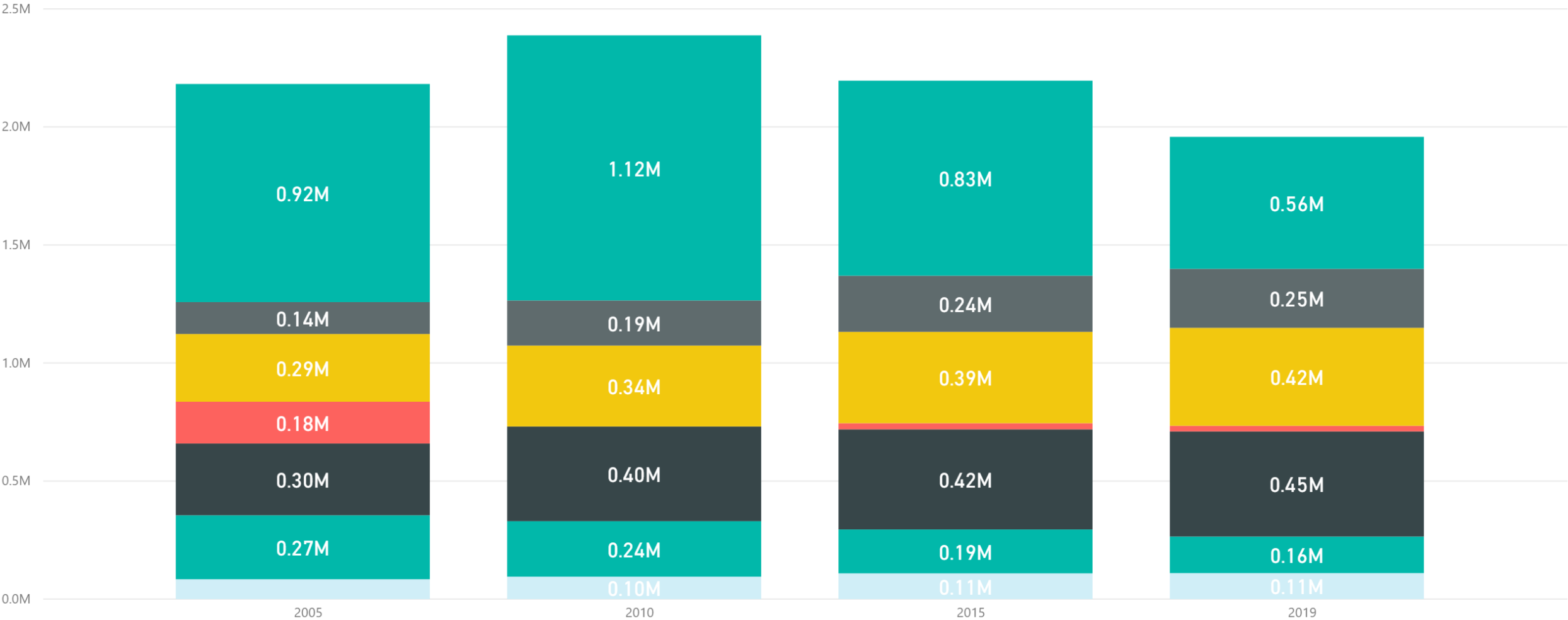
WORLD GRAPEFRUIT/POMELO PRODUCTION (METRIC TON)

China Europe Israel Mexico Other South Africa Turkey United States



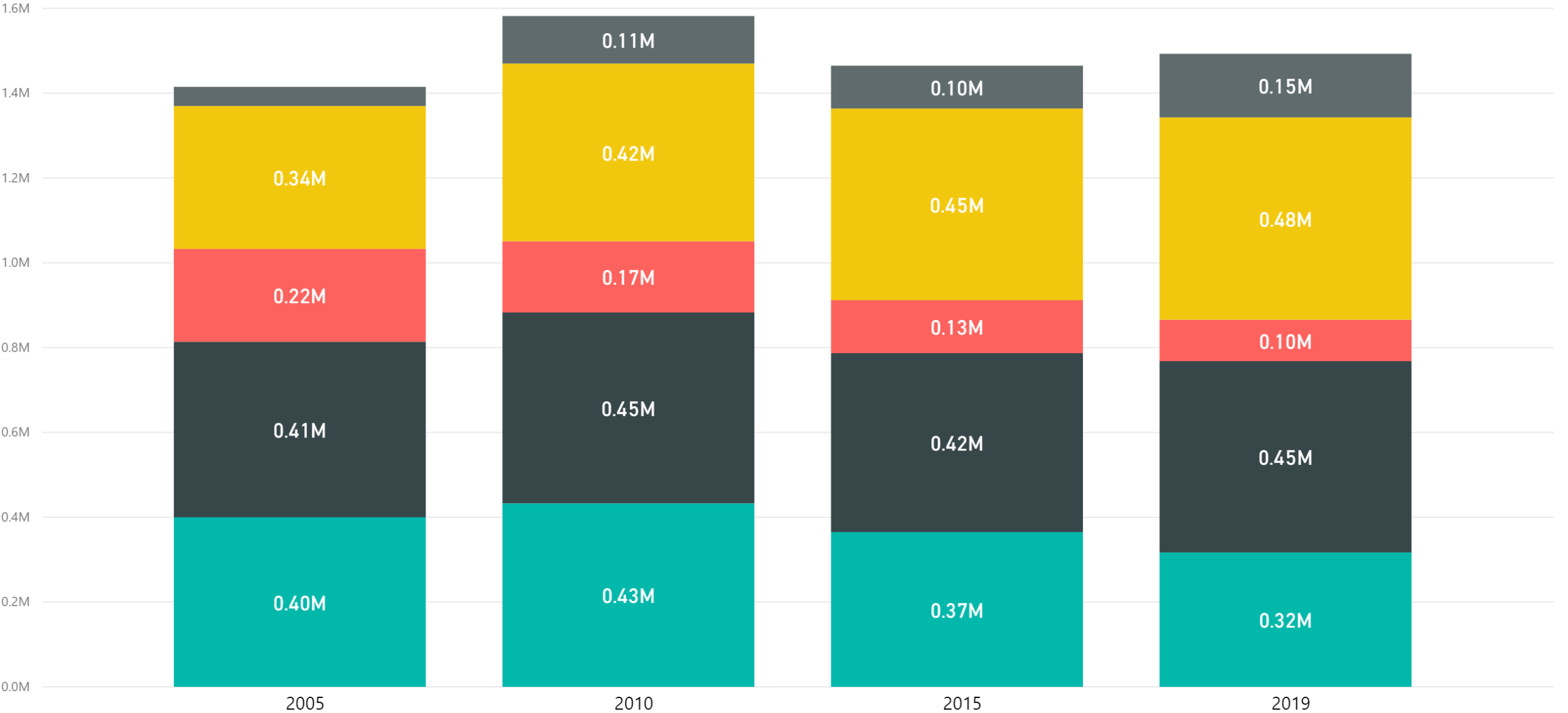
WORLD GRAPEFRUIT/POMELO PRODUCTION (METRIC TON) - Excluding China

Europe Israel Mexico Other South Africa Turkey United States



WORLD GRAPEFRUIT/POMELO CONSUMPTION (Metric Ton) - Excluding China

Canada & United States Europe Japan Other Russia



GRAPEFRUIT POSITIVE IMAGE

- Inherently Healthy
- Ultimate diet food
- Unique sophisticated flavor
- Appealing color





FLAVORS THAT INSPIRE

0 CALORIES
0 SWEETENERS

ENJOY THE REFRESHING
TANG OF PERRIER® PINK
GRAPEFRUIT-FLAVORED
CARBONATED MINERAL WATER.



FLORIDA GRAPEFRUIT | BEST IN THE WORLD

Sweetest Juiciest



EVOLVING PRODUCTION SYSTEM

- Production focus has shifted from the canopy to the ROOTS
- Managing greening induced stress through nutrition & soil health
- Essentially spoon feeding the trees with an increased use of slow release and liquid fertilizer
- Microbes – bacteria / fungi for soil & root health
- New irrigation systems designed to encourage root expansion

FOCUS ON THE ROOTS



POSITIVE IMPACT ON TREE HEALTH

INTERNAL QUALITY MANAGEMENT



The best taste comes from ...
a slightly stressed older tree

This is the challenge of Greening – we are replacing old mature groves with new plantings and everything we do in the field aims to reduce stress on the tree.



Tree Nutrition Strategies for Taste

- Timing of nutrition to enhance flavor
- All Nitrogen is applied prior to the month of July
- Post July nutrition to focus on Potassium and Phosphorous and minor elements



Happy Food Grove

- 4,000 acre mature Indian River grapefruit grove with premium taste
- Ability to maintain taste offering to our customers as our young tree plantings age and we learn to manage taste in a greening environment



INNOVATIONS IN NEW GROVE DEVELOPMENT

- High Density Plantings (272 TPA)
- Irrigation automation
- Subsurface drip irrigation
- Less yield per tree more trees per acre to maintain production levels achieved prior to greening
- IRR > 25%
- Incentive Programs – Tree Assistance Program | EQUIP Cost Share | Grove Clearing Program | Accelerated IRS Depreciation
- Individual Protective Covers (IPC's) “tree bags”



INNOVATIONS IN NEW GROVE DEVELOPMENT

- Super High Density plantings in containers (1,000 TPA)
- Root pruning containers “Air Pot”



INNOVATIONS IN NEW GROVE DEVELOPMENT

- CUPS: Citrus Under Protective Screen
- Super High Density Planting (800-1,000 TPA)
- 100% packout | 100% Marketable sizes
- Less Chemical Production
- 800 Fb / acre production
- \$75k investment per acre
- IRR > 25% with potentially less risk





health
innovation
growing
family
commitment

