

As agricultural industry prices rise due to the pandemic, California is seeing especially high costs when it comes to labor, water and fertilizer.

"Growers' costs are up about \$1,000 per acre and on top of that we are looking at a very significant drought so the cost of water, if we can even get it, has skyrocketed," Alyssa Houtby, Senior Director of Federal Affairs at [California Citrus Mutual](#) told FreshFruitPortal.

Even taking all the added cost pressures into account, citrus prices are competitive for the start of the season.

"I do anticipate prices are going to go up as the season goes on particularly as California becomes the only option on the market for citrus," she said.

The California citrus season is off to a strong start overall in terms of quality, size and color with lighter volumes that are more in line with normal production.

"Volumes are about 15 percent down year-on-year, which is to be expected as it was a very large crop," Houtby said.

On the front end of the season, imports have lingered a lot longer than they typically do for oranges and more so for lemons due to supply chain issues.

Thinking about the end of the season with imports coming in again, the window for California oranges is "really narrowing".

## **How water will be affecting California citrus**

Houtby said that for the current season the impacts of a low rain year and limited surface water supplies aren't going to be felt too significantly.

"I think if we look at next season it does get a bit questionable, especially if we don't have rain this year," she said.

With President Joe Biden's bipartisan Infrastructure Investment and Jobs Act recently signed, projects that will address critical [Western water supply needs will be implemented](#).

"It is a dire situation and there is politics involved so it isn't just a matter of if it rains or if it doesn't."

She said the sustainable groundwater management act is going to "limit" growers' ability to

access groundwater that would in times of drought offset the lack of rain.

"This season will be okay, but next season is questionable and when you don't get your surface water allocation you go to the market and you have to buy water, which on the spot market is extremely expensive."

"It is not as dire for citrus as it is for other commodities in the central valley just because of where we grow along the foothills on the east side."

For this season, the biggest challenge will be the port delays and making sure California citrus isn't flooding the domestic market.

"I'd say on the domestic market here you're going to see a lot more California citrus which is great."