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Orange Juice Soars Most Since 2006 on Florida-Crop Frost Damage  
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By Marvin G. Perez and Yi Tian

Jan. 10 (Bloomberg) -- Orange-juice futures rose the most in five years on speculation that citrus groves in Florida suffered more frost damage than expected last week, with some forecasters predicting more cold weather.

About 5 percent of the orange groves in Florida's central counties, the main growing region, were damaged last week as temperatures dropped below freezing, said Kyle Tapley, a senior agricultural meteorologist at MDA EarthSat Weather. He said the weather will "turn cooler" next week in the state, the world's largest orange producer after Brazil.

Slumping U.S. inventories helped send orange-juice futures up almost 39 percent in New York since the end of September, the biggest gain of among the 19 commodities tracked by the Thomson Reuters/Jefferies CRB Index. Retail prices as of Dec. 24 were up 7.9 percent from a year earlier at \$6.12 a gallon, according to Nielsen data.

"Orange juice jumped due to the frigid weather that permanently damaged some of the crops here," Jim Garasz, a principal at Transworld Futures in Tampa, Florida, said today in a telephone interview. "And there's more cold weather coming in here late tomorrow. That spooks the market."

Orange juice for March delivery jumped the 20-cent exchange limit, or 11 percent, to \$2.0775 a pound at 11:34 a.m. on ICE Futures U.S. in New York, the highest since March 2007. A close at that price would mark the biggest gain since October 2006 and leave the commodity up 23 percent this month.

"The market is starting to factor in that maybe there was more to the damage than initially thought," Michael Smith, the president of T&K Futures and Options in Port St. Lucie, Florida, said in a telephone interview.

#### Hard Freeze

About 25 percent of Florida's citrus-growing region suffered a hard freeze during the first week in January, with temperatures in most other areas cold enough to cause frost, Gaithersburg, Maryland-based MDA said after the freeze. Oranges will be damaged if temperatures drop below 28 degrees Fahrenheit (minus 2 Celsius) for three to four hours.

Some forecasters say the weather will improve in the state.

"We will get a cool shot over the weekend, into the low 40s to mid 40s, but we don't see any kind of problem like we saw last week," Joel Widenor, a meteorologist with Commodity Weather Group in Bethesda, Maryland, said in a telephone interview.

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