THE FUTURE OF GRAPEFRUIT IN FLORIDA

2019 INTERNATIONAL CITRUS BEVERAGE CONFERENCE
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IMG Citrus, Inc.
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
FLORIDA GRAPEFRUIT CROP VALUE

Source: USDA National Agricultural Statistics Service
GRAPEFRUIT - YIELD, MEASURED IN BOXES / ACRE by Year

Source: USDA National Agricultural Statistics Service
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
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

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

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

Source: USDA Foreign Agricultural Service | PS&D Database
WORLD GRAPEFRUIT/POMELO CONSUMPTION (Metric Ton) - Excluding China

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

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<th>Europe</th>
<th>Japan</th>
<th>Other</th>
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</table>

Source: USDA Foreign Agricultural Service | PS&D Database
GRAPEFRUIT POSTITIVE 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
INTERNAL QUALITY MANAGEMENT

POSITIVE IMPACT ON TREE HEALTH
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