



Competing forces in the juice category

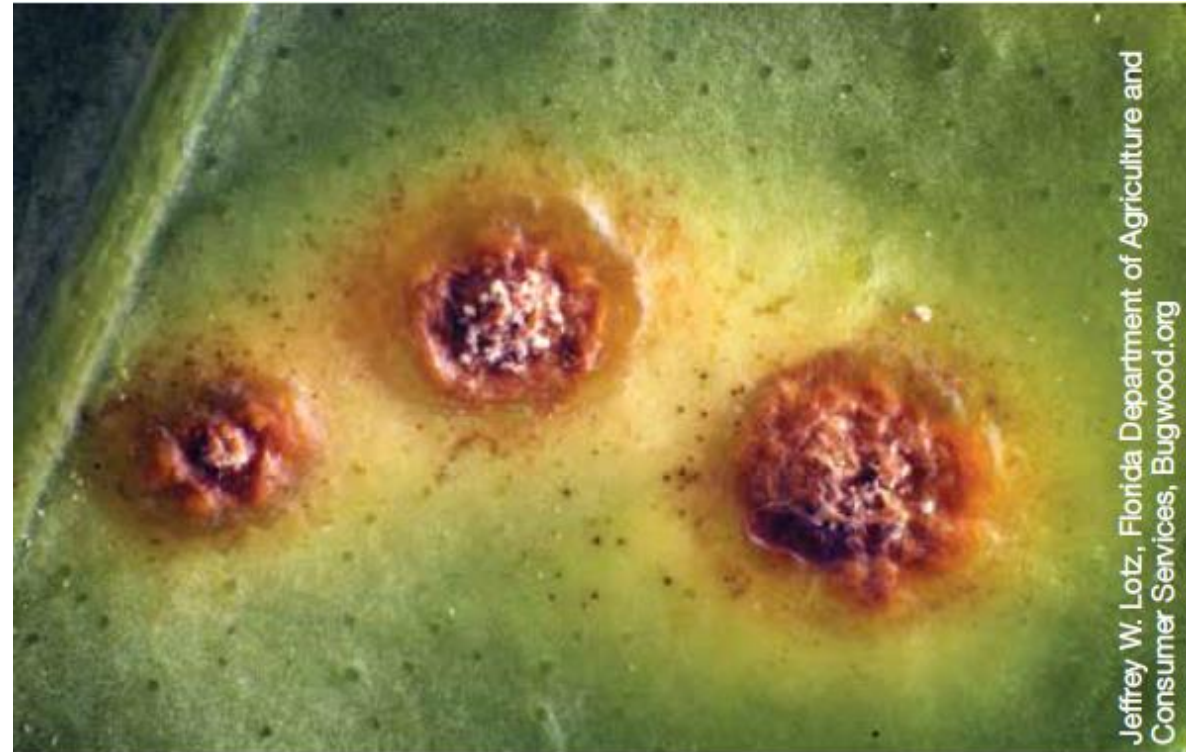
What are the opportunities for Australia?

Nathan Hancock

Chief Executive Officer, Citrus Australia

An update on NT Citrus Canker suspected detection

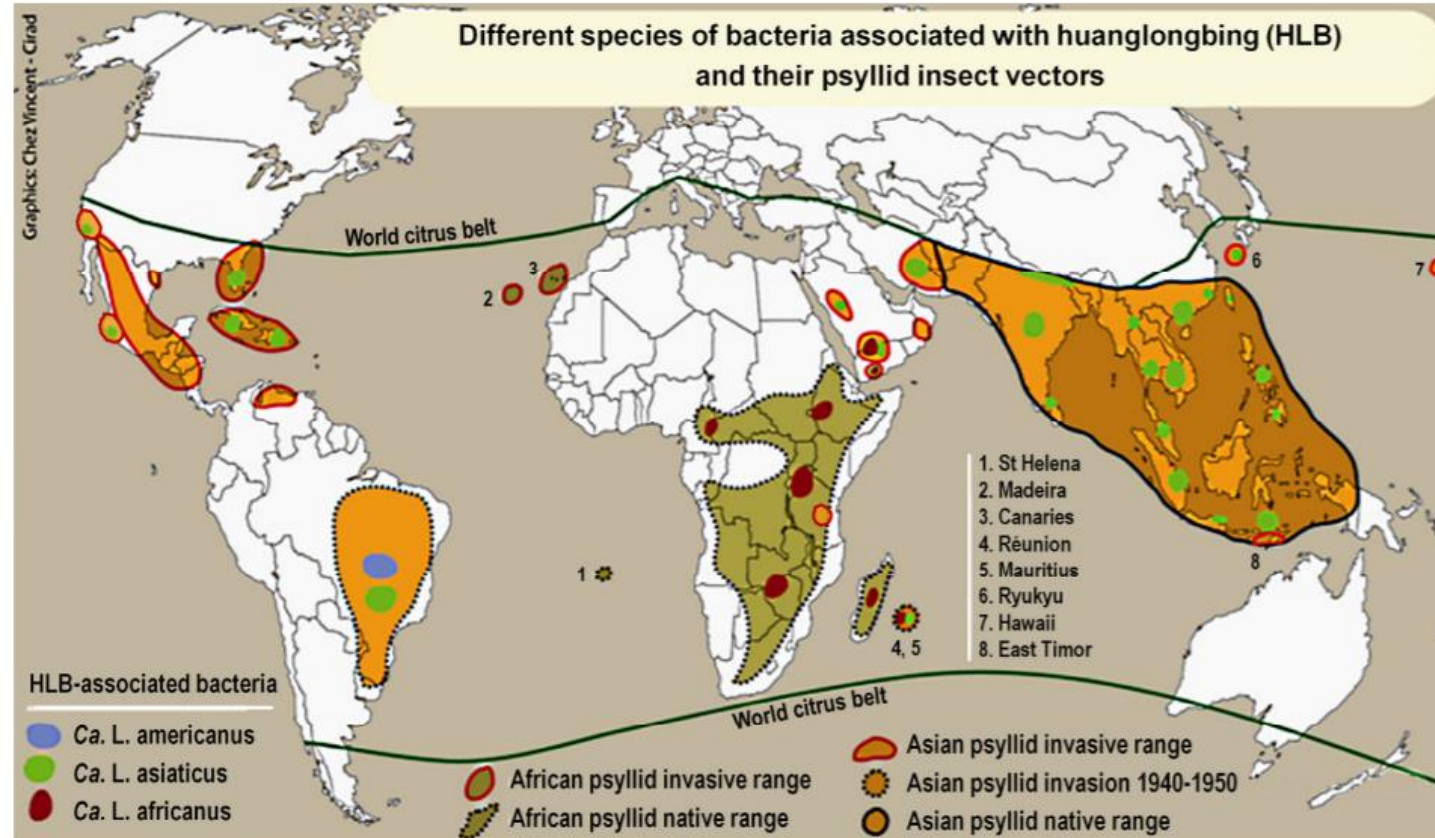
- Citrus Canker symptoms detected in early April
- CA aware of detection through the Emergency Plant Pest Response DEED
- CA has been embedded in response, working from control centre in Berrimah Farm, Darwin, NT
- Very different circumstances to Emerald outbreak in 2004
- Presenting unique challenges
- Well managed response being conducted by NT DPIR



Thick and spongy lesions of citrus canker

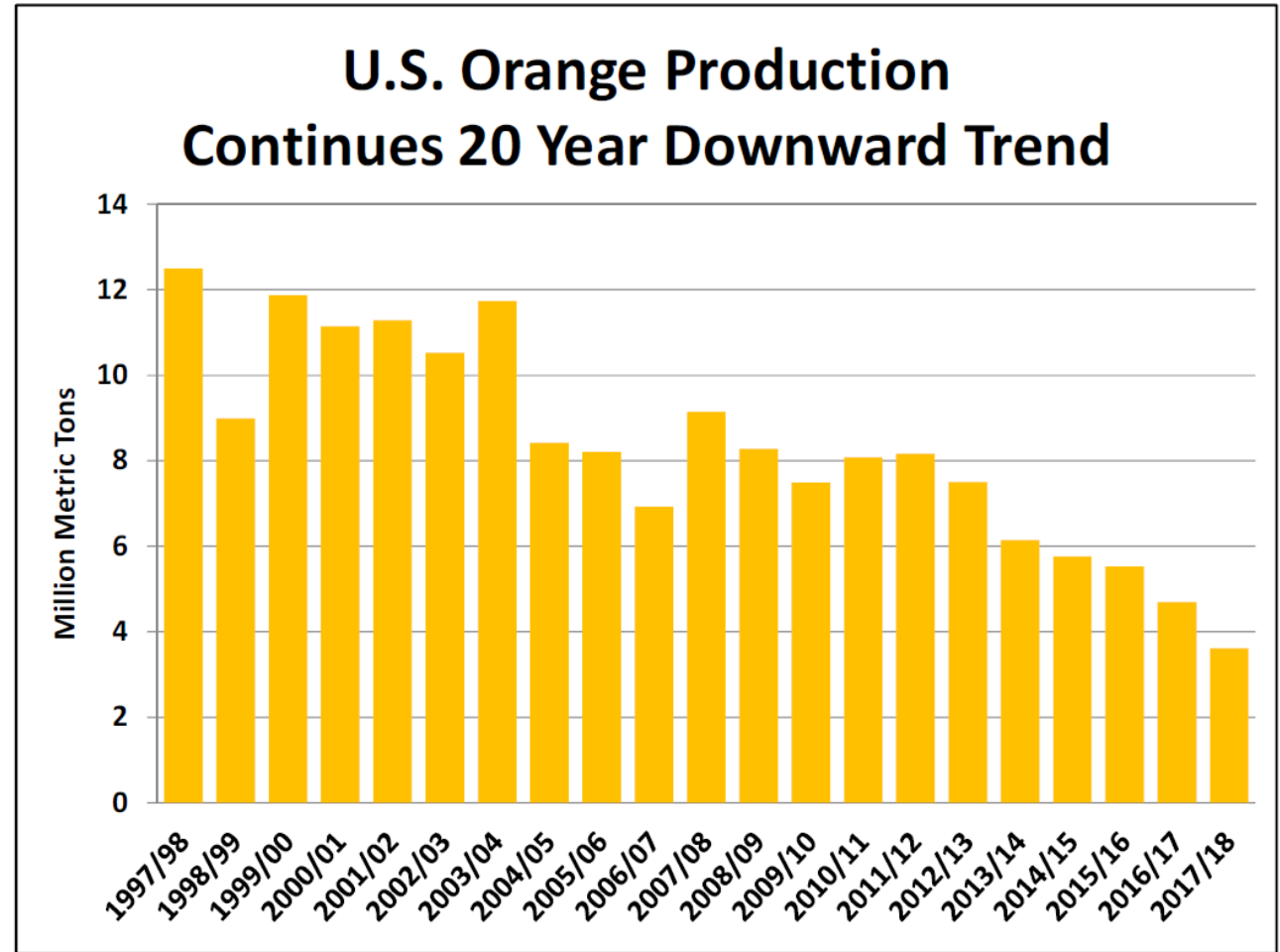
World production

- Single biggest threat to world citrus production is the impact of HLB and other plant pests and diseases.
- They're destructive, incurable and expensive to manage



Decline in production in USA

- Production to fall below a third of peak production in 97/98
- Underlying cause is Huanglongbing, (HLB) , Citrus Canker
- Hurricane Irma blew the crop off the trees and flooded orchards
- California's production also declining
- Bearing acres reduced by 28% since 2007



USDA, FSA 2018

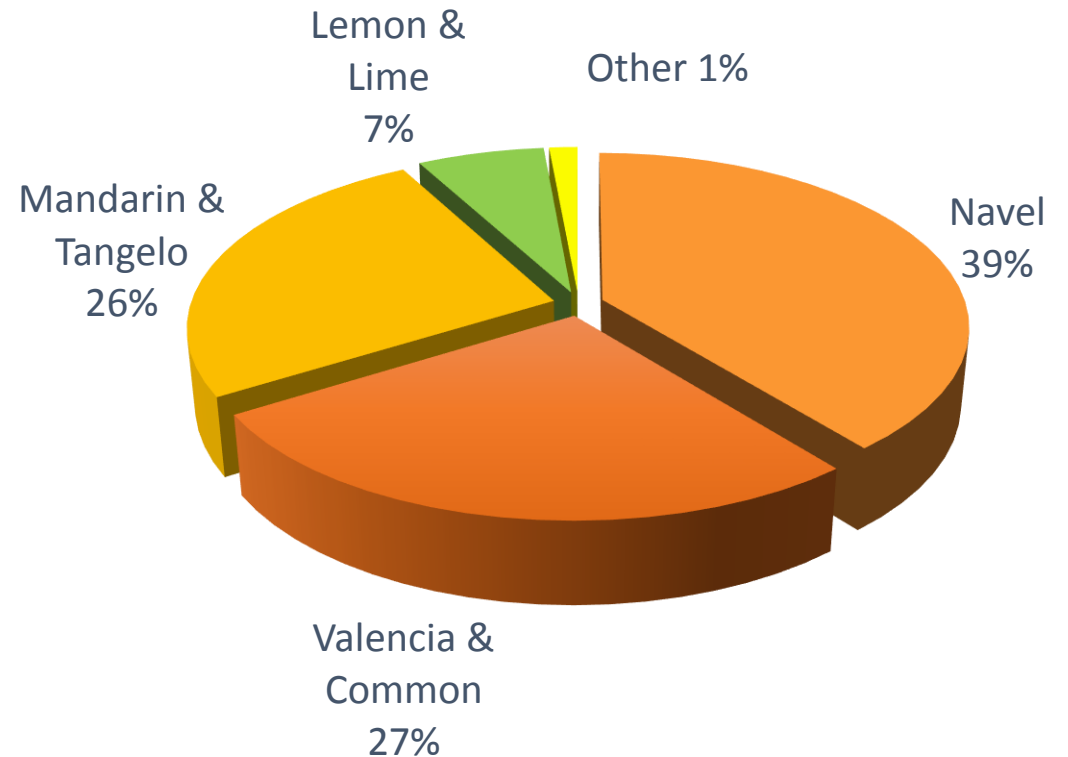
Production trend in Brazil

- Brazil supplies 80% of the worlds juice market
- Over 18% of trees affected by Huanglongbing – 20 million trees removed in 8 years
- Smaller growers unprofitable
- Larger orchards have been relocated, difficult growing conditions
- Doubts remain over long term viability without a breakthrough in HLB management



Australian juice production

- The Australian citrus production area is 25,000ha – predicted to grow 20% in 5 years
- Juicing varieties are just less than a third of production hectares – 6,700ha
- 60% of trees in the juice category are over 21 years
- The largest juice growing region is the Riverina, 4,170ha (64% are <21 years old)



Why is the juice production base so old?

- Trees naturally live to an old age.... Yes, however:
- Poor returns have meant little investment on farm and in the category
- Why have returns been poor – concentrate was cheap
- Adoption of new or improved varieties is difficult in poor returning markets
- Many growers have moved to mandarin or navel orange production or into other horticultural crops, such as almonds or grapes

Market signals

- As world production declines we see an increase in prices, notably for imported concentrate
- Decrease in production base in Australia plus:
 - seasonal fluctuations
 - export demand for fresh Valencia
- Have driven up prices for Australian processing fruit – to better than break even

Market signals

- On the domestic market we face:
 - High retail prices, obsession with retail 'own brands'
 - A sugar tax
 - Juice substitutes – health drinks, water

IMPLEMENTED SUGAR TAXES WORLDWIDE

* LISTS ACCURATE AT TIME OF PRODUCTION.

1. COOK ISLANDS
2. KIRIBATI
3. FRENCH POLYNESIA
4. MEXICO
5. CHILE
6. DOMINICA
7. BARBADOS
8. PORTUGAL
9. SPAIN (CATELONIA)
10. IRELAND
11. UNITED KINGDOM
12. FRANCE
13. BELGIUM
14. NORWAY
15. FINLAND
16. ESTONIA
17. HUNGARY
18. ST HELENA
19. SOUTH AFRICA
20. SAUDIA ARABIA
21. UNITED ARAB EMIRATES
22. MAURITIUS
23. SEYCHELLES
24. BRUNEI
25. NAURU
26. FIJI
27. SAMOA
28. TONGA



28 COUNTRIES &

7 US CITIES (so far...)*



1. SAN FRANCISCO, CA
2. BERKELEY, CA
3. ALBANY, CA
4. OAKLAND, CA
5. SEATTLE, WA
6. BOULDER, CO
7. PHILADELPHIA, PA

What do growers need?

- Clear signals from the processing industry
 - Is this a long term change in direction or a blip?
 - Will returns be maintained? Can juice growing be profitable?
- Are retail prices for juice sustainable? Will we lose customers?
- Can export markets be developed for Australian juice
 - Not from concentrate
 - Fresh variants
 - Tapping in to demand for Australian citrus in Asia





Thank You