Briefs

Specialty Crops

Rains & Freezing Temperatures Damage Horticultural Crops

Heavier-than-normal rains this past winter have caused large losses to fruit and vegetable growers in California and Florida. The strawberry crop was hit hardest, with damage in California estimated at $23 million and in Florida between $10 and $12 million. The major price impact of the winter deluge will be felt this spring, as vegetable and strawberry marketings may be sporadic due to planting delays, slowed growth, or the need to replant.

The steady pattern of storms throughout February slowed fieldwork considerably in both States. With little time between storms for fields to dry out, growers were hard-pressed to complete cultural work and plant spring crops. This includes both fresh-market vegetables like lettuce, broccoli, and tomatoes, and processing crops like tomatoes and spinach. In addition, late-February rains in California reduced the activity of bees during pollination of almond trees, which may reduce output. A continuation of this wet weather pattern into the spring could lead to more serious supply problems (due to increased incidence of plant diseases as well as planting and harvest delays) and large fluctuations in market prices for spring vegetables, summer stone fruit, and nuts.

Strawberries for winter and early spring shipment are grown in southern and central California and in Florida, regions that have experienced heavy storm damage this winter. The rains disrupted production and harvesting activities in both States. In California, growers stripped a lot of moldy and decayed strawberries off the plants. Lower fruit quality increased the amount of strawberries sent to processing rather than to the fresh market. According to the Florida Strawberry Growers Association, harvested volume was lower than expected around Christmas, when demand is normally strong. Moreover, heavy rains reduced Florida volume again in February.

If the weather should clear up in both States during March when all producing areas will be harvesting, a strawberry glut could occur whereby product from both California and Florida (which normally ships first) could flood the market at the same time, dropping prices. A seasonal strengthening of demand during the Easter season could mitigate the plunge in prices.

For fresh vegetables, periods of short supply are expected to elevate prices throughout the spring. During the first half of 1998, retail prices for fresh vegetables are likely to average about 10 to 15 percent higher than a year earlier. In contrast, large citrus crops this year have kept retail prices down, although the storms have caused some delays in harvesting. Lower retail prices for fresh oranges are expected to continue throughout 1998. Citrus fruits, the major U.S.-produced fruit in the market during the early portion of the year, were already developed by the time the stormy weather began. Citrus fruits are less susceptible to storm damage because the fruit is protected by a thick skin and by the tree.

The rains have hampered harvesting activities for oranges in Florida and California, where growers expect large crops. Shipments to Florida processors through mid-February, however, exceeded the previous year by 4 percent. Grapefruit production is down this year from last year, and slower movement this winter is a result of both harvesting delays and reduced exports. The heavy rains provide a perfect environment for diseases and fungi. In addition, saturated soil can weaken tree roots. These conditions stress the trees and could affect crop production and increase tree loss in future years. Any damage to tree crops may take several years before it becomes evident.

Three consecutive days of freezing temperatures in mid-March could significantly reduce the peach crop in the southeastern U.S. Earlier-than-normal blooms for the early-variety peaches, induced primarily by warm temperatures, were among those heavily damaged by the frigid temperatures. The extent of crop damage in the region is unknown at this point.

Increases in produce prices are not expected to be as severe in 1998 as in 1995 when California fields were washed out. Heavy spring snow melt in 1995 caused severe flooding, causing an estimated $652 million of damage to California's fruit and vegetable crops, with the severest losses in the almond, strawberry, plum/prune, lettuce, and wine grape crops. During the spring of 1995, shipping-point prices for all fresh-market spring vegetables averaged 56 percent above year-earlier levels. Retail vegetable prices then rose 25 percent, and strawberry prices rose 13 percent.

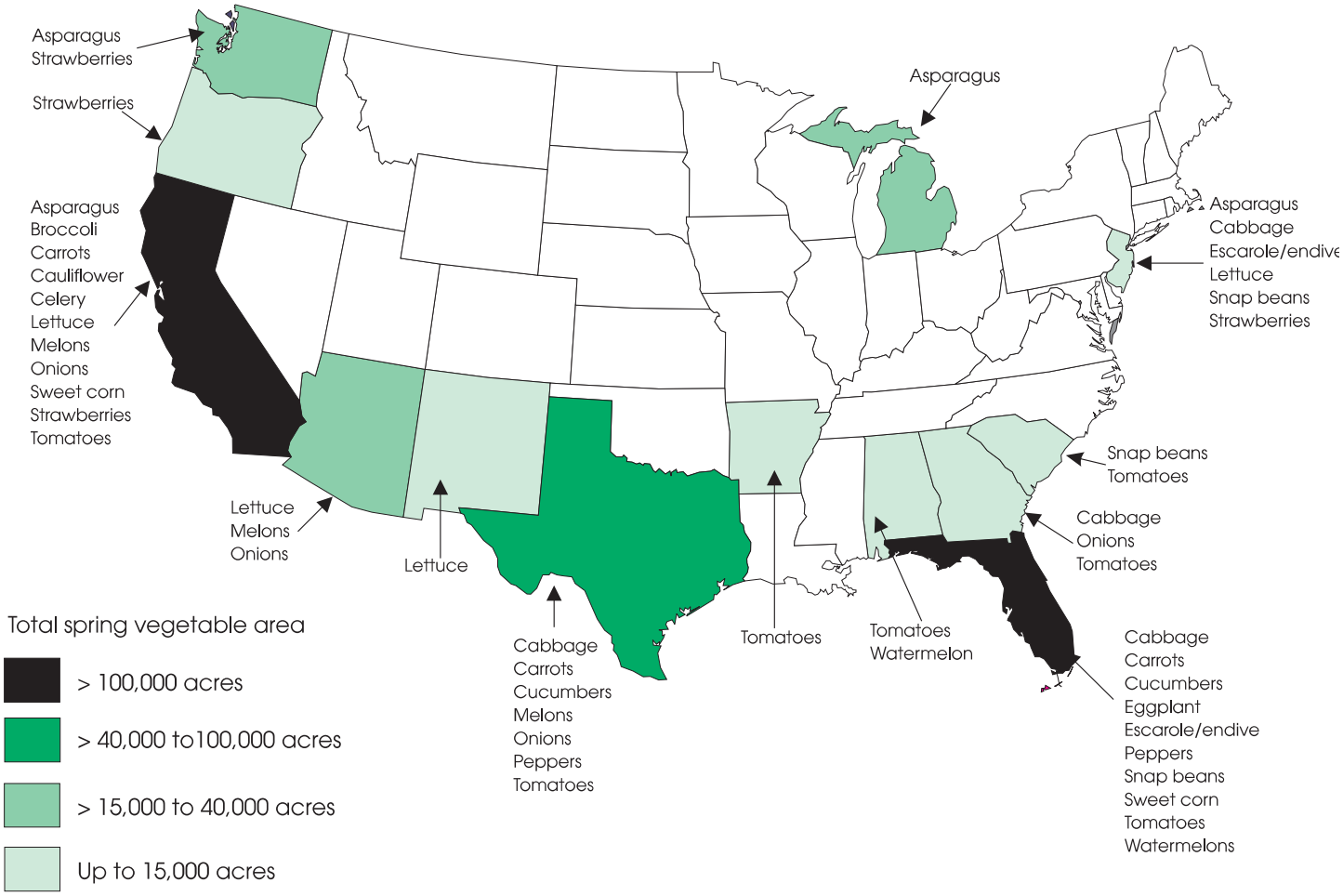
Likewise, in 1982/83, also a strong El Niño year, heavy winter rains forced spring-1983 fresh vegetable prices 14 percent above the previous year. Prices for celery, broccoli, cucumbers, peppers, and tomatoes peaked in early spring, while lettuce prices peaked a bit later. A similar scenario may develop this year. However, it could be exacerbated by higher prices for potatoes, onions, and cabbage due to lower stocks and strong exports. In 1983, lower prices for these three high-volume vegetables helped limit the increase in spring-season retail vegetable prices to just 3 percent above the previous spring.

Vegetable growers can take several steps to augment the supply of spring produce. For example, when inclement weather forces delays in planting, direct seeding can be bypassed to save time. Some growers elect to start seeding cauliflower, broccoli, and tomatoes in greenhouses and set the young plants in the ground by hand when fields dry out.

Also, some of the larger firms can increase their acreage in other areas, States, or even other countries when conditions warrant. Lettuce acreage is reportedly up this year in New Mexico and Arizona, normally minor producing States during the spring. Responses such as these raise grower costs but benefit consumers by steadying supply and moderating prices.

This past winter, supplies of leafy vegetables remained strong because the majority of these vegetables are grown in the desert valleys of California (Imperial) and

Where Are U.S. Vegetables Grown in the Spring?



Excludes potatoes.

Economic Research Service, USDA

Arizona (Yuma). Imperial is one of the few counties in California that was not declared a disaster area, since rain there was much less intense. Crops like lettuce, broccoli, and cauliflower remained in good condition and good supply during the rainy period.

The brunt of the winter storms hit the coastal areas of California (e.g., Ventura, Santa Barbara, and Monterey counties), which produce a smaller percentage of winter vegetables. Despite the heavy storms, many growers in these coastal areas were able to resume harvest activities for crops like broccoli and cauliflower after short delays to wait for fields to dry out. However, some growers lost crops or received lower prices because rain reduced the quality and marketability of items like broccoli, cauliflower, and leaf lettuce.

Most warm-season vegetables like tomatoes, peppers, and snap beans come from Florida and Mexico—not California—during the winter. Although there has been no freeze in 1998, Florida growers have also had to contend with drenching rain and cool temperatures this winter.

With tomato acreage up this year, Florida's shipment volume has been above that of a year ago, when a severe freeze limited output. Tomato and green pepper volume from both Florida and Mexico was good in January, with shipping-point prices for tomatoes averaging about $7 per 25-pound box. However, by mid-February, prices had jumped to more than $16 per box as shipments from Mexico slipped and cool weather in Florida slowed growth.

Reduced Mexican volume was expected this winter due to a rare December freeze in west Mexico, which caused tomato and pepper plants to drop more than a third of their blossoms. Most warm-season vegetables were affected by this freeze, eventually reducing import volume late in January and into February. Import volume improved in March and helped limit price increases during the transition to spring-season growing areas.

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