



THE
Citrus
Report
and Highlighted Industry Trends

Spring 2013



NATURALLY SINCE 1908

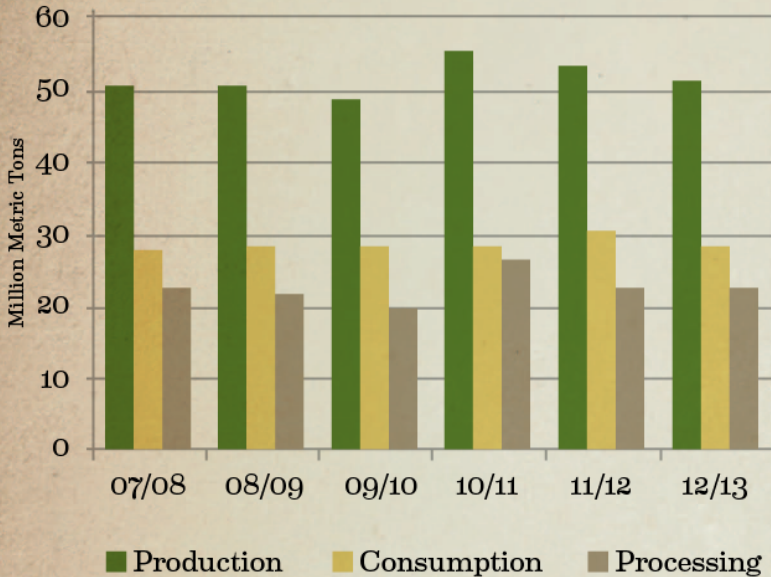
www.lebermuth.com



For over 100 years, The Lebermuth Company has worked directly with producers at the source to supply the highest quality essential oils to our customers. From our beginnings as a company in the Midwest, to our current fourth generation of family ownership, we have enjoyed a strong position in citrus essential oils. Through the years we have expanded our relationships with our suppliers throughout the world. From our products to our customer service, our commitment to excellence has remained the same generation after generation.

Orange

Although Global Orange Production Drops, Processing Remains Unchanged

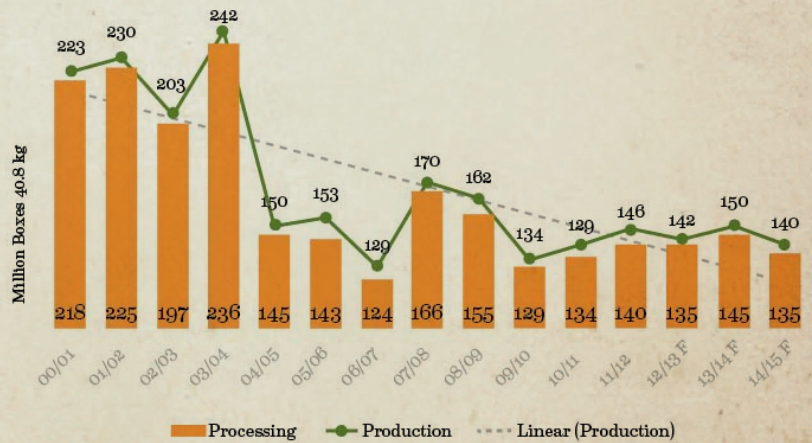


Source: USDA

United States

As of the beginning of March the 2012-2013 forecast for orange production is at 8.68 million tons. This forecast is down 4% from the 2011-2012 final utilization. The Florida orange forecast is currently at 139 million boxes (6.26 million tons) which is down 5% from last season. These numbers are down from past years due to the highest droppage rate Florida has experienced since the 1969/1970 season.

Orange Production & Processing
Florida's Citrus Belt



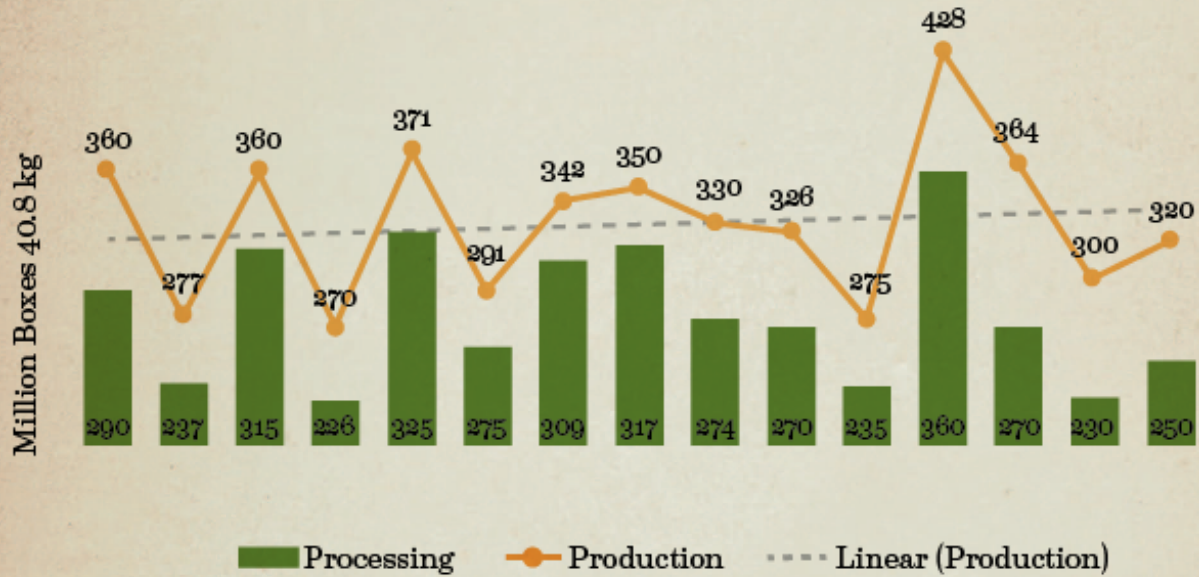
Source: USDA - Gain Report nbr BR12007



Brazil

This spring, Brazil's production is forecasted to drop nearly 10 percent to 18.6 million tons based on average blooms following good crops the past two years. As a result, fresh consumption is reduced, while the orange forecast for processing is unchanged.

Orange Production & Processing Brazil's Citrus Belt



Source: Citrusuco and USDA

(1,000 Metric Tons)

	2007/08	2008/09	2009/10	2010/11	2009/10	Jan. 2012/13
Production						
Brazil	16,850	17,014	15,830	22,603	20,482	18,564
United States	9,141	8,281	7,478	8,078	8,180	8,014

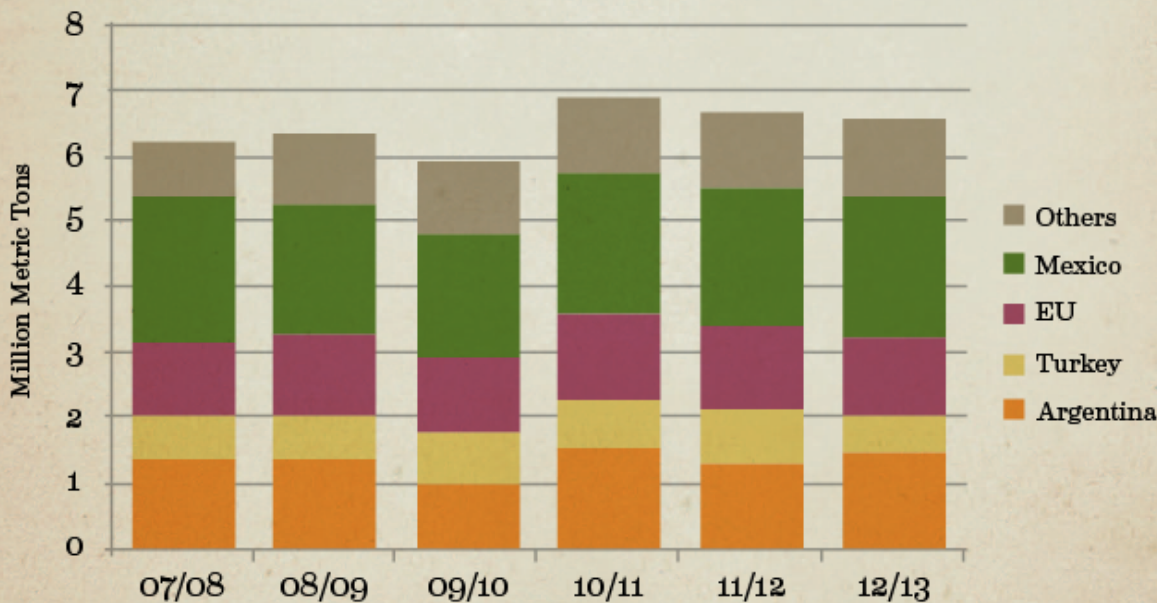
Source: USDA



Lemon/Lime

The global 2012/2013 production forecast is at 6.6 million tons, down slightly from the prior year. The very high summer temperatures in the EU and heavy rain during the bloom in Turkey reduced production in those regions. However, Argentina's crop improved this year due to favorable weather and improved yields.

Global Lemon/Lime Production Declines Slightly



Source: USDA



Lemon



California

Citrus Production by Type and State - United States

Crop and State	Production			2012-2013 Forecasted Production ¹	
	2009-2010	2010-2011	2011-2012	February	March
	(1,000 boxes)	(1,000 boxes)	(1,000 boxes)	(1,000 boxes)	(1,000 boxes)
Lemons California ³	21,000	20,500	20,500	20,500	20,500

Source: USDA

Argentina

The lemon production is forecasted to rebound to 1.45 MMT in the 2012/2013 season due to very favorable weather conditions which have resulted in improved yields. Even with the severe frost in July 2011 and the drought January-March of 2012, the lemon trees and fruit have recuperated and are showing higher yields than expected. The drought has also brought excellent fruit quality as dry weather favors plant health conditions. The harvest however, was delayed about 40 days due to some excess rain at the very beginning of the harvest season.

Italy

The 2012/2013 Italian lemon production is forecasted to decrease by 4.3%, but the quality is forecasted to be good. This is due to the decreasing lemon producing areas in Italy. Unfortunately the higher input costs and lower prices have negatively affected the crop profitability and therefore the desire to produce lemons.

Lime



Mexico

2010 and 2011 experienced weather that was unusually cold and dry. Thankfully limes recovered very quickly from this unusual weather. The early estimates for the 2012/2013 key limes and Persian limes is at 2.1 MMT. The state of Veracruz is projected to experience exceptional weather throughout 2013 making Persian lime production very good. The same is also being said for the Key limes because of the projected beneficial weather in the state of Michoacán. Lime production for 2011/2012 was revised upward from previous USDA estimates as rainfall was better in production areas and more area came into full production. Fewer phytosanitary concerns and high international market prices have led to an increase in the planting areas for both Persian and Key limes.

(1,000 Metric Tons)

	2007/08	2008/09	2009/10	2010/11	2009/10	Jan. 2012/13
Production						
Mexico	2,229	1,966	1,891	2,133	2,100	2,150
Argentina	1,360	1,350	1,000	1,550	1,300	1,450
EU-27	1,139	1,263	1,160	1,272	1,270	1,154
United States	562	827	800	835	771	809

Source: USDA



Bergamot

The 2012/2013 crop is around 18.000 tons of fruit and the production of oil is between 80 and 90 tons. The 2011/2012 crop was characterized by an average production with a decrease production by about 15%, mainly due to climatic factors. There has been a 10% decrease in the fruit collection from this year's production.

Crop	Quantity of fruit (kg)	Quantity of essential oil (kg)
2007/2008	140.000	70.000
2008/2009	200.000	100.000
2009/2010	220.000	100.000
2010/2011	190.000	100.000
2011/2012	180.000	85.000

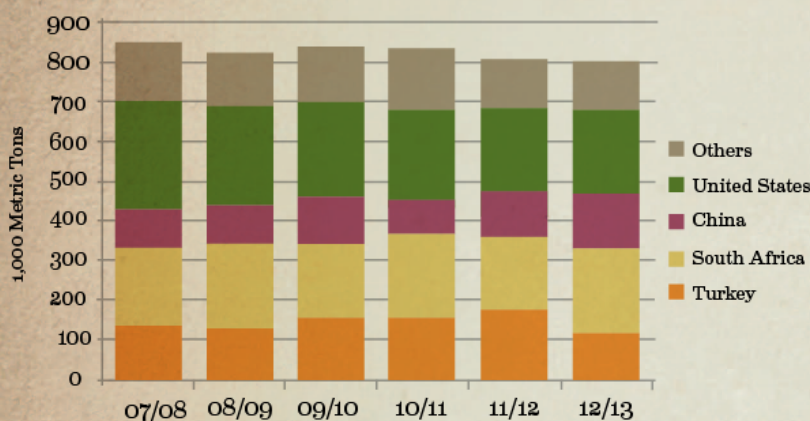
The following table shows the average price per kilogram of essential oil the past five years paid by packers to producers of bergamot:

Crop	Price
2007/2008	€ 72.00
2008/2009	€ 74.00
2009/2010	€ 75.00
2010/2011	€ 76.00
2011/2012	€ 80.00



Grapefruit

Global Grapefruit Trade Forecast Flat



Source: USDA

Florida

Citrus Production by Type and State - United States

Crop and State	Production			2012-2013 Forecasted Production ¹	
	2009-2010	2010-2011	2011-2012	February	March
	(1,000 boxes)	(1,000 boxes)	(1,000 boxes)	(1,000 boxes)	(1,000 boxes)
Lemons					
Florida-All	20,300	19,750	18,850	18,000	17,000
White	6,000	5,850	5,350	5,000	4,500
Colored	14,300	13,900	13,500	13,000	12,500

Texas

Citrus Production by Type and State - United States

Crop and State	Production			2012-2013 Forecasted Production ¹	
	2009-2010	2010-2011	2011-2012	February	March
	(1,000 boxes)	(1,000 boxes)	(1,000 boxes)	(1,000 boxes)	(1,000 boxes)
Texas ³	5,600	6,300	4,800	5,280	5,280

Source: USDA



Global grapefruit production has decreased by 1.0 million boxes to 17.0 million boxes. Because of the significant droppage for both white and colored grapefruit both components were reduced by 500 thousand boxes. This has resulted in new forecasts of 4.5 million boxes of white and 12.5 million boxes of colored. The severe droppage was not caused by any certain weather event. It has also been confirmed that the grapefruit size is the smallest in the series which began with the 1968-1969 season. According to the Row Count Survey which was conducted at the end of February, 50% of colored grapefruit and 30% of white grapefruit has been harvested.