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Fruit and Tree Nuts Outlook

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Total Citrus Production Slightly Down in 2011/12

The next release is June 28, 2012.

Approved by the World Agricultural Outlook Board.

Beginning in 2012, *Fruit and Tree Nuts Outlook* will consist of four issues released in March, June, September, and December. Market analysis and data coverage for melons is now included in *Fruit and Tree Nuts Outlook* and *Fruit and Tree Nuts Yearbook*. Market analysis of melons prior to 2012 can be found in historical *Vegetable and Melon Outlook* reports.

USDA's National Agricultural Statistics Service (NASS) released its March citrus production forecast for marketing year 2011/12 on March 9. Total U.S. citrus production is forecast at 11.6 million tons, down less than 1 percent from 2010/11 and less than 1 percent below the initial October citrus forecast. Production gains for oranges are offset by declines in grapefruit, lemon, and tangerine and mandarin production.

NASS forecasts California's 2011/12 all orange crop down 6 percent from last season to 2.3 million tons. This production decline is due to an 8-percent smaller navel crop of 1.8 million tons. California Valencia production is estimated upward to 560,000 tons. The smaller crop has not boosted prices substantially so far this season, but they have remained strong and should increase as supplies dwindle toward the end of the season.

Florida's 2011/12 orange crop is forecast at 6.6 million tons, up 5 percent from last season. It is comprised of 3.3 million tons of non-Valencia oranges and 3.3 million tons of Valencia oranges. With the larger production this year, a small increase in orange juice production is expected. Low beginning stocks, however, are driving overall supplies down, boosting prices for processing oranges to their highest 5 month average since 2006/07.

After a marginal increase in grapefruit production last year, the 2011/12 crop is forecast at 1.1 million tons, down 10 percent from last season and the lowest crop since 2004/05. The largest year-to-year production declines are coming from Texas and California. Sizes are small this season, resulting in lower overall fresh grapefruit grower prices, but processing grapefruit prices are performing well thus far.

The 2011/12 U.S. lemon crop is forecast at 808,000 tons, down 14 percent from last season. So far, the season-average grower price for fresh lemons is 3 percent below last season's despite lower production.

Price Outlook

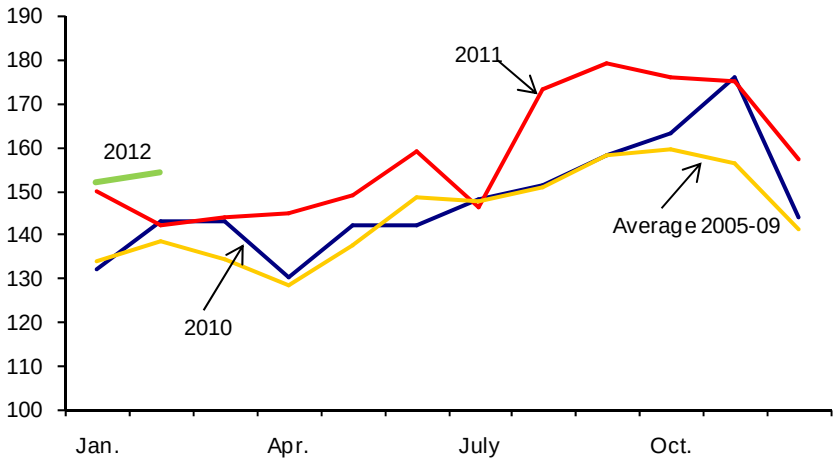
Fruit and Tree Nut Grower Prices Higher in Early 2012

The index of prices received by fruit and tree nut growers averaged 153 (1990-92=100) the first 2 months of 2012, 5 percent above the same period last year. This increase reflects higher price indexes in January (at 152 compared with 150 in January 2011) and February (at 154 relative to 142 in February 2011) (fig. 1). Driving up the index in both months were higher grower prices for oranges (fresh and processed, except fresh oranges in January), lemons, and fresh apples (table 1). Price declines for other major domestically produced fruit this winter, particularly pears, strawberries, and grapefruit, were not enough to offset these price gains.

Smaller crops of Washington apples as well as California oranges and lemons contributed to the grower price gains in early 2012. Meanwhile, larger supplies of pears, strawberries, and grapefruit are driving down prices for those fruit. Monthly grower prices for fresh apples in January and February 2012 continue to average above the same period a year ago as has been the case since August 2011—the starting month for the 2011/12 U.S. apple marketing season. Historically producing more than half of U.S. fresh-market apples, reduced production in Washington State has likely affected overall U.S. fresh apples supplies, creating upward price pressure this season as the market continues to face strong demand. With the season now more than halfway finished, supplies are waning, providing continued strength to grower prices.

Fresh orange prices in January 2012 averaged 10 percent below the same time the previous year but strong prices for processing-use oranges boosted the overall average price for the month to $7.09 per box—higher than the same period in the last 4 years. Although Florida expects to produce more oranges in 2011/12, short-term supply disruptions resulting from a short cold snap in January led to strong prices for the State's oranges which largely serve the juice processing sector. At the

Figure 1
Index of prices received by growers for fruit and tree nuts
1990-92=100



Source: USDA, National Agricultural Statistics Service, *Agricultural Prices*.

Table 1--Monthly fruit prices received by U.S. growers

Commodity	2011		2012		2011-12 change	
	January	February	January	February	January	February
	Dollars per box				*Percent*	
Citrus fruit: 1/						
Grapefruit, all	6.94	6.31	5.78	5.96	-16.7	-5.5
Grapefruit, fresh	10.49	9.20	7.88	7.87	-24.9	-14.5
Lemons, all	8.84	3.91	14.37	11.54	62.6	195.1
Lemons, fresh	14.80	12.46	21.35	18.41	44.3	47.8
Oranges, all	6.58	6.50	7.09	7.64	7.8	17.5
Oranges, fresh	11.94	9.52	10.83	10.37	-9.3	8.9
	Dollars per pound					
Noncitrus fruit:						
Apples, fresh 2/	0.300	0.280	0.354	0.354	18.0	26.4
Grapes, fresh 2/	--	--	0.340	--	--	--
Peaches, fresh 2/	--	--	--	--	--	--
Pears, fresh 2/	0.320	0.318	0.255	0.236	-20.2	-25.8
Strawberries, fresh	2.170	1.260	1.380	1.090	-36.4	-13.5

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: USDA, National Agricultural Statistics Service, *Agricultural Prices* .

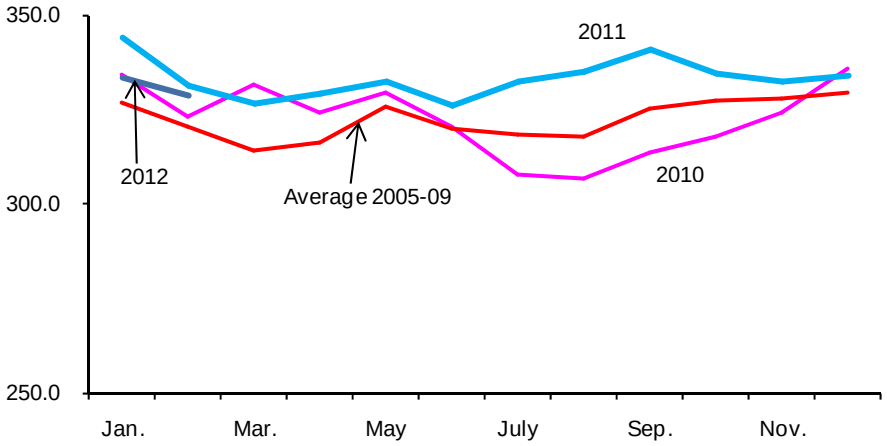
same time, USDA, Agricultural Marketing Service (AMS) data show California orange shipments almost 1 percent above the same period last year when their growers also experienced weather-related harvesting delays. California orange shipments in January ran slightly higher despite expected reduced production, driving down fresh orange prices. Smaller fruit size due to dry conditions during the growing season also likely contributed to the lower January fresh orange price compared with the previous year. Lower shipments in February relative to the same time last year drove fresh oranges prices higher. California oranges account for a majority of U.S. fresh-market oranges and therefore bear the most influence on the U.S. fresh orange price. Both color and rind quality of the California orange crop have benefitted from some cold days in January while rains during the month helped increase fruit size. Together, these two positive attributes have improved overall crop quality, boding well for prices for the remainder of the season.

With 2011/12 production down 7 percent from the previous season, California lemon shipments ran below year-ago levels in January and February, driving up fresh lemon prices for those months relative to the same time last year. As this season's supplies diminish and demand increases with the onset of warmer weather, lemon prices are likely to strengthen seasonally through the next few months.

Consumer Price Index for Fresh Fruit Drops During First 2 Months of 2012

The Consumer Price Index (CPI) for fresh fruit in January and February 2012 fell below the CPI reported for those same months in 2011, reversing the trend of higher CPI since April last year. The January CPI, at 333.1 (1982-84=100), was down 3 percent from the same time last year while the February CPI, at 328.3 (1982-84=100), was down almost 1 percent (fig. 2). Pulling down the CPI were lower retail prices in both those months for nearly all the fresh fruit in the Bureau of Labor Statistics commodity basket.

Figure 2
Consumer Price Index for fresh fruit
1982-84=100



Source: U.S. Department of Labor, Bureau of Labor Statistics, http://www.bls.gov/data/home.htm.

Strawberry retail prices are showing the largest declines from a year ago thus far (table 2). Retailers have had plenty of strawberries to promote this past winter given the larger supplies moving in the market thus far from Florida, California, and Mexico compared to last year. While Florida shipments already ended in March, those from Mexico are winding down. Harvest in California, meanwhile, is fully underway, bringing in heavy volume to retailers, likely holding strawberry prices below year-ago levels this spring.

Citrus fruit retail prices were down in early 2012 compared with the same time a year ago despite overall smaller domestic crops destined for fresh use. Navel orange retail prices were down 12 percent and 14 percent for January and February, respectively. After battling cold temperatures in December 2011, warmer weather this January advanced fruit growth, speeding up harvesting of the California navel orange crop. Heavy volume moving in the market from California, along with increased imports, contributed to the lower retail prices for navel oranges early this year. Prices are likely to strengthen this spring as California expects to finish shipping much sooner than previously anticipated.

While U.S. lemon production is down, domestic demand is being aided by increased imports thus far, primarily from Mexico. Likewise, increased grape supplies from Chile and other Southern Hemisphere suppliers such as Brazil, Peru, and Argentina in December 2011 provided ample supplies in the United States for retailers to promote through early 2012. Retail lemon prices fell 2 percent in February from the same time a year ago and Thompson seedless grape prices declined 4 percent. Meanwhile, large late-season pear supplies from the Pacific Northwest continue to hold their retail prices below year-ago levels.

Weather-related supply gaps in banana-producing regions last fall led to lower banana imports in the United States toward the end of last year. Even though imports picked up in January, retail banana prices during that month rose 1 percent to $0.60 per pound from the same time the previous year. Though prices remained

fairly unchanged from the $0.60 per pound average in January, February prices averaged 4 percent below the February 2011 average price despite AMS shipment data showing import supplies running tight that month.

Table 2--U.S. monthly retail prices, selected fruit, 2011-12

Commodity	Unit	2011		2012		2011-12 change	
		January	February	January	February	January	February
		--- *Dollars* ---		--- *Dollars* ---		--- *Percent* ---	
Fresh:							
Valencia oranges	Lb.	--	--	--	--	--	--
Navel oranges	Lb.	1.052	0.989	0.929	0.852	-11.7	-13.9
Grapefruit	Lb.	0.916	0.880	0.847	0.876	-7.5	-0.5
Lemons	Lb.	1.651	1.670	1.466	1.485	-11.2	-11.1
Red Delicious apples	Lb.	1.241	1.311	1.272	1.282	2.5	-2.2
Bananas	Lb.	0.596	0.625	0.604	0.603	1.3	-3.5
Peaches	Lb.	--	--	--	--	--	--
Anjou pears	Lb.	1.417	1.370	1.316	1.284	-7.1	-6.3
Strawberries 1/	12-oz. pint	3.003	2.417	2.225	2.041	-25.9	-15.6
Thompson seedless grapes	Lb.	3.002	2.393	2.648	2.294	-11.8	-4.1
Processed:							
Orange juice, concentrate 2/	16-fl. oz.	2.461	2.434	2.753	2.769	11.9	13.8
Wine	liter	7.972	11.230	8.469	11.222	6.2	-0.1

-- Insufficient marketing to establish price.
1/ Dry pint.
2/ Data converted from 12-fluid-ounce containers.
Source: U.S. Dept. of Labor, Bureau of Labor Statistics (http://www.bls.gov/data/home.htm).

U.S. Citrus Production Forecast Down Marginally From 2010/11

USDA's National Agricultural Statistics Service (NASS) released its March citrus production forecast for marketing year 2011/12 on March 9. The U.S. citrus crop is forecast at 11.6 million tons, 1 percent less than the previous season (table 3). NASS forecast the 2011/12 all orange crop at 9.0 million tons, a 2-percent increase from the previous season, with the largest year-to-year gains coming from Florida's Valencia, early-to-mid-season, and navel orange crops. Since the initial October *Crop Production* forecast of 8.99 million tons, all orange production has been revised upward, mainly due to changes in Florida's orange production. California's non-Valencia harvest is expected to be 8 percent lower than last season's crop while the Valencia harvest is up 4 percent. Texas navel orange production is forecast down 24 percent, due to combined effects of drought and last year's winter freeze, but Valencia production is up 27 percent. Grapefruit production in the United States is projected to be down 10 percent to 1.1 million tons, while tangerine/mandarin production is expected to decline 1 percent to 624,000 tons. The lemon harvest is forecast down 14 percent in 2011/12, with California production down 7 percent to 780,000 tons.

California's Navel Orange Crop Projected Down in 2011/12

California's navel orange utilized production forecast by the March USDA-NASS *Crop Production* report is 1.8 million tons for the 2011/12 season, down 8 percent from 2010/11. Despite the freezing temperatures experienced in December and January, production remains unchanged from the initial October 2011 forecast. After the freeze events, the February 13 USDA *California Crop Weather* report indicated minimal frost damage to navels. Growers had 25 nights of freeze-mitigation efforts in December, according to California Citrus Mutual. Coupled with the weather, dry winter conditions have affected fruit growth, limiting overall fruit size.

Fresh on-tree prices for California all oranges started this season with a November average price at $15.83 per 80-pound box, 3 percent above last year's price of $15.32 and higher than the 5-year November price average. Even though production is down this year, prices have been slowly moving downward since November due to seasonal increases in supply (table 4). As the season continues, fresh navel prices can be expected to remain strong as the weather-induced smaller crop begins to be felt across the country.

The overall average price for November 2011 through February 2012 was $12.51 per box, down from the 2010/11 average of $12.77. Adjusting for the change in box size in 2010/11, the current season's average price is 2 percent lower than last season year-to-date, and 9 percent below the 5-year average. Data from USDA's Agricultural Marketing Service (AMS) show reported California orange shipments this season through mid-March were 265,160 tons, 1 percent below last season's total shipments to date of 267,380 tons during same time period. The smaller overall size of the fruit has kept prices low this season, but an earlier finish to the harvest should strengthen end-of-season prices.

The *2011/12 California Valencia Orange Objective Measurement Report* from NASS' California Field Office was released earlier this month. In the report, bearing acreage continues to decline to 40,000 acres, from 41,000 acres the previous season. Since the 1999/2000 NASS California Field Office Valencia survey, acreage has declined from 71,000 acres to the current estimate of 40,000 acres. Compared to last season, average trees per acre remain steady at 124, with average set per tree at 611, down 3 percent. In contrast to the California navel crop, the average fruit diameter is 2.583 inches as of March 1, 2 percent larger than in 2010/11. The forecast harvest for Valencia oranges is 560,000 tons (equivalent to 28 million boxes), 4 percent above last season's harvest.

Table 3--Citrus: Utilized production, 2009/10, 2010/11 and forecast for 2011/12 1/

Crop and State	Utilized		Forecast for 2011/12	Utilized		Forecast for 2011/12
	2009/10	2010/11	as of 3-2012	2009/10	2010/11	as of 3-2012
	---- *1,000 boxes 2/* ----			----*1,000 tons* ----		
Oranges:						
Early/mid-season and navel:						
California	42,500	48,000	44,000	1,594	1,920	1,760
Florida 3/	68,600	70,300	74,000	3,087	3,164	3,330
Texas	1,360	1,700	1,292	58	72	55
Total 4/	112,460	120,000	119,292	4,739	5,156	5,145
Valencia:						
California	14,000	13,500	14,000	525	540	560
Florida	65,000	70,000	73,000	2,925	3,150	3,285
Texas	275	249	334	12	11	14
Total	79,275	83,749	87,334	3,462	3,701	3,859
All oranges	191,735	203,749	206,626	8,201	8,857	9,004
Grapefruit:						
California	4,200	4,100	3,300	141	164	132
Florida	20,300	19,750	18,700	863	840	795
Texas	5,600	6,300	4,977	224	252	199
All grapefruit	30,100	30,150	26,977	1,228	1,256	1,126
Tangerines and mandarins:						
Arizona	350	300	200	13	12	8
California	9,900	9,900	10,300	371	396	412
Florida	4,450	4,650	4,300	211	221	204
All tangerines and mandarins	14,700	14,850	14,800	595	629	624
Lemons:						
Arizona	2,200	2,500	700	84	100	28
California	20,500	21,000	19,500	779	840	780
All lemons	22,700	23,500	20,200	863	940	808
Tangelos						
Florida	900	1,150	1,150	41	52	52
All citrus	260,135	273,399	269,753	10,928	11,734	11,614

1/ The crop year begins with bloom of the first year shown and ends with completion of the harvest following year.
2/ Net pounds per box: oranges in California (CA)-80 (75 prior to the 2010-2011 crop year), Florida (FL)-90, Texas (TX)-85; grapefruit in CA-80 (67 prior to the 2010-11 crop year), FL-85, TX-80; lemons-80 (76 prior to the 2010-11 crop year); tangelos-90; tangerines and mandarins in AZ and CA-80 (75 prior to the 2010-11 crop year), FL-95.
3/ Includes Temples. 4/ Totals may not be equivalent to the sum of the categories due to rounding.
Source: USDA, National Agricultural Statistics Service, *Crop Production,* various issues.

Table 4--Fresh oranges: Average equivalent on-tree prices received by California growers, 2006/07-2011/12

Month	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
			---Dollars/box--- 1/			
November	9.49	15.27	14.91	17.76	15.32	15.83
December	12.39	10.98	12.07	13.06	13.75	12.93
January	12.39	9.48	14.17	11.56	12.35	10.93
February	24.68	8.28	12.74	10.86	9.65	10.33
March	22.71	8.40	11.58	10.85	8.87	
April	22.74	7.61	10.18	10.68	9.20	
May	21.98	9.28	11.37	13.34	10.63	
June	18.03	11.01	12.43	14.21	11.37	
July	16.83	7.72	10.51	12.60	9.85	
August	14.63	7.72	11.01	9.29	10.95	
September	12.83	10.22	--	9.29	11.25	
October	14.74	10.12	--	9.29	11.15	
Nov.-Feb. average	14.74	11.00	13.47	13.31	12.77	12.51

Source: USDA, National Agricultural Statistics Service, *Agricultural Prices,* various issues.
1/ 75-lb box prior to 2010/11; 80-lb box thereafter.

Total fresh orange exports from November through January 2011/12 were 148,866 short tons, a 9-percent decline from the same period in 2010/11 but 50 percent above 2009/10. However, based on the relationship between average year-to-date exports to season-totals, USDA's Economic Research Service (ERS) projects fresh orange exports will not match 2010/11's 827,929 tons. The current ERS forecast for fresh orange exports is about 650,000 tons. So far this season, Canada remains the top export market with 49,549 tons, but has received 10 percent less U.S. fresh oranges this season over last. For the same period, South Korea received 21,510 tons, followed by Japan with 19,036 tons.

Total fresh orange imports, November through January, were 9,182 tons, more than double the imports for the same period in 2010/11, and 61 percent above the five-year average. Typically, imports for the beginning of the season account for an average 6 percent of total annual imports. Mexico is the main supplier of fresh orange imports for 2011/12, with 5,463 tons, up more than double from last season. Rounding out the top three import suppliers are Chile, with 1,582 tons, and South Africa, with 1,534 tons. ERS forecasts fresh orange imports to reach 110,000 tons in 2011/12, down slightly from last season's marketing year total of 111,997 tons, but 10 percent higher than the 5-year average.

Florida's Orange Production Estimated Up 5 Percent From 2010/11

NASS forecast Florida's 2011/12 all orange crop at 6.6 million tons, up 5 percent from last season. The crop includes 3.3 million tons of early-to-mid-season and navel oranges, up 5 percent from last season, and 3.3 million tons of Valencias, up 4 percent. The non-Valencia crop forecast was increased from the February *Crop Production* forecast by 1 percent, but remained unchanged from the initial October forecast. According to the March issue of the USDA-NASS *Citrus Maturity Test Results and Fruit Size* report, 98 percent of the non-Valencia crop had been harvested while 16 percent of the Valencia crop had been harvested as of late February.

This season's crop was affected by a summer drought and a short cold snap that brought freezing temperatures to citrus growing regions in January. Growers, however, applied irrigation to lessen the effects of the drought and freeze protection to mitigate freeze damage. This season's crop is sweet with lower acid levels than last season, aided by both the water stress and the cold temperatures during the growing season. Cold temperatures also provided excellent fruit rind color. As of March, the drop rate is expected to be 7 percent for non-Valencia and 16 percent for Valencia oranges, the same average drop rate as last year.

Since most of Florida's orange production is used for processing, ERS forecasts that the 4 percent larger crop will result in increased orange juice production—up to 946 million gallons from last seasons' 914 million gallons, single-strength equivalent (sse). The overall higher U.S. orange production, the winter freezes (that often cause an increase of oranges sent to processing plants), a forecast decline in global production, climbing orange juice prices, and the concern about carbendazim contamination in imported orange juice were all a basis for this forecast. Along with increased production, the carbendazim contamination may decrease demand for imports this season. The U.S. bans the use of this fungicide on oranges. Starting in mid-January 2012, the U.S. Food and Drug Administration (FDA) requires that imports of all orange juice be tested for the carbendazim fungicide, potentially benefitting demand for domestically grown and processed orange juice. Over the past five seasons, imported orange juice represented an average 18 percent of total domestic supply. For further information on testing and imports, please visit the FDA's import standards website at: (http://www.fda.gov/Food/FoodSafety/Product-SpecificInformation/FruitsVegetablesJuices/ucm287783.htm).

Lower beginning stocks of orange juice have resulted in increased imports this season through January from the same period last season although import pace is expected to slow for the remainder of the marketing year due to testing for carbendazim on all imported orange juice (table 5). ERS forecasts imports in 2011/12 to total 300 million gallons, up 14 percent from 2010/11 but 12 percent below the 5-year average. Due to the lower beginning stocks, overall supply is projected at 1.7 billion gallons, down 4 percent from last season. Exports are projected down as more domestic production is consumed nationally amplified by the low beginning stocks, ultimately lowering total available supply for exports, as seen so far this season by reduced exports through January. Continuing the trend of reduced domestic use, domestic orange juice consumption is forecast at 1.1 billion gallons in 2011/12, down 6 percent from the previous season and 11 percent less than the 5-year average. As a result, per capita consumption is expected to average 3.34 gallons, 6 percent less than last season.

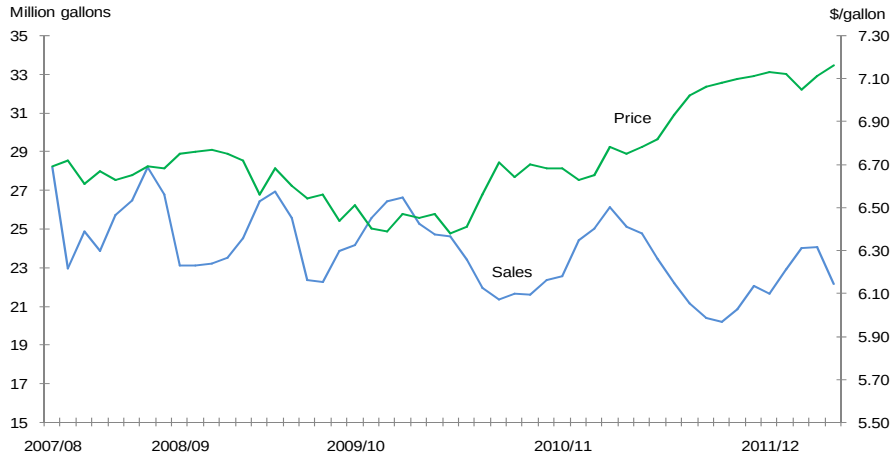
The projected reduction in domestic consumption is supported by Nielsen retail sales data reported by the Florida Department of Citrus (FDOC). The data indicate that total orange juice sales from October through mid-February this season are down 10 percent compared to the same time last season and prices are up 7 percent. For not-from-concentrate (NFC) orange juice, season-to-date retail sales declined 7 percent, with prices averaging 6 percent higher (from $6.70 per gallon in 2010/11 to $7.11 per gallon in 2011/12) (fig. 3). NFC retail sales volumes were lower each month this season compared to corresponding months in 2010/11. Prices have remained above $7.00 per gallon each month during the 2011/12 orange juice marketing year.

Table 5 --United States: Orange juice supply and utilization, 1986/87 to present

Season 1/	Beginning stocks	Production	Imports	Supply	Exports	Domestic consumption	Ending stocks	Per capita consumption
	----------			*Million sse gallons 2/*			----------	Gallons
1986/87	204	781	396	1,381	73	1,106	201	4.57
1987/88	201	907	296	1,404	90	1,103	212	4.52
1988/89	212	970	272	1,454	73	1,148	233	4.66
1989/90	233	652	350	1,235	90	920	225	3.70
1990/91	225	876	320	1,422	94	1,170	158	4.65
1991/92	158	930	286	1,374	107	1,096	170	4.30
1992/93	170	1,207	324	1,701	114	1,337	249	5.18
1993/94	249	1,133	405	1,787	107	1,320	360	5.04
1994/95	360	1,257	198	1,815	117	1,264	434	4.77
1995/96	434	1,271	261	1,967	119	1,431	417	5.34
1996/97	417	1,437	256	2,110	148	1,398	564	5.16
1997/98	564	1,555	281	2,400	150	1,571	679	5.73
1998/99	679	1,236	350	2,265	147	1,585	534	5.71
1999/2000	534	1,493	339	2,366	146	1,575	645	5.60
2000/01	645	1,389	258	2,292	123	1,471	698	5.18
2001/02	698	1,435	189	2,322	181	1,448	692	5.05
2002/03	692	1,250	291	2,233	103	1,426	705	4.93
2003/04	705	1,467	222	2,393	123	1,448	822	4.96
2004/05	822	974	358	2,153	119	1,411	623	4.79
2005/06	623	986	299	1,909	138	1,312	459	4.41
2006/07	459	889	399	1,747	123	1,248	376	4.15
2007/08	376	1,156	406	1,938	136	1,155	647	3.80
2008/09	647	1,060	317	2,025	125	1,206	594	3.93
2009/10	694	837	328	1,859	147	1,155	557	3.75
2010/11	557	914	263	1,734	214	1,112	407	3.57
2011/12 f/	407	962	300	1,670	145	1,050	475	3.34

f = forecast.
1/ Season begins in October of the first year shown as of 1998/99, prior-year season begins in December.
2/ SSE = single-strength equivalent.
Source: Prepared and calculated by USDA, Economic Research Service.

Figure 3
Monthly NFC retail sales and price, 2007/08-2011/12



NFC= Not from concentrate.
Source: Florida Department of Citrus, www.fdocgrower.com.

Grower prices for Florida's processing oranges averaged 15 percent higher for October through February over the same period last season, averaging $6.29 per box (table 6). The average price in November was $6.10 per 90-lb box, 29 percent above the 5-year November average price. After a slight dip in prices in December, grower prices have upward momentum through February. All monthly processed orange grower prices for 2011/12 are above last year's prices. The higher prices are due to lower beginning stocks which are pushing up processor demand even though the orange crop is slightly up this season.

Table 6--Processing oranges: Average equivalent on-tree prices received by Florida growers, 2006/07-2011/12

Month	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
			---Dollars/90-lb box---			
October	4.25	--	0.81	--	--	--
November	5.23	5.16	4.75	3.73	4.74	6.10
December	6.44	5.47	5.10	5.15	5.38	5.84
January	8.55	5.81	5.04	5.99	5.60	6.55
February	9.25	6.10	4.95	6.09	6.20	6.65
March	11.15	6.95	6.31	7.10	6.94	
April	11.45	7.32	6.63	7.90	7.25	
May	11.85	7.39	6.53	8.10	7.70	
June	12.15	7.17	6.87	8.00	8.50	
Oct.-Feb. average	6.74	5.64	4.13	5.24	5.48	6.29

-- = Not available.

Source: USDA, National Agricultural Statistics Service, *Agricultural Prices,* various issues.

Grapefruit Production Declines in 2011/12 after Marginal Increase

This season's grapefruit forecast is 1.1 million tons, down 10 percent from last season and 8 percent lower than in 2009/10. The 2010/11 grapefruit crop was originally forecast to decline, but ended the season totaling 1.3 million tons, a 2-percent increase from 2009/10, preventing four straight seasons of reduced production. This season's crop, if realized, is forecast to be the lowest since the 1.0 million tons produced in 2004/05. Florida's production is projected down 5 percent from 2010/11 at 795,000 tons. Drought conditions are expected to lower production in Texas by 21 percent while freeze conditions likely reduced the crop in California by 21 percent.

According to data from the Florida Citrus Administrative Committee (FCAC), fresh grapefruit utilization through mid-March was up 4 percent from last season, with the share of production going to fresh market at 40 percent, down from 50 percent last year. Though the crop is down 5 percent and fresh market demand remains virtually unchanged, prices have fallen compared to last season, partially due to smaller fruit size. Equivalent on-tree prices for fresh grapefruit received by growers have averaged $8.74 per box for the season through February, a decrease of 18 percent below last season (table 7). Excluding the October grower price, all months this season through February have been below last season's prices and below the 5-year average price, with November being the lowest received price at $7.78 per box.

Shipment data from the FDOC show total shipments of fresh grapefruit through late February, both domestic and export, up 8 percent compared to last year, but 4-week shipments through February 26 are down slightly from last year, representing the end of season wind down, as FCAC data show only 15 percent grapefruit left for harvest as of mid-March, compared to 32 percent remaining during the same period last year. Total international shipments are up 4 percent this year, with Canada up 2 percent and Japan up 6 percent for total fresh grapefruit shipments season-to-date, according to FDOC data.

Grapefruit utilization for processing was up 31 percent this season though mid-March relative to last year, according to FCAC data. Increased processed-grapefruit production can be partially attributed to the smaller sizes; this season 60 percent of the crop is forecast to go to processing, up from 50 percent the previous

Table 7--Fresh grapefruit: Average equivalent on-tree prices received by U.S. growers, 2005/06-2011/12

Month	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
	----------*Dollars per box 1/*----------					
October	15.15	13.16	11.96	19.80	8.08	12.06
November	12.41	14.01	8.18	13.95	14.80	7.78
December	11.89	11.16	7.89	12.33	10.98	8.13
January	9.95	9.35	7.08	13.56	10.49	7.88
February	8.27	8.26	7.44	12.63	9.20	7.87
March	7.77	7.66	8.00	11.35	9.60	
April	8.08	8.53	8.07	9.03	10.35	
May	10.54	9.44	7.00	7.50	10.44	
Oct.-Feb. average	11.53	11.19	8.51	14.45	10.71	8.74

1/ The net weight of a grapefruit box for Florida: 85 pounds, for Arizona and California: 80 lb (67 prior to the 2010-11 crop year), for Texas: 80 lb.
Source: USDA, National Agricultural Statistics Service, *Agricultural Prices,* various issues.

Table 8--Grapefruit juice: Supply and utilization 1991/92-2011/12

Year 1/	Supply					Utilization		
			Beginning		Ending		Consumption	
	Production	Imports	stocks	Total	stocks	Exports	Total	Per capita
	----------			*Million sse gallons*	*1/*----------			*Gallons*
1991/92	120	4	42	165	39	23	104	0.40
1992/93	186	2	39	227	70	22	134	0.52
1993/94	169	1	70	240	59	17	163	0.62
1994/95	191	1	59	251	72	22	157	0.59
1995/96	171	1	72	244	66	27	151	0.56
1996/97	192	0	66	258	86	21	151	0.55
1997/98	166	0	86	252	68	18	167	0.60
1998/99	171	1	68	240	54	24	161	0.58
1999/2000	203	5	54	263	82	33	148	0.52
2000/01	183	1	82	266	75	39	152	0.53
2001/02	179	0	75	255	84	36	135	0.47
2002/03	140	0	84	224	72	38	114	0.39
2003/04	147	0	72	219	65	42	111	0.38
2004/05	49	11	65	126	35	24	67	0.22
2005/06	81	6	35	122	42	19	61	0.21
2006/07	121	1	42	164	58	20	86	0.29
2007/08	109	0	58	167	60	16	92	0.30
2008/09	84	1	60	144	48	16	81	0.26
2009/10	77	1	48	125	45	13	68	0.22
2010/11	84	0	45	129	37	16	77	0.24
2011/12 f/	75	0	37	112	35	12	65	0.21

1/single-strength equivalent. f = forecast.
Source: Prepared by USDA, Economic Research Service.

two seasons. This winter's freezes also help explain greater processing utilization, as fruit is quickly harvested after a freeze to prevent further deterioration.

A larger percentage of grapefruit has been sent to processing so far this marketing year with only a small proportion left of unpicked fruit, but the decline in production has led to the ERS forecast of a slight decrease in grapefruit juice production to 75 million gallons by the end of the 2011/12 marketing year, down 10 percent from last season's 84 million gallons (table 8). With beginning stocks at its lowest level since 2005/06, total supplies this season are forecast at 112 million sse gallons. U.S. per capita use of grapefruit juice is forecast down 15 percent this

Table 9--Processing grapefruit: Average equivalent on-tree prices received by Florida growers, 2006/07-2011/12

Month	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
			---Dollars per 85-lb box---			
October	-0.97	-2.94	-1.27	-1.65	--	2.14
November	0.18	-0.24	0.13	0.48	2.53	3.40
December	0.95	-0.16	0.18	1.56	2.32	3.37
January	1.22	0.24	0.28	2.35	3.38	3.82
February	1.20	0.67	0.51	2.76	3.91	4.72
March	0.99	0.65	0.65	2.85	3.64	
April	0.77	0.56	0.77	1.73	3.63	
May	0.09	0.45	0.25	0.93	3.30	
Oct.-Feb. verage	0.52	-0.49	-0.03	1.10	3.04	3.49

-- = Not available.

Source: USDA, National Agricultural Statistics Service, *Agricultural Prices,* various issues.

season, partially attributed to lower overall domestic supplies. FDOC retail sales report show total grapefruit juice sales volume down 5 percent this marketing year through mid-February.

Florida's processing grapefruit grower prices for this season have been increasing each month, reaching a high of $4.72 per 85-lb box in February (table 9). Prices have averaged $3.49 season-to-date, 15 percent higher than in 2010/11 through the same period. February's price was 21 percent higher in 2011/12 than the previous season. As harvest winds down, demand for processing grapefruits should rise, likely continuing the upward pressure on prices in March. The higher prices may affect consumer demand for grapefruit juice as higher grower prices typically lead to higher retail prices.

Lemon Crop Down Significantly From Weather-Induced Losses

The 2011/12 U.S. lemon crop is forecast at 808,000 tons, down 14 percent from last season, but above the 2007/08 freeze-damaged harvest of 619,000 tons. California's harvest is down 7 percent to 780,000 tons while Arizona's is down 72 percent to 28,000 tons. A freeze last winter caused extensive damage to lemon groves resulting in significant crop loss in Arizona. Dry conditions in California are causing concern for some growers, as low snow pack exacerbates water concerns. Lemon harvest is underway in the San Joaquin Valley and desert region.

Fresh lemon exports are 45,800 tons from August 2011 through January 2012, down 14 percent compared to the same time last season. Japan remains the top export market for U.S. lemons, receiving 17,947 tons to date, down 6 percent through January of last season. Canada and Australia round out the top three export markets but volumes to both markets are down compared to previous years. The lower domestic crop is pushing up 2011/12 imports, which are 27 percent higher than 2010/11 and 25 percent above the 5-year average for shipments August through January. Mexican lemons are supplementing domestic supply, with 29,265 tons from August through January, followed by Chile with 19,144 tons. Both show increased shipments to the United States over last season, with Chile's increase being almost double.

Table 10--Fresh lemons: Average equivalent on-tree prices received by U.S. growers, 2006/07-2011/12

Month	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
			--Dollars per box 1/--			
August	27.01	43.40	35.58	24.26	26.93	25.09
September	31.37	46.10	29.81	27.06	26.23	22.59
October	34.03	47.98	20.15	24.77	25.23	19.57
November	26.55	48.00	17.85	25.37	26.01	19.03
December	18.31	42.66	14.06	22.41	18.78	19.85
January	16.24	45.50	14.24	22.43	14.80	21.35
February	37.31	47.10	11.27	22.27	12.46	18.41
March	37.71	45.90	8.85	21.26	12.87	
April	36.71	43.20	8.68	22.86	14.83	
May	36.11	44.40	11.48	23.36	16.13	
June	38.21	45.90	17.38	23.86	17.93	
July	40.91	43.00	22.78	24.96	22.43	
Aug.-Feb. average	27.26	45.82	20.42	24.08	21.49	20.84

1/ Beginning in 2010/11, boxes are 80 lbs. Prior to 2010/11, box size was 76 lbs.

Source: USDA, National Agricultural Statistics Service, *Agricultural Prices,* various issues.

Fresh lemon grower prices have averaged $20.84 per 80-lb box this season through February, ranging from a high of $25.09 in August to a low of $19.03 in November (table 10). So far, the season average price is 3 percent below last season's average of $21.49 per 80-lb box. Even with the expected lower supply, prices have declined through November but have regained ground since December as supplies decline seasonally from southern California and Arizona production areas. Current lemon shipments are at 12,520 tons through mid-March, down 3 percent from last season-to-date.

Tangerine and Mandarin Production Forecast Slightly Down in 2011/12

U.S. production of tangerines and mandarins is forecast down less than 1 percent to 624,000 tons in 2011/12 from last season, with production declines from Arizona and Florida offsetting California's increase in production. Arizona's production is down 33 percent this season but it is not as large a producer as California or Florida. Florida's production is down 8 percent, due mainly to freeze damage and declining acreage. California continues to be the leading mandarin producer with a 4-percent larger crop this season. At 412,000 tons, if realized, California's 2011/12 crop would be the largest harvest on record.

Average grower prices per box have averaged $21.00 per box, down 3 percent from the same time last year (table 11). Prices peaked in December at $27.88 per box from a low in October of $12.50 per box. Harvest of Florida's early tangerine varieties has ended for the season, while row count indications from the Florida NASS *Citrus Forecast Maturity Test Results and Fruit Size* reveal that close to 80 percent of Honey tangerines have been harvested. California tangerines/mandarins continue to be harvested and exported as of mid-March.

Table 11--Fresh tangerines and mandarins: Average equivalent on-tree prices received by U.S. growers, 2005/06-2010/11

Month	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
			--Dollars per box 1/--			
October	16.67	15.65	17.48	14.00	12.05	12.50
November	21.69	23.88	22.24	26.31	34.53	22.69
December	21.77	21.21	15.19	25.05	30.29	27.88
January	19.58	21.18	18.46	19.43	21.30	20.42
February	18.29	19.52	23.76	11.22	18.42	21.52
March	17.58	20.39	18.96	16.40	15.95	
April	21.02	17.45	--	18.55	18.68	
May	20.50	6.65	--	--	--	
Oct.-Feb. average	19.60	20.29	19.43	19.20	21.60	21.00

1/ The net weight of a tangerine box for Florida: 95 lbs, for Arizona and California: 80 lbs (75 prior to the 2010-11 crop year).
Source: USDA, National Agricultural Statistics Service, Agricultural Prices, various issues.

Larger Supplies Weaken Strawberry Prices

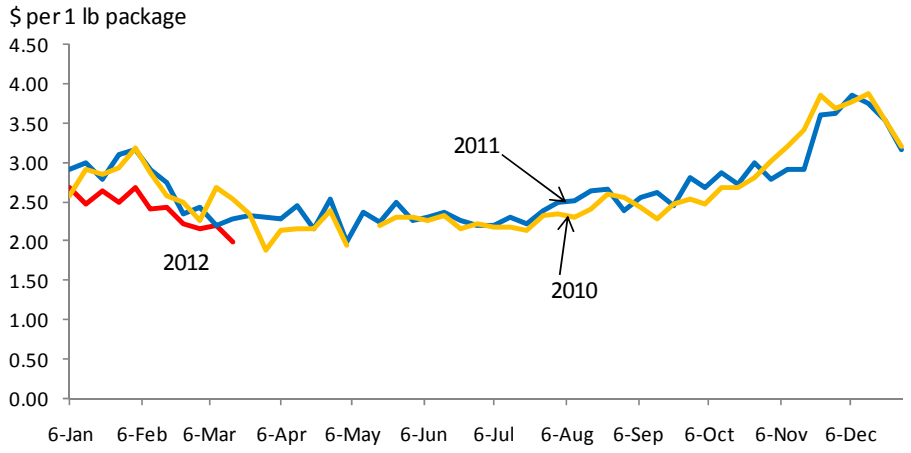
Despite some rains and freezing temperatures this winter, strawberry supplies in Florida and California surpassed those from last year's winter volume and plentiful early-spring supplies continue to put downward pressure on prices. Moreover, favorable growing weather in Mexico has aided their strawberry crop, resulting in increased shipment volumes to the U.S. market so far this season and also contributing to the downward push on prices.

Overall, mild temperatures during the growing season, along with increased acreage, pushed early-season Florida volume up. Freezing temperatures in early January did not have any significant impact on the State's 2012 strawberry crop, with some in the industry suggesting the cold weather even helped with enhancing the quality of the crop. This year's Florida shipments through mid-March are up more than 30 percent in volume from the same time last year but were winding down for the season. In California, shipment volumes as of early March are starting to pick up. Increased fall planted acreage has contributed to the larger supplies out of this production region so far.

With larger overall domestic supplies, 2012 strawberry prices are averaging lower than year-ago levels. U.S. fresh strawberry grower prices declined 36 percent in January to $1.38 per pound relative to the January 2011 price, and in February, down 13 percent to $1.09. Prices at the retail level during these two months also averaged lower as reported by the U.S. Department of Labor's Bureau of Labor Statistics (BLS)—down from $3.00 per 12-oz. dry pint in January 2011 to $2.23 in January 2012 and from $2.42 to $2.04 in February. In comparison, strawberry retail advertised prices tracked by AMS also show the same movement (fig. 4). So far in March, these retail advertised prices continue lower than last year and down from the previous month. In the next few months, prices are likely to continue to weaken as production in California rises to seasonal highs over the spring.

Prior to 2012, the January issue of the NASS *Vegetables* report provided strawberry area forecast for California, Florida, and Oregon. Due to budget constraints, NASS will be releasing only one in-season *Vegetables* report for this year on September 6. The Florida Strawberry Growers Association indicated that the State's 2012

Figure 4
U.S. retail advertised prices for strawberries lower



Source: USDA, Agricultural Marketing Service, *National Fruit and Vegetable Retail Report,* http://www.ams.usda.gov/mnreports/fvwretail.pdf

strawberry acreage is expected to increase 16 percent from the over 9,000 acres planted a year ago. Planted acreage in California is also expected to increase in 2012. The California Strawberry Commission's *2012 Acreage Survey* reports nearly a 3-percent increase in the State's strawberry acreage from a year ago. While acreage planted in the fall (referring to fall 2011 which produces for winter, spring, and summer 2012) will account for 90 percent of total acreage, growth is more moderate (up 2 percent) than the expected increase in summer planted acreage (up 8 percent). On the basis of these expected acreage growth rates and last year's NASS acreage data, strawberry area in California in 2012 is projected at 39,000 acres and in Florida at 11,500 acres. Over the past three years, these top two strawberry-producing States together accounted for over 80 percent of total strawberry acreage in the United States.

With the anticipated increases in acreage in California and Florida and the assumption of average yields per acre unchanged from last year, ERS projects U.S. strawberry production will be up 4 percent from a year ago in 2012, reaching around 3.0 billion pounds. If realized, this year's production will be the highest on record. Production in California and Florida will both be up—projected to increase 3 percent and 16 percent, respectively, from a year ago, meaning there would be plenty to move in a market facing ever-growing demand for the fruit.

Although growth in domestic fresh strawberry per capita use has slowed over time, the trend in per capita use remains upward, with estimates in the last 3 years (2009-11) averaging 7.2 pounds, four times more than the average in the 1970s, more than double those in the 1980s, and nearly double those in the 1990s (table 12). Fresh per capita use has achieved record levels each year since 2002 reaching 7.3 pounds in 2011, 2 percent above the previous peak in 2010. Increased availability and lower prices helped boost demand last year. These same supply-price conditions are anticipated to apply throughout most of this year, aiding domestic and export demand.

Table 12--Fresh strawberries: Supply and utilization in the United States, 1980 to 2011 1/

Year	Supply			Utilization		
					Consumption	
	Utilized production	Imports	Total supply	Exports	Total	Per capita
			-- Million pounds --			*Pounds*
1980	482.1	12.7	494.8	47.1	447.7	1.97
1981	537.5	6.7	544.2	44.4	499.8	2.17
1982	589.6	4.5	594.1	44.0	550.1	2.37
1983	585.4	5.1	590.5	46.4	544.1	2.32
1984	748.2	8.8	757.0	56.3	700.7	2.96
1985	754.1	9.6	763.7	51.5	712.2	2.99
1986	734.8	13.0	747.8	51.5	696.3	2.89
1987	780.4	33.2	813.6	57.1	756.5	3.12
1988	855.5	39.4	894.9	78.0	816.9	3.33
1989	861.6	36.0	897.6	93.0	804.7	3.25
1990	863.6	32.2	895.8	85.7	810.1	3.24
1991	968.2	31.5	999.7	95.2	904.4	3.57
1992	999.7	23.8	1,023.5	102.3	921.2	3.59
1993	1,010.8	31.4	1,042.2	102.1	940.1	3.62
1994	1,147.7	43.7	1,191.4	126.4	1,065.0	4.05
1995	1,145.6	58.8	1,204.4	111.4	1,093.1	4.10
1996	1,212.6	67.3	1,279.9	116.0	1,163.9	4.32
1997	1,201.8	31.9	1,233.7	115.8	1,117.9	4.10
1998	1,132.2	58.1	1,190.3	109.3	1,081.1	3.92
1999	1,305.2	94.8	1,400.0	124.3	1,275.7	4.57
2000	1,433.3	76.2	1,509.5	136.5	1,373.0	4.86
2001	1,259.7	70.7	1,330.4	128.1	1,202.3	4.21
2002	1,406.3	89.9	1,496.2	156.9	1,339.3	4.65
2003	1,642.4	90.3	1,732.7	194.8	1,537.9	5.29
2004	1,694.4	94.4	1,788.8	182.6	1,606.3	5.48
2005	1,811.0	122.7	1,933.7	207.6	1,726.1	5.83
2006	1,910.9	153.4	2,064.3	229.1	1,835.2	6.14
2007	1,973.3	157.7	2,131.0	240.3	1,890.7	6.27
2008	2,091.1	143.0	2,234.1	269.2	1,964.9	6.45
2009	2,288.0	187.2	2,475.2	271.8	2,203.3	7.17
2010	2,320.8	198.3	2,519.1	279.8	2,239.4	7.22
2011	2,333.9	243.5	2,577.4	279.4	2,298.0	7.34

1/ Preliminary.
Source: USDA, Economic Research Service calculations.

Domestic fresh strawberry production in 2011 was up by a fraction from the previous year at 2.33 billion pounds. Florida's record-large crop in 2011 more than compensated for a fractionally-reduced California crop, while a few other strawberry-producing States also registered production increases. Moreover, U.S. fresh strawberry imports (almost entirely from Mexico) were at an all-time high in 2011, totaling 244 million pounds, up 23 percent over the previous year's record volume. Together, increased domestic production and the rise in imports drove overall fresh strawberry supplies in the United States up 2 percent above the previous year in 2011. Although fresh strawberry grower prices in 2011 averaged 4-percent higher than in 2010 (mostly due to the higher average grower price in California), ample supplies, both from domestic and import sources, translated to lower prices for consumers. The U.S. average retail price for fresh strawberries was $2.08 in 2011, compared with $2.19 in 2010.

U.S. fresh strawberry export volume remained relatively unchanged last year from the year before. Despite the lack of growth in export volume, international demand for U.S. fresh strawberries also remained strong in 2011. After yearly increases since 2004, volume remained relatively flat from the 2010 record-high of 279.8 million pounds and amounted to $359.8 million—the highest on record by far. Shipment volumes rose to two of the industry's largest export markets, Canada (up 1 percent from 2010) and Mexico (up 11 percent). Along with these increases, strong exports to the United Kingdom and to a number of markets in the Caribbean also aided overall export growth in 2011, offsetting declines to major markets in the Far East—Japan and Hong Kong.

Table 13--Frozen strawberries: Supply and utilization in the United States, 1980 to 2011 1/

Year	Industry pack 2/	Imports	Beginning stocks	Total supply	Ending stocks 3/	Exports	Consumption	
							Total	Per capita Product weight
	Million pounds							Pounds
1980	253.1	83.5	132.5	469.1	151.9	4.4	312.8	1.37
1981	210.6	60.1	151.9	422.6	115.2	6.6	300.8	1.31
1982	272.7	34.9	115.2	422.8	139.9	7.1	275.8	1.19
1983	292.7	42.6	139.9	475.2	176.6	5.9	292.7	1.25
1984	231.4	50.9	176.6	458.9	166.0	8.0	284.9	1.21
1985	229.2	59.7	166.0	454.9	167.1	6.6	281.2	1.18
1986	237.6	52.5	167.1	457.2	146.6	8.5	302.1	1.26
1987	334.4	75.3	146.6	556.3	236.0	10.8	309.5	1.27
1988	274.6	64.3	236.0	574.9	235.2	17.8	321.9	1.31
1989	238.2	55.0	235.2	528.4	167.2	20.5	340.7	1.38
1990	305.9	72.1	167.2	545.2	198.3	32.8	314.1	1.26
1991	330.2	70.5	198.3	599.1	219.9	26.1	353.1	1.39
1992	268.5	58.2	219.9	546.6	173.8	30.0	342.8	1.34
1993	365.7	54.5	173.8	594.0	214.1	40.4	339.5	1.31
1994	369.0	55.2	214.1	638.3	244.7	63.1	330.4	1.26
1995	371.1	73.5	244.7	689.4	255.1	53.1	381.2	1.43
1996	330.1	56.9	255.1	642.1	212.0	46.9	383.2	1.42
1997	328.2	61.0	212.0	601.1	220.5	47.3	333.3	1.22
1998	373.8	54.2	220.5	648.6	201.4	59.6	387.6	1.40
1999	419.8	89.8	201.4	711.0	277.7	55.6	377.7	1.35
2000	439.7	78.0	277.7	795.4	310.5	42.8	442.2	1.57
2001	422.4	76.0	310.5	808.8	243.7	42.9	522.2	1.83
2002	415.9	112.7	243.7	772.2	263.7	45.4	463.1	1.61
2003	429.1	120.1	263.7	812.9	247.2	22.9	542.8	1.87
2004	433.6	125.7	247.2	806.4	293.6	22.0	490.9	1.67
2005	416.5	161.6	293.6	871.7	218.8	22.2	630.7	2.13
2006	458.5	181.5	218.8	858.8	202.5	28.1	628.2	2.10
2007	502.2	182.2	202.5	886.8	280.2	32.0	574.6	1.90
2008	424.9	173.8	280.2	878.9	235.2	35.0	608.6	2.00
2009	482.4	170.3	235.2	887.9	322.5	32.1	533.4	1.74
2010	459.0	188.0	322.5	969.5	263.1	34.2	672.1	2.17
2011 3/	458.3	193.1	263.1	914.6	291.7	45.1	577.8	1.85

1/ Preliminary.
2/ After 2002, estimates from the Processing Strawberry Advisory Board of California. Previous estimates from the American Frozen Food Institute. 2/ Stock data from USDA, National Agricultural Statistics Service, *Cold Storage Summary.*
Source: USDA, Economic Research Service calculations.

U.S. strawberry imports from Mexico were at a record high in 2011 at 242.8 million pounds, nearly the entire volume imported that year. Only a small fraction originated from other sources such as Canada, Argentina, and Peru. Mexico supplies the U.S. strawberry market almost year round but ships heavily during the winter months. U.S. Census Bureau trade data indicate that in January 2011, U.S. fresh strawberry imports were up 48 percent in volume from the same period last year and higher than any January volume in the past decade. More recent import data from the U.S. Census Bureau was not yet available at the time this report was released but AMS weekly shipment data show volumes from Mexico this season through mid-March were up 34 percent over the same period last year.

Despite higher imports, overall domestic supplies of frozen strawberries in 2011 declined moderately from the year before due to lower beginning stocks and relatively flat industry packed volume during the season (table 13). The decline in beginning stocks more than offset the 3-percent increase in frozen strawberry imports. Last year started off with frozen strawberry stocks at 263.2 million pounds, down substantially from the record carry-over of 322.5 million pounds in 2010, based on NASS cold storage data. The Processing Strawberry Advisory Board of California reported total U.S. frozen strawberry pack in 2011 at 458.3 million pounds, only fractionally below the previous year. With reduced overall supplies, the average price U.S. growers received for processing-use strawberries increased 19 percent from a year ago in 2011 to $0.35 per pound. End-of-year frozen strawberry stocks climbed to 291.7 million pounds, up 11 percent from 2010 ending stocks and 16 percent higher than the previous 5-year average. Slowed movement in the domestic market was partly offset by stronger exports, with

volume up to an 8-year high at 45.1 million pounds, valued at $35.5 million, the highest since 1995. Exports account for less than 5 percent of total frozen strawberry supplies in the United States. Shipment volumes to top export markets—Canada, Japan, and Mexico—posted increases in 2011, along with fairly substantial growths to Taiwan and Singapore and smaller markets in the Middle East and Latin America.

Bountiful Avocado Supplies to Soften Prices

With last season's below-average avocado crop in California already behind us, Hass avocado prices in the United States continue strong but are returning to more normal levels entering 2012 despite continued higher imports from Mexico—the source for a majority of domestic supplies early in the year. Free-on-board (f.o.b.) shipping-point prices for Mexican avocados crossing through Texas averaged $31-$33 per 2-layer carton (size 32s and 36s) in January and February, compared with $32-$34 the same time a year ago and $22-$24 the same time in 2010. Though available in limited volume in March, increased new crop supplies from California relative to a year ago, combined with increased supplies from Mexico, drove down prices during the month. March f.o.b. prices averaged $30-$31 through the second week, compared with $43-$44 the same time last year. This 2011/12 marketing season is an "on year" in the alternate-bearing nature of the California avocado crop, meaning that after the small crop in 2010/11, production is making a comeback. Also contributing to the downward pressure on avocado prices this season are higher imports from Chile (relative to last season) even though weather-problems may have again led to a reduced avocado crop in the country. U.S. avocado imports from Chile are already winding down this season.

The California Avocado Commission indicated production for the 2011/12 season will be over 30 percent bigger than last season. On the basis of this expected growth rate and NASS's 2010/11 production estimate, the Economic Research Service projects production in California for this season at around 200,000 tons (or 400 million pounds), relatively above average of the past 10 years (not including 2005/06 and 2009/10). Last season's "off year" crop declined as much as 54 percent from the 2009/10 bumper harvest, reaching only 126,500 tons (equal to 253 million pounds)—relatively smaller than the average crop size this past decade, excluding the huge harvest of the previous year and the record crop in 2005/06. New crop supplies from California are expected to reach promotable volumes beginning in April with plenty to move throughout the spring and summer.

In Mexico, favorable weather throughout the growing season, continuous implementation of phytosanitary pest control programs, and an "on year" for production all contributed to boosting the country's avocado production in 2011/12. USDA's Foreign Agricultural Service (FAS) forecast Mexico's 2011/12 production to increase to a record 1.25 million metric tons (2.76 billion pounds), up 13 percent from 2010/11. Barring any weather problems, production potential is likely to grow in the coming years as favorable demand in both domestic and international markets have encouraged avocado growers in Mexico to continue to expand production area. Most of Mexico's production is destined for the domestic market but attractive pricing in international markets and full-year access to the U.S. market have driven the growth in exports. Lower production in 2010/11, partly due to rains and freezing temperatures in Mexico's Michoacan growing region, led to a 20-percent

decline in the country's overall fresh avocado exports relative to the previous season, according to FAS. However, even with this decline in overall exports, Mexico's exports to the United States in 2010/11 increased 5 percent in volume from the previous season, prompted by the strong prices and supply gaps in the U.S. market due to limited supplies from California and Chile.

Cold and freezing weather, in addition to the alternate-bearing effect on trees, contributed to a smaller avocado crop in Chile last season (July 2010-June 2011). Total exports from Chile fell accordingly, particularly to their main market the United States. According to FAS, both production and exports are expected to decline further in 2011/12, influenced mostly by adverse weather conditions, including a severe drought, and again an "off year" in some production areas. U.S. Census Bureau data, however, show U.S. avocado imports from Chile in 2011/12 through January up 35 percent in volume from the same period in 2010/11, most likely influenced by the strong U.S. prices.

Larger supplies from California, Mexico, and Chile mean demand for avocados in the United States will be met with plentiful supplies during this 2011/12 marketing season. Due to increased supplies, U.S. consumers are seeing lower prices this year through March. Averaging at slightly over $1 each from January through March, prices were down from the same time a year ago by 4 percent in January, 9 percent in February, and 12 percent in March, based on AMS retail advertised price data.

Domestic avocado demand continues to grow, with per capita use at nearly 4.0 pounds per person, on average, over the past three years (2008/09-2010/11), 66 percent higher than the 2000/01-2002/03 average and more than double the average during the 1990s. In the last 5 years, especially in the advent of Mexico gaining year-round, full access to the U.S. avocado market, the United States has become a net importer of avocados, with imports averaging over 70 percent of net avocado supplies available for domestic consumption. Losing market share to Mexico in the United States, imports from Chile now account for less than 20 percent of total import volume while Mexico is responsible for more than 75 percent. Other avocado sources for the United States include the Dominican Republic, Peru, and New Zealand. Imports from Peru increased significantly in 2011 (calendar year) from the previous year, encouraged not just by the strong market in the United States, but also by the recent relaxation of U.S. import requirements for Peruvian Hass avocados which now can enter the U.S. market without cold treatment or fumigation. The lifting of these import protocols could further Peru's avocado exports to the United States in the coming years, increasing competition in this market, especially with Chile.

On the export side, the expected production gains in California should help promote U.S. avocado exports in 2011/12, especially as the domestic market continues to receive increased imports. More than likely, exports will advance from the 16 million pounds the United States exported in 2010/11. However, whether or not this season's exports surpass the near-record high of 41 million pounds in 2009/10 when the California crop was huge remains to be seen. With the short crop in 2010/11, export volume declined 60 percent from the near-record high in 2009/10 (exports of 51 million pounds in 1980/81 were at an all-time high). Exports declined to most international destinations, including top U.S. avocado export markets Canada and Japan which took over 90 percent of total export volume.

Melon Per Capita Use Down in 2011

In 2011, estimated domestic disappearance (also known as net domestic use, which is a proxy for consumption) of melons totaled 7.9 billion pounds, down 4 percent from a year earlier. With annual population growth at less than 1 percent last year, this disappearance estimate translates to 25.2 pounds per person, down from 26.6 pounds in 2010 and the lowest by far since the estimate of 24.9 pounds in 1993. Combined per capita use for the three major melon crops produced in the United States—watermelon, cantaloupe, and honeydew—totaled 24.9 pounds in 2011 (table 14). Although imports continued to trend upwards, overall domestic production of melons in 2011 (down by 5 percent from the previous year) declined to a 17-year low and exports took most of the gain in production.

All major melon crops in the United States experienced reduced production in 2011, consequently contributing to lower per capita use, except for cantaloupes which held relatively unchanged from the previous year due to higher imports. Acreage declines (both planted and harvested) across all three melon crops last year outpaced increases in their respective average yields, driving down production. Domestic disappearance includes both domestically produced melons and net imports. Lack of data, however, precludes this measure to account for the domestic production of miscellaneous melons such as Crenshaw (muskmelon).

Watermelons: Total U.S. watermelon supply (domestic production plus imports) and domestic disappearance (total supply minus exports) declined in 2011 following record highs the previous year. Production fell 7 percent from 2010 to 3.9 million pounds, more than offsetting the 6-percent gain in imports. In addition, strong exports in 2011 pulled away more supplies from the domestic market, pushing domestic disappearance down 5 percent from the previous year and per capita use down 6 percent to 14.7 pounds, moderately down from the previous 5-year average. Per capita use in 2010, at 15.7 pounds, was the highest in the last 13 years while previous peaks occurred in 1996 (16.6 pounds) and 1955 (20.7 pounds). U.S. watermelon exports, which have been mostly increasing overtime, rose to a 5-year high in 2011 to 342.9 million pounds, up almost 16 percent from the prior year and the third highest on record. Sharp export gains to Japan—the industry's second biggest international market—far exceeded export gains to Canada—the leading export market. Though minute in share of total exports, U.S. shipment volumes also rose to other foreign markets, mostly in the Caribbean.

Table 14--U.S. melon crops: Per capita disappearance (net domestic use) 1/

Item	Average 2003-07	2008	2009	2010	2011	2012 f
	Pounds/person					
Cantaloupe	9.8	8.9	9.1	8.7	8.7	8.6
Honeydew	2.0	1.7	1.6	1.6	1.5	1.5
Watermelon	13.9	15.6	14.9	15.7	14.7	14.8
Top three melons	25.7	26.1	25.6	26.0	24.9	24.9

f = ERS forecast. 1/ Disappearance is a proxy estimate for calendar year consumption.
Source: Estimates developed by USDA, Economic Research Service.

Cantaloupe: Despite last summer's *Listeria* outbreak traced to contaminated cantaloupes from a farm in Colorado, domestic disappearance of cantaloupe in 2011 increased 1 percent from the previous year to 2.7 billion pounds. With the slight growth in population, per capita use remained unchanged from the estimated 8.7 pounds in 2010—still around 10 percent lower than the past 15-year average. Although average yields per acre were generally higher in most cantaloupe-producing States in 2011, overall harvested area was smaller by 5 percent, driving down production. Production was down in six of the nine States included in NASS's annual survey enumeration for cantaloupe, including top-producing States California, Arizona, and Georgia. Domestic production in 2011 declined 2 percent from the previous year to 1.88 million pounds but imports grew 9 percent, keeping net supplies for domestic use up slightly even as exports were at an all-time high. More than one-third of domestic disappearance is supplied by imports, a majority from Guatemala and Honduras. Imports in 2011 from both countries posted significant gains from the previous year. At the same time, exports continued to climb for the fifth consecutive year, increasing to a record 201.9 million pounds. A moderate increase to Canada was accompanied by much higher gains to Mexico and minor markets such as the Bahamas, United Arab Emirates, and Singapore.

Honeydew: Decreased imports of honeydew melons (down around 1 percent) combined with lower domestic production (down 11 percent) and higher exports (up 2 percent), resulted in a 9-percent decline in domestic disappearance. Per capita use of honeydew melons has been trending down since the record-high 2.5 pounds in 1989, declining to 2.3 pounds in 2000 and further to 1.5 pounds in 2011.

All melons: Given year-round melon demand in the United States and the absence of domestic production during the winter, imports both complement and compete with domestic production. U.S. melon imports continue to trend upward. In 2011, the import share of domestic disappearance for melons was estimated to be 31 percent—the highest on record. Broken down by specific melons, import shares in 2011 each posted record highs at 40 percent for honeydews, 38 percent for cantaloupe, and 23 percent for watermelon. Cantaloupe import volume far outweighed watermelon imports throughout the 1990s and into the mid-2000s but this trend has reversed since 2008 (except in 2009) although the gap is not as wide as in previous years. Growth in watermelon imports, especially since 2005 has closed the gap with cantaloupe imports. Watermelon imports have exceeded those of cantaloupe since 2008 (except in 2009). Presently, watermelon and cantaloupe imports each hold a 40-percent share of total import volume.

The export share of supply for all melons was at 7 percent in 2011, up slightly from the prior year. Canada remains the largest destination for U.S. melon exports, accounting for over 80 percent of total export volume. Mexico has replaced Japan as the second leading destination since 2004, mostly reflecting expanded cantaloupe sales to this neighboring market.

Another Record-Breaking Almond Harvest for 2011/12

The estimated almond harvest for 2011/12 has tallied in at 1.95 billion shelled pounds, the largest harvest on record. The season resulted in a 19-percent increase from the previous all-time-high harvest in 2010/11 and 38 percent higher than the 2009/10 harvest. This season's larger crop generated an overall preliminary

production value of $3.5 billion, again another record-setting crop value, with grower prices remaining high, averaging $1.79 per pound. The overall crop value is up 19 percent over last season. Increased bearing acreage and good weather provided excellent conditions for the crop. Currently, almond orchards across California are in full bloom. As trees began to leaf-out in mid-March, bee hives were still in place for pollinating the upcoming 2012/13 crop.

Total Utilized Tree Nut Production Up for 2011/12

For the 2011 crop year, estimated utilized tree nut production is up 8 percent from last year at 2.56 million tons (inshell). Increased almond, hazelnut, and macadamia nut production offset declines from pistachios and walnuts. If realized, this could be the largest total production to date. Almond production was up 19 percent from 2010. Hazelnuts rebounded this season to 39,000 inshell tons, a 39 percent increase over last season but lower than 2009's harvest of 47,000 inshell tons. Macadamia production increased in 2011 as well, up 13 percent, while pistachios were down to 222,000 inshell tons, 15 percent less than last season. Walnut production also declined in 2011 to 461,000 inshell tons, a 9-percent decline. Although coming off an "off-year" in the alternate-bearing nature of pecan trees, pecan production was down 8 percent to 135,700 tons in 2011/12 from 2010/11 as drought issues in major pecan-producing States resulted in a low "on-year" harvest. The drought could have resounding effects for the 2012/13 pecan season.

Overall f.o.b. prices for tree nuts demonstrate an upward swing for this season through March 19, based on AMS data (table 14). Almonds received a wider range of prices throughout the 2011/12 season starting in August, with $1.50 per pound average, up 7 percent from the previous year. This trend is noticed across the tree nuts included in the table, with most prices received above the previous year.

Table 14--Average monthly terminal market inshell tree nut prices, 2007-12

Month	Almonds (Peerless)						Pecans (Various varieties)					
	2007	2008	2009	2010	2011	2012	2007	2008	2009	2010	2011	2012
	----------Dollars per pound----------											
January	1.48-1.60	1.30-1.50	1.08-1.76	1.10-2.34	1.25-1.84	1.00-3.40	2.20-3.00	1.20-2.90	1.50-3.00	1.20-3.04	1.40-3.60	1.50-5.20
February	1.50-1.60	1.30-1.40	1.10-1.50	1.20-1.30	1.50-1.80	1.25-1.87	2.20-3.00	1.30-1.80	2.10-2.60	1.90-2.00	1.40-3.60	2.50-4.00
March 1/	1.50-1.60	1.30-1.40	1.10-1.30	1.20-1.40	1.50	1.70-2.25	2.20	1.40-1.80	2.10	1.90-2.00	2.00-3.20	3.40-4.00
April	1.50-1.60	1.30-1.40	1.20-1.30	1.30-1.40	1.50		2.20	1.40-1.80	2.10	1.90-2.00	3.10	
May	1.50-1.60	1.30	1.20-1.30	1.30-1.40	1.50		2.20-2.70	1.40-1.80	2.10	1.90-2.20	2.00-3.10	
June	1.50-1.60	1.30	1.20-1.30	1.40	1.50		2.60-2.70	1.40-1.80	2.10	2.10-2.20	2.00-3.10	
July	1.50	1.30	1.20-1.30	1.40	1.50		2.60	1.40-1.80	2.10	2.10-2.20	2.00-3.10	
August	1.40-1.50	1.30	1.20-1.30	1.40	1.50		--	1.40-1.80	2.10	2.10-2.20	2.00-3.10	
September	1.30-1.40	1.30	1.20-1.30	1.40	1.80		--	2.80	2.10	2.10-2.20	2.00-4.30	
October	0.94-1.97	1.24-1.94	0.95-2.40	1.40-1.80	1.27-3.40		1.40-2.96	2.20-3.00	1.90-2.72	2.10-3.60	2.90-5.20	
November	0.94-1.98	0.93-1.76	0.95-2.40	1.25-1.80	1.27-3.40		1.30-3.34	1.61-3.05	1.44-2.72	2.50-3.60	1.60-5.20	
December	1.00-2.15	1.02-1.72	0.95-2.34	1.25-1.80	1.27-3.40		1.30-3.34	1.60-3.05	1.20-3.04	2.50-3.60	2.00-5.20	

	Walnuts (Mostly Hartley)						Pistachios (Various varieties)					
	2007	2008	2009	2010	2011	2012	2007	2008	2009	2010	2011	2012
	----------Dollars per pound----------											
January	1.00-2.13	1.40-2.42	1.50-2.60	1.50-2.00	1.58-2.54	2.20-2.83	3.44-3.61	2.88-3.44	2.44-4.40	3.89-4.20	4.20-5.83	4.80-5.00
February	1.00-1.73	1.90-2.38	1.50-2.25	1.70-2.00	1.70-2.25	2.20-2.63	3.44-3.61	3.20-3.44	3.00-4.40	3.89-4.20	4.20	5.00
March 1/	1.40-1.50	2.20-2.38	1.50-2.25	1.80-2.00	1.70-2.71	2.50-2.63	3.44-3.68	3.20-3.44	4.00-4.40	3.89-4.20	--	5.00
April	1.44-1.50	2.20-2.38	1.50-2.25	1.80-2.00	1.70-2.71		3.44-3.68	3.20-3.44	4.00-4.20	4.20	5.00	
May	1.44-1.50	2.20-2.38	1.50-2.00	1.80-2.05	2.50-2.70		3.20-3.61	3.20-3.44	4.00-4.20	4.20	5.00	
June	1.44-1.60	2.30-2.33	1.60-2.00	2.00-2.05	2.50-2.70		3.20-3.61	3.20-3.44	4.00-4.20	4.20	--	
July	1.60-1.70	2.30-2.33	1.60-2.00	2.00-2.05	2.50-2.70		3.20-3.61	3.20-3.44	4.00-4.20	4.20	--	
August	1.60	2.60-2.50	1.60-2.00	2.00-2.05	2.50-2.70		3.20-3.61	3.20-3.44	3.89-4.20	4.20	5.00	
September	--	2.60	1.60-2.00	2.00-2.05	2.20-2.70		2.88-3.61	3.20-3.33	3.89-4.20	4.20	5.00-5.38	
October	1.40-2.70	1.64-4.50	1.32-2.33	1.60-2.20	1.80-2.71		2.88-3.44	2.44-4.40	1.76-4.20	4.20-5.00	2.64-5.38	
November	1.40-2.70	1.52-2.60	1.32-2.33	1.58-2.19	1.80-5.94		2.88-3.44	2.24-4.40	1.76-4.20	4.20-4.44	2.40-6.64	
December	1.40-4.50	1.52-2.69	0.99-2.33	1.58-2.60	1.90-5.94		2.88-5.22	2.24-5.67	1.76-4.20	3.89-5.00	4.80-6.64	

-- = Not available. 1/ March 2012 data are through March 19.

Source: USDA, Agricultural Marketing Service.

Fruit, Melon, and Tree Nuts Crop Value Up in 2011

In tallying NASS crop value data, the preliminary estimate for the value of U.S. fruit, melon, and tree nut production rounds up to over $22.0 billion in 2011, up 3 percent from the previous year (table 15). This preliminary estimate is likely understated as estimates for the value of Hawaiian banana, guava, and papaya production in 2011 as well as those for California figs and kiwifruit were not yet included in the total. Historically, these fruits comprise less than 1 percent of the total crop value for fruit and nuts. Initial reporting of official NASS 2011 estimates for the value of production for these five commodities, along with the estimates for apples and walnuts, will be available in the *Noncitrus Fruits and Nuts 2011 Summary* report scheduled for release on July 6, 2012. Preliminary 2011 estimates for other noncitrus fruit and tree nuts crops were published recently (March 15, 2012) in the *Noncitrus Fruits and Nuts 2011 Preliminary Summary* report.

Even though official NASS 2011 crop value estimates were not yet available for apples and walnuts, assumed crop values for these two commodities were included in the aggregated total for fruit and nuts. NASS included a walnut crop value estimate in the total for tree nuts based on the reported production of 461,000 tons in-shell equivalent in 2011 and the 2010 average walnut grower price. The Economic Research Service incorporated a crop value estimate for apples based on NASS's 2011 forecast for U.S. apple production reported in the October 2011 *Crop Productio*n report and the 2010 average apple grower price. Although not entirely depicting the all apple price (fresh and processed) situation, 2011/12 season to date (August through February) fresh apple grower prices are averaging 20 percent higher than the same period in 2010/11 which could drive up the 2011 season-average grower price.

Estimated at $2.98 billion, the U.S. citrus crop value in 2011 was only fractionally up from the previous year. Together, crop value increases for lemons, tangerines and mandarins, and Florida tangelos more than compensated for corresponding declines for oranges and grapefruit. Being the largest component in the U.S. citrus crop value (accounting for 66 percent of citrus total in 2011), the value of U.S. orange production declined 1 percent in 2011 from the previous year. The 2011 orange crop value was down only in California, mostly reflecting lower grower prices.

Among noncitrus fruit crops, the largest increases in crop value in 2011 were for tart cherries, boysenberries, blueberries (both wild and cultivated), Oregon blackberries, and apricots. While most of these fruit had increased production in 2011 (except for wild blueberries), their respective average grower prices also rose. Grapes ranked No. 1 among noncitrus fruit crops in crop value and also topped the list for U.S. fruit and tree nut crop value. The value of U.S. grape production totaled $3.98 billion in 2011, up 10 percent from the previous year. The 3-percent decline in U.S. grape production in 2011 was more than offset by strong prices both for fresh-market and processing-use grapes, boosting the overall crop value last year. Almonds ranked second in U.S. fruit and tree nut crop value followed by strawberries in third place. At $2.39 billion, U.S. strawberry production value increased 6 percent on strength of higher grower prices in the fresh and processed market and an overall bigger domestic crop produced last year.

Table 15--Value of fruit, melon, and tree nut crops, by commodity, 2009-11

Commodity	Crop value			Share of total value			Percent change
	2009	2010	2011	2009	2010	2011	2010-11
	1,000 dollars			*Percent*			*Percent*
Grapefruit	224,098	296,723	278,984	1.1	1.4	1.2	-6.0
Lemons	335,065	395,339	400,747	1.7	1.8	1.8	1.4
Oranges	1,970,070	1,999,239	1,977,360	10.1	9.1	8.7	-1.1
Tangelos (FL)	5,528	6,906	10,190	1/	1/	1/	47.6
Tangerines & mandarins	207,249	275,422	316,529	1.1	1.3	1.4	14.9
Apples	2,187,008	2,220,817	--	11.2	10.1	--	--
Apricots	44,912	47,876	63,119	0.2	0.2	0.3	31.8
Avocados	429,586	479,068	--	2.2	2.2	--	--
Bananas (HI)	10,175	10,680	--	0.1	0.0	--	--
Blackberries (OR)	30,842	33,291	43,161	0.2	0.2	0.2	29.6
Cultivated blueberries	485,380	593,407	788,765	2.5	2.7	3.5	32.9
Wild blueberries (ME)	31,945	50,600	71,355	0.2	0.2	0.3	41.0
Boysenberries	2,102	1,834	2,638	1/	1/	1/	43.8
Sweet cherries	513,330	721,154	890,898	2.6	3.3	3.9	23.5
Tart cherries	61,628	40,741	68,592	0.3	0.2	0.3	68.4
Cranberries	305,669	297,896	344,219	1.6	1.4	1.5	15.6
Dates (CA)	27,966	36,507	37,356	0.1	0.2	0.2	2.3
Figs (CA)	30,422	22,185	--	0.2	0.1	--	--
Grapes	3,675,168	3,635,144	3,984,886	18.8	16.6	17.6	9.6
Guavas (HI)	294	220	--	1/	1/	--	--
Kiwifruit (CA)	21,084	24,961	--	0.1	0.1	--	--
Loganberries (OR)	2/	2/	2/	1/	--	--	--
Nectarines	138,611	129,075	142,186	0.7	0.6	0.6	10.2
Olives (CA)	32,209	136,796	53,782	0.2	0.6	0.2	-60.7
Papayas (HI)	14,186	11,123	--	0.1	0.1	--	--
Peaches	593,653	618,566	595,832	3.0	2.8	2.6	-3.7
Pears	355,662	380,647	386,947	1.8	1.7	1.7	1.7
Plums (CA)	57,568	78,422	65,600	0.3	0.4	0.3	-16.4
Dried prunes (CA)	204,180	149,500	150,800	1.0	0.7	0.7	0.9
Prunes and plums (4 States) 3/	5,787	4,915	4,546	1/	1/	1/	1/
Black raspberries (OR)	1,181	2,185	5,510	1/	1/	1/	1/
Red raspberies	64,110	56,426	50,736	0.3	0.3	0.2	-10.1
Raspberries (CA)	357,055	200,288	223,200	1.8	0.9	1.0	11.4
Strawberries	2,129,585	2,262,353	2,399,389	10.9	10.3	10.6	6.1
Melons							
Cantaloupes	350,392	319,176	349,725	1.8	1.5	1.5	9.6
Honeydews	55,623	55,007	70,681	0.3	0.3	0.3	28.5
Watermelons	450,713	499,800	543,824	2.3	2.3	2.4	8.8
Tree nuts							
Almonds	2,293,500	2,903,380	3,463,650	11.7	13.2	15.3	19.3
Hazelnuts	79,430	67,480	89,310	0.4	0.3	0.4	32.4
Macadamia nuts	29,400	30,000	34,200	0.2	0.1	0.2	14.0
Pecans	430,388	674,828	682,817	2.2	3.1	3.0	1.2
Pistachios	592,850	1,158,840	879,120	3.0	5.3	3.9	-24.1
Walnuts	747,270	1,028,160	--	3.8	4.7	--	--
Totals 4/	19,582,874	21,956,977	22,684,094	100.0	100.0	100.0	100.0

-- Data not available until July 6, 2012.

1/ Less than 0.05 percent. 2/ Estimates discontinued in 2009.

3/ Idaho, Michigan, Oregon, and washington.

4/ Sum of all commodities listed on the table. In 2011, total includes crop value estimates for apples and walnuts using NASS 2011 production estimates (for walnuts from the California's NASS Field Office 2011 *California Walnut Objective Measurement Survey)* and 2010 price.

Source: USDA, National Agricultural Statistics Service, *Crop Values 2011 Summary* and *Noncitrus Fruit and Nuts 2011 Preliminary Summary*.

Crop value increased for three major melon crops (watermelons, cantaloupes, and honeydews) produced in the United States. While watermelons account for the largest share of U.S. melon production value, of the three melons crops, the value of watermelon production in 2011 increased the least, up 9 percent from the previous year. Crop value increased the most for honeydews, up 28 percent. Although lower acreage drove production down for each of these melon crops in 2011, resulting higher average grower prices were more than enough to raise their respective crop values.

The overall tree nut crop value in 2011 is estimated at $6.09 billion, up 4 percent from last year's final value of $5.86 billion. Excluding walnuts for which no official NASS 2011 crop value estimate has been provided, crop value increased for all tree nuts but pistachios. Almonds account for more than half of U.S. tree nut production value and in 2011, almond production value rose 19 percent from the previous year to $3.46 billion. Strong demand kept the 2011 average almond grower price from falling below the previous year despite increased production. Tree nut crop value increases were largest for hazelnuts, up 32 percent to a record $89.3 million, reflecting a bigger increase in production volume than the decline in the average grower price for this nut. Quantity produced was also up for Macadamia nuts but corresponding higher prices also contributed to increased grower returns in 2011 totaling $34.2 million. Meanwhile, smaller crops were reported for pecans and pistachios. Large beginning stocks, however, diffused the lower production effect on the U.S. pistachio market, resulting in lower grower prices. Crop value for pistachios declined 24 percent to $879 million in 2011 from the previous year while pecan crop value rose 1 percent to a record $683 million on strength of higher grower prices.

Overall Strong Export Market for 2011/12

U.S. exports of fresh fruit and tree nuts through January 2012 have increased for current-season (2011/12) crops of grapefruit, grapes, pears, strawberries, almonds, pecans and walnuts compared with the same time last season (table 17). Fresh orange exports are down 10 percent season-to-date, consistent with current ERS forecasts of lower fresh orange exports this season due to the smaller crop. Canada will remain the top market for U.S. fresh oranges.

Lemon exports are down 14 percent this season through January, due to lower fresh market supplies. Grapefruit exports increased 2 percent through early 2012. Despite a smaller crop, excellent quality and small fruit size, which is preferred in European and Japanese markets, could be aiding export demand for U.S. grapefruit. Japan remains the top export market for grapefruit through January 2012.

U.S. fresh pear exports are up this season to date, partly due to increased production and lower prices. Mexico remains the United States' top export market for pears, accounting for over one-third of total export volume to date and receiving almost 50 percent more than the same time last season. Exports are also strong to several other markets in Latin America, including Brazil, Colombia, Venezuela, and Ecuador.

For January, strawberry exports are up 47 percent from the same time last year. Excellent winter weather has fostered ample supplies of good quality strawberries early into 2012, in both Florida and California. These plentiful supplies have translated to lower domestic strawberry prices compared to last year, both factors positively affecting exports. Exports are up to both Canada and Mexico—the United States' top two export markets for fresh strawberries.

Table 16--U.S. exports of selected fruit and tree nut products

Commodity	Marketing season	Season-to-date (through January) 2011	2012	Year-to-date change
		---------- *1,000 pounds* ----------		*Percent*
Fresh-market:				
Oranges	November-October	328,070	297,732	-9.2
Grapefruit	September-August	244,170	248,719	1.9
Lemons	August-July	106,846	91,600	-14.3
Apples	August-July	966,893	925,216	-4.3
Grapes	May-April	716,986	761,438	6.2
Pears	July-June	243,475	293,941	20.7
Peaches (including nectarines)	January-December	771	2,837	268.1
Strawberries	January-December	9,482	13,895	46.5
Cherries	January-December	142	147	3.7
		------ *1,000 sse gallons 1/* -------		
Processed:				
Orange juice, frozen concentrate	October-September	24,956	9,073	-63.6
Orange juice, not-from-concentrate	October-September	22,587	27,111	20.0
Grapefruit juice	October-September	3,901	3,899	-0.1
Apple juice and cider	August-July	3,856	4,088	6.0
Wine	January-December	7,028	7,347	4.5
		---------- *1,000 pounds* ----------		
Raisins	August-July	162,303	160,333	-1.2
Canned pears	June-May	13,148	13,270	0.9
Canned peaches	June-May	32,316	44,663	38.2
Frozen strawberries	January-December	2,450	2,921	19.2
		---------- *1,000 pounds* ----------		
Tree nuts:				
Almonds (shelled basis)	August-July	777,021	874,873	12.6
Walnuts (shelled basis)	September-August	194,774	184,722	-5.2
Pecans (shelled basis)	October-September	30,590	39,262	28.3
Pistachios (shelled basis)	September-August	59,643	64,122	7.5

1/ Single-strength equivalent.
Source: U.S. trade data provided by U.S. Department of Commerce, U.S. Census Bureau.

Almond and pecan exports are 13 and 28 percent higher than last seasons' exports, respectively. A majority of U.S. almonds is sold in the international market. Utilized almond production is at a record-high 1.95 million pounds in 2011/12, meaning there should be ample supplies available for export. Hong Kong is the top export market for shelled and inshell U.S. almonds, with this season's exports through January consisting of 104 million pounds inshell and 79 million pounds shelled almonds. Pecan exports rose 28 percent from the previous season despite a lower domestic harvest for 2011/12. Inshell shipments were highest to Hong Kong while Canada received the most shelled shipments from October 2011 through January 2012.

Ups and Downs for 2011/12 Import Season

Imports are down this season through January for many fresh fruit (table 18). Tangerine imports are down 12 percent due mainly to the larger California fresh tangerine and mandarin crop. Pear imports are down 10 percent this season to date, also mainly attributed to increased domestic production. Pear shipment volumes are down from most leading countries supplying to the United States, including Argentina, Chile, China, and South Korea.

U.S. fresh grape imports are also lower thus far in 2011/12, with season-to-date volume down 7 percent to 596.5 million pounds from the same time last season. Imports are down from Chile and Mexico—the major suppliers of imported fresh grapes to the United States. Lower imports from Mexico partly reflect Mexico's slightly smaller grape crop in 2011/12. Meanwhile, early shipments of Chilean grapes this season faced strong competition in the U.S. market with large supplies from Peru, according to FAS. To date, imports from Peru are up 45 percent from the same time last season. Both Peru and Chile market their fresh grapes primarily in the United States but Peruvian grapes enter the U.S. market a bit earlier than Chilean grapes in the fall, taking advantage of the early-season high-price market.

Despite weather-induced production losses in some banana-producing countries in Latin America, U.S. banana imports in January rose 7 percent from the same time last year. Accounting for about one-third of total import volume thus far, imports from Guatemala— the No. 1 supplier of fresh bananas to the United States—posted gains of 37 percent over last year's January shipments. Imports from other sources posted increases except from Ecuador—the No. 2 source—where January shipments to the United States dropped 37 percent.

The smaller fresh orange crop has lent to an influx of imports through January. The total navel orange crop is down slightly but California fresh market navel production is down 8 percent this year, creating relatively strong prices for fresh oranges, promoting increased imports. Mexico supplied the largest volume imported in the United States so far this season, with 11 million pounds, followed by Chile and South Africa.

Lemons have also experienced increased imports this season, due to a substantially reduced domestic production in 2011/12. Imports are up 27 percent season-to-date, with 60 percent of total volume from Mexico. Chile and Spain round out the top three countries that supply fresh lemons to the United States.

Table 17--U.S. imports of selected fruit and tree nut products

Commodity	Marketing season	Season-to-date (through January) 2011	2012	Year-to-date change
		---------- *1,000 pounds* ----------		*Percent*
Fresh-market:				
Oranges	November-October	8,524	18,364	115.4
Tangerines (including clementines)	October-September	180,767	159,088	-12.0
Lemons	August-July	77,418	98,404	27.1
Limes	January-December	44,725	63,781	42.6
Apples	August-July	76,258	73,732	-3.3
Grapes	May-April	639,448	596,534	-6.7
Pears	July-June	33,005	29,817	-9.7
Peaches (including nectarines)	January-December	30,288	23,876	-21.2
Bananas	January-December	745,177	795,851	6.8
Mangoes	January-December	36,999	32,168	-13.1
		------ *1,000 sse gallons 1/* -------		
Processed:				
Orange juice	October-September	83,403	112,841	35.3
Apple juice and cider	August-July	314,720	211,035	-32.9
Wine	January-December	20,247	26,915	32.9
		---------- *1,000 pounds* ----------		
Canned pears	June-May	40,970	32,466	-20.8
Canned peaches (including nectarines)	June-May	105,479	86,993	-17.5
Canned pineapple	January-December	70,491	58,753	-16.7
Frozen strawberries	January-December	12,738	15,863	24.5
		---------- *1,000 pounds* ----------		
Tree nuts:				
Brazil nuts (shelled basis)	January-December	868	431	-50.4
Cashews (shelled basis)	January-December	21,666	18,190	-16.0
Pine nuts (shelled basis)	January-December	218	19	-91.1
Pecans (shelled basis)	October-September	36,214	39,738	9.7

1/ Single-strength equivalent.

Source: U.S. trade data provided by U.S. Department of Commerce, U.S. Census Bureau.

Highlight: Organic Trade

U.S. Organic Fruit, Coffee, and Tea Trade 1/

1/ Nora Brooks, Agriculture Policy and Models Branch, Markets and Trade Division, Economic Research Service.

As Americans have become more health conscious, the demand for organically grown food has increased. In response to this increased demand, the U.S. Department of Homeland Security, Customs and Border Protection began officially collecting data on trade of organic agricultural products as of January 1, 2011. This article provides a compilation of 2011 data now available for 23 export items covering fruit, vegetables, coffee, and tomato sauce. On the import side, information is available on fruits and vegetables (although a smaller list), as well as coffee, tea, grains, and soybeans, for a total of 20 items. For calendar year 2011, organic agricultural export products totaled $412 million and imports totaled $670 million.

Organic Exports

Organic exports of selected fruit in 2011 totaled nearly $200 million (table 18). The leading organic export product in terms of value was grapes. At nearly $60 million, grapes were just ahead of apples, valued at $46 million. These values corresponded to export volumes of 81 million pounds for apples and 47 million for grapes. Other export categories were cherries, strawberries, blueberries, oranges, and coffee.

Table 18--U.S. exports of selected organic agricultural products, 2011

Commodity	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	2011 Total
			---1,000 dollars---		
Coffee	2,479	3,579	4,135	4,990	15,183
Oranges	5,459	5,186	2,084	1,364	14,093
Lemons	1,721	1,910	915	1,736	6,282
Grapes	147	702	26,016	32,990	59,855
Apples	9,564	9,479	8,693	18,465	46,201
Pears	1,613	537	2,328	4,445	8,923
Cherries	-	10,745	19,840	4	30,589
Strawberries	1,867	5,543	5,775	2,590	15,775
Blueberries	478	12,002	3,670	461	16,611
Total Fruit 1/	20,849	46,104	69,321	62,055	198,329
Percentage Share of Total Exports 2/					
Commodity	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	2011 Total
			Percent		
Coffee	1	1	2	2	2
Oranges	2	4	7	2	3
Lemons	5	7	6	5	6
Grapes	2	3	8	7	8
Apples	3	5	6	5	5
Pears	4	3	7	5	5
Cherries	0	6	8	0	7
Strawberries	2	5	6	4	4
Blueberries	20	19	14	12	17
Total Fruit 1/	2	4	6	5	4

1/ Excludes coffee. 2/ Total includes organic and conventionall exports.

Source: Compiled by USDA, Economic Research Service from U.S. Department of Commerce, U.S. Census Bureau.

As a share of total exports, blueberries had the highest total share at 17 percent, while most other products had shares in the single digits. Blueberries also showed the most seasonal variation in export value among the fruits identified, with most value occurring around peak harvest.

Organic Imports

Coffee dominates total U.S. organic import value for selected commodities in 2011 (table 19). Just over $526 million in coffee was imported, with the majority of it unroasted. Coffee imports tended to be concentrated in the first quarter of 2011, with imports falling each quarter thereafter. Unroasted coffee imports were valued at $442 million (for 177 million pounds), making up the bulk of the total selected organic coffee imported. There were also $42 million (17 million pounds) of "other soybean" imports, accounting for 46 percent of 2011 total imports. The selected organic products also accounted for relatively large shares of imports of black and green tea, with organic black and green teas accounting for 31 percent and 20 percent respectively of total imports of those items.

Table 19-- U.S. imports of selected organic agricultural products, 2011

Commodity	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	2011 Total
			--- 1,000 dollars ---		
Avocado	7,917	1,477	2,139	5,686	17,219
Apples	520	2,984	1,705	530	5,738
Pears	1,927	1,320	102	320	3,669
Blueberries	1,911	115	26	869	2,921
Coffee:	198,006	142,663	101,256	84,271	526,193
Unroasted	173,998	116,670	82,912	68,800	442,379
Roasted	18,303	14,354	10,448	6,124	49,228
Decaf	5,705	11,639	7,896	9,347	34,586
Green tea	4,697	4,586	5,695	7,071	22,049
Black tea	6,963	6,524	4,790	6,149	24,426
Durum wheat	96	72	234	293	695
Rice	6,963	6,524	4,790	6,149	24,426
Soybeans, other	10,202	12,869	10,240	8,409	41,720
Percentage Share of Total Imports 1/					
Commodity	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	2011 Total
			Percent		
Avocado	3	1	1	3	2
Apples	5	5	3	6	4
Pears	6	4	2	2	4
Blueberries	1	2	0	1	1
Coffee:	11	7	6	4	7
Unroasted	12	7	6	4	7
Roasted	14	9	7	3	8
Decaf	4	8	5	6	6
Green tea	17	18	20	24	20
Black tea	35	34	23	34	31
Durum wheat	0	0	1	0	0
Rice	6	5	4	4	4
Soybeans, other	47	48	47	41	46

1/ Total includes organic and conventional imports.

Source: Compiled by USDA, Economic Research Service from U.S. Department of Commerce, U.S. Census Bureau.

Organic Exports by Destination

Australia was the largest market for U.S. organic grapes, the leading U.S. organic fruit export. Australia received 29 percent of U.S. organically grown grapes. Mexico was the destination for 14 percent of U.S. organic grapes, followed by Japan (11 percent), New Zealand (9 percent), and Canada (8 percent). Together these five markets accounted for 69 percent of organic grape exports in 2011.

The second largest organic export fruit in terms of value was organic apples, with major markets in Mexico (56 percent of organic exports), and Canada (28 percent). For cherries— the third-largest organic fruit export in terms of value— the leading markets accounted for 63 percent of U.S. exports. Hong Kong was the leading market with a 24-percent share, Japan with 17 percent, Taiwan with 12 percent, and Australia with 10 percent. The largest market for organic blueberries was Canada, with 98 percent of shipments.

Organic Imports by Origin

Most imported organic coffee is not roasted. Major suppliers of unroasted coffee include Peru, Colombia, Brazil, Mexico, and Indonesia. These five countries account for 64 percent of unroasted organic coffee imports. Roughly two-thirds of roasted organic coffee comes from Switzerland. Organic decaffeinated coffee comes primarily from Switzerland, Peru, and Mexico.

Major suppliers to the United States of organic black tea were India (supplied 19 percent), United Kingdom (14 percent), Canada (12 percent), and Sri Lanka (11 percent). There were three types of green tea imported: flavored in bags less than 3 kilograms, not flavored in bags less than 3 kilograms, and not flavored in other sized bags. The leading green tea was not flavored and in bags less than 3 kilograms. Japan was the source for 60 percent of this tea and China supplied 30 percent. China was the leading source for the other types of green tea.

Among the organic fruits imported, apples were the leading import item in terms of value and share. The leading sources of imported organic apples were Chile (57 percent) and Canada (18 percent). Chile was also the No. 1 source for organic blueberries, accounting for 78 percent of U.S. imports while Argentina was the leading source of organic pears. Mexico accounted for 98 percent of U.S. organic avocado imports, while Chile supplied most of the remainder.

Contacts and Links

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The *Fruit and Tree Nuts Situation and Outlook Yearbook* has over 130 tables of annual or monthly time-series data on specific fruit commodities. Data include bearing acreage, production, prices, trade, per capita use, and more. To order a copy, call 1-800-999-6779.

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