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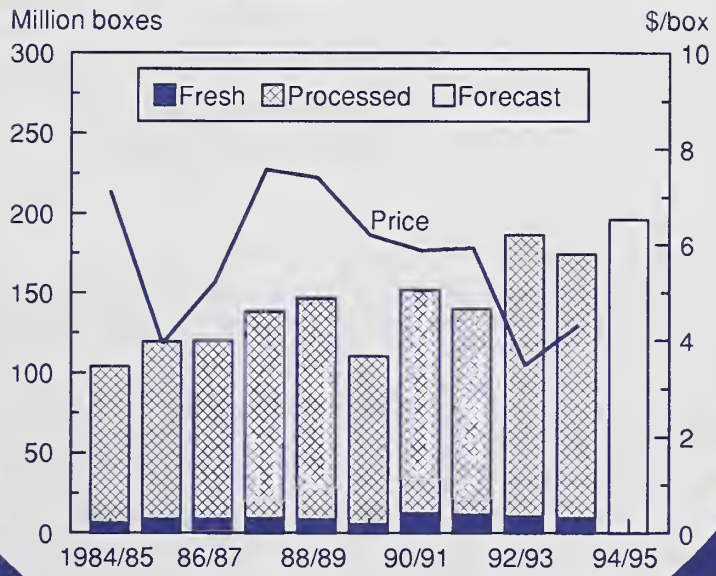
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Fruit and Tree Nuts

Situation and Outlook Report

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Florida Orange Production, Use, and On-Tree Price



Contents

| | Page |
|---|------|
| Summary | 3 |
| Fruit Price Outlook | |
| Lower Grower Prices Expected in 1994/95 | 4 |
| Citrus Outlook | |
| Near-Record U.S. Citrus Crop Forecast in 1994/95 | 6 |
| Orange Juice Production Could Hit Record in 1994/95 | 7 |
| California Navel Production Up Slightly in 1994/95 | 10 |
| Record U.S. Grapefruit Crop Forecast | 12 |
| U.S. Lemon Crop Down 3 Percent in 1994/95 | 14 |
| Noncitrus Outlook | |
| Lower Prices Accompany Higher Output | 17 |
| Output Gain To Ease Avocado Prices | 20 |
| Cranberry Output Climbs | 22 |
| Tree Nut Outlook | |
| Pecan and Hazelnut Production Drops | 23 |
| List of Tables | 26 |

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Summary

Bumper Crops Pressure Grower Fruit Prices in 1994/95

Record or near-record crops of oranges for processing, grapefruits, apples, and pears are expected to pressure grower fruit prices lower in 1994/95. Retail prices for these fresh fruits will likely remain stable to lower in 1995. Ample supplies of canned and frozen fruit and sluggish demand are expected to keep retail prices for processed fruit products near current levels.

U.S. citrus production is forecast at 15.8 million short tons in 1994/95, up 9 percent from last season. If realized, the crop would be the largest since 1979/80 when the U.S. produced a record 16.5 million short tons.

USDA forecasts U.S. orange juice production at 1.2 billion gallons (single-strength equivalent) in 1994/95, up 10 percent from last year and slightly higher than the 1992/93 record. A much larger Florida orange crop is expected to more than offset lower juice yields. Grower prices for processing oranges will likely decline from last year. A smaller Brazilian crop and reduced U.S. imports should moderate price declines.

The California orange crop is expected to total 2.44 million short tons in 1994/95, up 4 percent from last year. Output of California navel and Valencia oranges are forecast up 1 percent and 8 percent, respectively. Grower and retail prices for fresh-market navels this winter are expected to average near last year.

Large grapefruit crops in Florida, Texas, and the California desert region will likely pressure grower prices in 1994/95. Consumption and exports are expected higher. Due to larger crops and stagnant domestic demand, average U.S. grower prices for grapefruits during the last two seasons have been substantially below average prices received during most of the last decade.

Lemon output is expected off 1 percent in California and 10 percent in Arizona. In early November, f.o.b. prices were about the same as a year earlier.

Record apple and pear crops in 1994 will provide ample noncitrus fruit supplies and maintain downward pressure on grower prices in 1994/95. The U.S. apple crop is up slightly from the 1987 record, with Washington, the

leading state, expecting a 10 percent larger crop. A hard winter and light spring bloom kept apple production in many eastern and central states below year-earlier levels.

U.S. output of other-than-Bartlett pears is forecast to remain the same as last year, indicating continued low fresh pear prices. A 6-percent-larger Bartlett crop brought lower processing prices.

U.S. grape production is expected up 2 percent in 1994 from last year. California's grape crop forecast is unchanged from August and up 3 percent from 1993. Increased output of Thompson seedless (a raisin variety) and reduced crush demand made more grapes available for fresh market sales and drying. Rain damaged some raisins in September and October. Shipments of fresh grapes have been ahead of the year earlier and prices were generally lower.

Good-growing conditions boosted 1994 strawberry output in California. Through October both fresh and processed uses were up 16 percent from the year earlier. Strong demand raised field prices for processing strawberries, but higher output lowered grower prices for the fresh market.

The final forecast for the 1994 U.S. peach crop was down 7 percent. Larger peach crops in California, South Carolina, and Georgia were not sufficient to offset reductions in many other states. Grower prices for fresh-market peaches were higher than a year earlier when shipments from these major states began declining in July.

U.S. cranberry production is expected to set a record in 1994, but fresh-market supplies may still be tight after Thanksgiving due to reduced quality. Despite lower beginning stocks of processed cranberries, the production gain brought lower grower prices.

Increased California avocado production is anticipated in 1994/95 and Florida's crop shows substantial recovery from Hurricane Andrew. Prices soared when California's avocado output dropped in 1993/94.

U.S. pecan and hazelnut crops are projected about half as large in 1994 as in 1993. California walnut output will be off 15 percent. Nut prices are likely to rise for all but almonds, since California's 1994 almond crop is expected to be the largest in 3 years.

Lower Grower Prices Expected in 1994/95

Bumper crops of apples, pears, grapefruit, and processing oranges are expected to result in lower grower prices. Retail prices for these fresh fruits will likely be stable to lower.

The grower price index for fruit was above the year earlier through May 1994, mostly due to smaller 1993/94 Florida crops of grapefruit and processing oranges and California navel oranges. Larger 1993/94 crops of pears and lemons limited gains in the price index. However, since June 1994, grower prices were below a year earlier due to higher California Valencia orange output and large apple and pear inventories.

Meanwhile, retail fresh fruit prices from January to September 1994, as measured by the Consumer Price Index (CPI), remained about 8 percent above a year earlier. Contributing to the increase were higher prices for oranges, grapefruit, some varieties of apples, and other fruits not included in the grower price index, such as bananas and avocados. Ample supplies of canned and frozen fruit and sluggish demand have kept retail prices of processed fruit in check.

The 1995 outlook calls for lower grower prices for apples, grapefruits, and processing oranges due to larger crops in major producing states. Pear prices are expected to remain relatively low because growers harvested another large pear crop this fall. However, higher fresh-market exports of apples, pears, and grapefruits should reduce domestic availability somewhat and help limit price declines. Retail prices for these fruits are expected to moderate into 1995. The navel orange crop in California is forecast up 1 percent, and grower and retail prices are expected to be near the year earlier.

During the last 10 years, the CPI for fresh fruit has nearly doubled while the grower price index for fresh fruit has remained relatively flat, with some year-to-year variation. The mix of fruits in each index may explain part of the difference. The grower price index for fresh fruits includes fresh market apples, peaches, pears, strawberries, oranges, grapefruits, and lemons. The index also includes prices of these processing citrus fruit, which have been generally lower since 1992 than they were 10 years earlier. Lower citrus prices have been partially offset by higher fresh-market prices for some noncitrus fruits such as apples and peaches. The CPI for fresh fruits covers a much broader range, including apples, bananas, oranges, and other fresh fruits.¹ Besides not measuring the same

¹ The CPI's "other fresh fruit" category includes avocados, berries, cherries, grapefruit, grapes, lemons, limes, melons, peaches, pears, pineapples, and plums.

basket of fruit, a change in marketing costs could also be reflected in differences between the two indices.

Table 1--U.S. monthly grower price indexes, 1992-94

| Month | All fruit index | | | Fresh fruit index | | |
|--------------|-----------------|------|------|-------------------|------|------|
| | 1992 | 1993 | 1994 | 1992 | 1993 | 1994 |
| --1977=100-- | | | | | | |
| January | 207 | 138 | 150 | 215 | 137 | 152 |
| February | 203 | 132 | 149 | 211 | 130 | 150 |
| March | 203 | 121 | 146 | 211 | 117 | 147 |
| April | 203 | 129 | 153 | 211 | 126 | 155 |
| May | 195 | 141 | 155 | 202 | 140 | 158 |
| June | 180 | 153 | 144 | 184 | 155 | 145 |
| July | 143 | 176 | 137 | 146 | 184 | 138 |
| August | 154 | 218 | 176 | 158 | 235 | 185 |
| September | 143 | 258 | 168 | 145 | 284 | 174 |
| October | 148 | 285 | 165 | 150 | 317 | 171 |
| November | 159 | 183 | | 161 | 192 | |
| December | 156 | 166 | | 157 | 171 | |

Source: National Agricultural Statistics Service, USDA.

Table 2--U.S. monthly consumer fruit price indexes, 1992-94

| Month | Fresh fruit | | | Processed fruit | | |
|-----------------|------------------------|------|------|------------------------|------|------|
| | 1992 | 1993 | 1994 | 1992 | 1993 | 1994 |
| --1982-84=100-- | | | | | | |
| January | 189 | 191 | 207 | 136 | 133 | 135 |
| February | 183 | 187 | 195 | 139 | 135 | 133 |
| March | 189 | 184 | 199 | 139 | 132 | 133 |
| April | 187 | 185 | 198 | 140 | 132 | 134 |
| May | 190 | 188 | 204 | 140 | 131 | 133 |
| June | 183 | 176 | 193 | 138 | 130 | 133 |
| July | 173 | 179 | 200 | 138 | 131 | 134 |
| August | 181 | 185 | 202 | 138 | 132 | 132 |
| September | 189 | 193 | 204 | 138 | 132 | 132 |
| October | 182 | 198 | | 136 | 133 | |
| November | 181 | 194 | | 136 | 133 | |
| December | 182 | 205 | | 135 | 134 | |
| --1982-84=100-- | | | | | | |
| | Frozen fruit and juice | | | Canned and dried fruit | | |
| | 1992 | 1993 | 1994 | 1992 | 1993 | 1994 |
| January | 137 | 133 | 134 | 130 | 132 | 134 |
| February | 140 | 135 | 132 | 131 | 132 | 133 |
| March | 141 | 132 | 133 | 130 | 132 | 134 |
| April | 142 | 132 | 133 | 131 | 132 | 134 |
| May | 142 | 129 | 131 | 131 | 133 | 135 |
| June | 140 | 128 | 132 | 131 | 134 | 135 |
| July | 140 | 130 | 133 | 132 | 134 | 135 |
| August | 139 | 131 | 131 | 132 | 135 | 136 |
| September | 139 | 132 | 132 | 132 | 132 | 133 |
| October | 137 | 132 | | 131 | 133 | |
| November | 136 | 133 | | 130 | 132 | |
| December | 135 | 133 | | 131 | 133 | |

Source: Bureau of Labor Statistics, U.S. Department of Labor.

Table 3--U.S. monthly retail prices for selected fruits and juice, 1992-94

| Month | Valencia oranges | | | Navel oranges | | | Orange juice, concentrate 1/ | | | Grapefruit | | |
|-----------|-----------------------|-------|-------|--------------------------|-------|-------|------------------------------|-------|-------|-----------------------|-------|-------|
| | 1992 | 1993 | 1994 | 1992 | 1993 | 1994 | 1992 | 1993 | 1994 | 1992 | 1993 | 1994 |
| | --Dollars per pound-- | | | --Dollars per pound-- | | | --Dollars per 16 fl. oz-- | | | --Dollars per pound-- | | |
| January | -- | -- | -- | 0.643 | 0.514 | 0.505 | 1.879 | 1.677 | 1.674 | 0.520 | 0.518 | 0.473 |
| February | -- | -- | -- | .616 | .506 | 0.496 | 1.963 | 1.753 | 1.648 | .513 | .505 | 0.462 |
| March | -- | -- | -- | .563 | .506 | 0.52 | 1.922 | 1.619 | 1.665 | .524 | .495 | 0.47 |
| April | -- | -- | -- | .537 | .521 | 0.549 | 1.976 | 1.627 | 1.662 | .552 | .468 | 0.452 |
| May | -- | -- | -- | .573 | .549 | 0.618 | 1.959 | 1.572 | 1.6 | .625 | .447 | 0.461 |
| June | -- | .536 | 0.581 | -- | -- | -- | 1.933 | 1.587 | 1.598 | .648 | .475 | 0.479 |
| July | 0.583 | .571 | 0.591 | -- | -- | -- | 1.929 | 1.558 | 1.64 | .671 | .529 | 0.552 |
| August | .568 | .609 | 0.606 | -- | -- | -- | 1.906 | 1.610 | 1.578 | .701 | .611 | 0.609 |
| September | .545 | .747 | 0.584 | -- | -- | -- | 1.877 | 1.626 | 1.594 | .731 | .628 | 0.647 |
| October | .541 | .808 | -- | -- | -- | -- | 1.830 | 1.615 | -- | .731 | .629 | -- |
| November | -- | -- | -- | .571 | 0.694 | -- | 1.774 | 1.643 | -- | .549 | 0.544 | -- |
| December | -- | -- | -- | .516 | 0.556 | -- | 1.700 | 1.672 | -- | .524 | 0.499 | -- |
| | Lemons | | | Red Delicious apples | | | Bananas | | | Peaches | | |
| | 1992 | 1993 | 1994 | 1992 | 1993 | 1994 | 1992 | 1993 | 1994 | 1992 | 1993 | 1994 |
| | --Dollars per pound-- | | | --Dollars per pound-- | | | --Dollars per pound-- | | | --Dollars per pound-- | | |
| January | 1.056 | 0.920 | 0.942 | 0.876 | 0.810 | 0.789 | 0.428 | 0.426 | 0.44 | -- | -- | -- |
| February | 1.003 | .868 | 0.844 | .886 | .817 | 0.81 | .493 | 0.475 | 0.496 | 0.963 | 1.201 | 1.21 |
| March | .933 | .879 | 0.838 | .899 | .802 | 0.804 | .517 | .475 | 0.5 | -- | -- | -- |
| April | .921 | .901 | 0.911 | .913 | .802 | 0.803 | .484 | .483 | 0.469 | -- | -- | -- |
| May | .981 | .971 | 0.961 | .925 | .815 | 0.806 | .445 | .472 | 0.469 | -- | -- | -- |
| June | .988 | 1.058 | 1.057 | .962 | .835 | 0.822 | .463 | .446 | 0.447 | .933 | .959 | 0.889 |
| July | 1.024 | 1.222 | 1.293 | .990 | .854 | 0.848 | .432 | .448 | 0.452 | .781 | .829 | 0.872 |
| August | 1.009 | 1.291 | 1.45 | 1.015 | .904 | 0.881 | .509 | .422 | 0.48 | .851 | .854 | 0.857 |
| September | 1.144 | 1.341 | 1.503 | .933 | .939 | 0.874 | .459 | .395 | 0.453 | .945 | .899 | 0.915 |
| October | 1.110 | 1.341 | -- | .765 | .850 | -- | .442 | .405 | -- | -- | -- | -- |
| November | 1.007 | 1.159 | -- | .753 | 0.798 | -- | .422 | 0.404 | -- | -- | -- | -- |
| December | .904 | 1.054 | -- | .764 | 0.778 | -- | .404 | 0.414 | -- | -- | -- | -- |
| | Anjou pears | | | Thompson seedless grapes | | | Strawberries 2/ | | | | | |
| | 1992 | 1993 | 1994 | 1992 | 1993 | 1994 | 1992 | 1993 | 1994 | | | |
| | --Dollars per pound-- | | | --Dollars per pound-- | | | --Dollars per 12-oz. pint-- | | | | | |
| January | 0.830 | 0.777 | 0.827 | 1.782 | 1.831 | 2.01 | -- | -- | -- | | | |
| February | .793 | .805 | 0.815 | 1.323 | 1.480 | 1.373 | 1.430 | 1.467 | 1.318 | | | |
| March | .855 | .855 | 0.79 | 1.302 | 1.330 | 1.331 | 1.173 | 1.206 | 1.262 | | | |
| April | .834 | .866 | 0.773 | 1.409 | 1.467 | 1.295 | .960 | .908 | 0.91 | | | |
| May | .839 | .881 | 0.736 | -- | -- | 1.723 | .831 | .874 | 0.983 | | | |
| June | .830 | .933 | 0.783 | 1.370 | 1.406 | 1.424 | 1.048 | 1.066 | 1.047 | | | |
| July | -- | -- | 0.858 | 1.017 | 1.338 | 1.412 | .988 | 1.013 | 1.085 | | | |
| August | -- | -- | -- | .928 | 1.210 | 1.148 | 1.185 | 1.069 | 1.108 | | | |
| September | -- | -- | -- | .992 | 1.179 | 1.136 | 1.473 | 1.151 | 1.209 | | | |
| October | -- | -- | -- | 1.162 | 1.310 | -- | 1.190 | 1.261 | -- | | | |
| November | -- | -- | -- | 1.595 | 1.601 | -- | -- | -- | -- | | | |
| December | .803 | 0.891 | -- | -- | -- | -- | -- | -- | -- | | | |

-- = Insufficient marketing to establish price.

1/ Data converted from 12 fluid ounce containers.

2/ Dry pint.

Source: Bureau of Labor Statistics, U.S. Department of Labor.

Near-Record U.S. Citrus Crop Forecast in 1994/95

Larger crops in Florida, California, and Texas are expected to boost U.S. citrus production in 1994/95, mostly due to higher output of Florida oranges and grapefruit and California Valencia oranges.

Total U.S. citrus production is forecast at 15.8 million short tons in 1994/95, up 9 percent from last year. If realized, the crop would be the largest since 1979/80 when the U.S. produced a record 16.5 million short tons.

Favorable weather and increased bearing acreage are expected to boost output in Florida, the top citrus-producing state with almost three-fourths of the U.S. crop. Fruit is expected to mature uniformly because of an even bloom last spring. The bloom was also relatively early, so harvest is earlier this season. Groves received ample rainfall during the summer, which resulted in nearly ideal growing conditions, but caused some fruit to split. Fruit sizes are larger than normal. If the forecasts are realized, Florida growers will harvest the largest grapefruit crop and the second largest orange crop on record. Florida provides more than 90 percent of U.S. processed oranges and about 85 percent of the grapefruit crop.

In California, good growing conditions boosted prospects for larger navel and Valencia crops in 1994/95, up 1 percent and 8 percent, respectively. Grapefruit output in the desert region is expected up 3 percent. Citrus quality is reported good. California produces about three-fourths of the U.S. fresh-market orange crop and 10 percent of the U.S. grapefruit crop.

Arizona orange and lemon production is expected to be down 10 and 9 percent, respectively, due to hot weather during the bloom and set. The state accounts for about 3 percent of U.S. fresh-market orange output and 20 percent of U.S. lemon output. Texas citrus crops continue to rebound from the December 1989 freeze. Grapefruit production, which is expected to account for about 5 percent of the U.S. crop, is forecast up 20 percent.

Table 4--Citrus fruit: Utilized production by crop, state and United States, 1991/92-1994/95 1/

| Crop and state | Indicated | | | | Indicated | | | |
|----------------|--------------------|---------|---------|---------|----------------------|---------|---------|---------|
| | 1991/92 | 1992/93 | 1993/94 | 1994/95 | 1991/92 | 1992/93 | 1993/94 | 1994/95 |
| | --1,000 boxes 2/-- | | | | --1,000 short tons-- | | | |
| All oranges | 209,610 | 255,760 | 239,250 | 263,700 | 8,909 | 10,992 | 10,281 | 11,364 |
| Arizona | 2,380 | 1,850 | 1,900 | 1,700 | 89 | 69 | 71 | 64 |
| California | 67,400 | 66,800 | 62,600 | 65,000 | 2,528 | 2,505 | 2,347 | 2,438 |
| Florida | 139,800 | 186,600 | 174,200 | 196,000 | 6,291 | 8,396 | 7,839 | 8,820 |
| Texas | 30 | 510 | 550 | 1,000 | 1 | 22 | 24 | 42 |
| All grapefruit | 55,265 | 68,375 | 64,900 | 70,433 | 2,224 | 2,791 | 2,655 | 2,881 |
| Arizona | 2,800 | 2,150 | 1,750 | 1,700 | 89 | 69 | 59 | 57 |
| California | 10,000 | 9,200 | 9,100 | 3/ | 329 | 303 | 305 | 3/ |
| Florida | 42,400 | 55,150 | 51,050 | 55,500 | 1,803 | 2,344 | 2,171 | 2,360 |
| Texas | 65 | 1,875 | 3,000 | 3,800 | 3 | 75 | 120 | 152 |
| All lemons | 20,200 | 24,800 | 25,900 | 25,200 | 766 | 942 | 984 | 958 |
| Arizona | 5,100 | 4,400 | 5,200 | 4,700 | 193 | 167 | 197 | 179 |
| California | 15,100 | 20,400 | 20,700 | 20,500 | 573 | 775 | 787 | 779 |
| Limes: | | | | | | | | |
| Florida | 1,600 | 1,000 | 200 | 250 | 70 | 44 | 9 | 11 |
| Tangelos: | | | | | | | | |
| Florida | 2,600 | 3,050 | 3,350 | 3,200 | 117 | 137 | 150 | 144 |
| All tangerines | 6,240 | 5,850 | 7,400 | 7,000 | 260 | 247 | 318 | 303 |
| Arizona | 1,200 | 950 | 1,000 | 800 | 45 | 35 | 37 | 30 |
| California | 2,440 | 2,100 | 2,300 | 2,200 | 92 | 79 | 86 | 83 |
| Florida | 2,600 | 2,800 | 4,100 | 4,000 | 123 | 133 | 195 | 190 |
| Temples: | | | | | | | | |
| Florida | 2,350 | 2,500 | 2,250 | 2,600 | 106 | 113 | 102 | 117 |

1/ The crop year begins with bloom of the first year shown and ends with harvest.

2/ Net pounds per box: oranges-California and Arizona-75; Florida-90; Texas-85; grapefruit-California desert and Arizona-64 prior to 1993/94, 67 in 1993/94; California other areas-67; Florida-85; Texas-80; lemons-76; limes-88; tangerines-California and Arizona-75; Florida-95; tangelos and Temples-90.

3/ The first forecast for California grapefruit in "other areas" will be available April 1995. Grapefruit total based on 3-year average production in California's "other areas."

Source: National Agricultural Statistics Service, USDA.

Orange Juice Production Could Hit Record in 1994/95

High juice production is expected to keep downward pressure on U.S. grower prices for processed oranges while keeping a lid on retail orange juice prices. Consumption will likely top 1.3 billion gallons (single strength equivalent) for the third year in a row.

The U.S. orange crop is forecast at 11.4 million short tons, up 11 percent. If realized, the crop would be the second largest on record, down 4 percent from 1979/80. Larger crops are expected in Florida and California. The October USDA forecast placed 1994/95 Florida production at 196 million 90-pound boxes, up 13 percent from last year and 5 percent above 2 years ago. Good growing conditions during most of the summer and fall in Florida, including ample rainfall, contributed to excellent crop prospects. Also, orange acreage and number of trees continue to climb. The 1994 tree census indicated 510,819 bearing acres, up 15 percent from 1992.

USDA forecasts U.S. orange juice production at 1.2 billion gallons (single-strength equivalent) in 1994/95, up 10 percent from last year and slightly higher than the 1992/93 record. A much larger Florida orange crop is expected to more than offset lower juice yields, which are forecast to average 1.54 gallons (42 degrees Brix) per box, down 2 percent from last year. This forecast assumes Florida processes 94 percent of its orange crop. California-Arizona is assumed to process 20 percent of the Western navel crop and 30 percent of the Valencia crop.

Lower Imports Forecast in 1994/95

Import availability from Brazil is expected to be lower this season because dry weather has reduced the size of the crop. The latest USDA forecast for Sao Paulo State orange output is 270-282 million boxes in 1994, which would be down 6-10 percent from 1993. Juice production will not decline proportionally because juice yields are quite high. By late October, about 70 percent of Brazil's orange crop had been processed.

U.S. domestic supply is forecast a record high 1.79 billion gallons in 1994/95 due to record juice output. This includes an import forecast of 300 million gallons, down almost one-third from 1993/94.

If Brazil's crop is not reduced further and Florida passes through the winter without a freeze and processes record-high orange juice volume, futures prices could remain below the year earlier. In most years following dry weather and low output, Brazil's orange crop has substantially rebounded. If this occurs, futures prices could sag next summer. Consequently, retail prices for frozen

Table 5--Estimated utilization of round oranges, Florida, 1987/88-1994/95 1/

| Item | 1987/88 | 1988/89 | 1989/90 | 1990/91 | 1991/92 | 1992/93 | 1993/94 | Forecast 1994/95 |
|-------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------------|
| --Million boxes 90-lb-- | | | | | | | | |
| Fresh | 8.9 | 7.7 | 5.2 | 11.4 | 10.3 | 9.4 | 8.6 | 10.0 |
| Frozen concentrate | 103.9 | 107.4 | 70.1 | 100.4 | 90.6 | 128.3 | 111.7 | 125.8 |
| Chilled juice 2/ | 23.6 | 29.5 | 33.5 | 38.2 | 37.0 | 47.2 | 51.0 | 57.0 |
| Canned juice | 0.8 | 1.1 | 0.6 | 0.6 | 0.5 | 0.3 | 0.2 | 0.2 |
| Blends | 0.1 | 4/ | 4/ | 4/ | 4/ | 4/ | 4/ | 4/ |
| Non-certified | 0.7 | 0.9 | 0.8 | 1.0 | 1.4 | 1.3 | 1.3 | 1.5 |
| Other 3/ | -- | -- | -- | -- | -- | -- | 1.4 | 1.5 |
| Total | 138.0 | 146.6 | 110.2 | 151.6 | 139.8 | 186.5 | 174.2 | 196.0 |

-- = Not applicable.

1/ The total used in processed products does not agree exactly with the utilization reported by the Florida Citrus Processors Association orange utilization report, which includes some specialty fruit.

2/ Prior to 1993/94, chilled juice category includes utilization by nonmember of the Florida Citrus Processors Association.

3/ Includes utilization by nonmembers of the Florida Citrus Processors Association.

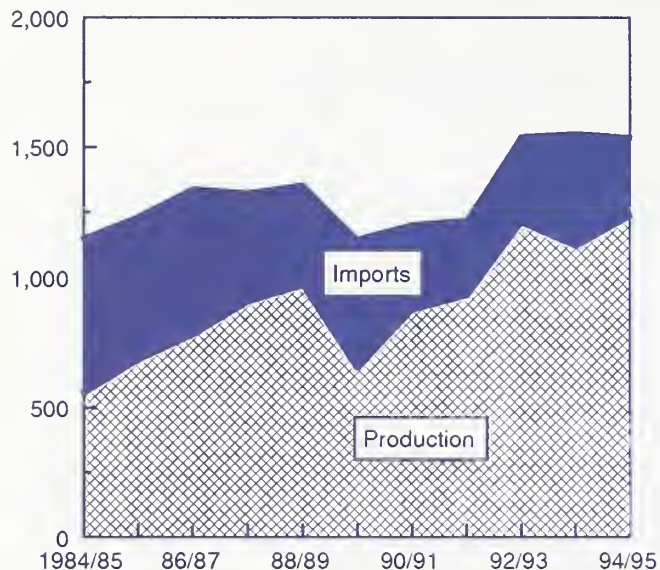
4/ Less than 50,000 boxes.

Source: Florida Department of Citrus.

Figure 1

Orange juice: Production and Imports

Gallons single-strength



concentrated orange juice would decline and orange juice consumption would be expected to increase in 1994/95.

Uncertainty regarding Brazil's crop recently pushed prices for orange juice futures contracts on the New York Cotton Exchange to a 7-month high. Prices for bulk FCOJ from Brazil also increased. Wholesale and retail prices would be expected to move higher, especially if futures prices stay above a year ago. If higher wholesale and retail prices persist, orange juice consumption would likely decline in 1994/95. However, such a scenario is less likely given record U.S. orange juice production and only moderate declines in Brazilian output and exports. USDA forecasts Brazil to export 1.49 billion gallons to the world in 1994/95 (beginning July), down 4 percent from a season earlier.

Grower and Retail Prices Expected Lower

Higher domestic and export demand, along with lower juice supplies from Brazil could provide some price support, but heavy U.S. supplies will likely weigh on grower prices for processed oranges and keep a lid on retail juice prices in 1994/95.

Consumption Up in the 1990's

Annual orange juice consumption was about 5 gallons per person during the first half of the 1980's, but declined in the last half as supplies tightened and prices shot up.

However, since 1992/93, larger U.S. production and ample supplies of Brazilian juice have pushed down prices and spurred consumption. U.S. consumption reached 1.35 billion gallons in 1992/93 and 1.39 billion gallons in 1993/94, up from about 1.1 billion each season from 1989/90 through 1991/92. If demand had stayed constant, imports since 1991/92 should have declined as U.S. output rose. They did not. Demand appears to have increased due to higher incomes, population gains, and higher relative prices of alternative juices. In 1994/95, stable-to-lower retail prices could push consumption over 1.4 billion gallons for the first time.

U.S. exports are expected to increase in 1994/95 due to lower prices and reduced supplies from Brazil, the world's largest producer and exporter of orange juice. In 1993/94, U.S. exports accounted for about 10 percent of U.S. orange juice production. Brazil exports nearly all of its output.

Florida Orange Acreage and Output Climbs

As of January 1994, when a new census was taken, Florida orange planted area was 653,370 acres, up 7 percent from the 1992 census. Bearing acreage totaled 510,819 acres, up 15 percent from 1992, and 78 percent of total acres. Tree numbers increased more than area--by 12 percent--due to the high rate of new trees planted per acre. There were 81.6 million orange trees in Florida at the beginning of this year.

All major varieties registered gains in the tree numbers. Valencia orange remain the most popular variety, with just under one-half the total tree count and area. Hamlin oranges account for one-third, and Pineapple, navel, and Ambersweet make up the rest.

Because of relatively low orange prices, new tree plantings have declined in the last 2 years. Growers are planting few, if any, new trees. Nevertheless, based on average tree yields by variety and age, orange output is expected to increase about 4 percent annually through the turn of the century due to higher yields of trees planted since the freezes in the 1980s. More orange tree area is now located further south, reducing the possibility of damage from freezes. About 30 percent of total orange are located in the southern counties of Florida, up from 18 percent in 1984.

Table 6--United States: Orange juice supply and utilization, 1985/86-1994/95

| Season 1/ | Beginning stocks | Production | Imports | Exports | Domestic consumption | Ending stocks 2/ |
|------------------------------|------------------|------------|---------|---------|----------------------|------------------|
| -- Million SSE gallons 3/ -- | | | | | | |
| 1985/86 | 249 | 683 | 546 | 71 | 1,204 | 204 |
| 1986/87 | 204 | 781 | 557 | 73 | 1,267 | 201 |
| 1987/88 | 201 | 907 | 416 | 90 | 1,223 | 212 |
| 1988/89 | 212 | 970 | 383 | 73 | 1,258 | 233 |
| 1989/90 | 233 | 652 | 492 | 90 | 1,062 | 225 |
| 1990/91 | 225 | 876 | 327 | 96 | 1,174 | 158 |
| 1991/92 | 158 | 930 | 286 | 108 | 1,097 | 170 |
| 1992/93 | 170 | 1,212 | 326 | 114 | 1,345 | 248 |
| 1993/94 | 248 | 1,116 | 380 | 105 | 1,389 | 250 |
| 1994/95f | 250 | 1,236 | 300 | 120 | 1,421 | 250 |

f = Forecast.

1/ Season begins in December of the first year shown. 2/ Data may not add due to rounding. 3/ SSE = Single-strength equivalent.

Source: Foreign Agricultural Service and Economic Research Service, USDA.

Table 7--Monthly prices for processed oranges and frozen concentrated orange juice, 1991/92-1993/94

| Month | Processed oranges 1/ | | | Near-term futures contract 2/ | | | Retail frozen concentrate | | |
|----------------------|----------------------|---------|-------------------------|-------------------------------|---------|----------------------------------|---------------------------|---------|---------|
| | 1991/92 | 1992/93 | 1993/94 | 1991/92 | 1992/93 | 1993/94 | 1991/92 | 1992/93 | 1993/94 |
| --\$ per 90-lb box-- | | | --\$ per pound solids-- | | | --\$ per 16 fl. oz. of product-- | | | |
| December | 4.90 | 3.20 | 3.10 | 1.640 | 0.945 | 1.067 | 1.739 | 1.700 | 1.672 |
| January | 5.35 | 3.15 | 3.80 | 1.508 | 0.792 | 1.099 | 1.879 | 1.677 | 1.674 |
| February | 5.70 | 3.05 | 4.10 | 1.417 | 0.703 | 1.058 | 1.963 | 1.753 | 1.648 |
| March | 6.25 | 3.50 | 4.12 | 1.414 | 0.816 | 1.094 | 1.922 | 1.619 | 1.665 |
| April | 6.65 | 4.05 | 5.05 | 1.333 | 0.937 | 1.031 | 1.976 | 1.627 | 1.662 |
| May | 7.00 | 4.05 | 5.35 | 1.329 | 1.046 | 0.954 | 1.959 | 1.572 | 1.600 |
| June | 7.40 | 3.95 | 5.05 | 1.289 | 1.144 | 0.925 | 1.933 | 1.587 | 1.598 |
| July | -- | -- | -- | 1.189 | 1.211 | 0.916 | 1.929 | 1.558 | 1.640 |
| August | -- | -- | -- | 1.136 | 1.181 | 0.942 | 1.906 | 1.610 | 1.578 |
| September | -- | -- | -- | 1.141 | 1.253 | 0.908 | 1.877 | 1.626 | 1.594 |
| October | -- | -- | -- | 0.988 | 1.261 | 1.026 | 1.830 | 1.615 | |
| November | 3.00 | 2.45 | | 0.951 | 1.055 | | 1.774 | 1.643 | |
| Simple Average 3/ | 5.96 | 3.49 | 4.13 | 1.278 | 1.029 | 1.002 | 1.891 | 1.632 | 1.633 |

-- = Insufficient marketing to establish price.

1/ Equivalent on-tree price received by growers, Florida. 2/ Average of Friday closing prices. 3/ 1993/94 averages calculated on available months. Average processed orange price is calculated November/June.

Sources: National Agricultural Statistics Service, USDA; New York Cotton Exchange; Bureau of Labor Statistics, U.S. Department of Labor.

Table 8--U.S. monthly stocks of frozen concentrated orange juice, 1991/92-1993/94

| Month Ending | Florida | | | Other U.S. | | | Total | | |
|--|---------|---------|---------|------------|---------|---------|---------|---------|---------|
| | 1991/92 | 1992/93 | 1993/94 | 1991/92 | 1992/93 | 1993/94 | 1991/92 | 1992/93 | 1993/94 |
| -- Million gallons (single strength equivalent) -- | | | | | | | | | |
| December | 249 | 262 | 324 | 27.66 | 58.56 | 31.20 | 276.1 | 320.9 | 355.3 |
| January | 351 | 348 | 420 | 30.01 | 41.39 | 34.81 | 380.5 | 389.0 | 454.5 |
| February | 347 | 443 | 470 | 32.48 | 40.37 | 35.30 | 379.5 | 483.6 | 505.4 |
| March | 337 | 430 | 446 | 34.90 | 40.95 | 32.23 | 371.8 | 471.0 | 477.7 |
| April | 386 | 470 | 506 | 38.46 | 41.70 | 40.12 | 424.1 | 511.5 | 546.1 |
| May | 399 | 497 | 550 | 41.55 | 38.83 | 48.67 | 441.0 | 535.5 | 598.2 |
| June | 351 | 476 | 530 | 46.09 | 38.50 | 39.00 | 396.9 | 514.4 | 569.1 |
| July | 290 | 406 | 444 | 45.25 | 33.25 | 35.94 | 334.9 | 439.4 | 479.6 |
| August | 245 | 351 | 372 | 50.56 | 31.31 | 37.36 | 295.8 | 381.9 | 408.9 |
| September | 203 | 298 | 348 | 48.71 | 27.97 | 33 | 251.7 | 325.5 | 381 |
| October | 175 | 264 | | 42.89 | 25.35 | | 218.1 | 289.0 | |
| November | 125 | 216 | | 42.49 | 30.72 | | 167.5 | 246.8 | |

Sources: Florida Citrus Processors Association (Florida stocks); and National Agricultural Statistics Service (other U.S. stocks), USDA.

California Navel Production Up Slightly in 1994/95

The California orange crop is expected to total 2.44 million short tons in 1994/95, up 4 percent from last year. Output of California navel and Valencia oranges are up 1 percent and 8 percent, respectively. Grower and retail prices for fresh-market navels this winter are expected to average near last year.

California navel production is expected to total 1.39 million tons in 1994/95, up from 1.37 million in 1993/94. If realized, the crop would be down 4 percent from the 3-year average. External quality is generally good, but it is still too early in the season to know how internal quality will develop. Barring freezes, ample fresh-market orange supplies should be available this winter and spring. Weekly shipments of fresh-market navels to the domestic market will not be restricted. There were no restrictions during most of the past two seasons.

F.o.b. prices for fresh-market navels in California are expected to be near last year's average of \$8.05 per 37 1/2 pound carton. Navel prices in early November were averaging \$12-14 per carton for larger sizes, up from \$10-12 a year ago. Smaller sizes are more numerous this year, and prices were \$5-7 per carton in early November, down from \$7-9 a year ago.

Fresh market orange deliveries in Florida are also expected to increase due to a larger crop and earlier harvest. In early November, fresh market orange shipments were running about 20 percent higher than a year earlier, due in part to early maturity. Wholesale prices were about 40 percent lower. The state sent 442,170 tons, or 6 percent of its crop to the fresh market in 1993/94.

California Valencias Up 8 Percent

California Valencia output is forecast at 1.05 million short tons, up 8 percent from 1993/94 and up 22 percent from 1992/93. Harvest will begin around next March and continue through the summer. Besides the larger crop, increased competition from imports of Australian navels could pressure grower orange prices again next summer. From November 1993 through August 1994, U.S. orange imports from Australia totaled 10.3 tons, more than double a year earlier.

Orange Exports Could Increase

U.S. exports are expected to increase in 1994/95. Demand in Canada should bounce back after slowing in 1993/94, and orange exports to Japan are expected to build on last year's gains. Prospects for increased shipments to Mexico are also bright, as demand for high-quality fresh-market oranges increases. Also, the Mexican duty on orange imports from the United States beginning January 1, 1995, will be 22.45 cents per 37 1/2-lb carton, down 40 percent from the pre-NAFTA tariff. Mexico's duty on summer imports from the United States was reduced to zero beginning January 1994.

Recent Mediterranean fruit fly findings in Ventura County, California, were quickly met with ground spraying and soil treatments to kill larva. Also, the California Department of Agriculture, USDA, and the Ventura County Agricultural Commissioner established a quarantine area of 86 square miles to limit movement of fruit. Proper containment and eradication of the fruit flies, which have been successful, will be necessary to ensure fresh citrus exports to Japan.

Figure 2

California Orange Production, Use, and On-Tree Price

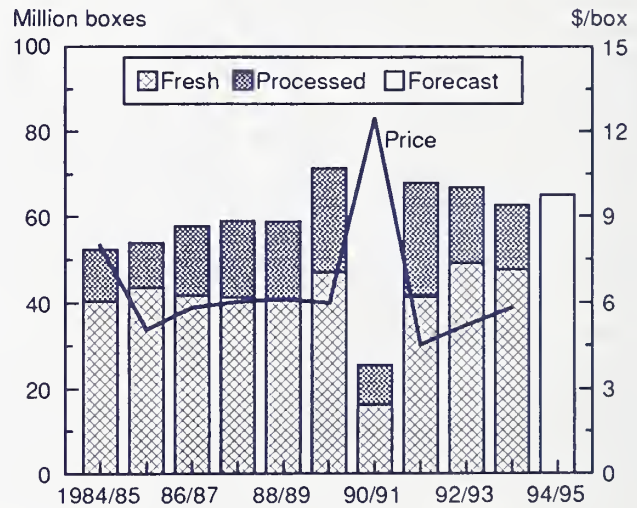


Table 9--Orange: Supply and utilization, 1985/86-1994/95 1/

| Season 2/ | Supply | | Utilization | | |
|----------------------|------------------------|---------------|-------------|---------------|----------------------------|
| | Production | Fresh imports | Processed | Fresh exports | Fresh domestic consumption |
| | -- 1,000 short tons -- | | | | |
| 1985/86 | 7,618 | 31 | 5,465 | 568 | 1,616 |
| 1986/87 | 7,889 | 22 | 5,771 | 584 | 1,556 |
| 1987/88 | 8,712 | 25 | 6,568 | 465 | 1,703 |
| 1988/89 | 9,117 | 9 | 7,062 | 559 | 1,505 |
| 1989/90 | 7,873 | 13 | 5,764 | 576 | 1,546 |
| 1990/91 | 7,961 | 69 | 6,704 | 257 | 1,068 |
| 1991/92 | 9,015 | 17 | 6,838 | 546 | 1,646 |
| 1992/93 | 11,105 | 11 | 8,664 | 613 | 1,839 |
| 1993/94 | 10,383 | 15 | 8,041 | 590 | 1,766 |
| 1994/95 ¹ | 11,481 | 15 | 9,050 | 610 | 1,836 |

1 = Forecast.

1/ Includes Temples.

2/ Marketing season begins in November of the first year shown.

Source: Economic Research Service, USDA.

Table 10--Oranges: Utilized production, United States, 1991/92-1994/95 1/

| Crop and state | Indicated | | | | Indicated | | | |
|-------------------------------------|--------------------|---------|---------|---------|----------------------|---------|---------|---------|
| | 1991/92 | 1992/93 | 1993/94 | 1994/95 | 1991/92 | 1992/93 | 1993/94 | 1994/95 |
| | --1,000 boxes 2/-- | | | | --1,000 short tons-- | | | |
| Early, midseason, and navels 3/: | 119,300 | 159,250 | 145,080 | 156,700 | 5,100 | 6,831 | 6,248 | 6,766 |
| Arizona | 780 | 700 | 700 | 800 | 29 | 26 | 26 | 30 |
| California | 35,100 | 43,800 | 36,600 | 37,000 | 1,317 | 1,642 | 1,372 | 1,388 |
| Florida | 83,400 | 114,300 | 107,300 | 118,000 | 3,753 | 5,143 | 4,829 | 5,310 |
| Texas | 20 | 450 | 480 | 900 | 1 | 20 | 21 | 38 |
| Valencias: | 90,310 | 96,510 | 94,170 | 107,000 | 3,809 | 4,161 | 4,033 | 4,598 |
| Arizona | 1,600 | 1,150 | 1,200 | 900 | 60 | 43 | 45 | 34 |
| California | 32,300 | 23,000 | 26,000 | 28,000 | 1,211 | 863 | 975 | 1,050 |
| Florida | 56,400 | 72,300 | 66,900 | 78,000 | 2,538 | 3,253 | 3,010 | 3,510 |
| Texas | 10 | 60 | 70 | 100 | 4/ | 2 | 3 | 4 |

1/ The crop year begins with bloom of the first year shown and ends with harvest.

2/ Net pounds per box: oranges-California and Arizona-75; Florida-90; and Texas-85.

3/ Navel and miscellaneous varieties in California and Arizona. Early and midseason varieties in Florida and Texas, including small quantities of tangerines in Texas.

4/ Texas estimates at 425 tons.

Source: National Agricultural Statistics Service, USDA.

Table 11--Oranges: Average monthly equivalent on-tree prices received by growers, California, 1991-94

| Month | Fresh oranges | | | | Processing oranges | | | | All oranges | | | |
|-----------|---------------------------|-------|-------|------|--------------------|-------|-------|-------|-------------|------|-------|------|
| | 1991 | 1992 | 1993 | 1994 | 1991 | 1992 | 1993 | 1994 | 1991 | 1992 | 1993 | 1994 |
| | --Dollars per 75-lb box-- | | | | | | | | | | | |
| January | 23.80 | 11.53 | 6.60 | 6.29 | -0.89 | 0.04 | -2.17 | -2.11 | 6.09 | 9.68 | 4.82 | 4.85 |
| February | 27.25 | 7.93 | 6.09 | 6.31 | -0.89 | 0.04 | -2.17 | -1.65 | 7.74 | 6.35 | 4.01 | 4.69 |
| March | 26.10 | 6.84 | 5.86 | 8.33 | -0.96 | -0.14 | -2.19 | -1.47 | 14.23 | 5.07 | 3.55 | 5.88 |
| April | 30.59 | 7.09 | 6.93 | 8.77 | -1.32 | -0.54 | -2.25 | -1.89 | 19.70 | 4.57 | 4.12 | 5.97 |
| May | 28.02 | 7.56 | 6.82 | 9.51 | -0.95 | -0.62 | -2.16 | -2.00 | 20.37 | 4.40 | 4.22 | 6.69 |
| June | 27.42 | 5.89 | 6.81 | 8.45 | -0.95 | -0.68 | -2.09 | -2.11 | 19.79 | 2.86 | 4.32 | 5.52 |
| July | 26.22 | 5.18 | 7.99 | 7.15 | -0.95 | -0.91 | -1.73 | -2.11 | 17.68 | 1.87 | 5.07 | 4.45 |
| August | 27.32 | 4.88 | 11.19 | 7.15 | -1.15 | -1.33 | -1.53 | -2.11 | 18.73 | 1.02 | 7.25 | 4.56 |
| September | 28.82 | 4.88 | 17.29 | 5.45 | -1.15 | -1.53 | -1.33 | -2.09 | 21.39 | 1.05 | 11.85 | 2.53 |
| October | 27.02 | 6.68 | 16.23 | 4.65 | -0.95 | -1.59 | -1.37 | -2.09 | 20.69 | 2.41 | 11.56 | 2.56 |
| November | 16.73 | 8.25 | 11.84 | | -0.52 | -1.82 | -2.20 | | 14.29 | 5.51 | 10.13 | |
| December | 12.93 | 7.50 | 8.39 | | -0.34 | -2.17 | -2.19 | | 11.01 | 5.90 | 7.02 | |

Source: National Agricultural Statistics Service, USDA.

Table 12--Oranges: Average monthly equivalent on-tree prices received by growers, Florida, 1991-94

| Month | Fresh oranges | | | | Processing oranges | | | | All oranges | | | |
|-----------|---------------------------|-------|-------|------|--------------------|------|------|------|-------------|------|------|------|
| | 1991 | 1992 | 1993 | 1994 | 1991 | 1992 | 1993 | 1994 | 1991 | 1992 | 1993 | 1994 |
| | --Dollars per 90-lb box-- | | | | | | | | | | | |
| January | 11.00 | 6.90 | 2.55 | 4.00 | 5.30 | 5.35 | 3.15 | 3.80 | 5.51 | 5.40 | 3.13 | 3.81 |
| February | 8.71 | 7.17 | 2.80 | 3.70 | 5.52 | 5.70 | 3.05 | 4.10 | 5.93 | 5.86 | 3.04 | 4.09 |
| March | 8.40 | 6.10 | 1.80 | 4.48 | 6.27 | 6.25 | 3.50 | 4.12 | 6.45 | 6.24 | 3.38 | 4.15 |
| April | 8.40 | 6.10 | 2.20 | 4.40 | 6.48 | 6.65 | 4.05 | 5.05 | 6.63 | 6.62 | 3.98 | 5.03 |
| May | 9.10 | 7.10 | 2.90 | 4.40 | 6.50 | 7.00 | 4.05 | 5.35 | 6.76 | 7.00 | 4.01 | 5.32 |
| June | -- | 10.60 | 5.10 | 6.30 | -- | 7.40 | 3.95 | 5.05 | -- | 7.66 | 4.00 | 5.11 |
| July | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| August | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| September | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| October | 11.60 | -- | -- | -- | 3.30 | -- | -- | -- | 8.47 | -- | -- | -- |
| November | 9.40 | 5.70 | 10.00 | | 4.40 | 3.00 | 2.45 | | 5.24 | 3.56 | 4.57 | |
| December | 8.70 | 4.80 | 6.60 | | 4.90 | 3.20 | 3.10 | | 5.18 | 3.33 | 3.36 | |

-- = Insufficient marketing to establish price.

Source: National Agricultural Statistics Service, USDA.

Record U.S. Grapefruit Crop Forecast

Large grapefruit crops in Florida, Texas, and the California desert region will likely pressure grower prices in 1994/95. Consumption and exports are expected higher.

USDA's first grapefruit forecast indicates a 9-percent-larger crop than in 1993/94. Assuming average production in California's non-desert areas, the 1994/95 U.S. grapefruit crop would be the largest crop in 13 years. Florida grapefruit production is forecast a record 2.4 million short tons, up 9 percent, with increases in both white and colored seedless varieties. The first forecast for the California desert grapefruit crop is 114,000 tons, up 3 percent from 1993/94. The first official forecast for California output in non-desert areas will be available in April 1995. Arizona output is forecast down 3 percent to 57,000 tons. Texas output continues rebounding from freeze damage in the 1980's and is forecast up 27 percent to 152,000 tons.

Prices Expected Low in 1994/95

Due to larger crops and stagnant domestic demand, average U.S. grower prices for grapefruits during the last two seasons have been substantially below average prices received during most of the last decade. From 1985/86 to 1991/92, season-average grower prices for all-grapefruit in Florida were between \$4.09 and \$6.62 per 85-lb box (on-tree). Under the weight of a 2.3-million-short-ton crop in 1992/93, grower prices dropped to \$2.81 but bounced up to \$3.51 in 1993/94. Record-large supplies will likely put downward pressure on prices again in 1994/95.

An early bloom and ample rain in Florida have resulted in larger fruit with more advanced maturity than last year. More uniform fruit sizes, due to an even bloom, and better tasting fruit could boost domestic and export demand this season, which would offset some of the price decline expected from such a large crop. On October 1, the sugar/acid ratio for Florida grapefruit was up 10-15 percent compared with a year earlier. An earlier maturing crop has added at least two weeks to the shipping season, which will help move the larger crop.

USDA recently approved a regulation change to prohibit domestic and export shipments of fruit below U.S. Grade Number One. The change, which becomes effective November 24, 1994, could reduce availability of Florida's fresh-market grapefruit from what would otherwise be expected in 1994/95. Lower grades allow more exterior blemishes. Industry estimates of the potential volume affected range from 1 million to 4 million 42.5-lb cartons, or about 2-8 percent of the forecast fresh-market grapefruit crop in Florida. Consequently, price declines could be moderated somewhat.

The regulation change could increase processed output even more than expected, which would add to the grower price pressure that coincides with a larger total crop. Also, frozen concentrated grapefruit juice stocks in Florida

were 12.6 million gallons (40 degrees Brix) in mid-October, up 3 percent from a year earlier. Lower retail prices for grapefruit juice has spurred consumption in recent months, so stocks could draw even to last year by the beginning of the new season on December 1.

Exports Forecast Up

Fresh-market grapefruit exports to Japan, the largest export market, are expected to be boosted by lower prices and large fruit sizes, which are more numerous than last year. Japan buys mostly large, white grapefruit. Exports to Europe will also likely advance due to lower prices. However, European markets generally prefer smaller-sized, colored grapefruit, which are less plentiful than last year.

Figure 3

U.S. Grapefruit Production, Use, and On-Tree Price

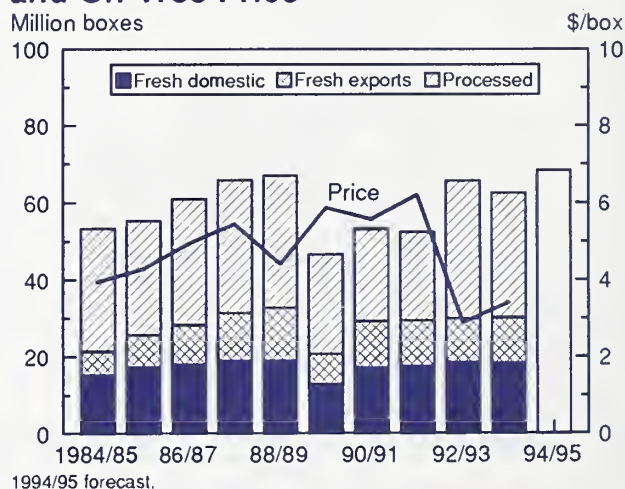


Table 13--Grapefruit: Supply and utilization, 1985/86-1994/95

| Season 1/ | Supply | | Utilization | | |
|--------------|------------------------|---------------|-------------|---------------|----------------------------|
| | Production | Fresh imports | Processed | Fresh exports | Fresh domestic consumption |
| | -- 1,000 short tons -- | | | | |
| 1985/86 | 2,352 | 3 | 1,264 | 353 | 738 |
| 1986/87 | 2,586 | 2 | 1,386 | 436 | 766 |
| 1987/88 | 2,801 | 6 | 1,469 | 523 | 815 |
| 1988/89 | 2,844 | 4 | 1,449 | 587 | 812 |
| 1989/90 | 1,978 | 5 | 1,096 | 337 | 550 |
| 1990/91 | 2,256 | 8 | 1,015 | 513 | 736 |
| 1991/92 | 2,224 | 12 | 975 | 506 | 755 |
| 1992/93 | 2,791 | 14 | 1,518 | 486 | 801 |
| 1993/94 | 2,655 | 16 | 1,375 | 506 | 790 |
| 1994/95f | 2,873 | 15 | 1,487 | 546 | 855 |

f = Forecast.

1/ Marketing season begins in September of the first year shown.

Source: Economic Research Service, USDA.

Table 14--Grapefruit: Utilized production, United States, 1991/92-1994/95 1/

| Crop and state | Indicated | | | | Indicated | | | |
|----------------|--------------------|---------|---------|---------|----------------------|---------|---------|---------|
| | 1991/92 | 1992/93 | 1993/94 | 1994/95 | 1991/92 | 1992/93 | 1993/94 | 1994/95 |
| | --1,000 boxes 2/-- | | | | --1,000 short tons-- | | | |
| Florida | 42,400 | 55,150 | 51,050 | 55,500 | 1,803 | 2,344 | 2,171 | 2,360 |
| Seedless | 41,200 | 53,400 | 50,000 | 54,000 | 1,752 | 2,270 | 2,126 | 2,296 |
| Colored | 22,100 | 27,700 | 25,500 | 29,000 | 940 | 1,177 | 1,084 | 1,233 |
| White | 19,100 | 25,700 | 24,500 | 25,000 | 812 | 1,093 | 1,042 | 1,063 |
| Other | 1,200 | 1,750 | 1,050 | 1,500 | 51 | 74 | 45 | 64 |
| Arizona | 2,800 | 2,150 | 1,750 | 1,700 | 89 | 69 | 59 | 57 |
| California | 10,000 | 9,200 | 9,100 | 9,400 | 329 | 303 | 305 | 315 |
| Desert Valley | 3,500 | 3,500 | 3,300 | 3,400 | 112 | 112 | 111 | 114 |
| Other areas 3/ | 6,500 | 5,700 | 5,800 | 6,000 | 217 | 191 | 194 | 201 |
| Texas | 65 | 1,875 | 3,000 | 3,600 | 3 | 75 | 120 | 152 |

1/ The crop year begins with bloom of the first year shown and ends with harvest.

2/ Net pounds per box: California desert and Arizona-64 prior to 1993/94, 67 beginning 1993/94; California other areas-67; Florida-85; and Texas-80.

3/ Indicated 1994/95 based on average production during three previous seasons. The first forecast for California grapefruit "other areas" will be available April 1995.

Source: National Agricultural Statistics Service, USDA.

Table 15--Estimated utilization of Florida grapefruit, 1989/90-1994/95

| Item | | | | | | Forecast |
|--------------------|---------------------------|---------|---------|---------|---------|----------|
| | 1989/90 | 1990/91 | 1991/92 | 1992/93 | 1993/94 | 1994/95 |
| | -- Million 85-lb boxes -- | | | | | |
| Fresh | 12.9 | 23.2 | 21.9 | 22.1 | 21.5 | 23.2 |
| Canned | 1.0 | 0.8 | 0.6 | 0.5 | 0.3 | 0.3 |
| Frozen concentrate | 19.4 | 17.4 | 16.1 | 26.6 | 22.3 | 23.3 |
| Chilled juice | 1.2 | 2.1 | 2.4 | 4.5 | 5.7 | 7.1 |
| Blends 1/ | 0.7 | 0.8 | 0.4 | 0.4 | 0.3 | 0.6 |
| Non-certified | 0.5 | 0.8 | 1.0 | 1.1 | 1.0 | 1.1 |
| Total | 35.7 | 45.1 | 42.4 | 55.2 | 51.1 | 55.5 |

1/ Includes utilization by non-members of the Florida Citrus Processors Association.

Source: Florida Department of Citrus.

Table 16--Grapefruit: Average monthly equivalent on-tree prices received by growers, Florida, 1991-94

| Month | Fresh grapefruit | | | | Processing grapefruit | | | | All grapefruit | | | |
|-----------|---------------------------|-------|-------|------|-----------------------|------|------|-------|----------------|------|------|------|
| | 1991 | 1992 | 1993 | 1994 | 1991 | 1992 | 1993 | 1994 | 1991 | 1992 | 1993 | 1994 |
| | --Dollars per 85-lb box-- | | | | | | | | | | | |
| January | 9.10 | 7.96 | 4.06 | 5.73 | 2.17 | 4.20 | 1.72 | 1.12 | 5.71 | 6.04 | 2.93 | 3.60 |
| February | 8.75 | 9.04 | 4.68 | 5.88 | 2.33 | 4.51 | 1.39 | 1.66 | 4.73 | 6.22 | 2.84 | 3.38 |
| March | 9.82 | 9.92 | 4.09 | 6.39 | 2.15 | 4.65 | 1.33 | 1.64 | 5.72 | 7.23 | 2.03 | 3.09 |
| April | 9.62 | 10.07 | 4.58 | 5.68 | 1.57 | 4.93 | 1.25 | 1.50 | 5.88 | 8.14 | 2.27 | 2.79 |
| May | 7.73 | -- | 3.21 | 2.78 | 1.36 | -- | 1.24 | 0.92 | 4.72 | -- | 1.80 | 1.59 |
| June | -- | -- | 3.00 | 2.90 | -- | -- | 0.83 | -0.10 | -- | -- | 1.67 | 1.74 |
| July | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| August | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| September | 10.15 | -- | -- | -- | 2.05 | -- | -- | -- | 9.19 | -- | -- | -- |
| October | 7.99 | 7.41 | 10.23 | 7.93 | 2.23 | 1.28 | 0.26 | -0.51 | 6.67 | 6.36 | 8.15 | 5.97 |
| November | 8.10 | 5.38 | 6.97 | -- | 3.24 | 1.61 | 0.11 | -- | 6.55 | 4.36 | 5.16 | -- |
| December | 7.72 | 5.28 | 5.94 | -- | 3.67 | 1.75 | 0.64 | -- | 6.15 | 3.92 | 4.02 | -- |

-- = Insufficient marketing to establish price.

Source: National Agricultural Statistics Service, USDA.

U.S. Lemon Crop Down 3 Percent in 1994/95

Lemon output is expected off 1 percent in California and 10 percent in Arizona. In early November, f.o.b. prices were about the same as a year earlier.

The U.S. lemon crop is forecast at 958,000 short tons, down 3 percent from last season, but up 2 percent from the 1992/93 crop. California output is expected to total 779,000 tons, down 1 percent. Hot weather has slowed fruit growth and delayed harvest through much of California. Hot weather during the bloom and early set is expected to reduce Arizona's crop to 179,000 tons, down 10 percent.

During the last decade, domestic consumption of fresh-market lemons has inched upward about 2 percent per year (1 percent increase per capita) while exports have declined slightly. Somewhat tighter supplies and modest increases in domestic demand are expected to raise grower prices for all lemons from the 1993/94 average of \$5.64 per 76-pound box (on-tree). Also, a smaller Arizona crop could support prices this winter. Last season, fresh-market lemon prices were quite low from December 1993 to February 1994 due to increased shipments from the Arizona and California desert region.

Due to more competition from alternative uses, land values in Southern California and Arizona have increased, causing bearing lemon acreage to decline from 72,510 acres in 1980 to 61,921 acres in 1992. Riverside and Santa Barbara counties in California and Yuma County in Arizona have lost the greatest numbers of acres. From the early 1980's to early 1990's, average U.S. lemon output

declined from 968,000 to 853,000 tons. If only modest increases in yields continue and bearing acreage continues to decline, total production will likely decline. However, continued high fresh-market prices relative to processed prices ensures that growers will ship a larger proportion to the fresh market if production declines. Fresh-market lemon utilization was about 50 percent in each of the last two seasons.

Table 17--Fresh lemons: Average monthly equivalent on-tree prices received by grower, United States, 1990-94

| Month | 1990 | 1991 | 1992 | 1993 | 1994 |
|---------------------------|-------|-------|-------|-------|-------|
| --Dollars per 76-lb box-- | | | | | |
| January | 12.83 | 24.65 | 10.19 | 8.58 | 3.58 |
| February | 15.42 | 18.74 | 9.95 | 8.55 | 3.33 |
| March | 17.03 | 18.44 | 11.55 | 10.09 | 7.33 |
| April | 17.53 | 22.10 | 13.58 | 12.03 | 10.62 |
| May | 18.13 | 25.40 | 13.85 | 15.11 | 13.14 |
| June | 19.33 | 24.30 | 15.15 | 24.71 | 19.64 |
| July | 20.03 | 30.60 | 15.65 | 25.71 | 18.14 |
| August | 17.20 | 29.15 | 16.47 | 32.04 | 31.04 |
| September | 18.15 | 30.60 | 17.39 | 32.95 | 33.23 |
| October | 17.17 | 25.52 | 11.11 | 20.22 | 24.90 |
| November | 8.53 | 19.67 | 5.51 | 8.64 | |
| December | 8.29 | 9.48 | 7.61 | 5.44 | |

Source: National Agricultural Statistics Service, USDA.

Figure 4

U.S. Lemon Production, Use, and On-Tree Price

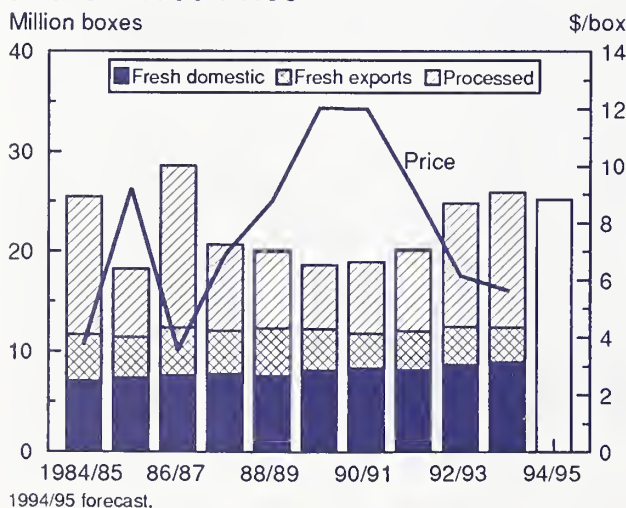


Table 18--Lemons, fresh: Supply and utilization, 1984/85-1993/94

| Year 1/ | Fresh-market production | Consumption | | | |
|----------------------|-------------------------|-------------|---------|-------|------------|
| | | Imports | Exports | Total | Per capita |
| -- Million pounds -- | | | | | |
| 1984/85 | 881.6 | 10.5 | 346.4 | 545.7 | 2.30 |
| 1985/86 | 865.6 | 32.3 | 306.0 | 591.9 | 2.47 |
| 1986/87 | 938.2 | 21.5 | 360.3 | 599.4 | 2.48 |
| 1987/88 | 916.2 | 12.2 | 326.4 | 602.7 | 2.47 |
| 1988/89 | 933.3 | 12.9 | 358.4 | 587.7 | 2.39 |
| Pounds | | | | | |
| 1989/90 | 932.1 | 23.2 | 308.6 | 646.6 | 2.60 |
| 1990/91 | 896.8 | 25.5 | 268.3 | 654.0 | 2.60 |
| 1991/92 | 914.0 | 20.3 | 291.4 | 644.5 | 2.54 |
| 1992/93 | 951.0 | 16.1 | 285.8 | 681.3 | 2.65 |
| 1993/94 | 946.3 | 16.7 | 268.0 | 695.0 | 2.68 |

1/ Season beginning August.

Source: Economic Research Service, USDA.

Table 19--Citrus fruit: Season-average equivalent on-tree returns received by growers, by state, variety, and use, 1991/92-1993/94

| Variety and state | Fresh | | | Processing | | | All | | |
|--|---------|---------|---------|------------|---------|---------|---------|---------|---------|
| | 1991/92 | 1992/93 | 1993/94 | 1991/92 | 1992/93 | 1993/94 | 1991/92 | 1992/93 | 1993/94 |
| --Dollars per box 2/-- | | | | | | | | | |
| ORANGES: | | | | | | | | | |
| Florida | 8.52 | 3.81 | 6.54 | 5.69 | 3.46 | 4.17 | 5.93 | 3.48 | 4.30 |
| Early and midseason | 9.40 | 4.50 | 7.30 | 5.03 | 3.15 | 3.59 | 5.44 | 3.23 | 3.83 |
| Valencia | 6.70 | 2.54 | 4.80 | 6.65 | 3.95 | 5.08 | 6.65 | 3.88 | 5.07 |
| California | 7.96 | 7.80 | 8.25 | -0.90 | -2.05 | -1.96 | 4.53 | 5.19 | 5.81 |
| Navel and miscellaneous | 9.23 | 6.80 | 8.19 | -0.31 | -2.14 | -1.80 | 6.89 | 4.53 | 6.14 |
| Valencia | 5.68 | 9.79 | 8.35 | -1.19 | -1.89 | -2.11 | 1.97 | 6.44 | 5.33 |
| Arizona | 6.71 | 4.52 | 6.36 | -0.59 | -2.38 | -2.00 | 4.95 | 3.20 | 4.66 |
| Navel and miscellaneous | 10.93 | 7.40 | 8.39 | -0.23 | -2.17 | -2.11 | 9.47 | 5.77 | 6.35 |
| Valencia | 4.18 | 2.69 | 5.15 | -0.67 | -2.48 | -1.94 | 2.75 | 1.63 | 3.67 |
| Texas | 12.77 | 6.94 | 8.88 | -- | 1.10 | 1.76 | 12.77 | 6.23 | 8.28 |
| Early and midseason | 13.38 | 7.08 | 9.24 | -- | 1.11 | 1.77 | 13.38 | 6.28 | 8.57 |
| Valencia | 11.50 | 6.01 | 6.52 | -- | 0.56 | 1.59 | 11.50 | 5.83 | 6.31 |
| United States 1/ Early, midseason, and navel | 8.06 | 6.92 | 7.89 | 4.72 | 3.03 | 3.73 | 5.52 | 3.88 | 4.66 |
| Valencia | 9.31 | 6.36 | 8.02 | 4.56 | 2.73 | 3.27 | 5.84 | 3.56 | 4.36 |
| Valencia | 5.83 | 7.99 | 7.66 | 4.92 | 3.50 | 4.42 | 5.10 | 4.39 | 5.12 |
| GRAPEFRUIT: | | | | | | | | | |
| Florida | 8.69 | 4.86 | 6.23 | 4.20 | 1.36 | 1.36 | 6.62 | 2.83 | 3.51 |
| Seedless | 8.69 | 4.86 | 6.23 | 4.18 | 1.33 | 1.31 | 6.68 | 2.86 | 3.52 |
| Seeded | 3/ | 3/ | 3/ | 4.57 | 1.88 | 2.81 | 4.57 | 1.88 | 2.81 |
| Texas | 13.52 | 6.57 | 5.02 | -- | 0.85 | 1.02 | 13.52 | 5.11 | 3.89 |
| California | 7.40 | 6.35 | 5.61 | -0.92 | -2.13 | -2.23 | 4.39 | 3.11 | 2.90 |
| Arizona | 6.03 | 3.06 | 2.38 | -1.04 | -2.13 | -2.34 | 4.11 | 1.28 | 0.71 |
| United States 1/ | 8.34 | 5.09 | 5.94 | 3.44 | 1.03 | 1.02 | 6.20 | 2.88 | 3.40 |
| LEMONS: | | | | | | | | | |
| California | 16.25 | 14.91 | 14.64 | -1.86 | -1.58 | -2.21 | 9.04 | 6.42 | 5.52 |
| Arizona | 17.55 | 9.31 | 12.44 | -1.84 | -1.55 | -2.17 | 9.41 | 4.90 | 6.12 |
| United States | 16.57 | 13.74 | 14.12 | -1.85 | -1.58 | -2.20 | 9.13 | 6.15 | 5.64 |
| TANGERINES: | | | | | | | | | |
| Florida | 22.60 | 18.30 | 15.20 | 3.76 | 0.97 | 1.17 | 18.00 | 13.75 | 11.38 |
| California | 18.58 | 15.39 | 13.95 | -0.97 | -2.59 | -2.19 | 12.49 | 9.95 | 9.04 |
| Arizona | 14.78 | 15.19 | 11.95 | -1.02 | -2.59 | -2.36 | 10.57 | 10.55 | 9.20 |
| United States 1/ | 19.90 | 16.95 | 14.45 | 1.04 | -0.76 | -0.14 | 14.77 | 12.08 | 10.49 |
| TANGELOS: | | | | | | | | | |
| Florida | 9.20 | 5.60 | 7.20 | 5.10 | 1.57 | 1.61 | 7.16 | 3.31 | 3.44 |
| TEMPLES: | | | | | | | | | |
| Florida | 8.50 | 4.40 | 5.20 | 5.38 | 2.13 | 2.57 | 6.51 | 2.99 | 3.49 |
| LIMES: | | | | | | | | | |
| Florida | 14.08 | 2.20 | 18.60 | -0.90 | -2.18 | -1.19 | 9.12 | 1.02 | 13.65 |

-- = Insufficient marketing to establish price.

1/ U.S. average price is weighted by the size of the container.

2/ Net content of box varies. Approximated averages are as follows: oranges-California and Arizona, 75 lbs.; Florida, 90 lbs.; Texas, 85 lbs.; grapefruit-California, Desert Valleys and Arizona, 64 lbs.; other California areas, 67 lbs.; Florida, 85 lbs.; Texas, 80 lbs.; lemons, 76 lbs.; tangelos and temples, 90 lbs.; tangerines-California and Arizona, 75 lbs.; Florida, 95 lbs; and limes-Florida, 88 lbs.

3/ Fresh sales insignificant and included in processed.

Source: National Agricultural Statistics Service, USDA.

Table 20--Citrus fruit: Season-average equivalent P.H.D. returns received by growers; by state, variety, and use 1991/92-1993/94 1/

| Variety and state | Fresh | | | Processing | | | All | | |
|--|---------|---------|---------|------------|---------|---------|---------|---------|---------|
| | 1991/92 | 1992/93 | 1993/94 | 1991/92 | 1992/93 | 1993/94 | 1991/92 | 1992/93 | 1993/94 |
| --Dollars per box 3/-- | | | | | | | | | |
| ORANGES: | | | | | | | | | |
| Florida | 10.42 | 5.71 | 8.44 | 7.59 | 5.36 | 6.07 | 7.83 | 5.38 | 6.20 |
| Early and midseason | 11.30 | 6.40 | 9.20 | 6.93 | 5.05 | 5.49 | 7.34 | 5.13 | 5.73 |
| Valencia | 8.60 | 4.44 | 6.70 | 8.55 | 5.85 | 6.98 | 8.55 | 5.78 | 6.97 |
| California | 9.84 | 9.67 | 10.16 | 1.04 | -0.16 | -0.03 | 6.44 | 7.07 | 7.72 |
| Navel and miscellaneous | 11.05 | 8.59 | 10.02 | 1.51 | -0.35 | 0.03 | 8.71 | 6.32 | 7.97 |
| Valencia | 7.68 | 11.83 | 10.38 | 0.81 | 0.15 | -0.08 | 3.97 | 8.48 | 7.36 |
| Arizona | 8.65 | 6.46 | 8.31 | 1.38 | -0.42 | -0.04 | 6.89 | 5.15 | 6.61 |
| Navel and miscellaneous | 12.75 | 9.19 | 10.22 | 1.59 | -0.38 | -0.28 | 11.29 | 7.56 | 8.18 |
| Valencia | 6.18 | 4.73 | 7.18 | 1.33 | -0.44 | 0.09 | 4.75 | 3.67 | 5.70 |
| Texas | 14.37 | 8.86 | 10.20 | 0.00 | 3.00 | 3.04 | 14.37 | 8.15 | 9.60 |
| Early and midseason | 14.98 | 9.00 | 10.56 | 0.00 | 3.01 | 3.04 | 14.98 | 8.20 | 9.89 |
| Valencia | 13.10 | 7.93 | 7.84 | 0.00 | 2.46 | 2.86 | 13.10 | 7.75 | 7.63 |
| United States 2/ Early, midseason, and navel | 9.95 | 8.80 | 9.79 | 6.63 | 4.93 | 5.63 | 7.43 | 5.77 | 6.56 |
| Valencia | 11.15 | 8.17 | 9.86 | 6.46 | 4.62 | 5.16 | 7.72 | 5.44 | 6.25 |
| | 7.80 | 10.00 | 9.67 | 6.84 | 5.41 | 6.33 | 7.04 | 6.32 | 7.05 |
| GRAPEFRUIT: | | | | | | | | | |
| Florida | 10.29 | 6.46 | 7.83 | 5.87 | 3.03 | 3.03 | 8.25 | 4.47 | 5.15 |
| Seedless | 10.29 | 6.46 | 7.83 | 5.85 | 3.00 | 2.97 | 8.31 | 4.50 | 5.16 |
| Seeded | 4/ | 4/ | 4/ | 6.17 | 3.48 | 4.41 | 6.17 | 3.48 | 4.41 |
| Texas | 15.12 | 8.33 | 6.22 | 0.00 | 2.55 | 2.17 | 15.12 | 6.86 | 5.08 |
| California | 9.12 | 8.15 | 7.54 | 0.80 | -0.33 | -0.30 | 6.11 | 4.91 | 4.83 |
| Arizona | 7.75 | 4.86 | 4.31 | 0.68 | -0.33 | -0.41 | 5.83 | 3.08 | 2.64 |
| United States 2/ | 9.97 | 6.73 | 7.57 | 5.12 | 2.72 | 2.70 | 7.84 | 4.55 | 5.05 |
| LEMONS: | | | | | | | | | |
| California | 19.85 | 18.43 | 18.20 | 1.74 | 1.94 | 1.35 | 12.64 | 9.94 | 9.08 |
| Arizona | 21.15 | 12.83 | 16.00 | 1.76 | 1.97 | 1.39 | 13.01 | 8.42 | 9.68 |
| United States | 20.17 | 17.26 | 17.68 | 1.75 | 1.94 | 1.36 | 12.73 | 9.67 | 9.20 |
| TANGERINES: | | | | | | | | | |
| Florida | 25.20 | 20.90 | 17.80 | 6.76 | 3.97 | 4.17 | 20.70 | 16.46 | 14.09 |
| California | 20.58 | 17.43 | 15.98 | 1.03 | -0.55 | -0.16 | 14.49 | 11.99 | 11.07 |
| Arizona | 16.78 | 17.23 | 13.98 | 0.98 | -0.55 | -0.33 | 12.57 | 12.59 | 11.23 |
| United States 2/ | 22.20 | 19.30 | 16.83 | 3.47 | 1.77 | 2.48 | 17.11 | 14.48 | 12.94 |
| TANGELOS: | | | | | | | | | |
| Florida | 11.10 | 7.50 | 9.10 | 7.15 | 3.62 | 3.66 | 9.14 | 5.29 | 5.44 |
| TEMPLES: | | | | | | | | | |
| Florida | 10.40 | 6.30 | 7.10 | 7.43 | 4.18 | 4.62 | 8.50 | 4.98 | 5.49 |
| LIMES: | | | | | | | | | |
| Florida | 19.60 | 8.00 | 24.40 | 3.50 | 2.62 | 3.61 | 14.27 | 6.55 | 19.21 |

1/ P.H.D.--Packinghouse-door.

2/ U.S. average price is weighted by the size of the container.

3/ Net content of box varies. Approximated averages are as follows: oranges-California and Arizona, 75 lbs.; Florida, 90 lbs.; Texas 85, lbs.; grapefruit-California, Desert Valleys and Arizona, 64 lbs.; other California areas, 67 lbs.; Florida, 85 lbs.; Texas, 80 lbs.; lemons, 76 lbs.; tangelos and temples, 90 lbs.; tangerines-California and Arizona, 75 lbs.; Florida, 95 lbs; and limes-Florida, 88 lbs.

4/ Fresh sales insignificant and included in processed.

Source: National Agricultural Statistics Service, USDA.

Lower Prices Accompany Higher Output

Ample supplies of apples and pears will continue to pressure prices. Concord grape production prospects improved. Fewer peaches were fresh-marketed, but more processed. California strawberry output exceeded early forecasts.

U.S. Apple Production Grows

The final forecast for the 1994 U.S. apple crop was 10.9 billion pounds, up slightly from the August forecast, and 100 million pounds more than the record-high 1987 crop. Forecasts for New York and Michigan were raised 2 and 3 percent, respectively, while West Virginia's was lowered 7 percent. Washington's total apple crop is expected to be 10 percent larger in 1994 than the previous record 5.0 billion pounds produced in 1993, 1989, and 1987.

The International Apple Institute forecast Red Delicious output to be up 2 percent in 1994 and account for 44 percent of the U.S. crop. A smaller Golden Delicious crop in the East will bring U.S. output down 4 percent, but it will remain the second most popular variety comprising 14 percent of production. Granny Smith output will rise for the fifth consecutive year to account for 7 percent of the 1994 crop. The remaining top ten varieties are: Rome (6 percent), McIntosh (5 percent), Fuji (3 percent), Jonathan (3 percent), York (2 percent), Gala (2 percent), and Idared (2 percent).

A hard winter and light spring bloom kept apple production in many eastern and central states below the year earlier. Michigan's final 1994 crop forecast dropped 9 percent from 1993. Pennsylvania projected 21 percent less and North Carolina was down 28 percent. New York's apple production is expected to be up 21 percent from the year earlier. However, hail damage in New York and Michigan diverted some apples from fresh to processing use.

Increased supplies of processing apples is not good news for grower prices. The Michigan Apple Growers Marketing Committee established a minimum juice-apple price of 4 cents a pound for the 1994/95 season, down from 4.5 cents in 1993/94 and 5.75 cents in 1992/93. Processing demand was moderate to high and most Michigan processors were paying 4.5 cents for straight loads of juice apples delivered in October. Washington juice-apple prices were half the Michigan minimum as juice use in September and October 1994 ran about 25 percent ahead of the prior year. The industry expects processed use to increase 3 percent and juice processing to increase 4 percent.

Table 21--Noncitrus fruit production, 1990-93 and indicated 1994

| Crop and state | 1990 | 1991 | 1992 | 1993 | 1994 |
|----------------------|--------|--------|--------|--------|--------|
| -- Million pounds -- | | | | | |
| Apples | 9,697 | 9,729 | 10,579 | 10,723 | 10,863 |
| Washington | 4,800 | 4,300 | 4,650 | 5,000 | 5,500 |
| New York | 990 | 1,050 | 1,170 | 870 | 1,050 |
| Michigan | 750 | 880 | 1,080 | 1,020 | 930 |
| California | 780 | 800 | 840 | 880 | 920 |
| Pennsylvania | 450 | 470 | 500 | 530 | 420 |
| Other states | 1,927 | 2,229 | 2,339 | 2,423 | 2,043 |
| Pears: | | | | | |
| Bartlett | 1,148 | 1,060 | 1,118 | 1,028 | 1,088 |
| California | 628 | 600 | 630 | 576 | 600 |
| Oregon | 166 | 140 | 148 | 126 | 148 |
| Washington | 354 | 320 | 340 | 326 | 340 |
| Other-than-Bartlett | 779 | 747 | 734 | 870 | 872 |
| California | 36 | 34 | 46 | 40 | 60 |
| Oregon | 300 | 300 | 280 | 320 | 330 |
| Washington | 390 | 352 | 334 | 440 | 410 |
| Other states | 53 | 61 | 74 | 70 | 72 |
| All pears | 1,927 | 1,807 | 1,852 | 1,898 | 1,960 |
| California | 664 | 634 | 676 | 616 | 660 |
| Oregon | 466 | 440 | 428 | 446 | 478 |
| Washington | 744 | 672 | 674 | 766 | 750 |
| Other states | 53 | 61 | 74 | 70 | 72 |
| Grapes | 11,320 | 11,112 | 12,103 | 12,048 | 12,251 |
| California | 10,370 | 9,960 | 10,920 | 10,770 | 11,060 |
| Table type | 1,290 | 1,240 | 1,290 | 1,260 | 1,260 |
| Wine type | 4,390 | 4,390 | 4,290 | 4,690 | 4,800 |
| Raisin type | 4,690 | 4,330 | 5,340 | 4,820 | 5,000 |
| Other states | 950 | 1,152 | 1,183 | 1,278 | 1,191 |
| Peaches | 2,233 | 2,686 | 2,659 | 2,657 | 2,461 |
| Clingstone | 1,012 | 1,030 | 1,183 | 1,097 | 1,100 |
| Freestone | 1,221 | 1,656 | 1,476 | 1,560 | 1,361 |
| California | 600 | 627 | 642 | 605 | 620 |
| South Carolina | 110 | 310 | 170 | 220 | 250 |
| Georgia | 130 | 150 | 130 | 150 | 165 |
| New Jersey | 45 | 115 | 85 | 90 | 75 |
| Pennsylvania | 76 | 100 | 90 | 100 | 2/ |
| Other states | 260 | 354 | 359 | 395 | 251 |
| Strawberries 1/ | 1,198 | 1,370 | 1,316 | 1,362 | 1,352 |
| California | 987 | 1,097 | 1,032 | 1,138 | 1,118 |
| Florida | 117 | 132 | 141 | 138 | 137 |
| Other states | 95 | 140 | 146 | 86 | 96 |

1/ Estimates for 1994 carried forward from earlier forecasts.

2/ No significant production due to frost.

Source: National Agricultural Statistics Service, USDA.

Table 22--U.S. monthly grower prices for noncitrus fruit, 1992-94

| Month | Apples | | | Pears | | |
|-----------------|--------|------|------|-------|------|------|
| | 1992 | 1993 | 1994 | 1992 | 1993 | 1994 |
| --Cents/pound-- | | | | | | |
| January | 24.6 | 18.3 | 18.7 | 18.9 | 18.5 | 11.8 |
| February | 24.8 | 16.7 | 17.8 | 19.2 | 20.9 | 11.0 |
| March | 24.3 | 14.5 | 16.6 | 19.1 | 20.6 | 10.1 |
| April | 24.1 | 14.3 | 15.6 | 19.7 | 21.5 | 9.1 |
| May | 25.0 | 14.9 | 14.4 | 23.0 | 25.3 | 8.6 |
| June | 25.2 | 16.1 | 13.7 | -- | 26.9 | 8.8 |
| July | 28.6 | 17.8 | 13.1 | 15.0 | 19.5 | 16.3 |
| August | 33.3 | 24.4 | 20.3 | 13.7 | 17.2 | 14.7 |
| September | 27.1 | 24.5 | 21.7 | 18.2 | 18.3 | 17.3 |
| October | 21.2 | 21.1 | | 19.5 | 17.5 | |
| November | 19.4 | 19.4 | | 21.7 | 16.5 | |
| December | 19.9 | 18.6 | | 19.6 | 14.1 | |

| | Peaches | | | Strawberries | | |
|-----------------|---------|------|------|--------------|-------|------|
| | 1992 | 1993 | 1994 | 1992 | 1993 | 1994 |
| --Cents/pound-- | | | | | | |
| January | -- | -- | -- | 110.0 | 98.9 | 80.1 |
| February | -- | -- | -- | 79.9 | 93.6 | 73.3 |
| March | -- | -- | -- | 69.6 | 62.0 | 68.6 |
| April | -- | -- | -- | 49.1 | 54.2 | 55.7 |
| May | 22.0 | 28.8 | 27.7 | 41.3 | 49.7 | 56.4 |
| June | 21.3 | 22.0 | 16.1 | 64.3 | 57.1 | 55.0 |
| July | 14.8 | 19.1 | 21.0 | 49.8 | 43.3 | 50.9 |
| August | 22.2 | 19.0 | 23.7 | 89.2 | 60.7 | 49.0 |
| September | 22.0 | 22.6 | 29.9 | 61.1 | 63.7 | 52.9 |
| October | -- | -- | | 70.7 | 74.6 | |
| November | -- | -- | | 116.0 | 98.2 | |
| December | -- | -- | | 133.0 | 128.0 | |

-- = Insufficient marketing to establish price.

Sources: National Agricultural Statistics Service and Economic Research Service, USDA.

Table 23--F.o.b. prices of Thompson Seedless grapes, 1989-94

| Month | 1989 | 1990 | 1991 | 1992 | 1993 | 1994 |
|---------------------|------|------|------|------|------|------|
| -- Dollars/pound -- | | | | | | |
| January | 1.02 | 1.16 | 0.96 | 0.90 | 0.97 | 0.97 |
| February | 0.74 | 0.64 | 0.77 | 0.62 | 0.68 | 0.65 |
| March | 0.72 | 0.50 | 0.68 | 0.59 | 0.56 | 0.61 |
| April | 0.50 | 0.55 | 0.72 | 0.78 | 0.74 | 0.56 |
| May | -- | 0.77 | 0.71 | 0.75 | -- | -- |
| June | 0.51 | 0.59 | 0.75 | 0.37 | 0.67 | 0.71 |
| July | 0.40 | 0.41 | 0.52 | 0.46 | 0.61 | 0.51 |
| August | 0.35 | 0.40 | 0.41 | 0.33 | 0.46 | 0.40 |
| September | 0.38 | 0.43 | 0.41 | 0.38 | 0.48 | 0.41 |
| October | 0.53 | 0.45 | 0.40 | 0.34 | -- | |
| November | -- | -- | 0.42 | -- | -- | |
| December | -- | -- | 1.38 | 1.35 | 1.54 | |

-- = Insufficient marketing to establish price.

Source: Agricultural Marketing Service, USDA.

Ample supplies of apples from last season and the prospect of a larger 1994 crop pressured prices. Grower prices for fresh apples have been below the year earlier since May 1994, averaging 11 percent less in September. Apples are likely to remain a bargain for consumers. September retail prices for Red Delicious averaged 7 percent below the year earlier.

Continued strong domestic and export demand will prevent a steep price decline. U.S. consumption of fresh-market apples rose to more than 5 billion pounds in 1993/94 and record exports topped 1.3 billion pounds. Exports outpaced the prior year (August-July) by 28 percent, with Mexico, Hong Kong, and Taiwan accounting for most of the gain.

Pear Prices Plummet

USDA's final forecast of 1994 U.S. pear production was 1.96 billion pounds, up 3 percent from the prior year. Bartlett pear production in Washington, Oregon, and California was up 6 percent. U.S. production of other-than-Bartlett varieties (including D'Anjou, Bosc, Comice, and Seckel, which are usually stored and marketed through the winter) was forecast about the same as last year.

Fresh-market pear prices for the 1993/94 season were the lowest since 1987/88 and recovery is not imminent given the substantial 1994 harvest. Monthly grower prices averaged 43 percent below the prior year from January through September 1994. Those prices reflect sales of other-than-Bartlett from the 1993 crop and, in August and September, new crop Bartletts. During the same period, retail prices of D'Anjou pears averaged 8 percent lower.

Increased Bartlett production brought lower processing prices. The 1994 canning-pear price in California was 10.75 cents a pound (\$215 a short ton) and 10.5 cents (\$210) in Washington and Oregon, down from 11 cents (\$220) in all three states the year before.

According to the California Pear Advisory Board, the 1994 Bartlett pear harvest was 6 percent more than the 600-million-pound forecast. Fresh use was record high. Processing use rose nearly 9 percent from the year earlier and accounted for 73 percent of harvested tonnage, compared to 75 percent processed in 1993.

Grape Output Up

U.S. grape production is expected to total 12.25 billion pounds in 1994, with California providing 90 percent. California's grape crop forecast is unchanged from August and up 3 percent from 1993. Increased output of wine and raisin varieties and stable table grape production is expected. USDA reports in September indicated that the quantity of Thompson seedless grapes used for wine and juice was down from 1993/94.

Increased output of Thompson seedless (a raisin variety) and reduced crush demand made more grapes available for fresh market sales and drying. Rain damaged some raisins in September and October. The Raisin Administrative Committee will issue a final raisin production estimate in mid-February 1995. Shipments of fresh grapes have been ahead of the year earlier and some prices lower. From June through September 1994, f.o.b. prices for Thompson seedless grapes averaged less than 51 cents a pound, down from nearly 56 cents the year earlier. Lower fresh grape prices will encourage exports to Mexico, which are expected to increase again in 1994.

Prospects for some other states' grape crops improved and non-California output will decline less than previously forecast (down 7 rather than 11 percent). Grape production outside of California consists mainly of Concord grapes for processing. The Washington grape forecast was raised slightly to 432 million pounds, but was down 39 percent from 1993. Concord yields in Michigan were higher than expected and the forecast was raised to 126 million pounds, up 15 percent from 1993. Washington and Michigan finished the Concord harvest in October.

New York had an excellent growing season and, despite some winter damage in the Finger Lakes area, 370 million pounds of grapes were expected, up 57 percent from 1993. Pennsylvania's grape crop may fall short of the 140 million-pound forecast due to a hail storm that struck Erie County at the end of September when harvest was less than half complete.

Short Northeast Peach Crop

The final 1994 U.S. peach production forecast was 2.46 billion pounds, down 7 percent from 1993. More peaches from California, South Carolina, and Georgia were not sufficient to offset reductions in many other states. California's Clingstone crop amounted to 1.10 billion pounds, nearly the same as in 1993. Grower prices for fresh peaches rose after most of the southern crop was gone, but processing prices for Clingstones came down.

The quantity of 1994 peaches delivered to processors was down 2 percent from 1993, according to the California Canning Peach Association. However, the offgrade percent was very low and the projected paid-for tonnage was higher than last year. The sliding scale agreed to by growers and canners resulted in a price of 9.25 cents a pound (\$185 a ton). Cannery prices were higher in 1993 when a sliding scale of 9.85-11.5 cents a pound, combined with lower paid-for tonnage, obligated canners to pay 11.2 cents (\$224).

Another Record Strawberry Crop

Reports from the California Strawberry Commission indicated much higher than expected strawberry output. Both fresh and processed uses were up 16 percent from the year earlier in October 1994. Good growing conditions throughout the state pushed per-acre yields up nearly 25 percent from last year. For growers, prices of fresh-market strawberries averaged 8 percent lower in 1994, while consumer prices were about the same as in 1993.

Despite a surprisingly large 1994 crop, field prices of California processing strawberries rose from the year earlier. According to the California Processing Strawberry Advisory Board, prices for grade-1 freezer berries averaged 29.2 cents a pound, compared to 27.8 cents. Strong demand for puree and juice brought grade-2 berry prices up sharply to 12.3 cents from 9.2 cents in 1993. And processed utilization, especially of juice berries, rose.

Deliveries of California freezer strawberries to processors totaled 343 million pounds from April 9 through October 22, 1994, up 9 percent from the prior year. Juice deliveries jumped up 65 percent to 82 million pounds. In addition, more than 63 million pounds of Oregon strawberries were frozen, up nearly 17 percent from 1993.

U.S. stocks of frozen strawberries on September 30, 1994, were 330 million pounds, 10 percent higher than a year earlier. Supplies are not burdensome. A substantial amount of frozen berries were exported to Europe in July, August, and September, partly due to a smaller strawberry crop in Poland. Also, industrial use of puree and juice has been on the rise.

Output Gain To Ease Avocado Prices

Increased California avocado production is anticipated in 1994/95 and Florida's crop shows substantial recovery from Hurricane Andrew. Prices soared when California's avocado output dropped in 1993/94.

The California Avocado Commission expects 1994/95 production to reach 300 million pounds, up from about 275 million in 1993/94. Harvest usually begins in November and continues into the following November. However, shipments dropped off early this year, to less than 2 million pounds a week by October, and are not expected to pick up until the 1994/95 Hass variety are ready in mid-December. During the first week of October, Hass prices (f.o.b. southern California) jumped to \$1.70 a pound, more than three times the year earlier when the large 1992/93 crop was still being marketed.

Prices were high all season, rebounding from the year before when monthly shipments were well above average. Season shipments through October 15, 1994, totaled 274 million pounds, down sharply from more than 500 million pounds at the same time in 1993. Varietal distribution of the 1993/94 crop was similar to prior years: 86 percent Hass, 2 percent Fuerte, and 12 percent other varieties.

Florida Avocados Bounce Back

Florida's 1994/95 (June-March) avocado crop is expected to be the largest in two years, nearly 40 million pounds. Season shipments through October totaled 24 million pounds, 60 percent of the forecast. Florida growers harvested a very limited avocado crop of 8.8 million pounds in 1993/94 and only 14.4 million pounds in 1992/93. Most of the crop was not harvested when Hurricane Andrew struck in late-August 1992. The 1993/94 crop was reduced by severe pruning after the hurricane and another strong wind storm in March 1993.

Production Drop Boosted 1993/94 Prices

California's 1993/94 avocado crop was less than half of the record 568-million-pound 1992/93 crop. Per-acre yields dropped back to average in 1993/94 and acreage declined. Restricted water supplies and last year's low prices encouraged growers to remove trees. California avocado area dipped to 72,500 bearing acres in 1993/94, from 72,900 the year before, and 75,000 in 1989/90.

Grower prices for the 1993/94 crop climbed back to 70.5 cents, the same as in 1990/91, and pushed the value of California avocado production up to \$207.3 million, the highest in 3 years. The value of the 1992/93 crop was just \$113.6 million when the mammoth crop dropped grower prices to 20 cents a pound.

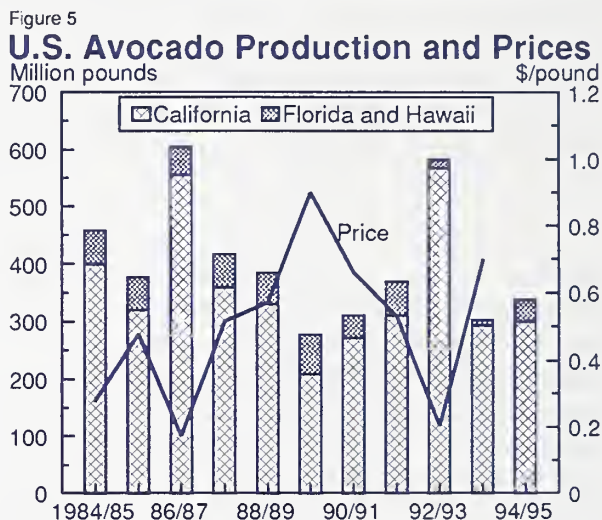


Figure 6
U.S. Avocado Shipments

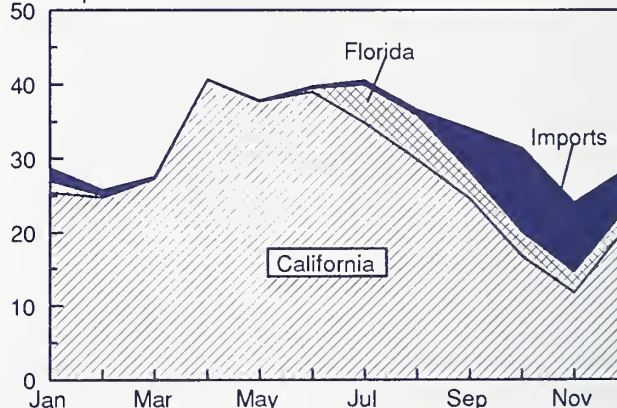


Table 24--Avocados: Monthly f.o.b. prices, 1990-94 1/

| Month | 1990 | 1991 | 1992 | 1993 | 1994 |
|-----------|---------------------|------|------|------|------|
| | -- Dollars/pound -- | | | | |
| January | 1.18 | 1.24 | 1.15 | 0.65 | 1.16 |
| February | 1.05 | 1.09 | 0.96 | 0.66 | 1.22 |
| March | 1.09 | 1.02 | 0.77 | 0.37 | 1.12 |
| April | 1.23 | 0.90 | 0.59 | 0.29 | 1.17 |
| May | 1.23 | 0.79 | 0.59 | 0.28 | 1.18 |
| June | 1.53 | 0.84 | 0.61 | 0.25 | 1.29 |
| July | 1.62 | 0.70 | 0.90 | 0.26 | 1.29 |
| August | 1.69 | 0.67 | 0.98 | 0.26 | 1.21 |
| September | 1.89 | 1.15 | 1.12 | 0.43 | 1.38 |
| October | -- | 1.24 | 1.25 | 0.48 | |
| November | -- | -- | -- | 0.56 | |
| December | 1.11 | 1.13 | 0.70 | 1.08 | |

-- = Insufficient marketing to establish price.

1/ Hass variety from California's South District, 28-pound cartons, 2-layer tray packs of size 40s.

Source: Agricultural Marketing Service, USDA.

Low Prices in 1993 Discouraged Imports, Raised Exports and Consumption

U.S. avocado imports dropped to 18 million pounds in 1993 from a record 53 million the year before. Chile was the main import source until 1993, when low prices associated with the large California crop encouraged Chilean growers to find markets in Europe. Chile supplied just 22 percent of U.S. avocado imports in 1993, compared to 67 percent in 1992. The Dominican Republic provided 68 percent of avocado imports in 1993, up from 29 percent the prior year. Fresh avocado imports from Mexico, the world's leading producer, have been prohibited since 1918 to protect California from pests that could be brought in on Mexican avocados. Early last year, importers were allowed to apply for permits

to ship Mexican avocados to Alaska, but not to other states.

U.S. avocado exports rose to nearly 34 million pounds in 1993, from 14 million the year before. Canada, Japan, France, and the United Kingdom remained the top export markets for U.S. avocados. Higher 1994 prices have discouraged exports, but 13 million pounds were exported between January and September. The United States competes mainly with Mexico in the Canadian and Japanese avocado markets and with Chile in Europe.

U.S. avocado consumption topped 2 pounds per person in 1993, the highest since 2.4 pounds in 1988 when domestic production was record high. Although 1994 consumption dropped back, increased production and lower prices will likely provide a gain in 1995.

Table 25--U.S. avocado shipments, 1988-94

| Source | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Total |
|----------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|
| -- Million pounds -- | | | | | | | | | | | | | |
| Florida 1/: | | | | | | | | | | | | | |
| 1988 | 5.74 | 3.71 | 1.40 | 0.00 | 0.00 | 0.24 | 6.00 | 10.32 | 9.88 | 9.12 | 7.14 | 5.72 | 59.29 |
| 1989 | 3.41 | 0.98 | 0.06 | 0.00 | 0.00 | 0.25 | 7.25 | 11.74 | 11.61 | 11.25 | 9.46 | 7.83 | 63.85 |
| 1990 | 3.72 | 1.66 | 0.21 | 0.00 | 0.00 | 0.65 | 5.77 | 7.87 | 5.44 | 7.78 | 5.04 | 3.52 | 41.66 |
| 1991 | 1.14 | 0.34 | 0.02 | 0.00 | 0.01 | 1.19 | 8.77 | 10.22 | 9.04 | 8.74 | 6.85 | 6.16 | 52.49 |
| 1992 | 3.58 | 0.75 | 0.19 | 0.00 | 0.00 | 0.26 | 6.40 | 6.72 | N.A. | N.A. | N.A. | N.A. | 17.90 |
| 1993 | N.A. | N.A. | N.A. | 0.00 | 0.00 | 0.00 | 0.15 | 1.20 | 1.70 | 1.58 | 1.52 | 1.67 | 7.82 |
| 1994 | 0.45 | 0.28 | 0.18 | 0.00 | 0.00 | 0.46 | 4.17 | 7.04 | 7.04 | | | | |
| California 1/: | | | | | | | | | | | | | |
| 1988 | 29.01 | 25.91 | 33.31 | 26.73 | 26.15 | 27.44 | 18.66 | 18.45 | 16.75 | 10.51 | 12.77 | 24.75 | 270.43 |
| 1989 | 22.87 | 25.41 | 33.74 | 29.74 | 33.75 | 30.57 | 24.66 | 26.55 | 17.04 | 13.02 | 12.96 | 16.65 | 286.96 |
| 1990 | 19.25 | 16.32 | 16.29 | 16.74 | 23.21 | 17.20 | 14.64 | 16.38 | 8.10 | 6.10 | 8.00 | 16.94 | 179.14 |
| 1991 | 19.08 | 19.14 | 17.09 | 19.91 | 29.78 | 22.71 | 27.45 | 22.91 | 15.57 | 9.91 | 3.48 | 10.64 | 217.65 |
| 1992 | 27.47 | 21.80 | 24.10 | 39.23 | 33.12 | 31.56 | 30.88 | 20.67 | 16.49 | 9.30 | 9.04 | 28.81 | 292.48 |
| 1993 | 29.68 | 33.06 | 40.86 | 62.66 | 50.06 | 62.80 | 46.18 | 45.81 | 41.84 | 30.50 | 22.65 | 21.64 | 487.73 |
| 1994 | 21.96 | 20.21 | 26.93 | 21.95 | 22.20 | 26.87 | 19.74 | 23.75 | 8.98 | | | | |
| Imports: | | | | | | | | | | | | | |
| 1988 | 0.30 | 0.01 | 0.00 | 0.03 | 0.02 | 0.01 | 0.23 | 0.66 | 2.72 | 2.94 | 4.15 | 1.38 | 12.45 |
| 1989 | 0.45 | 0.00 | 0.00 | 0.02 | 0.05 | 0.05 | 0.30 | 0.19 | 0.44 | 2.97 | 4.22 | 1.65 | 10.35 |
| 1990 | 1.19 | 0.18 | 0.15 | 0.00 | 0.02 | 0.37 | 0.60 | 1.98 | 6.21 | 9.41 | 7.17 | 2.22 | 29.49 |
| 1991 | 1.67 | 0.97 | 0.01 | 0.07 | 0.03 | 0.10 | 0.34 | 0.33 | 2.41 | 14.62 | 8.27 | 8.77 | 37.58 |
| 1992 | 2.36 | 0.95 | 0.20 | 0.14 | 0.15 | 0.26 | 0.72 | 0.74 | 13.12 | 16.20 | 15.42 | 2.97 | 53.23 |
| 1993 | 1.18 | 0.31 | 0.14 | 0.12 | 0.21 | 0.26 | 0.86 | 1.11 | 1.94 | 2.94 | 4.70 | 4.37 | 18.14 |
| 1994 | 2.07 | 0.44 | 0.22 | 0.15 | 0.18 | 0.58 | 1.25 | 1.43 | | | | | |
| Total: | | | | | | | | | | | | | |
| 1988 | 35.04 | 29.63 | 34.71 | 26.76 | 26.17 | 27.69 | 24.90 | 29.43 | 29.35 | 22.57 | 24.06 | 31.86 | 342.17 |
| 1989 | 26.74 | 26.39 | 33.80 | 29.76 | 33.80 | 30.87 | 32.21 | 38.48 | 29.09 | 27.25 | 26.64 | 26.13 | 361.16 |
| 1990 | 24.16 | 18.15 | 16.64 | 16.74 | 23.24 | 18.23 | 21.00 | 26.22 | 19.75 | 23.29 | 20.21 | 22.68 | 250.30 |
| 1991 | 21.89 | 20.45 | 17.12 | 19.99 | 29.81 | 24.00 | 36.56 | 33.46 | 27.01 | 33.26 | 18.59 | 25.57 | 307.72 |
| 1992 | 33.41 | 23.50 | 24.49 | 39.38 | 33.28 | 32.08 | 38.00 | 28.14 | 29.60 | 25.50 | 24.46 | 31.78 | 363.62 |
| 1993 | 30.85 | 33.37 | 41.00 | 62.78 | 50.27 | 63.05 | 47.19 | 48.12 | 45.48 | 35.03 | 28.88 | 27.68 | 513.70 |
| 1994 | 24.49 | 20.93 | 27.32 | 22.11 | 22.38 | 27.92 | 25.16 | 32.22 | | | | | |

N.A.= Not available.

1/ Includes exports.

Sources: California and Florida Avocado Administrative Committees and Bureau of the Census, U.S. Department of Commerce.

Cranberry Output Climbs

U.S. cranberry production is expected to set a record in 1994, but fresh supplies may still be tight after Thanksgiving. Despite lower beginning processing stocks, the production gain brought lower grower prices.

Cranberry Production Up in All States

All five cranberry-producing states were expected to increase output this year. USDA's August forecast of U.S. cranberry production was 431.3 million pounds, up 10 percent from 1993 and 2 percent more than the record-large 1991 crop. States reported moderate-to-heavy fruit sets and favorable, or at least average, growing conditions during the summer. Water supplies were adequate in Massachusetts and Wisconsin, but a bit tight in Oregon.

The Massachusetts cranberry crop is expected to be up 3 percent in 1994. Harvest began in mid-September and was 80 percent complete in late-October. Berry size was reported medium-to-large and crop conditions from good to excellent as the season progressed. Although early varieties had very good color, production was less than anticipated. Hot, humid weather during June and July promoted disease and insect damage that reduced keeping quality, which may limit fresh supplies for the holidays. Early prices for fresh-market cranberries were slightly higher than last year.

Despite some winter damage in Wisconsin, early cranberry growing conditions were the best in several years and production was forecast up 13 percent. However, bad weather and hail damaged berries in the northeast, and Wisconsin output may be 10 million pounds less than forecast. Harvest is usually complete by mid-October, but lasted longer this year as growers gave the large crop more time to color.

The New Jersey cranberry crop is expected to be up 14 percent from 1993, but 8 percent less than the record 1992 crop. Oregon is expecting a 63 percent jump in cranberry production and Washington's output is projected 15 percent higher. The cool, wet weather that limited Oregon's 1993 output was not a problem this year, instead, water shortages may delay harvest.

Processing Prices Down

The average price growers receive for cranberries is likely to decline in 1994. Processors and handlers usually negotiate a price before harvest begins. Since a bumper crop was anticipated, many 1994 contract prices were 10-15 percent lower than the prior year. Production short of expectations and relatively low processing stocks may raise some prices, but many growers are locked in. The Cranberry Marketing Committee reported total ending inventory (August 31, 1994) of 11.9 million pounds, 14

percent lower than in 1993, but 5 percent higher than in 1992.

Record-high cranberry beginning stocks pressured U.S. average grower prices down nearly 2 percent in 1993, despite a 6-percent smaller crop. The value of U.S. cranberry production dropped 7 percent, to \$198 million. Fresh use declined about 10 percent and accounted for 5 percent of production, compared to 7 percent in 1990. Processing of the U.S. cranberry crop was down nearly 7 percent from the year earlier. Higher shrinkage (dehydration and berry breakdown after delivery to processors) contributed to the reduction.

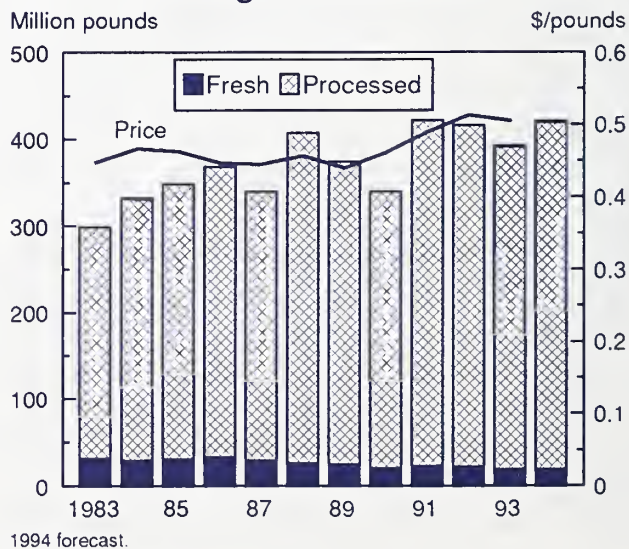
Table 26--Cranberry production, 1990-94

| States | 1990 | 1991 | 1992 | 1993 | 1994 |
|---------------|--------------------|-------|-------|-------|-------|
| | --Million pounds-- | | | | |
| Massachusetts | 131.8 | 197.6 | 188.7 | 188.0 | 193.0 |
| New Jersey | 32.4 | 32.7 | 47.8 | 38.6 | 44.0 |
| Oregon | 21.0 | 20.3 | 28.8 | 15.6 | 25.5 |
| Washington | 15.6 | 15.8 | 15.7 | 13.7 | 15.8 |
| Wisconsin | 138.6 | 155.5 | 135.0 | 136.0 | 153.0 |
| United States | 339.4 | 421.9 | 416.0 | 391.9 | 431.3 |

Source: National Agricultural Statistics Service, USDA.

Figure 7

U.S. Cranberry Utilization and Season-Average Grower Price



Pecan and Hazelnut Production Drops

U.S. pecan and hazelnut crops are projected about half as large in 1994 as in 1993. California walnut output will be off 15 percent. Nut prices are likely to rise for all but almonds, since California's 1994 almond crop is expected to be the largest in 3 years.

Smaller Pecan Crops in Most States

The 1994 U.S. pecan crop forecast is down 46 percent from an exceptionally large 1993 crop. Weather and pest problems, as well as the alternate-year bearing tendency of pecan trees, contributed to the decline. Pecan production potential deteriorated in Alabama, Georgia, and Louisiana bringing USDA's October forecast down 5 percent from September. Lower production will raise the grower price from the 5-year low of \$0.58 a pound (in-shell) in 1993/94.

Following a wet summer that fostered disease problems, a dry September stressed Alabama's pecan crop during the nut-filling stage and lowered the October forecast 50 percent. Heavy rains in Georgia reduced pecan quality and per-acre yields. Georgia's pecan forecast was lowered 7 percent from September and now amounts to less than half of the 1993 crop. Disease and insect problems were worse than expected in Louisiana. The October forecast was reduced 25 percent from September, and Louisiana's pecan output is expected to be down 62 percent from 1993.

Production forecasts for Texas and New Mexico pecans are unchanged from September, down 47 and 31 percent, respectively, from 1993. Both states had a dry summer in 1994 that followed fall-freeze damage in Texas and spring-freeze damage in New Mexico. Georgia, Texas, and New Mexico remain the leading pecan-producing states, and are expected to account for 68 percent of U.S. production in 1994. Only three of the thirteen states for which USDA reports pecan data had increased production forecasts, Kansas, North Carolina, and South Carolina.

Tight Supplies To Boost Hazelnut Prices

Hazelnut harvest began in early October in Oregon and Washington. Although September rains were above average in some areas following a hot, dry summer, the forecast was not changed and the 1994 harvest is expected to be 49 percent of the 1993 record crop. Stocks did not

accumulate during the 1993/94 marketing year due to strong export and domestic demand. A drop in 1994 production could boost hazelnut prices above 1993's average of 32 cents a pound (grower price, in-shell basis). However, U.S. export demand and prices may be stifled by a large Turkish hazelnut crop.

Reduced Walnut and Pistachio, but Increased Almond Production

The September forecast of California walnut production was based on an objective survey and pegged 1994 production 15 percent lower than the July forecast and the prior year's production. High beginning stocks will compensate for a smaller walnut crop in 1994. However, if the higher cost of pecans increases domestic demand for walnuts, prices could be nudged above the 1993/94 average of 70 cents a pound (grower price, in-shell basis).

Pistachio harvest was nearly complete by the end of October and amounted to 127 million pounds, according to the California Pistachio Commission. The crop total will not be final until December 15, but this is probably the lowest pistachio production in 2 years. Less production usually implies higher grower prices. However, 1993/94 prices averaged a robust \$1.07 a pound (grower price, in-shell basis) because much of the crop was sold before its size was apparent. In addition, the 1993/94 ending inventory was up 46 percent from the prior year setting a new record. So, 1994/95 pistachio prices are not likely to rise significantly from the year earlier.

The 1994 California almond crop is expected to be the largest in 3 years, up 31 percent from 1993 and 17 percent larger than in 1992. Good growing conditions and a 2-percent increase of bearing acres contributed to the gain. Although stocks were at a 7-year low at the end of the 1993/94 marketing season, the large crop will increase almond supplies and lower prices from the near-record \$1.90-a-pound (grower price, shelled basis) average in 1993/94.

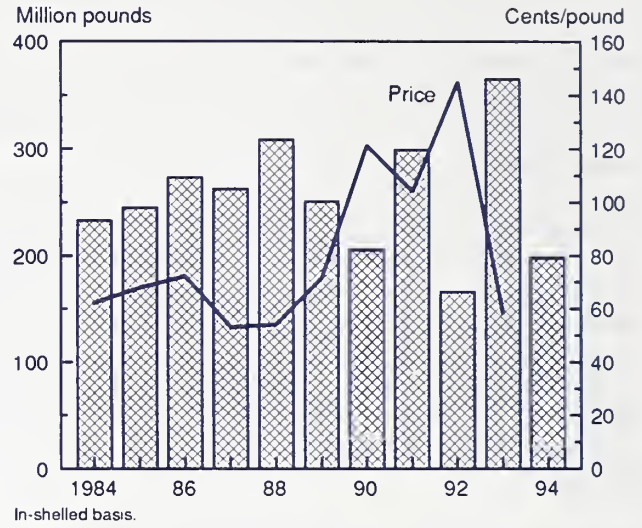
Figure 8

Production and Season-Average Price for Tree Nuts

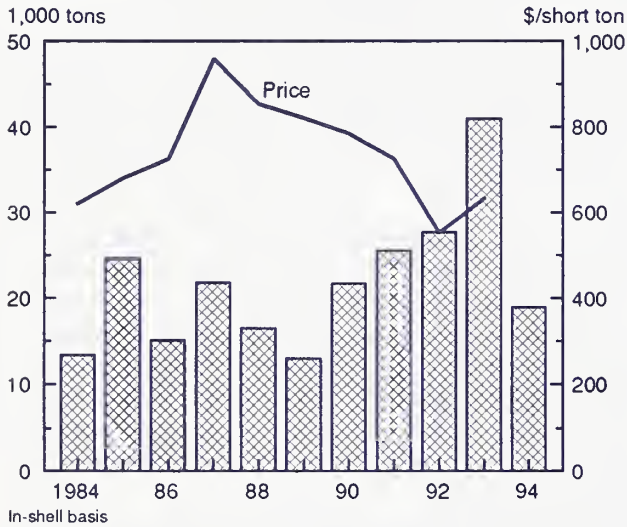
Almonds



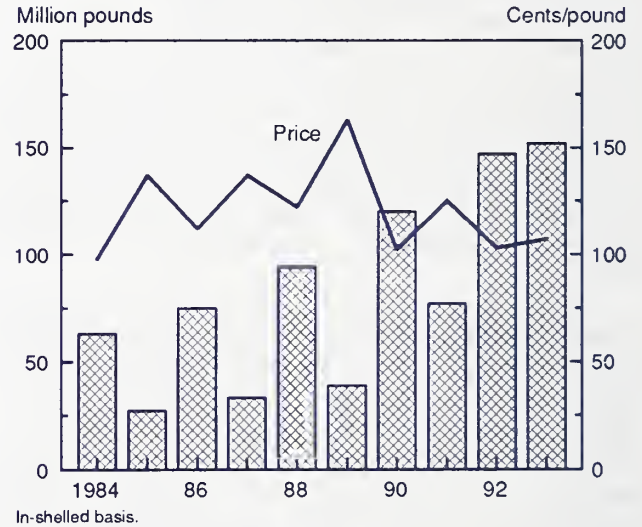
Pecans



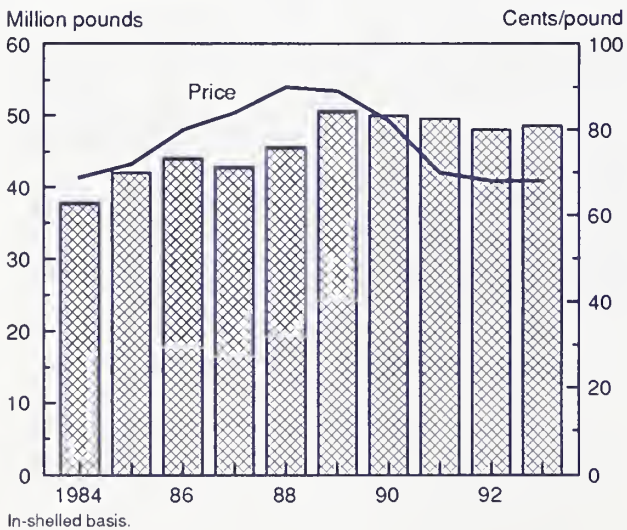
Hazelnuts



Pistachios



Macadamia Nuts



Walnuts

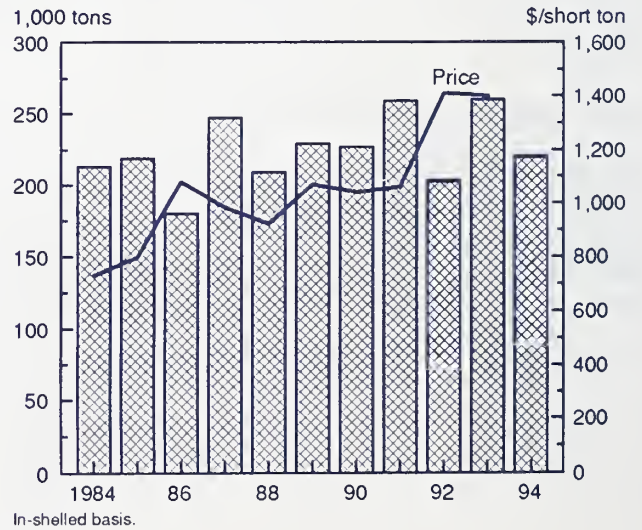


Table 27--Tree nuts: Production in principal states, 1989-93, and indicated 1994

| Crop and State | 1989 | 1990 | 1991 | 1992 | 1993 | Indicated 1994 |
|---------------------------------------|---------|---------|---------|---------|---------|-------------------|
| -- 1,000 pounds -- (shelled basis) | | | | | | |
| Almonds: | | | | | | |
| California | 490,000 | 660,000 | 490,000 | 548,000 | 490,000 | 640,000 |
| (in-shell basis) | | | | | | |
| Hazelnuts: | | | | | | |
| Oregon | 25,600 | 43,000 | 50,600 | 55,000 | 81,600 | 38,800 |
| Washington | 400 | 400 | 400 | 400 | 400 | 200 |
| 2 States | 26,000 | 43,400 | 51,000 | 55,400 | 82,000 | 40,000 |
| Walnuts, English: | | | | | | |
| California | 458,000 | 454,000 | 518,000 | 406,000 | 520,000 | 440,000 |
| Macadamia nuts: | | | | | | |
| Hawaii | 50,500 | 50,000 | 49,500 | 48,000 | 48,500 | N.A. |
| Pistachios: | | | | | | |
| California | 39,000 | 120,000 | 77,000 | 147,000 | 152,000 | N.A. |
| Pecans: | | | | | | |
| Alabama | 22,000 | 5,000 | 18,000 | 4,000 | 26,000 | 4,000 |
| Arkansas | 1,000 | 250 | 3,000 | 1,300 | 1,500 | 1,300 |
| California | 2,000 | 2,800 | 2,300 | 2,600 | 3,000 | 2,000 |
| Florida | 7,000 | 3,600 | 3,500 | 2,500 | 7,500 | 3,000 |
| Georgia | 85,000 | 65,000 | 100,000 | 30,000 | 150,000 | 70,000 |
| Kansas 1/ | N.A. | N.A. | N.A. | N.A. | 1,800 | 2,000 |
| Louisiana | 14,000 | 6,000 | 27,000 | 1,000 | 16,000 | 6,000 |
| Mississippi | 8,500 | 2,200 | 7,500 | 700 | 6,000 | 1,200 |
| New Mexico | 29,000 | 34,000 | 29,000 | 30,000 | 36,000 | 25,000 |
| North Carolina | 700 | 400 | 5,500 | 2,500 | 2,500 | 3,500 |
| Oklahoma | 9,000 | 5,000 | 17,000 | 9,000 | 18,000 | 16,000 |
| South Carolina | 1,000 | 500 | 5,500 | 300 | 3,000 | 4,000 |
| Texas | 55,000 | 60,000 | 60,000 | 62,000 | 75,000 | 40,000 |
| Other 2/ | 16,300 | 20,250 | 20,700 | 20,100 | 18,700 | 20,000 |
| Total | 250,500 | 205,000 | 299,000 | 166,000 | 365,000 | 198,000 |
| Improved varieties 3/ | 161,000 | 143,500 | 163,300 | 104,800 | 237,100 | 130,700 |
| Native and seedling | 73,200 | 41,250 | 115,000 | 41,100 | 109,200 | 47,300 |

N.A. = Not available.

1/ Estimate published separately beginning 1993.

2/ Arizona, Kansas (until 1993), Missouri, and Tennessee, beginning with the 1989 crop. No breakdown between varieties available.

3/ Budded, grafted, or topworked varieties.

Source: National Agricultural Statistics Service, USDA.

List of Tables

| Table | Page |
|--|------|
| 1. U.S. monthly grower price indexes, 1992-94 | 4 |
| 2. U.S. monthly consumer fruit price indexes, 1992-94 | 4 |
| 3. U.S. monthly retail prices for selected fruits and juice, 1992-94 | 5 |
| 4. Citrus fruit: Utilized production by crop, state, and United States, 1991/92-1994/95 | 6 |
| 5. Estimated utilized of round oranges, Florida, 1987/88-1194/95 | 7 |
| 6. United States: Orange juice supply and utilization, 1985/86-1994/95 | 9 |
| 7. Monthly prices for processed oranges and frozen concentrated orange juice, 1991/92-1993/9 | 9 |
| 8. U.S. monthly stocks of frozen concentrated orange juice, 1991/92-1993/94 | 9 |
| 9. Orange: Supply and utilization, 1985/86-1994/95 | 10 |
| 10. Oranges: Utilized production, United States, 1991/92-1994/95 | 11 |
| 11. Oranges: Average monthly equivalent on-tree prices received by grower, California, 1991-94 | 11 |
| 12. Oranges: Average monthly equivalent on-tree prices received by growers, Florida, 1991-94 | 11 |
| 13. Grapefruit: Supply and utilization, 1985/86-1994/95 | 12 |
| 14. Grapefruit: Utilized production, United States, 1991/92-1994/95 | 13 |
| 15. Estimated utilization of Florida grapefruit, 1989/90-1994/95 | 13 |
| 16. Grapefruit: Average monthly equivalent on-tree prices received by growers, Florida, 1991-94 | 13 |
| 17. Fresh lemons: Average monthly equivalent on-tree prices received by growers, United States, 1990-94 | 14 |
| 18. Lemons, fresh: Supply and utilization, 1984/85-1993/94 | 14 |
| 19. Citrus fruit: Season-average equivalent on-tree returns received by growers, by state, variety, and use, 1991/92-1993/94 | 15 |
| 20. Citrus fruit: Season-average equivalent P.H.D. returns received by growers, by state, variety, and use, 1991/92-1993/94 | 16 |
| 21. Noncitrus fruit production, 1990-93 and indicated 1994 | 17 |
| 22. U.S. monthly grower prices for noncitrus fruit, 1992-94 | 18 |
| 23. F.o.b. prices of Thompson Seedless grapes, 1989-94 | 18 |
| 24. Avocados: Monthly f.o.b. prices, 1990-94 | 20 |
| 25. U.S. avocado shipments, 1988-94 | 21 |
| 26. Cranberry production, 1990-94 | 22 |
| 27. Tree nuts: Production in principal states, 1989-93, and indicated 1994 | 25 |

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Global Environmental Policies Affect Agricultural Trade



The global community has recently become more concerned about the environment, making it one of the leading issues of the 1990's. Environmental issues include water quality, soil erosion, deforestation, product safety, and the protection of wildlife and biodiversity. These reports address how policy measures adopted to deal with environmental issues may affect agricultural trade.

Environmental Policies: Implications for Agricultural Trade.

145 pp. June 1994.

This report, consisting of 14 separate articles, analyzes linkages between environmental policies and agricultural trade. Topics covered include a global inventory of environmental policies, the implications of environmental policies on U.S. and world agricultural trade, the implications for environmental policy in the context of multilateral and regional trade negotiations, and the effects of global climate change on agricultural trade.

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USDA TO HOLD AGRICULTURAL ECONOMIC OUTLOOK FORUM

The U.S. Department of Agriculture will hold its first agricultural economic forum on February 22 and 23, 1995, in Washington, D.C. The forum will replace the 70-year-old outlook conference that USDA traditionally held each December. Responding to feedback from outlook conference participants and information users, the conference is being redesigned to add a new longer-term focus that will help farmers, agribusiness, and policy officials make strategic decisions for the future.

Specific details on the forum will be announced later. To request a notice of program and registration details call 202-720-3050, fax 202-690-1805, or write to Outlook Forum, Room 5143 South Building, USDA, Washington, D.C. 20250-3800.
