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Orange-Juice Gains Most Allowed by Exchange on Storm Concerns
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By Leslie Patton

Sept. 21 (Bloomberg) -- Orange-juice futures jumped by the exchange limit in New York, reaching the highest level in more than three years, on concern that a storm will damage Florida's citrus crops.

An area of disturbed weather, not yet named, in the Caribbean is a potential threat to the eastern Gulf of Mexico, including Florida, said Kyle Tapley, a meteorologist at MDA EarthSat Weather Inc. in Rockville, Maryland. The storm may hit Florida at the end of September or early October, he said.

"We're in the period of the year where Florida has the tendency to get hit with hurricanes," said Boyd Cruel, a senior analyst at Vision Financial Markets in Chicago. Inclement weather worldwide has been pushing up commodity prices, he said.

Orange juice for November delivery rose 6.2 cents, or 4.1 percent, to \$1.566 a pound at 9:52 a.m. on ICE Futures U.S. in New York. Earlier, the commodity surged the exchange's daily limit of 10 cents, touching \$1.604, the highest price for a most-active contract since May 2007. Before today, orange juice advanced 17 percent this year.

Independent forecaster Elizabeth Steger in August projected Florida's orange harvest will increase 15 percent, to 154 million boxes, in the coming season. Steger has been forecasting the crop since 1992 and her estimates are widely followed by the citrus industry. The U.S. Department of Agriculture on Oct. 8 will release its first official estimate for the harvest, which begins next month and runs through June.

Orange juice is this year's fourth-best performing commodity tracked by the Reuters/Jefferies CRB Index, behind wheat, coffee and cotton. The gauge of 19 raw materials has gained 6.2 percent over the past three months.

Hedge-fund managers and other speculators increased their net-long positions in New York orange-juice futures by 31 percent in the week ended Sept. 14, according to U.S. Commodity Futures Trading Commission data. Speculative long positions, or bets prices will rise, outnumbered short positions by 8,467 contracts.

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