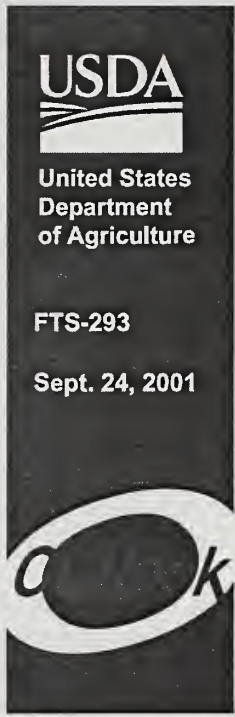


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Electronic Outlook Report from the Economic Research Service

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Fruit and Tree Nuts Outlook

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2001 Fruit Crops Smaller, Prices Higher This Summer and Fall

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The next release is
Nov. 19, 2001

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World Agricultural
Outlook Board.

Prices for many fruit crops averaged higher than a year ago this summer due to decreased production. At the grower level, fresh-market prices were higher for grapes, peaches, strawberries, oranges, and grapefruit. At the retail level, prices were higher for grapefruit, lemons, peaches, strawberries, bananas, and Thompson seedless grapes. Reduced acreage and weather-related problems such as hailstorms, freezing temperatures, and below-average rainfall, all contributed to lower production in 2001. Fruit prices are likely to remain above a year ago through the remainder of the year as anticipated smaller crops of apples, pears, and California oranges this fall will likely lead to higher prices.

Although demand remains strong, a combination of reduced supplies and higher prices are limiting export potential for many fruit crops thus far this season. These same factors are likely to influence a decline in domestic fruit consumption (per capita basis) in 2001.

The total tree nut crop is expected to increase in 2001 after declining 15 percent in 2000 from the previous year. Indications for a larger crop are based on the alternate-bearing nature of nut trees. This year should be an "on year" for most of the major crops—almonds, walnuts, hazelnuts, pecans, and macadamia nuts. Only the pistachio trees will be on an "off cycle". Although grower prices are expected to decline as a result of the expected large crops, grower revenues should be higher this year as increases in production will more than likely offset the declines in prices.

This is the premier issue of the *Fruit and Tree Nuts Outlook* newsletter. This electronic-only publication contains content similar to the recently issued *Fruit and Tree Nuts Situation and Outlook Report*, but is presented in the new newsletter style. *The Fruit and Tree Nuts Situation and Outlook Yearbook* will be released as scheduled on October 17, 2001, with a printed and electronic report to follow shortly. As of January 1, 2002, this new every-other-month newsletter will replace the less frequently issued *Fruit and Tree Nuts Situation and Outlook Report* series, although a printed version of the *Yearbook* will be issued in 2002.



Fruit Outlook

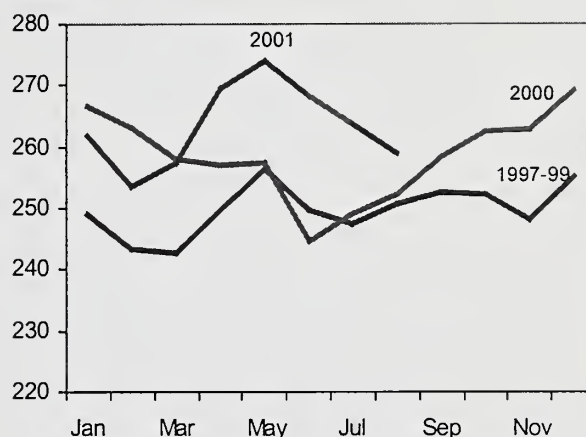
Summer Fruit Supplies Down, Fresh-Market Prices Higher

Lower fruit supplies are causing consumers to pay more for fruit this summer compared with a year ago. In July and August, the Consumer Price Index (CPI) for fresh fruit averaged 4 percent above the same period a year earlier (fig. 1). The stronger CPI reflects higher retail prices for grapefruit, bananas, peaches, strawberries, and Thompson seedless grapes (table 1). Reduced acreage for some crops and weather-related problems such as hailstorms, freezing temperatures, and below-average rainfall, all contributed to decreased production in 2001.

Among domestically-produced fruit crops heavily marketed during the summer, the U.S. Department of Agriculture (USDA) forecasts lower production of grapes (down 15 percent), peaches (down 2 percent), apricots (down 18 percent), and strawberries (down 8 percent) in 2001 from a year ago. Industry estimates also indicated reduced packout levels of California nectarines (down 3 percent) and plums (down 13 percent) and smaller crops of both cultivated and wild blueberries (combined, down 10 percent). Citrus crops, with the exception of lemons, also were smaller in 2001.

Bananas account for nearly a quarter of all fresh-market fruit supplies in the United States with virtually all of the volume coming from imports. Retail banana prices in July and August 2001 averaged 52.1 cents per pound, 4 percent above the

Figure 1
Consumer Price Index for fresh fruit
1982-84=100



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

same period a year ago. Higher retail prices for bananas may be attributed to fewer imports and less competition from lower supplies of other summer fruit. The volume of U.S. fresh banana imports during the first half of 2001, as reported by the Bureau of the Census, was 5 percent below the same period a year ago. Retail banana prices, however, during this period averaged lower, perhaps due to large domestic crops of apples and pears harvested in the fall of 2000. Cumulative shipment data from USDA's Agricultural Marketing Service indicated that banana import volumes continued lower than a year ago during July and August.

Table 1—U.S. monthly retail prices, selected fruit, 2000-2001

Commodity	Unit	2000		2001		2000-01 Change	
		July	August	July	August	July	August
--- Dollars ---							
Fresh:							
Valencia oranges	Lb	0.666	0.639	0.608	0.516	-8.7	-19.2
Navel oranges	Lb	--	--	--	--	--	--
Grapefruit	Lb	0.633	0.672	0.719	0.753	13.6	12.1
Lemons	Lb	1.253	1.375	1.319	1.275	5.3	-7.3
Red Delicious apples	Lb	0.940	0.928	0.892	0.898	-5.1	-3.2
Bananas	Lb	0.512	0.490	0.523	0.519	2.1	5.9
Peaches	Lb	1.143	1.282	1.350	1.204	18.1	-6.1
Anjou pears	Lb	--	--	--	--	--	--
Strawberries 1/	12-oz pint	1.246	1.263	1.486	1.628	19.3	28.9
Thompson seedless grapes	Lb	1.358	1.283	1.579	1.472	16.3	14.7
--- Percent ---							
Processed:							
Orange juice, concentrate 2/	16-fl. oz	1.875	1.882	1.937	1.875	3.3	-0.4
Wine	liter	5.547	5.290	5.955	6.390	7.4	20.8

-- Insufficient marketing to establish price.

1/ Dry pint.

2/ Data converted from 12 fluid ounce containers.

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



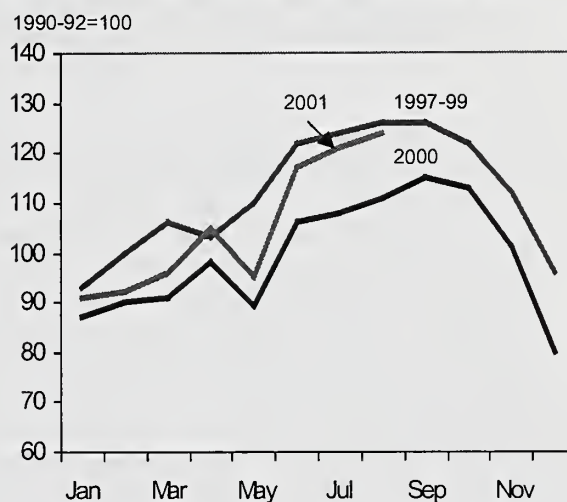




At the farm level, growers received higher prices for their fruit this summer compared with a year ago due to reduced production. This applies to growers of grapes, pears, peaches, strawberries, fresh-market oranges, and fresh-market grapefruit (table 2). Higher prices for these commodities boosted the grower price index for fruit and nuts during July and August 2001 to an average that is 12 percent above the July-August index (fig. 2). Offsetting some of the upward pressure on grower prices were lower prices for 2000 crop apples as stocks as of July 1, 2001, remained 9 percent larger than in July 2000. Apple prices were lower than a year ago since October and averaged \$17.9 cents per pound during the 2000/01 season.

Grower prices for fresh pears were lower through most of the 2000/01 season as a result of the larger crop harvested last fall. However, along with seasonal supply decreases came smaller crops of summer fruit such as peaches and strawberries, and most citrus that helped boost end-of-season prices. Since May 2001, pear prices have held much stronger than a year ago. By the end of April, stocks of pears in cold storage were 48 percent lower than the same time last year, and as of May 31 stocks were fully depleted. Pear prices in July and August averaged 128 percent higher than the same time a year ago.

Figure 2
Index of prices received by growers for fruit and nuts



Source: National Agricultural Statistics Service, USDA.

Higher grower prices for fresh oranges are a result of the smaller fresh-market crop, as well as strong demand both in the domestic and international markets for large-sized, good quality fruit. Despite the smaller 2001 grapefruit crop, lackluster demand held grapefruit prices (fresh and processed) below a year ago through most of the 2000/01 season. Fresh

Table 2—Monthly fruit prices received by growers, United States

Commodity	2000		2001		2000-01 Change	
	July	August	July	August	July	August
	— Dollars per box —				Percent	
Citrus fruit: 1/						
Grapefruit, all	6.02	6.34	8.81	8.22	46.3	29.7
Grapefruit, fresh	7.84	5.62	8.82	8.22	12.5	46.3
Lemons, all	12.62	16.52	13.88	22.62	10.0	36.9
Lemons, fresh	25.92	28.52	21.72	29.02	-16.2	1.8
Oranges, all	3.35	2.17	6.23	6.33	86.0	191.7
Oranges, fresh	5.02	4.22	7.22	7.92	43.8	87.7
	— Dollars per pound —					
Nond citrus fruit:						
Apples, fresh 2/	0.162	0.195	0.144	0.169	-11.1	-13.3
Grapes, fresh 2/	0.250	0.300	0.295	0.280	18.0	-6.7
Peaches, fresh 2/	0.227	0.213	0.269	0.240	18.5	12.7
Pears, fresh 2/	0.115	0.127	0.285	0.267	147.8	109.8
Strawberries, fresh	0.570	0.496	0.687	0.785	20.5	58.3

1/ Equivalent on-tree price.

2/ Equivalent packinghouse-door returns for CA, NY (apples only), OR (pears only), and WA (apples, peaches, and pears). Prices as sold for other States.

Source: National Agricultural Statistics Service, USDA.



grapefruit prices, however, gained strength since May and averaged higher than the same period from May through August. Besides the smaller grapefruit crop, seasonal decreases in supplies (particularly in Florida) and less competition as a result of lower production of many summer noncitrus fruit probably pressured grapefruit prices higher during those months.

Fall Fruit Supplies Expected Lower, Prices Higher

Consumers will likely continue to pay higher prices for fruit during the fall as harvest of major fruit crops such as apples, pears, and California oranges are anticipated smaller than a year ago. According to USDA forecasts, U.S. apple production in 2001 is 9.6 billion pounds, down 10 percent from a year ago and the smallest crop since 1988 (table 3). Total U.S. pear production is forecast down 5 percent from 2000, to 1.8 billion pounds (table 4). The 2001/02 California orange crop, mostly for fresh use, is forecast at 1.2 million tons, down 11 percent from the previous season. U.S. cranberry production, traditionally one of the more popular fruit during the fall, especially during the Thanksgiving holiday, is forecast 1 percent smaller than a year ago (table 5).

Apple production is down both in the Western (down 16 percent) and Eastern (down 3 percent) regions, offsetting increased production in the Central region (up 12 percent). With the exception of California, all Western apple-producing States are expected to harvest smaller crops of apples this fall, with the region producing a total of 5.9 billion pounds. Production in Washington, the Nation's largest producer for both the fresh and processing markets, is expected to reach 4.9 billion pounds, down 17 percent from 2000. Besides being in its "off" production year (Washington produced a near-record large crop in 2000), other weather-related issues (including below-average rainfall, heavy winds, and hail) and a drop in bearing acres have also contributed to the anticipated smaller crop in Washington this fall.

In California, the second largest apple-producing State in the region, weather was generally favorable and was conducive for increased production. Meanwhile, decreased production in other Western States could be partly attributed to crop damage caused by hail, early-season frost, and late-season

drought. Almost similar weather problems affected apple production in many Eastern States, while generally favorable weather improved crop performance of apple crops in most Central States except in Ohio.

Because of the smaller crop this year, apple prices during the 2001/02 marketing season will likely improve from a season ago. As of July 1, 2001, fresh-market stocks (mostly Washington apples in controlled atmosphere storage) from the 2000 fall apple crop were 16 percent higher than the same period a year ago as reported by the U.S. Apple Association. However, the expected smaller 2001 crop, particularly in Washington, and the diversion of some of last year's fresh-market storage apples to the processing sector and to other uses such as the school lunch program and other feeding programs will help ease fresh-market supply pressure during the 2001/02 season. Reduced supplies and higher prices will limit both domestic and export demand for U.S. apples, especially in the fresh-market sector. Domestic consumption of fresh apples is expected to decline from last year's estimate of 17.9 pounds per person.

U.S. production of apples for the processing sector in 2001 will also likely be limited. Many Eastern States, where a large proportion of production is for processing, are expected to harvest smaller crops. In addition, although combined production in the Central and Eastern States are expected up 2 percent from a year ago, the much smaller crop in Washington will likely bring overall production of processing apples down from last year. Washington accounts for over one-third of processing apple production. Reduced production and lower stocks of processing apples (as of July 1, 2001, stocks were 8 percent below the same period a year ago) will help improve grower prices. However, stocks of 2000 fresh-market apples being diverted to the processing sector will likely mitigate some of the upward pressure on prices.

Less competition from a smaller pear crop this fall will also help boost apple prices for the new season. The harvest of Bartlett pears is projected to decline for the second consecutive year, reaching 946.0 million pounds--9 percent smaller than a year ago and 19 percent below 1999. Combined production of



Table 3—Apples: Total production and season-average price received by growers, 1998-2000, and indicated 2001 production 1/

States	Production				Price		
	1998	1999	2000	2001	1998	1999	2000
	— Million pounds —				— Cents per pound —		
Eastern States:							
Connecticut	18	23	21	18	33.5	27.6	30.2
Georgia	11	12	14	9	16.1	17.4	18.8
Maine	45	72	39	43	21.8	20.2	21.8
Maryland	35	38	34	40	17.8	9.4	13.7
Massachusetts	32	65	50	45	30.7	26.8	32.0
New Hampshire	19	44	34	26	27.9	21.5	23.6
New Jersey	55	50	50	55	12.2	12.8	13.4
New York	1,070	1,260	995	1,050	11.4	11.4	11.7
North Carolina	185	190	190	100	11.1	15.1	12.6
Pennsylvania	395	505	475	445	13.9	10.9	11.4
Rhode Island	3	4	2	1	30.4	37.2	35.9
South Carolina	45	32	20	6	19.7	13.7	12.9
Vermont	35	57	42	36	21.7	20.5	22.5
Virginia	280	360	350	340	11.7	10.9	9.8
West Virginia	110	140	90	115	9.0	9.3	9.2
Total	2,336	2,851	2,405	2,329			
Central States:							
Arkansas	5	5	7	9	22.7	23.8	25.2
Illinois	45	59	42	57	18.6	21.4	28.7
Indiana	54	60	45	53	24.2	23.4	24.5
Iowa	9	11	8	8	28.6	31.9	32.1
Kansas	2	7	3	5	25.6	27.7	26.8
Kentucky	11	9	7	8	28.4	29.3	25.5
Michigan	1,000	1,200	850	970	8.7	8.8	9.0
Minnesota	24	23	22	22	44.4	41.4	42.8
Missouri	34	49	38	41	17.2	17.5	17.5
Ohio	80	100	103	102	20.5	21.9	22.5
Tennessee	13	10	10	10	22.2	21.1	24.4
Wisconsin	76	77	71	71	27.8	28.1	28.0
Total	1,351	1,610	1,205	1,355			
Western States:							
Arizona	46	34	95	17	14.7	12.7	7.4
California	860	896	650	696	15.3	15.8	15.0
Colorado	65	8	30	26	11.9	21.8	13.9
Idaho	155	70	140	120	8.5	17.1	10.7
New Mexico	8	2	8	2/	21.0	25.0	25.4
Oregon	180	150	167	150	14.1	10.9	10.2
Utah	45	9	49	23	14.5	21.9	11.8
Washington	6,600	5,000	5,900	4,900	11.5	17.1	12.9
Total	7,959	6,169	7,039	5,932			
United States	11,646	10,631	10,649	9,615	12.2	15.0	12.9

1/ Commercial production from orchards of at least 100 bearing-age trees. 2/ End of season estimate only.

Source: National Agricultural Statistics Service, USDA.

Table 4--Pears: Total production and season-average price received by growers, 1998-2000, and indicated 2001 production

State	Production 1/				Price		
	1998	1999	2000	2001	1998	1999	2000
	-- Million pounds --				-- Cents per pound --		
Pacific Coast:							
California:							
Bartlett	554	622	564	460	12.3	10.4	10.3
Other	60	60	60	60	21.8	14.8	21.9
Total	614	682	624	520	13.2	10.8	11.4
Oregon:							
Bartlett	130	132	120	116	17.1	14.9	14.9
Other	360	320	320	320	16.9	23.5	15.3
Total	490	452	440	436	16.9	21.0	15.2
Washington:							
Bartlett	320	420	352	370	14.5	11.4	12.7
Other	460	430	460	460	13.4	17.1	13.4
Total	780	850	812	830	13.9	14.3	13.1
Three States:							
Bartlett	1,004	1,174	1,036	946	13.7	11.3	11.7
Other	880	810	840	840	15.4	19.5	14.7
Total	1,884	1,984	1,876	1,786			
Colorado	7	1	6	4	22.5	32.9	18.8
Connecticut	2	2	3	1	38.8	38.8	28.1
Michigan	10	10	10	10	13.6	13.3	13.5
New York	23	25	29	20	18.8	19.4	17.7
Pennsylvania	12	8	9	9	17.6	21.3	25.5
Utah	2	1	1	1	15.4	22.9	26.7
Total	56	47	58	45			
United States							
Bartlett	1,004	1,174	1,036	946	13.7	11.3	11.7
Other	936	857	898	885	15.4	19.5	14.7
Total	1,940	2,031	1,934	1,831	14.6	14.7	13.2

1/ Includes unharvested production and production not sold.

Source: National Agricultural Statistics Service, USDA.

Table 5--Cranberries: Total production and season-average prices received by growers, 1998-2000, and indicated 2001 production

State	Production				Price		
	1998	1999	2000	2001	1998	1999	2000
	-- Million pounds --				-- Cents per pound --		
Massachusetts	188	188	195	164	30.8	16.8	19.9
New Jersey	52	69	49	45	26.3	11.0	19.9
Oregon	36	31	37	36	39.8	11.9	18.9
Washington	17	15	18	18	25.0	12.8	25.2
Wisconsin	253	330	266	295	43.3	20.6	19.0
United States	544	632	564	558	36.6	17.8	19.6

Source: National Agricultural Statistics Service, USDA.



other U.S. pear varieties is forecast at 885 million pounds, down 1 percent. Bartlett production is forecast down in California (18 percent) and Oregon (3 percent), but up in Washington (5 percent). These three Pacific Coast States produce nearly all of the Bartlett pears in the United States. Frost and hail affected California's production during the early spring. Oregon's production also experienced some frost damage. In Washington, growing conditions were generally favorable, but below average rainfall still remains a concern among growers.

The overall decline in pear production this year, combined with the depletion of carry-in stocks, will help boost prices growers will receive for pears during the 2001/02 marketing season. For the new season thus far (July-August), grower prices for fresh pears averaged \$552 per ton, compared with \$242 per ton during the same period a year ago. As of June 30, 2001, the end of the 2000/01 marketing season, stocks of both Bartlett and other variety pears were already exhausted relative to the same period a year ago. Bartlett pears are mostly used for processing while other varieties are primarily utilized for the fresh market. In the fresh-market sector, lower supplies and higher prices will likely lead to more imports, fewer exports, and a decline in domestic consumption from the 3.3 pounds per person estimated for 2000.

The smaller production of cranberries this year also points to higher prices compared with a year ago. However, because carry-in inventories continue to be above average, cranberry prices are not expected to improve significantly. USDA forecasts the 2001 U.S. cranberry crop at 558 million pounds, 1 percent smaller than last year. Production declines are expected in all the major cranberry-producing States except Wisconsin. As most of these States had average to good growing conditions, much of the decline in production is attributed to a Federal marketing order this year that restricts the amount of cranberries that may be marketed during the 2001/02 season. Due to the marketing restriction, many growers lowered their input use, which includes fertilizers, pesticides, irrigation, and leasing of bees for pollination. In addition, along with reducing planted acres, some growers prevented cranberries from budding by flooding some of their bogs during late spring.

In recent years, cranberry production has exceeded market demand, resulting in mounting inventories and significant declines in grower prices. The Cranberry Marketing Committee, the group responsible for overseeing the Cranberry Marketing Order, estimates ending inventories for the 2000/01 crop year to decline from a year ago but remain large, at about 3.3 million barrels.

Cranberry production increased for four consecutive years since 1995, reaching an all-time high of 6.32 million barrels in 1999. At the same time, grower prices continued to decline from a high of \$65.9 in 1996 to as low as \$17.8 per barrel in 1999. During 2000, a Federal marketing order regulation was established by USDA that regulated the volume of cranberries that can be marketed during the 2000/01 season. Although weather-related problems also reduced yields in some production areas, the 11-percent decline in production last year was mostly attributed to the use of volume controls. In that same year, grower prices rose 10 percent from the record low in 1999 but remained well below average.

To continue the efforts to defeat the oversupply situation in the industry in recent years, USDA established a final rule regulating the volume of cranberries that can be marketed during the 2001/02 season. This rule, effective June 28 of this year, establishes a marketable quantity of 4.6 million barrels which corresponds to the total amount of fruit that handlers may purchase from or handle for growers during the season. In addition, growers are only allowed to sell 65 percent of their sales history to processors for the 2001/02 season beginning September 1.

Growers and handlers/processors from Massachusetts, Rhode Island, Connecticut, New Jersey, Wisconsin, Michigan, Minnesota, Oregon, Washington, and Long Island in the State of New York are affected by this final rule. Exempt from this volume regulation are fresh and organically-grown cranberries.

Tree Nuts Outlook

Tree Nut Crop Likely To Be Higher In 2001

The total tree nut crop is expected to increase in 2001 after declining 15 percent in 2000 from the previous year. Indications for a larger crop are based on the alternate-bearing nature of nut trees. This year should be an "on year" for most of the major crops, almonds, walnuts, hazelnuts, pecans, and macadamia nuts. Only the pistachio trees will be on an "off cycle."

On July 11, 2001, the National Agricultural Statistics Service (NASS) released their forecast for the 2001 California almond crop, the largest of the tree nut crops produced in the United States. According to NASS, the 2001 California almond crop is expected to be a record 850 million pounds (shelled basis), up 21 percent from a year ago. Since the almond crop accounted for 61 percent of the entire domestic nut crop in 2000, the anticipated record crop will likely be enough to drive the overall nut crop above last year.

On August 31, 2001, the California Agricultural Statistics Service (CASS) released their forecast for the 2001 walnut and pistachio crops produced in California. On the same date, the Oregon Agricultural Statistics Service (OASS) also released their forecast for the State's 2001 hazelnut crop. Based on CASS' Walnut Objective Measurement Survey, California walnut production in 2001 is forecast at 280,000 tons, in-shell basis, up 17 percent from last season's production. The survey data indicated an average nut set of 1,719 in 2001, up 16 percent from a year ago. The percent of sound nuts in-shell was 97.8 percent Statewide. The bearing acreage estimate was record-large at 196,000 acres, a 2-percent increase from the previous season. Also, the yield forecast was 1.43 tons per acre, up 15 percent.

Based on CASS' California Pistachio Objective Measurement Survey, California pistachio production in 2001 is forecast at 200 million pounds, down 18 percent from a year ago. This year's crop yield (to be reported in January 2002) is assumed lower due mainly to the alternate-bearing characteristics of this tree nut. Although bearing acreage is forecast up 5

percent in 2001 from a year ago, the overall average number of clusters per tree this year decreased 19 percent, to 805. Declines in average clusters per tree for Atlantica (down 17 percent) and Pioneer Gold I (down 21 percent) rootstocks were large enough to offset the significant increase for Pioneer Gold II rootstock. The 2001 average number of nuts per cluster was also lower--12 compared with 13 in 2000. The number of filled nuts decreased from 9,321 in 2000 to 6,737 in 2001. The percent of nuts filled was 70 percent, compared with 72.2 percent last year.

Production of hazelnuts in Oregon, which accounts for nearly all of U.S. hazelnut production, is forecast at 48,000 tons this year, up 115 percent from a year ago, based on the Oregon Objective Measurement Survey. The average number of nuts per tree this year was 575, compared with 188 in 2000 and 371 in 1999. Although lighter on a dry-weight basis and smaller in size, the percentage of good nuts from the laboratory sample was up almost 1 percentage point from 84.8 percent in 2000. Brown stained nuts made up 0.5 percent of the laboratory sample, the second lowest percentage since 1984.

Although grower prices for tree nuts are expected to decline as a result of the expected large crops, grower revenues should be higher this year as increases in production will more than likely offset the declines in prices. The recent release of information about the health benefits of nuts may also advance grower prices if the result is to stimulate demand beyond recent levels. A positive response by consumers to the health benefits of a commodity has occurred in other produce industries, increasing demand at least temporarily.

The 2000 tree nut crop totaled 1.1 million tons (in-shell equivalent), 15 percent lower than last year. Production declined for all major nut crops except pistachio nuts. Pecan production fell 48 percent, walnut and almond production 16 percent, and macadamia nuts 12 percent. Pistachio nut production, however, almost doubled from last year. The value of the 2000 crop fell less than 1 percentage point from the previous year, totaling \$1.5 billion. The record-high value of the pistachio crop coupled with only slightly lower almond prices kept revenues high despite the smaller crop size.

Fruit Trade Outlook

Export Prospects Limited By Lower Supplies and Higher Prices for 2001/02

Early estimates for the 2001/02 crops project smaller quantities of apples, pears, and fresh oranges, limiting the amount available for export. Indications of very large oranges this coming season, however, would be very favorable for exporting. The good quality reported for the apple crop also would help boost international demand. Should quality remain high throughout the season, exports may actually be higher than would be expected from the smaller sized crops, with a greater share going to export versus domestic consumption. Prices should also be strong in the international market, a needed boost to growers' revenues.

Although demand remained strong, a combination of reduced supplies and higher prices has limited the export potential of many fruit crops thus far during 2001. Largely due to the smaller crop, U.S. exports of fresh strawberries have been below a year ago during the first 6 months of this year. Lower exports reflected mostly a decline in shipments to Canada that accounts for over 90 percent of the volume. Also, exports to Japan were down sharply partly due to the country's sluggish economy that is resulting in a shift away from the consumption of the more expensive U.S. product to relatively cheaper strawberries from China. U.S. exports of frozen strawberries (January-June) were up 16 percent from the same period a year ago, when exports were at the lowest level since 1993. Exports thus far this year remain below average compared with volumes shipped during the same period from 1995 through 1999.

For grapes, the good quality of this year's crop along with continued strong international demand kept shipments to foreign markets higher than a year ago thus far (May-June) this season. Shipments to many Asian markets continue strong, resulting in a 4-percent increase in total export volume from the same period a year ago. However, compared with the same time last year, this rate of increase is down 20 percentage points.

U.S. exports of stone fruit are running ahead of last year but also at a much slower growth rate. Exports of fresh peaches (including nectarines) from May through June this year were up only fractionally from

the same time in 2000, compared with a 59-percent increase this time last year. Exports increased to important markets such as Taiwan and Mexico but fell to Canada, the leading market, and to Hong Kong, also a large market. U.S. exports of fresh plums thus far are up 8 percent, while this time last year exports were up 43 percent. U.S. exports of sweet cherries increased 9 percent. Well over half the volume went to Japan, the number one market for U.S. sweet cherries, with shipments up 6 percent despite the country's weak economy.

Exports of U.S. citrus products during the 2000/01 season have been strong despite the smaller crops harvested. While crops were smaller in all citrus-producing States except in Texas, California's crop accounted for the greatest drop in orange production in 2000/01. The smaller fruit set reduced the yields per tree and resulted in an expected 8-percent decline in crop size. The smaller set not only contributed to the larger size of the fruit, but also played a role in the very good quality of 2000/01 fresh orange crop. The good quality and large-size of the season's fresh oranges from California helped drive up exports, increasing 2000/01 projections to 689,000 short tons, 21 percent above last season and the highest in three seasons.

Fresh orange exports increased 14 percent from November 2000 to June 2001 over the same period a year ago. As of June, 1.1 billion pounds of oranges were shipped, the largest amount on record. Among the top five markets (Canada, Japan, South Korea, Hong Kong, and Mainland China), exports increased the most to China. The United States had no report of any oranges being shipped to China as recently as 1991/92. So far this season, China accounts for 5 percent of the exports, showing great potential for the future. Canada continues to remain the strongest market for U.S. oranges, importing 30 percent of the total. Strong sales to Canada, along with overall solid export growth this year, have been major factors in higher overall grower receipts. Export sales are increasingly contributing to a larger share of fresh orange grower prices. In 2000/01, exports are expected to account for 32 percent of total fresh orange sales, up from an average of 25 percent the previous three seasons.



Table 6--U.S. exports of selected fruit and tree nut products

Commodity	Marketing season	Season-to-date (through June)		Year-to-date change
		2000	2001	
		--- 1,000 pounds ---		Percent
Fresh-market:				
Oranges & tangerines	November-October	1,006,431	1,149,769	14.2
Grapefruit	September-August	825,774	837,936	1.5
Lemons	August-July	214,844	238,990	11.2
Apples	August-July	1,093,461	1,572,934	43.8
Grapes	May-April	35,961	37,228	3.5
Pears	July-June	336,800	370,164	9.9
Peaches (including nectarines)	January-December	71,886	79,420	10.5
Strawberries	January-December	86,131	78,969	-8.3
Sweet cherries	January-December	48,600	52,265	7.5
		--- 1,000 gallons ---		
Processed:				
Orange juice, frozen concentrate	October-September	60,267	42,675	-29.2
Orange juice, not from concentrate	October-September	51,197	47,403	-7.4
Grapefruit juice	December-November	18,216	22,772	25.0
Apple-juice and cider	August-July	8,440	6,668	-21.0
Wine	January-December	34,885	38,809	11.2
		--- 1,000 pounds ---		
Raisins	August-July	158,054	223,028	41.1
Canned pears	June-May	495	365	-26.2
Canned peaches	June-May	2,750	1,635	-40.5
Frozen strawberries	January-December	19,900	23,164	16.4
		--- 1,000 pounds ---		
Tree nuts:				
Almonds (shelled)	July-June	467,856	550,805	17.7
Walnuts (shelled/unshelled)	August-July	133,815	156,894	17.2
Pecans (shelled/unshelled)	July-June	22,897	23,971	4.7
Pistachios (shelled/unshelled)	September-August	35,016	54,771	56.4

Source: Bureau of the Census, U.S. Department of Commerce.

Table 7--U.S. imports of selected fruit and tree nut products

Commodity	Marketing season	Season-to-date (through June)		Year-to-date change
		2000	2001	
		--- 1,000 pounds ---		Percent
Fresh-market:				
Oranges	November-October	31,227	46,900	50.2
Tangerines	October-September	206,751	191,527	-7.4
Lemons	August-July	16,539	32,883	98.8
Limes	September-August	320,719	344,422	7.4
Apples	August-July	318,251	301,476	-5.3
Grapes	May-April	209,874	167,256	-20.3
Pears	July-June	198,996	187,601	-5.7
Peaches (including nectarines)	January-December	79,584	101,745	27.8
Bananas	January-December	4,523,185	4,305,958	-4.8
Mangoes	January-December	358,162	275,991	-22.9
		--- 1,000 gallons ---		
Processed:				
Orange juice, frozen concentrate	October-September	262,030	194,803	-25.7
Apple-juice and cider	August-July	303,305	286,122	-5.7
Wine	January-December	54,565	56,955	4.38
		--- 1,000 pounds ---		
Canned pears	June-May	2,590	9,054	249.5
Canned peaches	June-May	8,996	7,262	-19.3
Canned pineapple	January-December	338,404	277,873	-17.9
Frozen strawberries	January-December	68,975	54,722	-20.7
		--- 1,000 pounds ---		
Tree nuts:				
Brazil nuts (shelled/unshelled)	January-December	10,366	7,938	-23.4
Cashews (shelled/unshelled)	January-December	88,871	83,426	-6.1
Pine nuts (shelled/unshelled)	January-December	1,779	3,651	105.2
Pecans (shelled/unshelled)	July-June	25,624	34,504	34.7

Source: Bureau of the Census, U.S. Department of Commerce.



Links to Special Articles and Tables

Special Articles

The following links are for new and recent articles released on subjects directly related to the fruit and tree nuts industry. These articles are in Adobe Acrobat format.

1. *Demographic Profile of Apple Consumption in the United States*

<http://www.ers.usda.gov/publications/fts/Sep01/AppleCons.pdf>

U.S. per capita consumption of apples has risen over the past three decades, with consumption of processed apple products exceeding consumption of fresh apples in the last 20 years. Using data from the U.S. Department of Agriculture's 1994-96, and 1998 Continuing Survey of Food Intakes by Individuals, this article examines the distribution of fresh and processed apple consumption in the United States. Apple consumption was analyzed based on food source, region of the country, urbanization, racial or ethnic make-up, income class, age, and gender.

2. *Competitive Behavior in Orange Juice Markets*

<http://www.ers.usda.gov/publications/fts/Sep01/OrangeJuice.pdf>

This article examines how the movement towards a larger more consolidated orange juice marketing system affects market prices. Retail prices for specific orange juice products in 54 U.S. markets over a 1-year period were examined. The data provided little compelling evidence that markets further advanced in the consolidation process engaged in non-competitive pricing behavior. However, increased brand competition does appear to lower average market prices.

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Data Tables

The following links provide the tabular data on fruits associated with this issue of the Fruit and Tree Nuts Outlook. You may choose links for Adobe Acrobat table compilations or the original Excel 97 workbook (spreadsheet) tables.

Compilations:

1. **Grape production and season-average price** PDF file:

<http://www.ers.usda.gov/publications/fts/Sep01/GrapeProd.pdf>

<http://www.ers.usda.gov/publications/fts/Sep01/GrapeProd.xls>

2. **Peach production and season-average price** PDF file:

<http://www.ers.usda.gov/publications/fts/Sep01/PeachProd.pdf>

<http://www.ers.usda.gov/publications/fts/Sep01/PeachProd.xls>

3. **Plum and prune production and season-average price** PDF file:

<http://www.ers.usda.gov/publications/fts/Sep01/PlumProd.pdf>

<http://www.ers.usda.gov/publications/fts/Sep01/PlumProd.xls>

4. **Apricot production and season-average price** PDF file:

<http://www.ers.usda.gov/publications/fts/Sep01/ApricotProd.pdf>

<http://www.ers.usda.gov/publications/fts/Sep01/ApricotProd.xls>

