

THE FUTURE OF GRAPEFRUIT IN FLORIDA

2019 INTERNATIONAL CITRUS
BEVERAGE CONFERENCE

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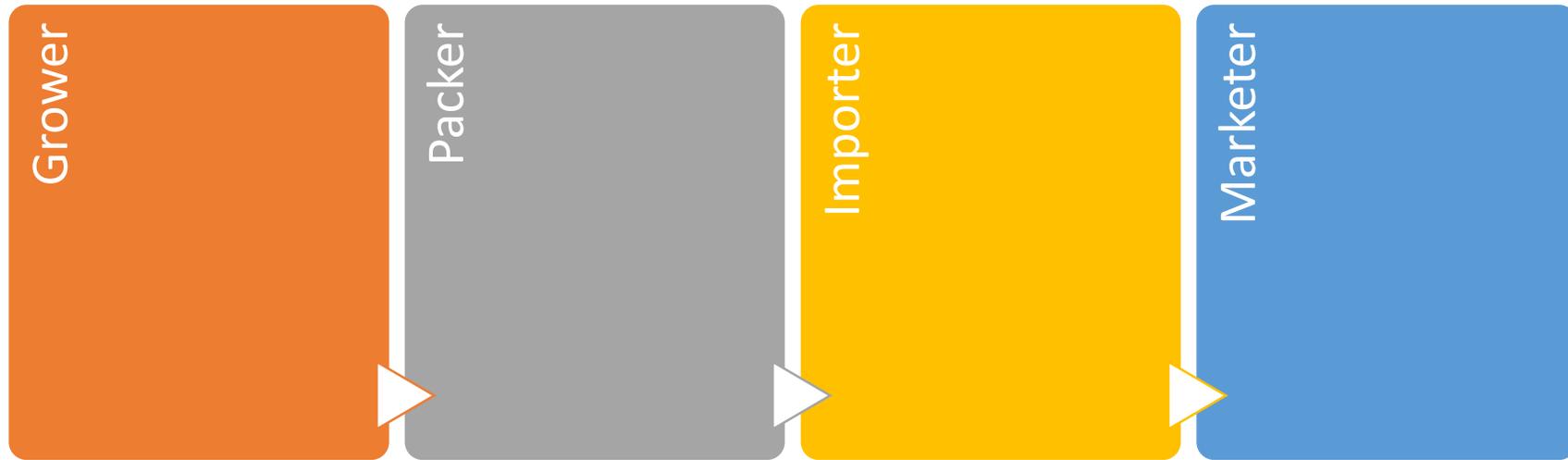
IMG Citrus, Inc.



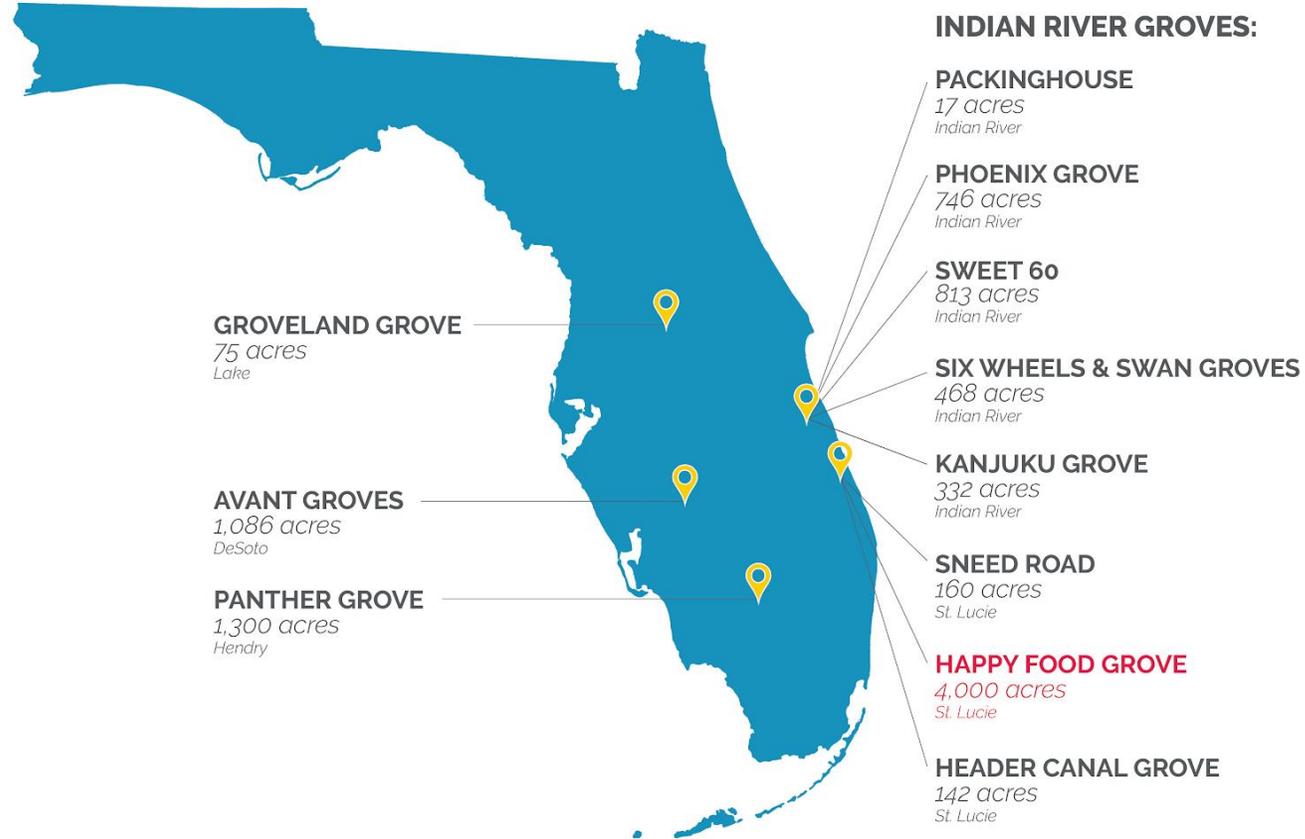
IMG
Enterprises



INTEGRATED FRESH CITRUS COMPANY



CITRUS GROVE OPERATIONS

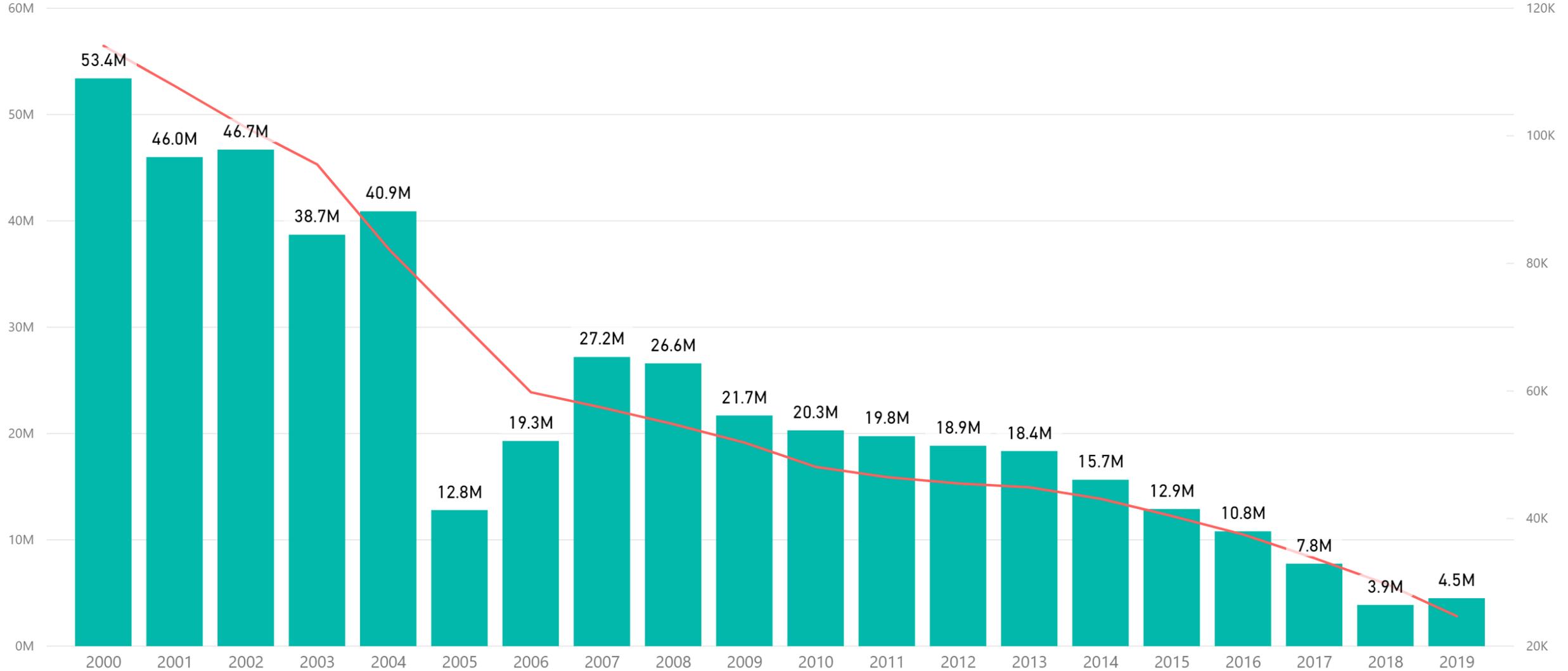


TOTAL ACRES: 9,140 (3,700 ha)
75% Planted in Grapefruit



FLORIDA GRAPEFRUIT PRODUCTION (Field Boxes)

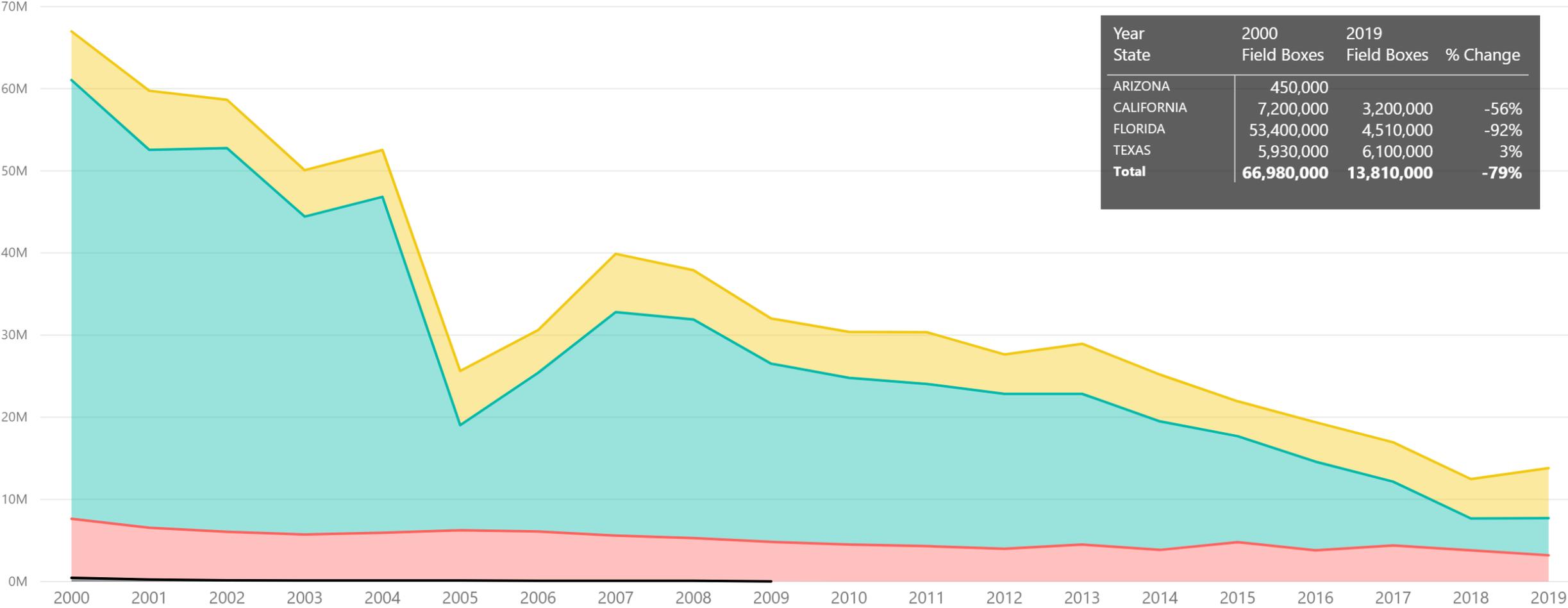
● GRAPEFRUIT, UTILIZED - PRODUCTION, MEASURED IN BOXES ● GRAPEFRUIT - ACRES BEARING



Source: USDA National Agricultural Statistics Service

UNITED STATES GRAPEFRUIT, UTILIZED - PRODUCTION, MEASURED IN BOXES

State ● ARIZONA ● CALIFORNIA ● FLORIDA ● TEXAS

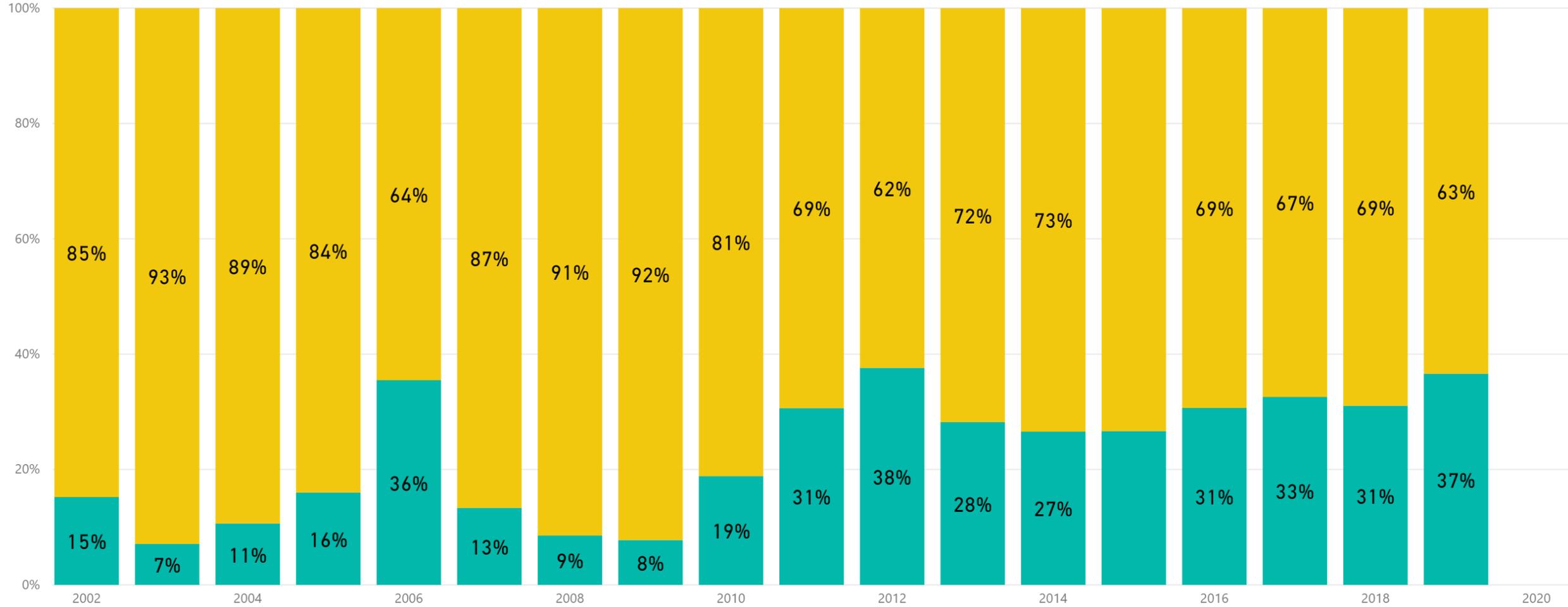


Year	2000	2019	% Change
ARIZONA	450,000		
CALIFORNIA	7,200,000	3,200,000	-56%
FLORIDA	53,400,000	4,510,000	-92%
TEXAS	5,930,000	6,100,000	3%
Total	66,980,000	13,810,000	-79%

Source: USDA National Agricultural Statistics Service

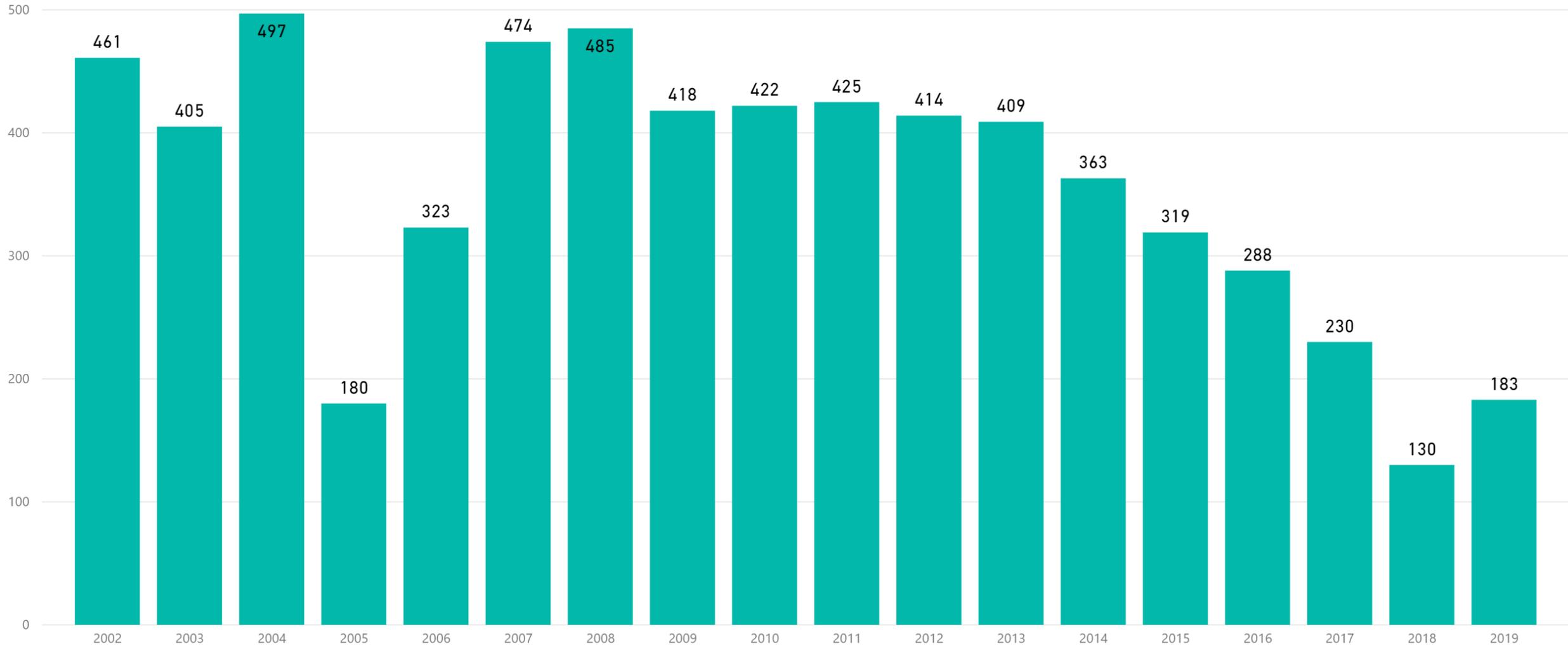
FLORIDA GRAPEFRUIT CROP VALUE

● Processed ● Fresh



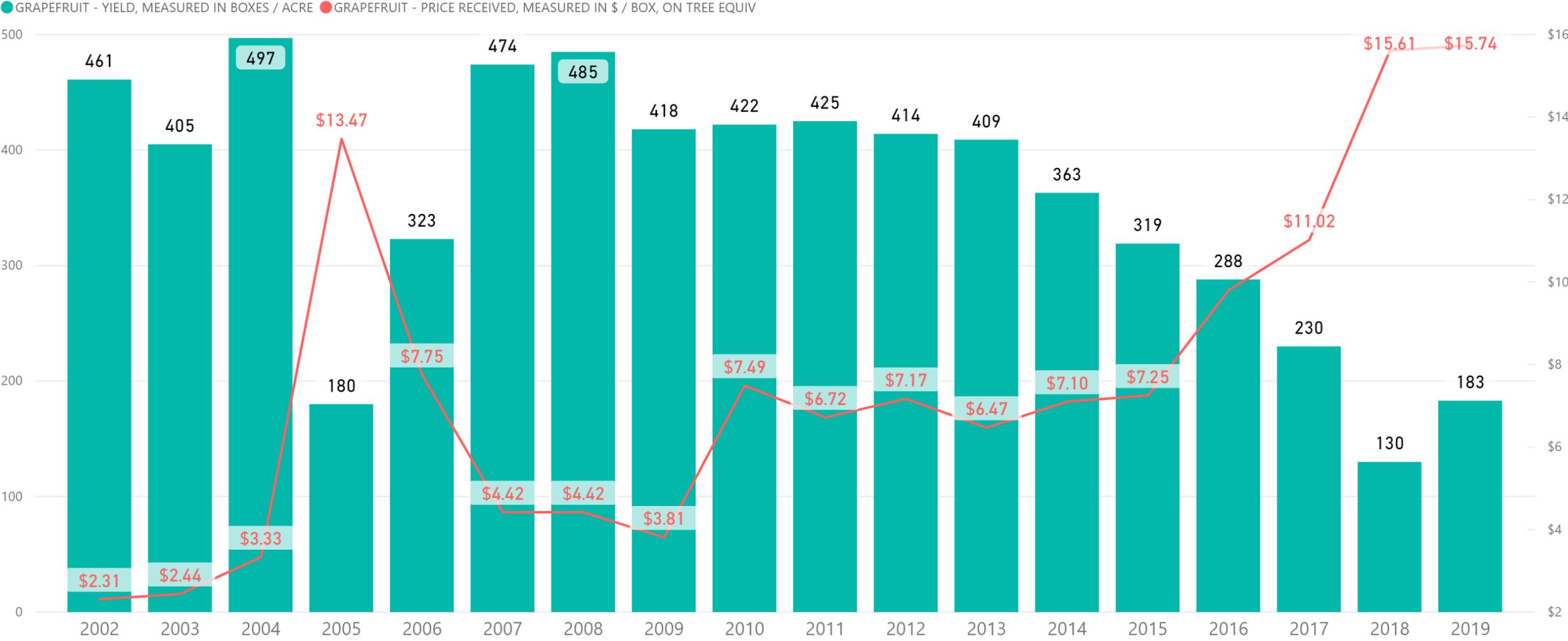
Source: USDA National Agricultural Statistics Service

GRAPEFRUIT - YIELD, MEASURED IN BOXES / ACRE by Year



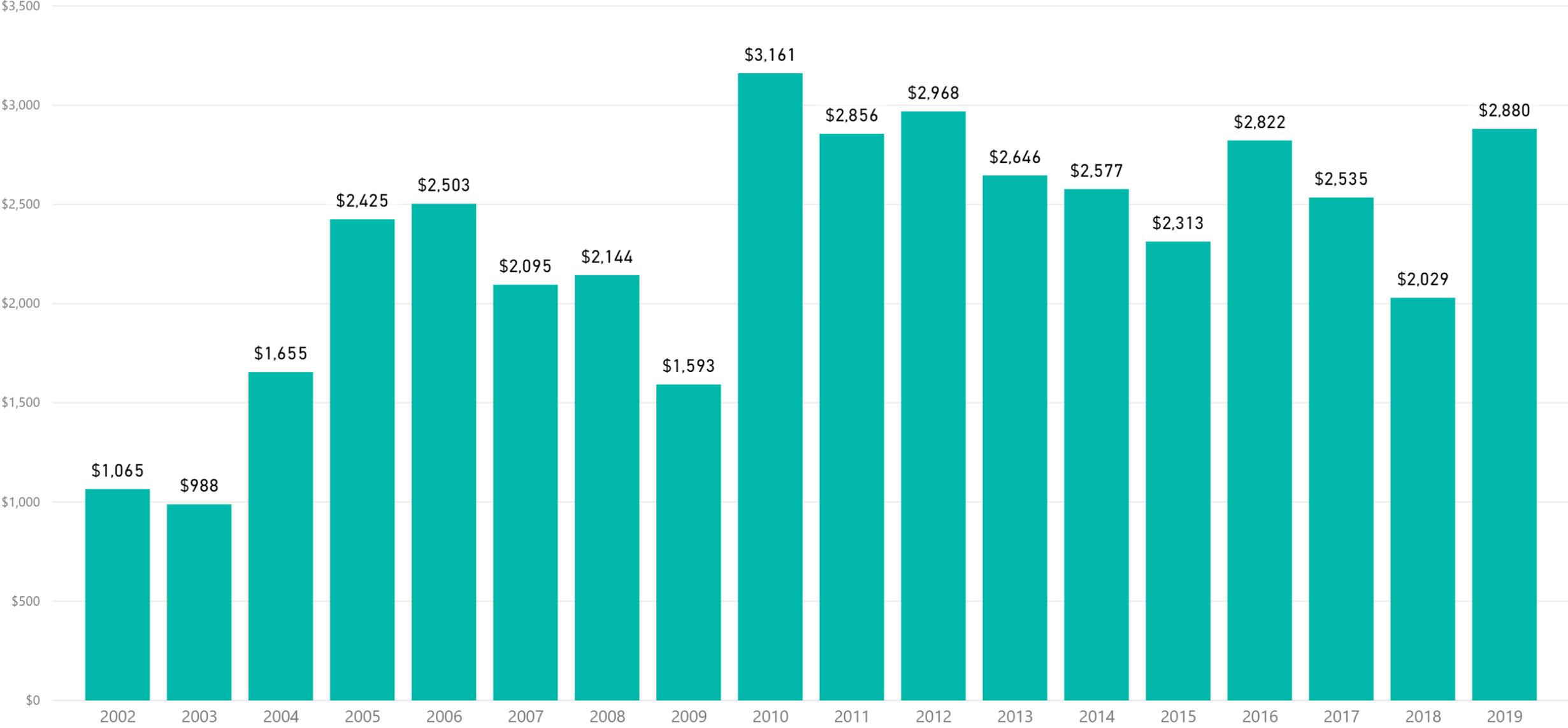
Source: USDA National Agricultural Statistics Service

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



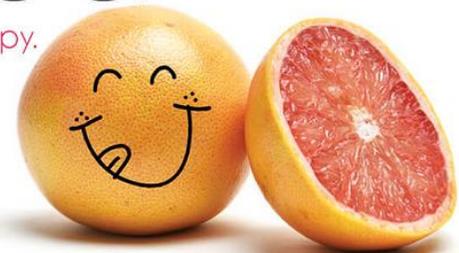
FLORIDA GRAPEFRUIT MARKETS

- 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

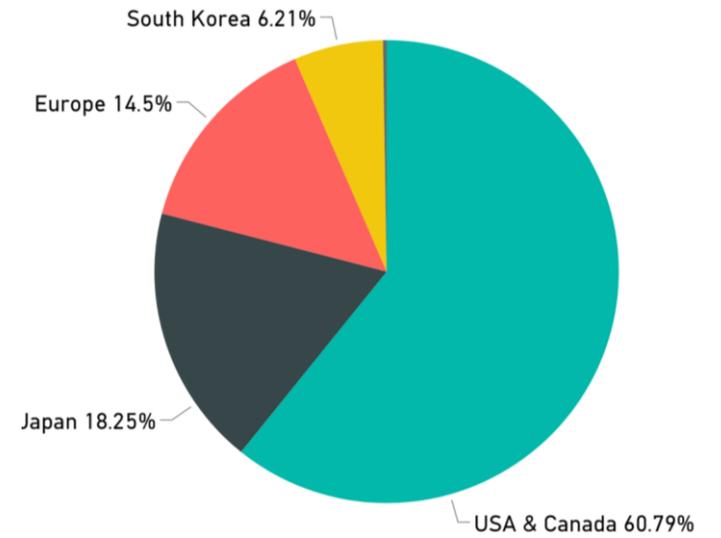
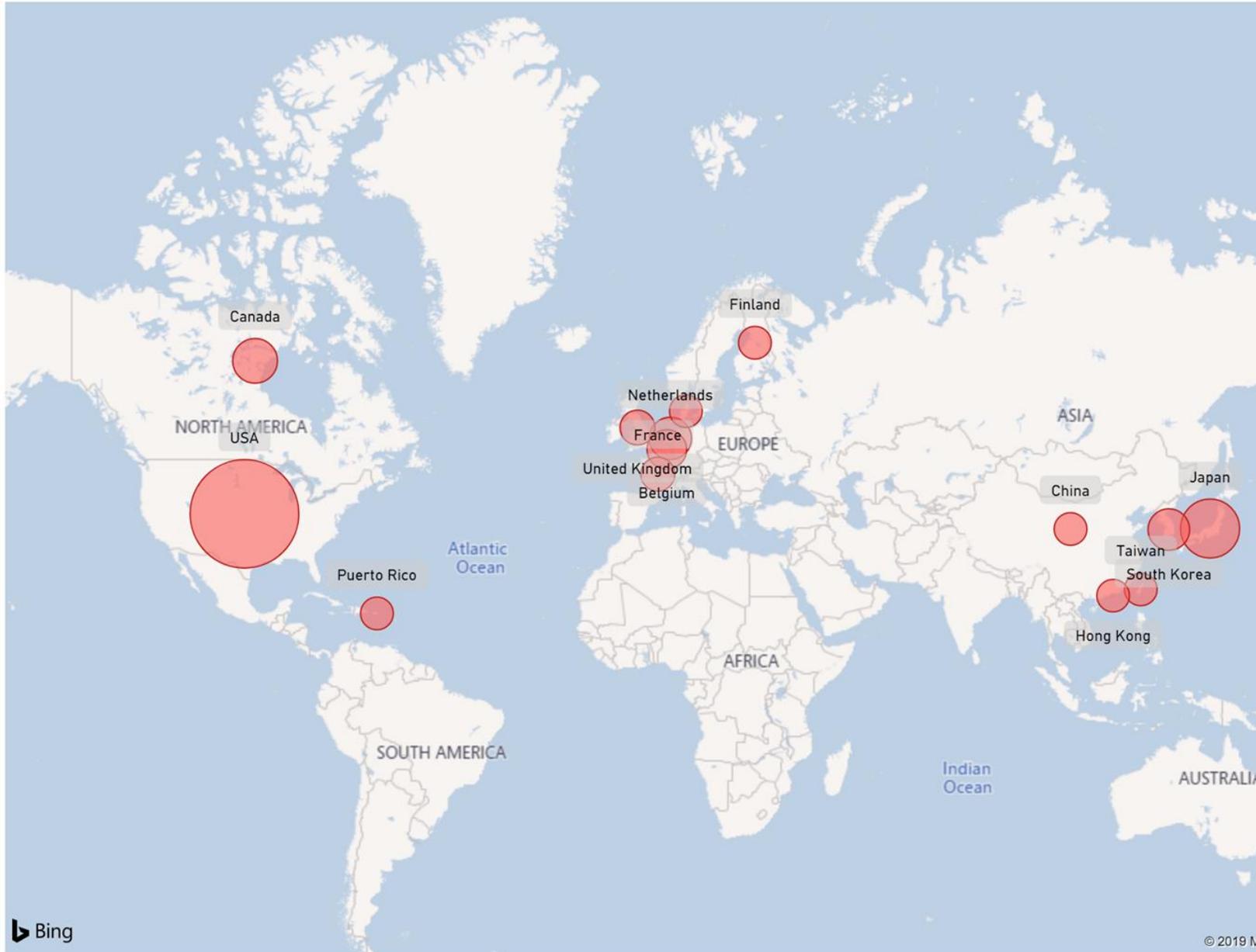
NICHE MARKET

Happy
Food™

be healthy, be happy.



2019 WORLD DISTRIBUTION OF FLORIDA GRAPEFRUIT'



Source: USDA National Agricultural Statistics Service

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

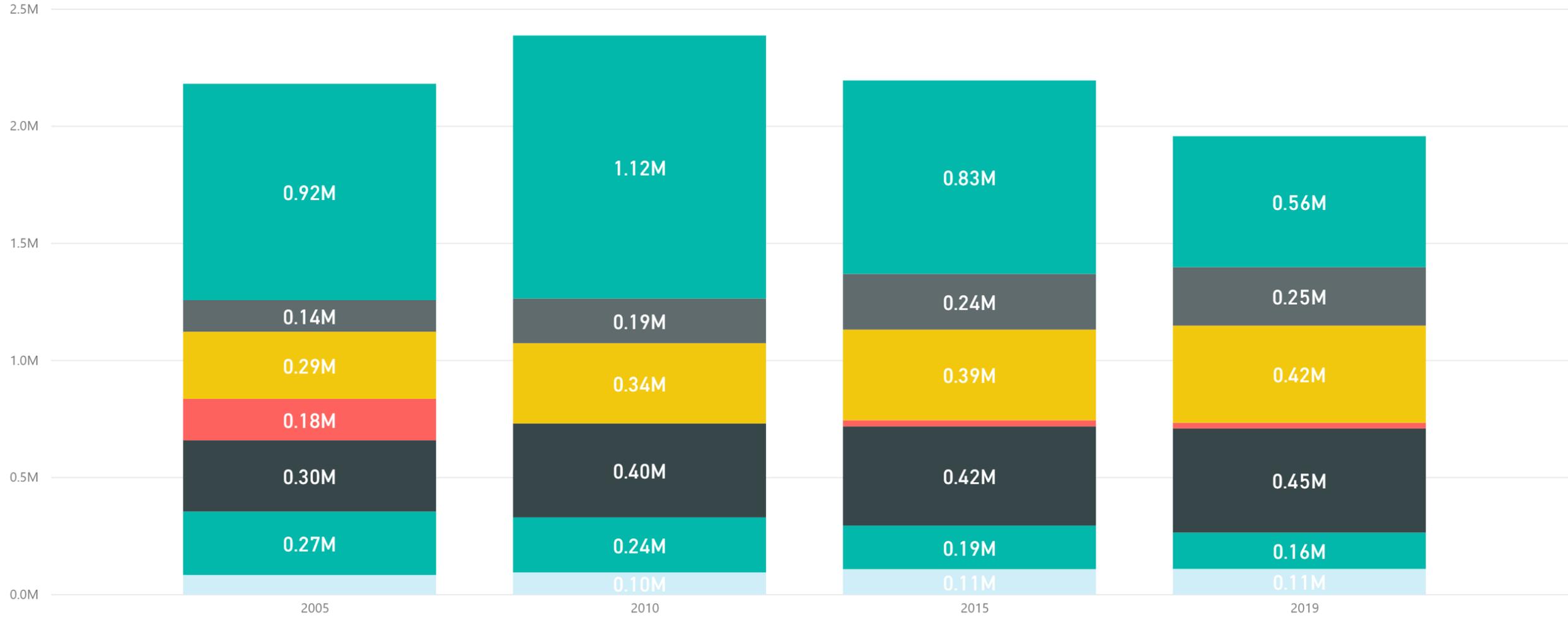
WORLD GRAPEFRUIT/POMELO PRODUCTION (METRIC TON)

● China ● Europe ● Israel ● Mexico ● Other ● South Africa ● Turkey ● United States



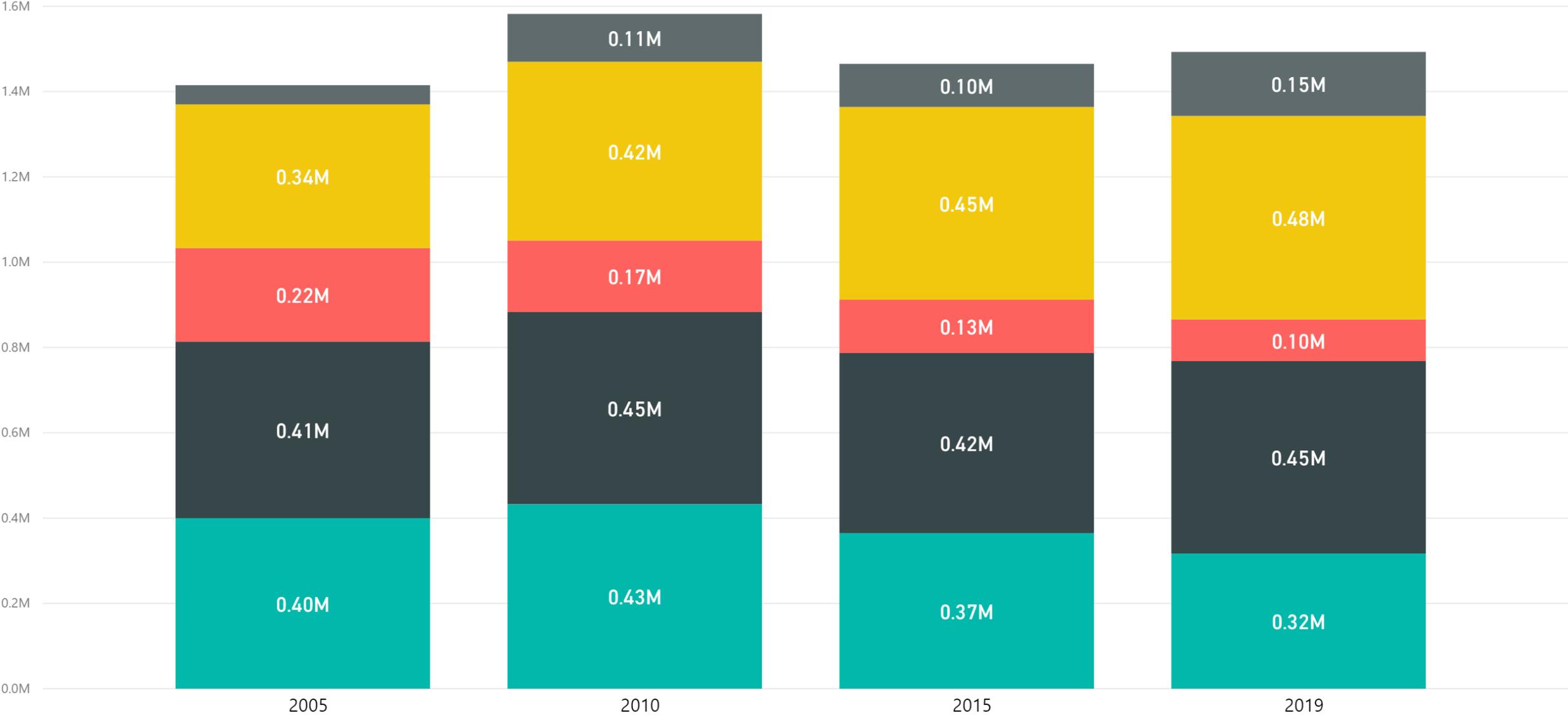
WORLD GRAPEFRUIT/POMELO PRODUCTION (METRIC TON) - Excluding China

● Europe ● Israel ● Mexico ● Other ● South Africa ● Turkey ● United States



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

● Canada & United States ● Europe ● Japan ● Other ● Russia

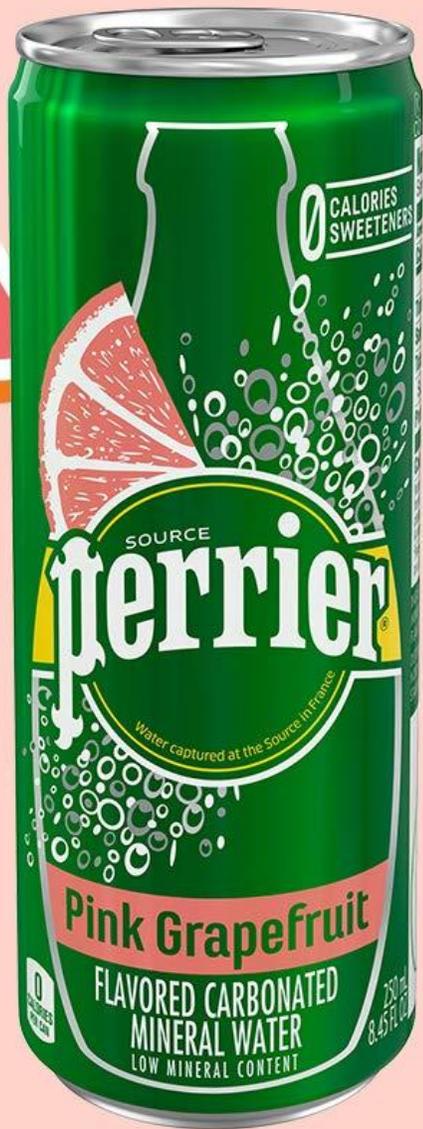


Source: USDA Foreign Agricultural Service | PS&D Database

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

