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# Fruit and Tree Nuts Outlook

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## 2011 Strawberry Production Stable, Fresh-Market Peach Supplies Adequate



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Approved by the World Agricultural Outlook Board.

The April index of prices received by fruit and tree nut growers rose 8 points over the previous month while also gaining 6 points over the 2010 April index. Pulling the index up over the previous month were significant price jumps for fresh oranges and lemons and moderate increases in fresh grapefruit and strawberry prices. Seasonal tightening of citrus supplies during the spring is driving up their grower prices. A winding down of Florida strawberry supplies and light early supplies in California strengthened prices.

U.S. strawberry production is anticipated to closely match last year's 2.85 billion pounds as production in California—the dominant producer—is forecast only 2 percent short of last year's record high, and crop size in Florida is up 33 percent. The initial forecast from USDA's National Agricultural Statistics Service (NASS) puts California's 2011 crop at 2.53 billion pounds and the winter crop in Florida at a record 257.4 million pounds. Strawberry prices are declining seasonally as California supplies steadily move into market.

The first NASS forecast for California's 2011 peach crop was set at 1.63 billion pounds, down fractionally from last year and slightly below average for the past decade. Nevertheless, decent fresh-market supplies are still expected in the domestic market this season because California's freestone crop, which account for more than half of all U.S. peaches marketed for fresh use, is forecast unchanged from last year. In addition, good size crops are being reported for South Carolina and Georgia—leading peach-producing States in the southeastern United States.

California's overall orange crop in 2010/11 is projected 13 percent higher than in 2009/10, to 2.44 million tons. Gains in the State's navel orange crop were larger than reductions in the Valencia crop. In May, NASS revised the California navel estimate up 3 percent from the March estimate to 1.92 million tons—a 21-percent increase over 2009/10 and the largest on record, if realized. The Valencia crop is estimated at 520,000 tons, 8 percent below the revised 2009/10 crop, but unchanged from March. The larger crop has dampened grower prices this season.

According to the *2011 California Almond Forecast* report, the initial forecast for this year's almond crop is 1.75 billion pounds, up 6 percent from last year's revised production estimate of 1.65 billion pounds. If realized, this would be the largest production on record, and should be met with strong domestic and international demand.

# Price Outlook

## *Fruit and Tree Nut Grower Prices Strengthens In April*

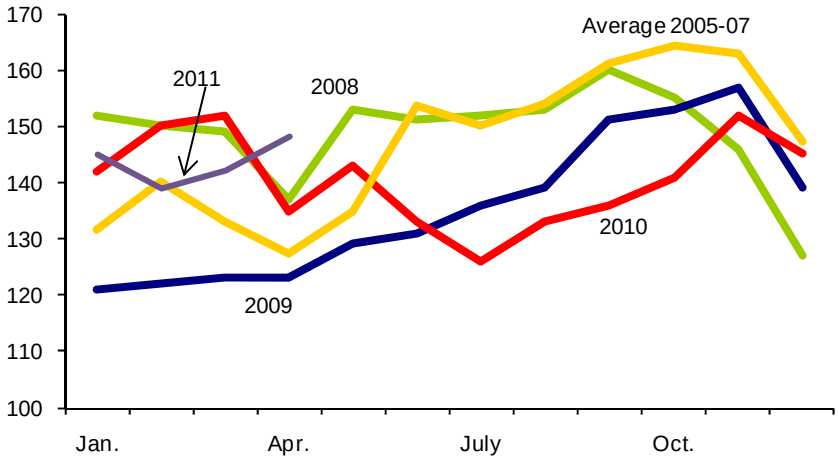
The April index of prices received by fruit and tree nut growers rose 8 points over the previous month to 148 (1990-92=100) while also gaining 6 points over the 2010 April index (fig. 1). Pulling the index up over the previous month were significant price jumps for fresh oranges and lemons and moderate increases in fresh grapefruit and strawberry prices (table 1). Seasonal tightening of citrus supplies during the spring is driving up their grower prices. The boost in April strawberry grower prices may be attributed to Florida supplies exiting the market and limited early shipments out of California following the heavy rains in March. As California's strawberry harvest moves north to the largest growing district (Salinas-Watsonville area), increasing supplies will likely put downward pressure on prices through mid-summer. Seasonal increases in supplies should also drive down fresh orange prices as the California Valencia orange harvest progresses this summer. With California supplies winding down for the 2010/11 season, lemon prices are likely to continue to strengthen seasonally in the coming months approaching the summer peak demand period.

After two successive months of falling below year-ago levels, the increase in the April grower price index for fruit and nuts (relative to the April 2010 index) may be attributed to sharply higher prices for fresh pears, strawberries, and grapefruit. The reported price gains for these fruit have more than offset the price declines for lemons, oranges, and apples as compared to last year. Fresh pear prices remained higher than a year ago each month so far this marketing season (2010/11), reflecting reduced domestic production. Following record-high January strawberry prices due to the late-December freeze in Florida, February and March shipments from the State's recovering winter crop moved ahead of the same period last year, driving prices down below a year ago in those two months. April strawberry prices mostly reflect California's strawberry market which was running behind on early shipments, forcing prices that month to be up from last year. Strawberry prices are likely to weaken from the April average price of $1.02 per pound as the harvest in California, the dominant producer, gets fully under way for the remainder of this spring and into mid-summer. However, U.S. fresh strawberry grower prices are likely to hold firm in 2011 (relative to 2010) as strong demand continues and a forecast 2-percent decline in California's production is expected to curtail growth in overall production.

Bigger crops of California navel oranges and lemons have led to lower grower prices for much of this winter and spring. California now is shifting to its Valencia orange crop, the primary source for fresh-market oranges during the summer. The expected smaller California Valencia crop should help provide a boost to fresh orange prices this summer.

Lower prices for Washington apples drove down the overall U.S. fresh-market apple price in April, offsetting higher grower prices in other apple-producing States such as Michigan, New York, and Ohio. With the 2010/11 U.S. apple marketing season almost ending, larger remaining storage supplies of Washington apples may continue to put downward pressure on fresh apple prices despite more limited supplies faced in the eastern half of the country.

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 | 2010 March | 2010 April | 2011 March | 2011 April | 2010-11 change March | 2010-11 change April |
|---|---|---|---|---|---|---|
| | *Dollars per box* | | | | *Percent* | |
| Citrus fruit: 1/ | | | | | | |
| Grapefruit, all | 5.93 | 4.19 | 6.48 | 6.26 | 9.3 | 49.4 |
| Grapefruit, fresh | 11.25 | 8.94 | 11.19 | 11.76 | -0.5 | 31.5 |
| Lemons, all | 8.68 | 10.06 | 5.84 | 8.36 | -32.7 | -16.9 |
| Lemons, fresh | 21.26 | 22.86 | 12.92 | 14.83 | -39.2 | -35.1 |
| Oranges, all | 7.97 | 7.49 | 6.69 | 7.01 | -16.1 | -6.4 |
| Oranges, fresh | 10.83 | 10.55 | 8.96 | 10.23 | -17.3 | -3.0 |
| | *Dollars per pound* | | | | | |
| Noncitrus fruit: | | | | | | |
| Apples, fresh 2/ | 0.295 | 0.297 | 0.292 | 0.266 | -1.0 | -10.4 |
| Grapes, fresh 2/ | -- | -- | -- | -- | -- | -- |
| Peaches, fresh 2/ | -- | -- | -- | -- | -- | -- |
| Pears, fresh 2/ | 0.175 | 0.213 | 0.327 | 0.309 | 86.9 | 45.1 |
| Strawberries, fresh | 1.160 | 0.757 | 0.980 | 1.020 | -15.5 | 34.7 |

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*.

## *Retail Fresh Fruit Prices Also Moves Ahead*

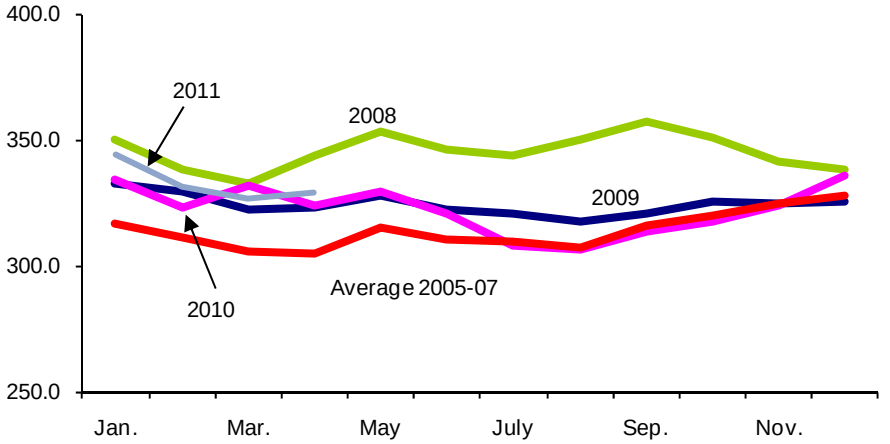
After dropping in March, the Consumer Price Index (CPI) for fresh fruit, as reported by the Bureau of Labor Statistics (BLS), moved ahead of a year ago in April on higher retail prices for most fresh fruit. At 329.2 (1982-84=100), the index was up 5 points from the April 2010 index. Prices were higher for navel oranges, grapefruit, Red Delicious apples, bananas, Anjou pears, strawberries, and Thompson seedless grapes (table 2). The average lemon price was the only one

from the BLS price series that fell in April, down by 2 percent. For most of these fruit, tighter supplies drove up their prices.

Retail prices for Thompson seedless grapes and Anjou pears showed the biggest increase in April from the same time a year ago. Shipment data from USDA's Agricultural Marketing Service (AMS) indicated grape imports from Chile in April declined 19 percent from a year ago after being up through most of the first 3 months of this year. Most fresh grapes in the domestic market during the winter come from Chile and typically their shipments finish in the spring. Further tightening of Chilean grape shipments into May, combined with the late start to early-season grape harvest in California and tight early shipments from Mexico are continuing to drive up retail grape prices. Though outside of the BLS series, AMS retail advertised prices for green and red grapes are averaging $1.90 per pound during the first three weeks in May, up from $1.78 the same period in May 2010.

Despite increased imports, domestic pear supplies during the 2010/11 season have been running tight due to the smaller domestic crop harvested last fall, putting upward pressure on retail fresh pear prices. BLS average retail prices for Anjou pears increased from $1.19 per pound in April 2010 to $1.48 in April 2011. Prices have been higher throughout most of the season. As the end of the season nears, prices will likely remain above year-ago levels through the early summer on continued lighter supplies for retailers. Retail advertised prices for Bartlett pears through mid-May from AMS have averaged $1.55 per pound, up from $1.31 the same time last year.

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




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

Table 2--U.S. monthly retail prices, selected fruit, 2010-11

| Commodity | Unit | 2010 | | 2011 | | 2010-11 change | |
|---|---|---|---|---|---|---|---|
| | | March | April | March | April | March | April |
| | | --- *Dollars* --- | | --- *Dollars* --- | | --- *Percent* --- | |
| Fresh: | | | | | | | |
| Valencia oranges | Lb. | -- | -- | -- | -- | -- | -- |
| Navel oranges | Lb. | 0.858 | 0.871 | 0.957 | 0.926 | 11.5 | 6.3 |
| Grapefruit | Lb. | 0.825 | 0.839 | 0.846 | 0.856 | 2.5 | 2.0 |
| Lemons | Lb. | 1.561 | 1.580 | 1.600 | 1.544 | 2.5 | -2.3 |
| Red Delicious apples | Lb. | 1.173 | 1.200 | 1.283 | 1.345 | 9.4 | 12.1 |
| Bananas | Lb. | 0.575 | 0.580 | 0.621 | 0.621 | 8.0 | 7.1 |
| Peaches | Lb. | -- | -- | -- | -- | -- | -- |
| Anjou pears | Lb. | 1.225 | 1.193 | 1.421 | 1.478 | 16.0 | 23.9 |
| Strawberries 1/ | 12-oz. pint | 2.194 | 1.667 | 1.994 | 1.816 | -9.1 | 8.9 |
| Thompson seedless grapes | Lb. | 2.526 | 2.070 | 2.209 | 2.196 | -12.5 | 6.1 |
| Processed: | | | | | | | |
| Orange juice, concentrate 2/ | 16-fl. oz. | 2.515 | 2.450 | 2.459 | 2.499 | -2.2 | 2.0 |
| Wine | liter | 8.530 | 10.919 | 8.043 | 11.019 | -5.7 | 0.9 |

-- 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).

***No Change in 2011 Combined Strawberry Production in Two Major U.S. Producing States***

Strawberry production in the United States is anticipated to closely match last year's 2.85 billion pounds as production in California—the dominant producer—is forecast only slightly short of last year's record-high, and crop size in Florida is up 33 percent. Together, production in these two major producing States is forecast at 2.78 billion pounds, relatively unchanged from last year. The initial forecast from NASS calls for a 2-percent decline in California's 2011 production, down from the record-high a year ago, to 2.53 billion pounds. Behind this decline, projected harvested area (of 38,000 acres) and yield per acre (at 66,500 pounds per acre) are both down from last year— reduced by 600 acres and 5 pounds per acre, respectively. In Florida, the 2011 winter strawberry crop was forecast at a record 257.4 million pounds despite the late December freeze. Harvested acreage in the State was projected at 9,900 acres, up 12 percent from 2010. Yields also improved, up 18 percent to 260 pounds per acre.

Harvesting of the fall-planted crop in California started to get underway in March but rains during the latter half of the month slowed shipments, providing some strength to the market. This was especially true for late-season Florida supplies that were coming in 10 percent higher in volume than the same time last year for the month, yet prices were nearly unchanged from last year's $8.00-$10.00 per flat of 8, 1-pound containers with lids, free-on-board (f.o.b.) shipping point, Central Florida. Most strawberry shippers in Florida have finished for the season by mid-April while California supplies, although building up for the season, still remained 11 percent behind last year's volume through early May. In California's Oxnard growing district, f.o.b. shipping point prices in April were generally in the range of $10.00-$11.00 per 8, 1-pound container with lid, medium-large strawberries, up from $6.00-$8.00 the same time last year. As of mid-May, these f.o.b. prices ranged from $8.00-$9.00, unchanged from the same time last year.

Because Florida strawberries dominate the market during the winter months, the larger production they had for this season, along with increased imports from Mexico, kept the overall U.S. average grower price for fresh-market strawberries down in February and March relative to the same period in 2010. Strawberry grower prices as reported by NASS have come down from the highs in December 2010 ($2.85 per lb) and in January 2011 ($2.24 per lb) to $1.02 per lb in April. The April average price, however, rose from the March average price and was ahead of the April 2010 average price, reflecting the rain-driven tight early supplies in California and winding down of Florida shipments. At the retail level, U.S. consumers also saw strawberry prices falling from around $3.00 per 12-oz dry pint earlier in the winter to $1.82 in April. A further build up in supplies from California is expected for the remainder of this spring and into the summer, likely resulting in seasonal declines in grower and retail prices for fresh-market strawberries. However, should overall supplies remain behind last year through this period because of the expected smaller crop in California, prices are likely to remain firm relative to a year ago.

Table 3--Fresh strawberries: Supply and utilization in the United States, 1980 to date

| 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 1/ | 2,317.8 | 198.3 | 2,516.1 | 279.5 | 2,236.6 | 7.21 |
| 2011 2/ | 2,324.5 | 203.7 | 2,528.2 | 274.5 | 2,253.7 | 7.20 |

1/ Preliminary. 2/ Forecast.
Source: USDA, Economic Research Service calculations.

As demand for strawberries in the United States continues to grow, this year's expected smaller production in California could suppress overall U.S. fresh strawberry exports this year. Based heavily on the NASS-released 2011 production forecast for the two major producing States, ERS projects U.S. strawberry production in 2011 to be only fractionally higher than a year ago, with fresh-market production also almost nearly unchanged (table 3). As has traditionally been the case, the fresh-market crop will remain mostly for domestic consumption. Only slightly over one-tenth is exported to international markets. The fresh-market crop has been on a 9-year (2002-2010) climb, aiding export volume growth for the industry year-over-year except in 2004. Exports set a new record high in 2010 at 280 million pounds. Canada, Mexico, and Japan are the top three international destinations for U.S. fresh strawberry exports. U.S. strawberry exporters continued to experience demand growth for their product in Canada through most of the last 9 years. Export market share to Canada has increased from 78 percent in 2002 to 88 percent in 2010. Exports to Japan have increased consistently over the last four years while exports to Mexico have declined in each of the last 3 years partly as a result of increasing production in the country.

Frozen strawberry inventories as of January 1, 2011 were down significantly from the above-average volume reported on January 1st of a year ago. Lower carryover inventories going into the new season, a late start to the harvest season, and industry indications of an average-size crop for frozen strawberries in 2011 would be expected to provide strength to domestic frozen strawberry prices. In addition, because of strong demand in the fresh market and lagging supplies thus far in California, cumulative deliveries of freezer berries (Grade No. 1, California) to processors beginning around mid-March through mid-May were down 8 percent

from volume reported around the same time last year by the Processing Strawberry Advisory Board of California. For the same period, cumulative deliveries of juice berries are down over 10 percent from last year, with the heaviest volumes so far for this season reported in late March, likely due to quality problems resulting from the heavy rains in California that month.

### *Cold Weather Delays California Peach Crop but Adequate Fresh-Market Volume Expected*

The first NASS forecast for California's 2011 peach crop was set at 1.63 billion pounds, only down fractionally from last year. Relative to previous production levels over the past decade, however, this year's California crop falls slightly below average (table 4). Nevertheless, decent fresh-market supplies are still expected in the domestic market for the 2011 marketing season because this year's California freestone crop, which account for more than half of all U.S. peaches marketed for fresh use, is forecast unchanged from last year's large production of 770 million pounds. In addition, while California maintains its dominant role in the domestic fresh peach market, relatively good size crops with promotable quality are being reported for South Carolina and Georgia—leading peach-producing States in the southeastern United States.

Abundant rains and sufficient chill hours this winter should make for a good quality freestone crop in California. Moreover, good weather during the bloom period produced a good set. March rains and cooler-than-normal temperatures in early spring delayed crop development, pushing back harvest about 8 to 10 days behind last year's start. There have been reports of smaller fruit size and minimal hail damage on the early varieties but overall quality of the crop is expected to be strong. Increased thinning is expected for the crop due to the good set, likely

Table 4--Peaches: Production, utilization, and season-average grower price, California

| Year | Production 1/ | Utilization | | Grower price | |
|---|---|---|---|---|---|
| | | Fresh | Processed | Fresh | Processed 2/ |
| | ----------*Million pounds*---------- | | | *--Dollars/pound--* | |
| 1990 | 1,555 | 384 | 1,171 | 0.217 | 0.107 |
| 1991 | 1,597 | 402 | 1,195 | 0.157 | 0.109 |
| 1992 | 1,759 | 430 | 1,329 | 0.143 | 0.108 |
| 1993 | 1,640 | 386 | 1,254 | 0.185 | 0.109 |
| 1994 | 1,717 | 440 | 1,277 | 0.116 | 0.090 |
| 1995 | 1,323 | 323 | 1,000 | 0.241 | 0.107 |
| 1996 | 1,715 | 459 | 1,256 | 0.280 | 0.110 |
| 1997 | 1,839 | 498 | 1,341 | 0.138 | 0.130 |
| 1998 | 1,712 | 432 | 1,280 | 0.198 | 0.110 |
| 1999 | 1,792 | 508 | 1,284 | 0.198 | 0.113 |
| 2000 | 1,808 | 538 | 1,270 | 0.190 | 0.125 |
| 2001 | 1,677 | 538 | 1,139 | 0.214 | 0.122 |
| 2002 | 1,870 | 556 | 1,314 | 0.209 | 0.133 |
| 2003 | 1,837 | 565 | 1,272 | 0.203 | 0.108 |
| 2004 | 1,858 | 518 | 1,340 | 0.171 | 0.132 |
| 2005 | 1,738 | 504 | 1,234 | 0.270 | 0.127 |
| 2006 | 1,424 | 484 | 940 | 0.299 | 0.146 |
| 2007 | 1,898 | 594 | 1,304 | 0.249 | 0.152 |
| 2008 | 1,718 | 598 | 1,120 | 0.198 | 0.174 |
| 2009 | 1,638 | 522 | 1,116 | 0.282 | 0.169 |
| 2010 3/ | 1,634 | 544 | 1,090 | 0.227 | 0.163 |

1/ Utilized production. 2/ Prices are only for clingstones which represents about 80 percent of all California peaches processed. 3/ Preliminary.

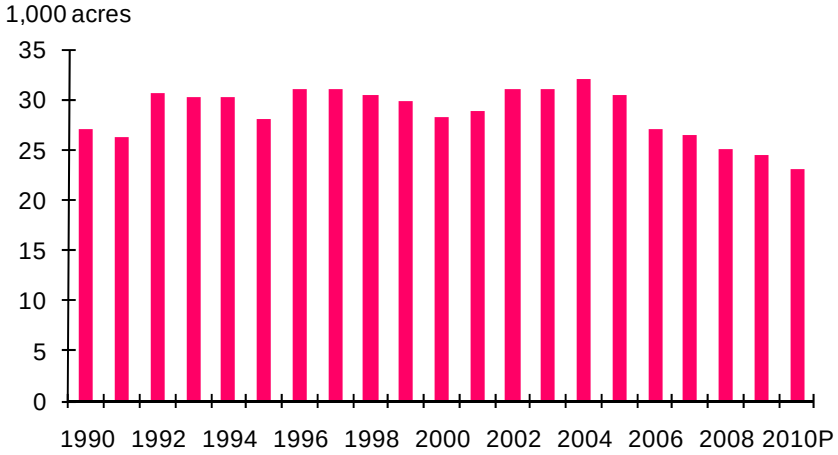
Source: USDA, National Agricultural Statistics Service, *Noncitrus Fruit and Nuts Summary*, various issues.

improving fruit size of mid-to-late varieties. With the recent termination of the Federal marketing order for California peaches (and nectarines), fresh-market packout data is no longer available from the order's administering body, the California Tree Fruit Agreement. AMS data, however, show early California peach shipments through mid-May are about 20 percent higher than the same period a year ago, while those from South Carolina and Georgia are both up sharply.

California's 2011 clingstone crop is forecast down less than 1 percent from the previous year to 860 million pounds. While this may suggest raw material processing supplies in 2011 will be flat from last year, the California Canning Peach Association reports that currently contracted production is expected to be down about 9 percent from a year ago. In 2010, NASS reported processing clingstone production in California at 864 million pounds (or 432,000 tons), over 75 percent of all U.S. peaches sold to processors during the 2010/11 marketing season (June-May). NASS reported bearing acreage for California clingstones at 23,000 acres in 2010, the lowest in the past few decades (fig. 3). This decline was mostly a result of pull outs as reflective of the continuing downward trend in domestic demand for canned peaches, the largest use for clingstone peaches. Processing production in the State declined last year but peach processing grower prices averaged 4 percent lower for the season (2010/11) than in 2009/10, driving down the overall processing price in the United States.

With a total of 1,833 acres pulled out so far in 2011, bearing acreage for this season is anticipated to be little changed from the previous season. The cool, wet weather in March and a colder April slowed development of the this year's California clingstone crop, delaying statewide full bloom to March 12, approximately 3 days behind last year. Heavy sets have been reported for the extra early and earlier varieties while leaning more towards average sets for the late and extra late varieties. In some growing areas, including the Modesto area, cool and windy conditions in the last several weeks have growers occupied in protecting against mildew problems.

Figure 3
**California clingstone peach harvested acreage declining**




P= preliminary.
Source: USDA, National Agricultural Statistics Service, *Noncitrus Fruits and Nuts Summary*, various issues.

### *Plenty of Blueberries From Florida's 2011 Crop—the Earliest in Season*

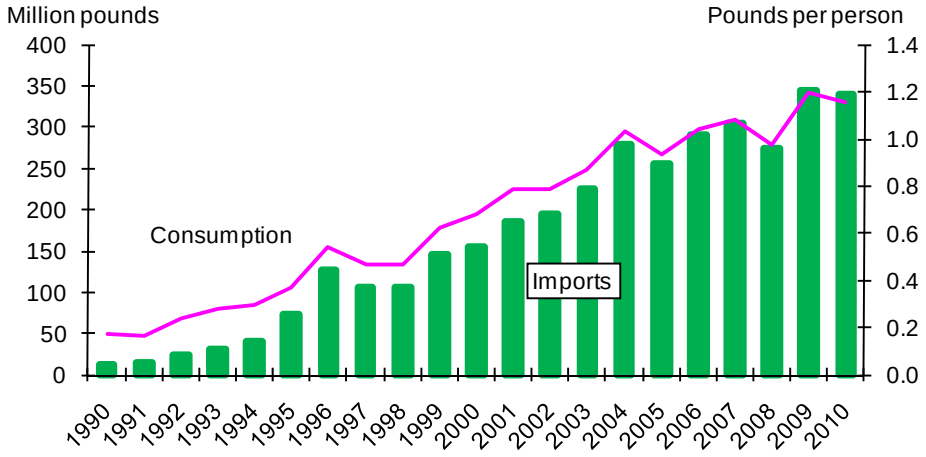
Blueberry supplies in the United States have already transitioned from Southern Hemisphere imports (primarily Chile) this winter to early season domestic production, primarily from Florida—a relatively small blueberry-producing State but the first to come to market in the spring. Freezing weather in Florida last December benefitted the blueberry crop, providing plenty of chill hours during the dormant period. With mostly favorable growing weather boosting yields and continued increases in production area, industry sources have indicated Florida's blueberry production is expected to increase to 18 million pounds for the 2011 season (mid-March through May), up from the NASS estimate of 16.4 million pounds reported for the State in 2010. Florida's blueberry production has increased nearly six folds in the last 10 years. The expansion in Florida's production has been greatly encouraged by the successful adaptation of the Southern high bush varieties to Florida's growing environment and the price advantage received by Florida growers for being the first to hit the market among domestic producers during a high-demand period. Over the past decade, blueberry acreage in Florida has more than doubled, increasing from 1,400 acres in 2000 to 3,500 in 2010. Last year alone, acreage was up by 300 acres from 2009. Average yields per acre have also more than doubled in the last 10 years.

When blueberries from Florida started to show up in the market this year, shippers of Chilean blueberries were anticipating having more product at the end of their season. Instead, a combination of very hot weather and a lot of rains led to a more normal end to their season, allowing for a smooth transition to Florida supplies. AMS data on Florida shipments this season through early May show volumes three times as high as the same period in 2010. The same is true for shipments from Georgia, also an early-season supplier. The larger shipments are driving down prices. Blueberry f.o.b. shipping-point prices in April were $23-$30 for flats of 12 (6-oz cups), Central and North Florida. No corresponding prices were reported for last year but flats of 12 (4.4-oz cups), Central Florida were priced at $26-28 around mid-April 2010. F.o.b. prices through the second week in May this year averaged $12-$14 for flats of 12 (6-oz cups). Last year at the same time, prices were averaging $17-$24. Florida's end-of-season deal could strengthen as supplies wane and if supplies from California remain low due to cold and rainy weather during the growing period. Harvest of early varieties in California was expected to start by mid-April and those for late varieties getting underway by early May. California shipments for the season through early May were running 61 percent below the same time last year. Heavy rains in North Carolina, New Jersey, and other Eastern growing regions could also slow timing and volume of supplies this summer.

### *Lower Imports Boosts Papaya Prices for Much of 2011 First-Half*

Imports play a crucial role in serving the growing market for papayas in the United States. Domestic production, which is concentrated in Hawaii, is relatively small and contracting. Within the past 10 years, the number of farms growing papayas in Hawaii declined from 206 in 2001 to 177 in 2010 and production area fell from 2,720 acres to 1,250 acres. Imports, on the other hand, grew annually at an average rate of 9 percent during the same 10-year period, increasing from 186.1 million pounds to a record 344.8 million pounds in 2009 (fig. 4). Imports fell slightly to

Figure 4
**Fresh papayas: U.S. imports and consumption**




Source: U.S. trade data from the U.S. Dept. of Commerce, U.S. Census Bureau; and consumption estimates derived by USDA, Economic Research Service.

339.3 million pounds in 2010. For this same 10-year span, imports averaged over 91 percent of the available supplies for domestic fresh papaya consumption.

With the growth in imports, fresh papaya per capita consumption in the United States grew more than 50 percent over this 10-year period, reaching an estimated 1.20 pounds in 2009—an all-time high. Per capita consumption was short of this record in 2010 but remained over the 1-pound level, slipping to 1.16 pounds on lower imports and reduced Hawaiian production. Domestic demand growth was aided by offering varieties that are preferred by specific ethnic populations who are the primary consumers of this fruit in the United States. For example, the red Caribbean papaya was introduced in the United States a few years ago from Belize, the second-largest source for papayas in the United States. The Maradol papaya is also popular as it is the variety imported from Mexico, our country's No. 1 source for papayas.

U.S. papaya imports from Mexico fell 8 percent in 2010 from the previous year while most other leading country sources in South and Central America and the Caribbean posted increases, based on data from the U.S. Department of Commerce, U.S. Census Bureau (table 5). Imports in 2011 through March continue to lag the previous year (down 12 percent) as supply volumes from Mexico remain behind. Imports from Belize reversed, declining 12 percent in the first quarter from the same period a year ago. Larger import volumes from the Dominican Republic, Brazil, and Guatemala continued into the first quarter of 2011, but these increases were not enough to offset declines from both Mexico and Belize, whose combined shipment volumes account for 93 percent of total import volume to date. More recent shipment data from AMS indicate continued decreased imports from Mexico and Belize in April and through early May as compared to a year ago, limiting overall supplies in the United States for most of the first half of this year, which have resulted in higher papaya prices.

Table 5--U.S. imports of fresh papayas, by country, 2006-11

| Country | 2006 | 2007 | 2008 | 2009 | 2010 | Jan.-Mar. 2010 | Jan.-Mar. 2011 | Change 2010-11 |
|---|---|---|---|---|---|---|---|---|
| | | | | *1,000 pounds* | | | | *Percent* |
| Mexico | 200,968 | 204,210 | 187,175 | 275,008 | 254,003 | 70,655 | 61,005 | -14 |
| Belize | 74,712 | 73,831 | 62,104 | 52,353 | 62,983 | 16,558 | 14,517 | -12 |
| Guatemala | 2,248 | 3,396 | 8,204 | 4,656 | 8,559 | 2,617 | 2,761 | 6 |
| Brazil | 8,073 | 9,183 | 8,363 | 6,443 | 6,578 | 1,763 | 2,046 | 16 |
| Dominican Republic | 2,175 | 11,326 | 4,722 | 3,948 | 4,911 | 1,004 | 1,040 | 4 |
| Jamaica | 2,907 | 2,186 | 2,416 | 1,730 | 1,664 | 387 | 189 | -51 |
| Other countries | 303 | 345 | 1,171 | 650 | 575 | 223 | 82 | -63 |
| World | 291,385 | 304,477 | 274,155 | 344,789 | 339,271 | 93,208 | 81,641 | -12 |

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

Terminal market prices for Mexican Maradol type papayas in Philadelphia ranged from around $26-$29 per 30-35-lb carton in January, compared with $20-$22 in January 2010. Prices have declined to $24-$25 in April with heavier volume than earlier in the year, but remain $3-$4 higher than in April 2010. Prices for Maradol type papayas from Belize are also holding up stronger than last year for this season, starting at $28-$29 per 30-35-lb carton in January to around $27 in April. Last year, prices were at $22-$23 in January and around $25 in April. In the absence of any major weather problems in major papaya-producing countries, supplies in the United States may see an improvement over last year during the second half of this year which will likely put downward pressure on papaya prices.

### *Jump in Mango Imports Pressuring Prices Down*

As 2011 moves well into the spring season, mango supplies in the United States are coming in at heavier volumes than a year ago, putting downward pressure on domestic mango prices (table 6). Imports comprise virtually all the mangoes available in the U.S. market, with Mexico providing over 60 percent of the volume annually on average. Other leading suppliers include Peru, Ecuador, Brazil, Guatemala, and Haiti. Following record-high imports in 2010, cumulative imports during the first three months of this year were 58 percent ahead of the same period a year ago, showing increases in each of the months and year-to-date increases among most of the leading suppliers, including Mexico. While trade data through March was the most recent available from the U.S. Census Bureau when this report was published, AMS data show import shipments remained larger than a year ago through April and nearly even into mid-May.

Despite an early winter freeze in Mexico, industry sources have indicated a fairly large Mexican mango crop for this year. Already supporting this projection is the greater volume to date entering the U.S. market. Several varieties of mangoes come into the market throughout the year, with the Ataulfo mango penetrating mostly during the winter. This year, Ataulfo mangoes from Mexico came on earlier than last year. Besides the larger volume entering this winter, cosmetic concerns with the Ataulfo's have driven down their prices in the U.S. market. February prices for Ataulfo mangoes from Mexico were $7.5 to $ 9.0 per 1-layer carton (12s), f.o.b.

Table 6--U.S. imports of fresh mangoes, by country, 2006-11

| Country | 2006 | 2007 | 2008 | 2009 | 2010 | Jan.-Mar. 2010 | Jan.-Mar. 2011 | Change 2010-11 |
|---|---|---|---|---|---|---|---|---|
| | | | | *1,000 pounds* | | | | *Percent* |
| Mexico | 397,802 | 406,640 | 400,335 | 406,129 | 475,194 | 38,787 | 61,126 | 58 |
| Peru | 74,104 | 64,353 | 84,296 | 38,172 | 70,925 | 67,469 | 98,122 | 45 |
| Ecuador | 68,498 | 68,868 | 54,404 | 77,832 | 56,518 | 6,984 | 13,687 | 96 |
| Brazil | 50,901 | 54,405 | 56,760 | 51,147 | 53,802 | 2,152 | 1,587 | -26 |
| Guatemala | 20,130 | 28,398 | 32,891 | 32,421 | 27,952 | 1,097 | 10,004 | 812 |
| Haiti | 22,632 | 18,531 | 18,238 | 19,870 | 14,226 | 0 | 0 | - |
| Other countries | 10,513 | 9,725 | 8,902 | 8,134 | 8,166 | 3,349 | 4,703 | 40 |
| World | 644,580 | 650,919 | 655,826 | 633,705 | 706,782 | 119,838 | 189,229 | 58 |

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

shipping-point crossing through Texas. There were no prices reported in February 2010 because shipments came much later. March prices dropped to around $7 per 1-layer carton and remained at that level through April, while in March 2010 prices were at $11-$12 and in April 2010 at $7-$9. The red varieties such as the Tommy Atkins and Haden have started to show up this spring at greater volumes than a year ago, also driving prices lower. As of April, their prices ranged from $3-$4 per 1-layer carton (12s), f.o.b. Texas, compared with $4-$5 the same time last year. As Mexico transitions to their northern growing region, their production from this year's second bloom is expected to be even larger. Less affected by the freeze, the quality of this second crop is likely to be better. Prices, however, are likely to remain at or below year-ago levels this summer, should supplies hold up higher than last year.

U.S. retail advertised prices for mangoes so far this year were reported by AMS to have averaged between 9 to 15 cents lower than for the same months a year ago from February through April. January prices averaged $1.12 each, up from $0.99 in January 2010. Prices in May this year are currently averaging $0.92 each, more in line with last year's prices of around $0.95 each. More warm weather in the months ahead should help pump up mango demand in the United States and, with the possibility of another record-breaking year for U.S. mango imports in 2011, retailers are going to have plenty of supplies to run promotions while consumers are likely to continue to see lower prices for this fruit this summer compared with a year ago. U.S. demand for mangoes is still growing. With record imports in 2010, domestic per capita consumption of fresh mangoes reached an all-time high, estimated at 2.23 pounds.

### *Moderate Growth in 2011 First-Quarter Pineapple Imports*

Combined U.S. imports of pineapple products (fresh, canned, and juice) rose 4 percent in volume during the first quarter of 2011, a fairly moderate increase from first-quarter 2010. This year's import growth through March comes from larger volumes of imported canned pineapples and juice. Fresh pineapple imports to date show a 6-percent drop (table 7).

First-quarter fresh pineapple imports are down from most of the leading countries supplying to the United States, including the No. 1 source—Costa Rica—which provides over 80 percent of the total import volume annually. First-quarter volume

Table 7--U.S. imports of fresh and frozen pineapples, by country, 2006-11

| Country | 2006 | 2007 | 2008 | 2009 | 2010 | Jan.-Mar. 2010 | Jan.-Mar. 2011 | Change 2010-11 |
|---|---|---|---|---|---|---|---|---|
| | | | | *1,000 pounds* | | | | *Percent* |
| Costa Rica | 1,161,862 | 1,280,268 | 1,302,686 | 1,312,971 | 1,523,861 | 363,358 | 344,845 | -5 |
| Mexico | 49,697 | 64,815 | 86,185 | 101,933 | 111,655 | 36,448 | 32,862 | -10 |
| Ecuador | 80,148 | 74,935 | 63,728 | 63,499 | 54,846 | 12,487 | 10,233 | -18 |
| Honduras | 28,047 | 44,445 | 49,869 | 48,648 | 48,188 | 15,253 | 12,411 | -19 |
| Panama | 7,437 | 17,094 | 20,448 | 25,479 | 35,721 | 8,915 | 11,281 | 27 |
| Guatemal | 73,144 | 60,562 | 56,875 | 40,031 | 28,075 | 5,353 | 5,526 | 3 |
| Philippines | 10,322 | 7,238 | 7,468 | 11,216 | 12,465 | 4,844 | 4,969 | 3 |
| Thailand | 7,769 | 7,410 | 9,151 | 8,594 | 9,627 | 2,951 | 1,882 | -36 |
| Other countries | 3,036 | 2,035 | 2,301 | 2,546 | 4,226 | 1,024 | 769 | -25 |
| World | 1,421,462 | 1,558,803 | 1,598,711 | 1,614,917 | 1,828,664 | 450,635 | 424,779 | -6 |

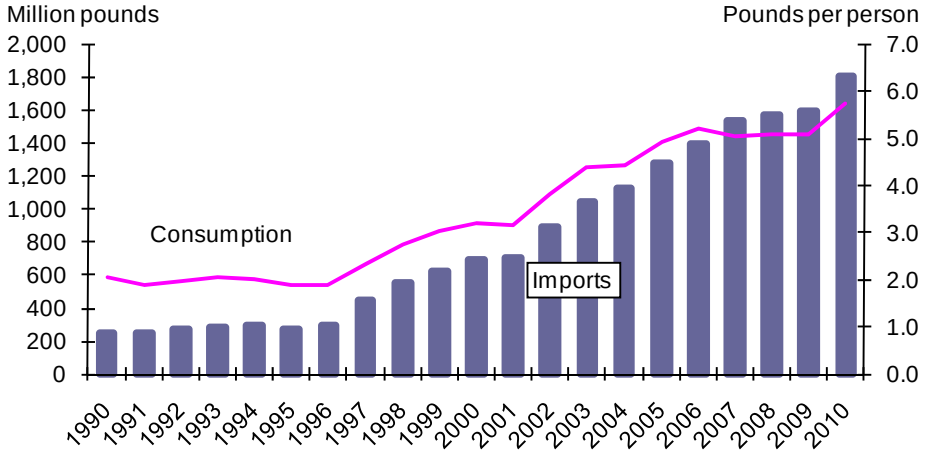
Source: U.S. Department of Commerce, U.S. Census Bureau.

from Costa Rica posted a 5-percent decline from the same period a year ago as cold weather over the last few months affected production. Imports from Mexico, Ecuador, Honduras, and Thailand also registered declines during the first quarter. While volume is low relative to other leading suppliers, the most significant decline was from Thailand (down 36 percent), reflecting very strong demand for raw material supplies among their pineapple processors, limiting supplies for the fresh market. According to *FOODNEWS*, Thailand's 2011 summer crop mostly escaped damage from the heavy rains in March and is expected to be larger than last year's weather-reduced crop. However, fresh-market supplies will likely continue to face increased competition from the processing sector as inventory levels remain tight. Meanwhile, industry sources also reported that the Mexican pineapple crop benefitted from cold snaps this winter, improving the Brix levels which determine the sweetness of the fruit. Mexico—the No. 2 pineapple supplier—generally ships all year round to the United States, with a peak in April. While our imports from Mexico show a 10-percent drop in the first quarter, industry sources reported good production for the Mexican crop this season, and recent AMS shipment data show imports of Mexican pineapples this year through early May unchanged from a year ago.

Demand for fresh pineapples in the United States continues on an upward trend, aided by the growth in immigrant population from Latin America and Southeast Asia where this fruit is traditionally eaten. The wide appeal of new sweet varieties, increased availability, consumer education on product handling and use, and the general focus on health and well-being increased demand among traditional American consumers as well. Domestic demand is heavily reliant on imports, which registered year-over-year volume increases since 1996 (fig. 5). Fresh imports increased six folds in the last 15 years, reaching record volume of 1.8 billion pounds in 2010. Per capita domestic consumption of fresh pineapples has exceeded 5 pounds per person over the last 5 years, more than double the average during the 1990s. Should overall imports in 2011 continue to deviate from this 15-year trend, current domestic demand levels may not be sufficiently met, leading to a decline in domestic consumption from the estimated 2010 record of 5.74 pounds per person.

U.S. canned pineapple imports during the first quarter 2011 was up 14 percent from first-quarter 2010, mostly as volumes rose from the top 3 suppliers—Thailand, the Philippines, and Indonesia (table 8). Canned imports were significantly lower from China and Malaysia. At the same time, U.S. pineapple juice imports posted a gain

Figure 5
**Fresh pineapples: U.S. imports and consumption**




Source: U.S. trade data from the U.S. Dept. of Commerce, U.S. Census Bureau; and consumption estimates derived by USDA, Economic Research Service.

Table 8--U.S. imports of canned pineapples, by country, 2006-11

| Country | 2006 | 2007 | 2008 | 2009 | 2010 | Jan.-Mar. 2010 | Jan.-Mar. 2011 | Change 2010-11 |
|---|---|---|---|---|---|---|---|---|
| | | | | *1,000 pounds* | | | | *Percent* |
| Thailand | 320,931 | 286,192 | 315,380 | 348,363 | 308,068 | 69,491 | 86,203 | 24 |
| Philippines | 266,220 | 276,527 | 252,245 | 216,091 | 216,908 | 49,568 | 54,301 | 10 |
| Indonesia | 124,735 | 103,016 | 119,300 | 109,788 | 110,395 | 22,439 | 30,293 | 35 |
| China | 69,035 | 76,862 | 75,038 | 65,195 | 52,744 | 16,872 | 10,405 | -38 |
| Malaysia | 16,746 | 24,486 | 11,059 | 9,013 | 9,071 | 2,050 | 1,560 | -24 |
| Other countries | 10,063 | 7,760 | 12,797 | 5,243 | 4,404 | 1,032 | 1,075 | 4 |
| World | 807,730 | 774,843 | 785,818 | 753,693 | 701,589 | 161,452 | 183,838 | 14 |

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

Table 9--U.S. imports of pineapple juice, by country, 2006-11

| Country | 2006 | 2007 | 2008 | 2009 | 2010 | Jan.-Mar. 2010 | Jan.-Mar. 2011 | Change 2010-11 |
|---|---|---|---|---|---|---|---|---|
| | | | | *1,000 single-strength gallons* | | | | *Percent* |
| Philippines | 38,191 | 35,464 | 35,610 | 37,475 | 34,108 | 10,230 | 11,939 | 17 |
| Thailand | 21,133 | 19,500 | 26,419 | 27,524 | 18,477 | 6,111 | 6,051 | -1 |
| Indonesia | 7,146 | 3,539 | 9,200 | 9,457 | 6,351 | 1,279 | 2,212 | 73 |
| Costa Rica | 3,251 | 4,742 | 7,142 | 4,849 | 4,857 | 698 | 1,009 | 44 |
| Kenya | 89 | 262 | 2,066 | 3,170 | 1,589 | 785 | 65 | -92 |
| Other countries | 2,975 | 2,818 | 2,605 | 1,762 | 1,189 | 362 | 169 | -53 |
| World | 72,785 | 66,326 | 83,043 | 84,237 | 66,572 | 19,466 | 21,445 | 10 |

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

of 10 percent in the first quarter (table 9). Juice imports from the top supplier—the Philippines—rose 17 percent and were augmented by even bigger increases from Indonesia and Costa Rica. Like in the fresh market, imports mostly supply the demand for these products in the United States. The trend in U.S. imports was slightly up for canned pineapples over the last 15 years but mostly flat for pineapple juice, a reflection of domestic demand. Therefore, with more rapid growth in the

fresh market, fresh pineapple imports have surpassed those for canned during the past 5 years and those for juice since 2004. While canned and juice combined still account for most pineapples available in the United States, on a per capita fresh-weight basis, Americans are now eating more pineapples in fresh form than in canned and juice separately—a reverse of the situation prior to 5 years ago.

### *U.S. Banana Import Growth Slows in 2011*

Based on import volume reported by the U.S. Census Bureau, banana supplies in the United States were up 1 percent during the first three months into 2011 compared with the same period in 2010 (table 10). This year's first quarter import growth, however, slowed relative to last year's first quarter 7-percent increase. Poor weather during the last few months of 2010 in most of Central America, where the majority of U.S. imported bananas originate, have reduced supplies and led to size and quality problems. Excessive rains and cold weather have affected plantations in Colombia, Costa Rica, Guatemala, and Honduras. Cold weather also has affected production in Ecuador.

Declines during the first quarter were seen in import volumes from Guatemala, Colombia, and Honduras but any shortages were not apparent in those from Ecuador (up 9 percent) and Costa Rica (up 11 percent). More recent AMS banana shipment information for this year through mid-May show that while most shipments from Guatemala, Colombia, and Honduras continue to lag, volumes from Ecuador and Costa Rica have also slowed, particularly in May when shipments were down 53 percent and 31 percent from the same period last year, respectively.

While U.S. Census Bureau trade data indicated a slight increase in import supplies during the first quarter, U.S. consumers did not receive any bargains for bananas during that period and through the following month. U.S. banana retail prices this year were above average each month from January to April, ranging from $0.60-$0.63 per pound, compared with the $0.57-$0.59 per pound range during the same period in 2010 and only slightly lower than the record-high's in 2009. Indications of supplies likely reaching more normal levels during the second half of this year could temper the strong gains in consumer prices this summer and through the fall.

Table 10-U.S. imports of fresh bananas, excluding plantains, by country, 2006-11

| Country | 2006 | 2007 | 2008 | 2009 | 2010 | Jan.-Mar. 2010 | Jan.-Mar. 2011 | Change 2010-11 |
|---|---|---|---|---|---|---|---|---|
| | *Million pounds* | | | | | | | *Percent* |
| Guatemala | 2,013 | 2,411 | 2,621 | 2,452 | 2,539 | 660 | 650 | -2 |
| Ecuador | 2,192 | 2,048 | 1,830 | 2,111 | 2,164 | 577 | 628 | 9 |
| Costa Rica | 2,044 | 2,286 | 1,928 | 1,241 | 1,882 | 434 | 482 | 11 |
| Colombia | 1,045 | 832 | 994 | 930 | 1,017 | 238 | 217 | -9 |
| Honduras | 932 | 1,064 | 1,115 | 857 | 961 | 245 | 209 | -15 |
| Other countries | 238 | 186 | 283 | 344 | 509 | 112 | 106 | -5 |
| World | 8,465 | 8,827 | 8,770 | 7,935 | 9,072 | 2,267 | 2,292 | 1 |

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

### *2010/11 Citrus Crop Raised on Higher Orange Production*

The May edition of the NASS *Crop Production* report forecasts the total 2010/11 U.S. citrus crop at 11.63 million tons, an increase of 6 percent from the revised 2009/10 production estimate and virtually unchanged from the figure reported in the March *Fruit and Tree Nuts Outlook* report. The bulk of the year-to-year production increase is attributable to the higher production of California navels and Florida Valencias (table 11). Smaller gains were made in tangerine/mandarin, lemon, and tangelo production, but were partially offset by a decline in grapefruit. The tangerine/mandarin crop increased in both California and Florida, offsetting a slight crop reduction in Arizona. For lemons, production is estimated higher in 2010/11 for both producing states of Arizona and California. Production of tangelos is projected to increase 27 percent in 2010/11 to 52,000 tons. Grapefruit production is forecast to decline in both Florida and California, but is expected to increase by 5 percent in Texas. Compared to the March 2011 forecast for 2010/11, the production forecast for tangelos was revised up 4 percent, with smaller upward revisions made for early/mid-season and navel oranges (up 1 percent), all grapefruit (up 0.7 percent), and tangerines/mandarins (up 2 percent). In contrast, the Valencia production forecast was reduced marginally compared to the March forecast. The forecast for lemons was unchanged.

### *Florida Orange Crop Up 5 Percent From Last Season*

The May NASS forecast for the 2010/11 Florida early-to-mid season orange crop remains at 3.15 million tons, unchanged from the March report but up 2 percent from last season. The early-to mid-season orange harvest was completed by the first week of May. The Valencia crop is also forecast higher this year at 3.15 million tons—up 8 percent from last year, but down 3 percent from the March report. Harvesting of Valencias is ongoing, with an estimated 50 percent harvested by the first week of May, according to the Florida NASS May *Citrus Production Forecast* report. Most citrus producing areas in Florida reported warm temperatures during the month of April, with heavy rains early in the month easing drought conditions in some of the western growing areas. However, extreme drought conditions continue unabated in the eastern and southeastern growing regions. The Florida NASS May *Citrus Production Forecast* report noted that objective survey measurements from April showed Valencia fruit sizes below the minimum of the previous 8 seasons, with the drop rate above average.

Florida grower prices for processing oranges have averaged $5.94 per 90-lb box this season to date (October through April), up 7 percent from last season's average price of $5.57 per box through April, but lower than the $6.14 per box average from the 2007/08 season (table 12). Prices for Florida processing oranges during the 2006/07-2010/11 seasons have been comparatively strong relative to earlier this decade, averaging $6.21 per box compared to an average of $3.40 per box during 2000/01-2005/06.

Table 11--Citrus: Utilized production, 2008/09, 2009/10 and forecast for 2010/11 1/

| Crop and state | Utilized | | Forecast for 2010/11 | Utilized | | Forecast for 2010/11 |
|---|---|---|---|---|---|---|
| | 2008/09 | 2009/10 | as of 5-2011 | 2008/09 | 2009/10 | as of 5-2011 |
| | ---- *1,000 boxes 2/* ---- | | | ----*1,000 tons* ---- | | |
| Oranges: | | | | | | |
| Early/mid-season and navel: | | | | | | |
| Arizona 3/ | 150 | -- | -- | 5 | -- | -- |
| California | 34,500 | 42,500 | 48,000 | 1,294 | 1,594 | 1,920 |
| Florida 4/ | 84,600 | 68,600 | 70,000 | 3,807 | 3,087 | 3,150 |
| Texas | 1,300 | 1,360 | 1,480 | 55 | 58 | 63 |
| Total 5/ | 120,550 | 112,460 | 119,480 | 5,161 | 4,739 | 5,133 |
| Valencia: | | | | | | |
| Arizona 3/ | 100 | -- | -- | 4 | -- | -- |
| California | 12,000 | 15,000 | 13,000 | 450 | 563 | 520 |
| Florida | 77,900 | 65,100 | 70,000 | 3,506 | 2,930 | 3,150 |
| Texas | 159 | 275 | 285 | 7 | 12 | 12 |
| Total | 90,159 | 80,375 | 83,285 | 3,967 | 3,505 | 3,682 |
| All oranges | 210,709 | 192,835 | 202,765 | 9,128 | 8,244 | 8,815 |
| Grapefruit: | | | | | | |
| Arizona 3/ | 25 | -- | -- | 1 | -- | -- |
| California | 4,800 | 4,500 | 3,500 | 161 | 151 | 140 |
| Florida | 21,700 | 20,300 | 19,600 | 922 | 863 | 833 |
| Texas | 5,500 | 5,600 | 5,900 | 220 | 224 | 236 |
| All grapefruit | 32,025 | 30,400 | 29,000 | 1,304 | 1,238 | 1,209 |
| Tangerines and mandarins: | | | | | | |
| Arizona | 250 | 350 | 300 | 9 | 13 | 12 |
| California | 6,700 | 9,900 | 9,600 | 251 | 371 | 384 |
| Florida | 3,850 | 4,450 | 4,600 | 183 | 211 | 219 |
| All tangerines and mandarins | 10,800 | 14,700 | 14,500 | 443 | 595 | 615 |
| Lemons: | | | | | | |
| Arizona | 3,000 | 2,200 | 2,500 | 114 | 84 | 100 |
| California | 21,000 | 21,000 | 21,000 | 798 | 798 | 840 |
| All lemons | 24,000 | 23,200 | 23,500 | 912 | 882 | 940 |
| Tangelos | | | | | | |
| Florida | 1,150 | 900 | 1,150 | 52 | 41 | 52 |
| All citrus | | | | 11,839 | 11,000 | 11,631 |

1/ The crop year begins with bloom of the first year shown and ends with completion of harvest the following year.
2/ Net pounds per box: oranges in Arizona (AZ) and California (CA)-80 (75 prior to the 2010-2011 crop year), Florida (FL)-90, Texas (TX)-85; grapefruit in AZ and 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/ Arizona estimates discontinued beginning with the 2009/10 crop. 4/ Includes Temples.
5/ 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 12--Processing oranges: Average equivalent on-tree prices received by Florida growers, 2005/06-2010/11

| Month | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 |
|---|---|---|---|---|---|---|
| | | | *---Dollars/90-lb box---* | | | |
| October | 0.40 | 4.25 | -- | 0.81 | -- | -- |
| November | 3.23 | 7.45 | 5.16 | 4.75 | 3.45 | 5.10 |
| December | 3.94 | 8.05 | 5.47 | 5.10 | 4.80 | 5.20 |
| January | 4.33 | 8.55 | 5.81 | 5.04 | 5.64 | 5.40 |
| February | 5.24 | 9.25 | 6.10 | 4.95 | 5.79 | 6.05 |
| March | 6.04 | 11.15 | 6.95 | 6.31 | 6.65 | 6.90 |
| April | 6.31 | 11.45 | 7.32 | 6.63 | 7.10 | 7.00 |
| May | 6.52 | 11.85 | 7.39 | 6.53 | 7.40 | |
| June | 6.73 | 12.15 | 7.17 | 6.87 | 7.40 | |
| Oct.-Apr. Average | 4.21 | 8.59 | 6.14 | 4.80 | 5.57 | 5.94 |

-- = Not available.

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

## *Larger Florida Valencia Crop Raises U.S. Orange Juice Forecast*

ERS forecasts U.S. orange juice production to increase 7 percent from last season to 900 million gallons, single-strength equivalent (sse), mostly due to a larger Florida Valencia crop and higher juice yields per box. This season, NASS forecasts the Florida all orange yield at 1.58 gallons per box (at 42 degrees Brix), up from the March forecast of 1.57 gallons per box and up 1 percent from last season's final yield of 1.56 gallons per box. Florida accounts for about 95 percent of U.S. orange juice production.

Decreased beginning stocks and reduced imports are expected to more than offset increased orange juice production in 2010/11, resulting in an 8 percent decline in total U.S. orange juice supplies (table 13). Total supplies are forecast at 1.72 billion gallons, sse, down from 1.86 billion gallons last year and the lowest total U.S. orange juice supplies since 1992/93. Imports to date are running 30 percent lower than in 2009/10, with significant declines in shipments from top U.S. suppliers. Shipments from Brazil are down 39 percent to date and shipments from Mexico are down 13 percent. Reduced U.S. imports of Brazilian orange juice are largely a product of higher farmgate prices in Brazil. In January and February of 2011, prices for Brazilian processing oranges were reported at record levels. Orange juice imports have also been hurt by a weaker dollar, particularly as compared to the Brazilian real.

The domestic consumption forecast was raised this month from 1.09 to 1.13 billion gallons—still 3 percent below last year. Nielsen scanner retail sales data show Not-From-Concentrate (NFC) retail purchases down 3 percent for the marketing year compared to this time last year, with total orange juice purchases down 7 percent. The decline in retail purchases is largely attributable to higher prices. Nielsen scanner data indicate that NFC orange juice prices have risen 4 percent compared to 2009/10. While consumer purchases have declined, Florida Department of Citrus (FDOC) movement data show that shipments of Frozen Concentrate Orange Juice (FCOJ) and NFC have been slightly higher to date in 2010/11 than in 2009/10, with

Table 13--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 | 3.81 |
| 2008/09 | 647 | 1,060 | 317 | 2,025 | 125 | 1,206 | 694 | 3.94 |
| 2009/10 | 694 | 843 | 328 | 1,865 | 147 | 1,160 | 558 | 3.76 |
| 2010/11 f/ | 558 | 900 | 260 | 1,718 | 180 | 1,128 | 410 | 3.62 |

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.

higher bulk shipments (mainly destined for foodservice uses) accounting for all of the increase for both products.

U.S. orange juice exports to date are running 48 percent higher than last year (October through March) and are the highest exports to date in a marketing year for at least the past two decades. With this increased pace, ERS forecasts total 2010/11 orange juice exports to increase by 22 percent to 180 million gallons, sse. Volumes are up year-to-year for each of the top three U.S. export markets—Canada, Belgium, and the Netherlands. These three markets alone account for nearly 80 percent of total shipments to date.

With smaller overall orange juice supplies and increased exports slightly offsetting reduced consumption, ending stocks should be lower in 2010/11 than in 2009/10. ERS forecasts orange juice ending stocks at 410 million gallons, sse, down 27 percent from 2009/10. Reduced inventories to date from the FDOC support this adjustment.

## *California Orange Production Projected 13 Percent Higher in 2010/11*

California's overall orange crop in 2010/11 is projected 13 percent higher than in 2009/10, to 2.44 million tons. Gains in the State's navel orange crop were larger than reductions in the Valencia crop. The May issue of NASS's *Crop Production* report revised the California navel estimate up 3 percent from the March report to

1.92 million tons—a 21-percent increase in production over 2009/10. If realized, this would be the largest California navel crop on record. The Valencia crop is estimated at 520,000 tons, 8 percent below the revised 2009/10 crop, but unchanged from March.

The April issue of NASS's *California Fruit & Nut Review* reported that navel orange bearing acreage has declined from 140,000 acres in 2009/10 to139,000 acres, such that the record crop is entirely the product of a higher yield. As of the first week of May, the California navel season was winding down.

The larger crop has dampened grower prices this season. California fresh orange prices have averaged $11.54 per 80-lb box through April this season, down from $12.47 per 75-lb box over the same period in 2009/10 (table 14). All California citrus crops are now measured at 80-lbs per box, adjusted up from 75-lbs per box in previous years. On a per-pound basis, 2010/11 prices are down 13 percent from a year ago.

Bearing acreage has also declined for California Valencias, reported down 2,000 acres from 2009/10 to 41,000 acres. Yields are not expected to compensate for the smaller bearing acreage as is the case of navels. In March, the *2010-11 California Valencia Orange Objective Measurement* report indicated an average fruit set per tree of 631—just above the State's 5-year average of 626. The average fruit diameter of 2.546 inches, however, was slightly lower than the 5-year average of 2.605. The California NASS office reports that harvesting of Valencia oranges is progressing normally as of the first week of May.

Total fresh orange exports from November through March were 435,002 short tons, a 16 percent increase from the 375,712 tons reported for the same period in 2009/10 and the highest year-to-date total in at least two decades. Typically, 50-60 percent of marketing year exports ship by March. Based on a 5-year average, ERS forecasts

Table 14--Fresh oranges: Average equivalent on-tree prices received by California growers, 2005/06-2010/11

| Month | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 |
|---|---|---|---|---|---|---|
| | | | *---Dollars/box--- 1/* | | | |
| November | 13.00 | 9.49 | 15.27 | 14.91 | 17.76 | 15.20 |
| December | 10.60 | 12.39 | 10.98 | 12.07 | 13.06 | 13.65 |
| January | 9.10 | 12.39 | 9.48 | 14.17 | 11.56 | 12.35 |
| February | 9.11 | 24.68 | 8.28 | 12.74 | 10.86 | 9.65 |
| March | 9.20 | 22.71 | 8.40 | 11.58 | 10.90 | 8.35 |
| April | 11.30 | 22.74 | 7.61 | 10.18 | 10.66 | 10.05 |
| May | 12.55 | 21.98 | 9.28 | 11.37 | 12.97 | |
| June | 12.99 | 18.03 | 11.01 | 12.43 | 14.22 | |
| July | 12.94 | 16.83 | 7.72 | 10.51 | 9.29 | |
| August | 14.84 | 14.63 | 7.72 | 11.01 | 9.49 | |
| September | 22.04 | 12.83 | 10.22 | -- | 10.69 | |
| October | 14.49 | 14.74 | 10.12 | -- | 9.99 | |
| Nov.-Apr. Average | 10.39 | 17.40 | 10.00 | 12.61 | 12.47 | 11.54 |

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

1/ 75-lb box prior to 2010/11; 80-lb box thereafter.

total export shipments for the year at 784,000 tons. If realized, 2010/11 fresh orange exports would be 6 percent higher than 2009/10 and the highest on record. While shipments to Canada—the United States' largest single export market— are running behind last year's pace, exports to other destinations are ahead of last year's pace. For the remaining top 4 markets, shipments to South Korea are up 43 percent over the same period last year, and shipments to Hong Kong and Japan are also above last year's pace. Additionally, increased exports to smaller markets like Malaysia, Australia, and United Arab Emirates have helped counteract the slower pace of Canadian sales.

Total fresh orange imports have declined markedly in 2010/11 compared to 2009/10, with only 8,796 tons imported through March this year versus more than 17,800 tons during the same period last year. However, most imports typically arrive in mid-summer to early fall, with less than 15 percent of imports usually received through March. ERS currently forecasts 2010/11 imports at 93,700 tons, about 20 percent lower than last year. Almost all the imports so far are sourced from Mexico, with smaller amounts coming from the Dominican Republic, Chile, and Italy. Southern hemisphere countries such as the Republic of South Africa and Australia usually supply the majority of U.S. imports after June.

### *U.S. Grapefruit Production Revised Upward, but Overall Output Still Declines in 2010/11*

Total U.S. utilized grapefruit production is forecast at 1.209 million tons in 2010/11, an upward revision of less than 1 percent from the March forecast, but 2 percent below the revised 2009/10 crop estimate. The April NASS *Crop Production* report raised the U.S. production estimate to 236,000 tons due to an 8,000 ton increase in Texas' estimated production, up 5 percent from 2009/10. Florida remains the primary source of U.S. grapefruit, with production there forecast down 3 percent in 2010/11 to 833,000 tons. Production in California is forecast down 7 percent to 140,000 tons this year. If realized, the 2010/11 U.S. grapefruit crop would be the second lowest in the past 30 years, behind only the 2004/05 crop of 1.107 million tons.

According to data from the Florida Citrus Administrative Committee (FCAC), the Florida grapefruit harvest is nearly complete, with less than 1 percent remaining. Total utilization of fresh and processed grapefruit was running about 3 percent behind last year as of May 8th. Fresh utilization dropped 10 percent compared to 2009/10, while processed utilization increased 4 percent. The larger processed utilization amount is partly due to the smaller average fruit size of this year's Florida grapefruit crop. In March, the Florida NASS office reported that an estimated 20 percent of the State's white grapefruit crop rated a size 63 or greater, as did 33 percent of the colored grapefruit harvest. NASS reports that average grapefruit size this year is smaller than in any of the past 10 seasons (excluding the hurricane-damaged seasons of 2004/05 and 2005/06).

This smaller average fruit size has also contributed to lower average grower prices. Prices this season (October-April) for all grapefruit have averaged $7.06 per 85-lb box in Florida—a 22-percent decline from the $9.00 average last season. Florida fresh grapefruit prices have averaged $11.43 per box through April, while Florida processed grapefruit has averaged $2.53 per box (Tables 15 and 16). Fresh

Table 15--Fresh grapefruit: Average equivalent on-tree prices received by Florida growers, 2005/06-2010/11

| Month | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 |
|---|---|---|---|---|---|---|
| | | | *----------Dollars/85-lb box----------* | | | |
| October | 14.90 | 15.21 | -- | 14.30 | 22.30 | -- |
| November | 13.53 | 12.19 | 15.05 | 7.91 | 14.38 | 16.88 |
| December | 14.23 | 11.27 | 11.94 | 7.53 | 12.67 | 11.56 |
| January | 15.87 | 9.65 | 9.60 | 7.03 | 13.08 | 10.60 |
| February | 15.05 | 7.67 | 8.02 | 7.42 | 11.86 | 10.14 |
| March | 12.50 | 7.58 | 7.60 | 8.02 | 11.18 | 9.73 |
| April | 11.01 | 7.47 | 7.85 | 7.63 | 11.10 | 9.64 |
| May | 9.69 | 9.38 | 9.80 | -- | 11.79 | |
| Oct.-Apr. Average | 13.87 | 10.15 | 10.01 | 8.55 | 13.80 | 11.43 |

-- = Not available.
Source: USDA, National Agricultural Statistics Service, *Agricultural Prices,* various issues.

Table 16--Processing grapefruit: Average equivalent on-tree prices received by Florida growers, 2005/06-2010/11

| Month | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 |
|---|---|---|---|---|---|---|
| | | | *---Dollars per 85-lb box---* | | | |
| October | 1.90 | 1.70 | -- | -1.29 | -1.65 | -- |
| November | 3.03 | 0.47 | -0.20 | 0.11 | 0.54 | 0.27 |
| December | 3.69 | 1.32 | -0.08 | 0.17 | 2.10 | 1.80 |
| January | 4.77 | 1.32 | 0.43 | 0.28 | 2.48 | 2.57 |
| February | 5.17 | 1.24 | 0.79 | 0.55 | 2.85 | 3.03 |
| March | 4.61 | 1.00 | 0.81 | 0.73 | 3.09 | 3.75 |
| April | 4.04 | 0.81 | 0.75 | 0.86 | 2.30 | 3.75 |
| May | 3.23 | -0.03 | 0.69 | -- | 1.27 | |
| Oct.-Apr. Average | 3.89 | 1.12 | 0.42 | 0.20 | 1.67 | 2.53 |

-- = Not available.
Source: USDA, National Agricultural Statistics Service, *Agricultural Prices,* various issues.

grapefruit prices in Texas are down from last season, while a smaller California crop has pushed producer prices (October-April) to their highest levels since 2006/07.

With a smaller grapefruit harvest this year, total domestic consumption of fresh grapefruit is expected to decline to 718 million pounds (or approximately 359,000 tons), 14 percent below 2009/10, with per capita consumption declining from 2.71 pounds per person to 2.30 pounds per person. Domestic consumption has declined nearly 50 percent from a decade ago and is approximately one third of the peak consumption level realized in 1975/76. Fresh grapefruit exports are expected to decline 2 percent from last season, mostly based on smaller available fresh supplies as compared to 2009/10. Based on year-to-date totals through March and the 5-year average of September-March exports as a share of the season's total, ERS projects 2010/11 fresh grapefruit exports to total 524 million pounds. Exports through March are running 7 percent behind last year. In the past two seasons, the share of exports shipped from September through March rose to nearly 90 percent, higher than the historical average of 80 percent. To date, Japan, Canada, and France account for 77 percent of U.S. fresh grapefruit exports this year-to-date.

Table 17--Grapefruit juice: Supply and utilization 1991/92-2010/11

| Year 1/ | Supply | | | | | Utilization | | |
|---|---|---|---|---|---|---|---|---|
| | | | Beginning | | Ending | | Consumption | |
| | Production | Imports | stocks | Total | stocks | Exports | Total | Per capita |
| | ---------- | ---------- | ---------- | *Million sse gallons 1/* | ---------- | ---------- | ---------- | *Gallons* |
| 1991/92 | 120 | 4.2 | 42 | 165 | 39 | 23 | 104 | 0.40 |
| 1992/93 | 186 | 1.9 | 39 | 227 | 70 | 22 | 134 | 0.52 |
| 1993/94 | 169 | 0.9 | 70 | 240 | 59 | 17 | 163 | 0.62 |
| 1994/95 | 191 | 0.9 | 59 | 251 | 72 | 22 | 157 | 0.59 |
| 1995/96 | 171 | 0.5 | 72 | 244 | 66 | 27 | 151 | 0.56 |
| 1996/97 | 192 | 0.2 | 66 | 258 | 86 | 21 | 151 | 0.55 |
| 1997/98 | 166 | 0.2 | 86 | 252 | 68 | 18 | 167 | 0.60 |
| 1998/99 | 171 | 1.3 | 68 | 240 | 54 | 24 | 161 | 0.58 |
| 1999/2000 | 203 | 5.0 | 54 | 263 | 82 | 33 | 148 | 0.52 |
| 2000/01 | 183 | 0.9 | 82 | 266 | 75 | 39 | 152 | 0.53 |
| 2001/02 | 179 | 0.3 | 75 | 255 | 84 | 36 | 135 | 0.47 |
| 2002/03 | 140 | 0.4 | 84 | 224 | 72 | 38 | 114 | 0.39 |
| 2003/04 | 147 | 0.5 | 72 | 219 | 65 | 42 | 111 | 0.38 |
| 2004/05 | 49 | 11.5 | 65 | 126 | 35 | 24 | 67 | 0.22 |
| 2005/06 | 81 | 5.6 | 35 | 122 | 42 | 19 | 61 | 0.21 |
| 2006/07 | 121 | 0.9 | 42 | 164 | 58 | 20 | 86 | 0.29 |
| 2007/08 | 109 | 0.3 | 58 | 167 | 60 | 16 | 92 | 0.30 |
| 2008/09 | 84 | 0.5 | 60 | 144 | 48 | 16 | 81 | 0.26 |
| 2009/10 | 77 | 0.6 | 48 | 125 | 45 | 13 | 68 | 0.22 |
| 2010/11 f/ | 83 | 0.4 | 45 | 128 | 47 | 15 | 66 | 0.21 |

1/single-strength equivalent. f = forecast.

Source: Prepared by USDA, Economic Research Service.

With more fruit being sent to processing according to FCAC utilization data, ERS forecasts 2010/11 grapefruit juice production at 83.0 million sse gallons, up 8 percent from last season, but still below 2008/09 levels (table 17). The increased production offsets lower imports and beginning stocks as compared to last year, bringing total estimated supplies up 2.9 million gallons sse to 128.2 million gallons. Domestic consumption is forecast to decline by 1.7 million gallons to 66 million gallons, bringing per capita use to 0.21 gallons—a 3 percent decline compared to 2009/10. Similarly, Nielsen retail sales data through mid-April show a 4 percent decline in grapefruit juice sales.

## *Larger Crop Reduces Fresh Lemon Prices in 2010/11*

The 2010/11 lemon crop is forecast at 940,000 tons, up 7 percent from last season and also above the five season annual average of 838,000 tons. California's lemon crop is forecast up 5 percent to 840,000 tons. Arizona's 2010/11 crop is projected up 19 percent to 100,000 tons.

AMS shipment data showed that domestic shipments through mid-May are up 26 percent from last season, but not at the expense of reduced imports. Trade data to date (August-March) show fresh lemon imports at 39,661 tons, up 8 percent from the same period last year. Larger supplies—both production and imports—have led to lower consumer prices and helped bolster domestic consumption this season. Larger supplies have also translated into larger exports, with year-to-date shipments totaling more than 78,600 tons—up 14 percent over 2009/10. Typically, around 70 percent of the year's exports have been shipped by March. Shipments to Japan, Canada, Australia, and China account for 76 percent of U.S. lemon exports to date. Increased shipments to Japan, Australia, and China have negated a small decline in exports to Canada.

Table 18--Fresh lemons: Average equivalent on-tree prices received by U.S. growers, 2005/06-2010/11

| Month | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 |
|---|---|---|---|---|---|---|
| | | | *--Dollars per box 1/--* | | | |
| August | 15.72 | 27.01 | 43.40 | 35.58 | 24.26 | 26.93 |
| September | 13.41 | 31.37 | 46.10 | 29.81 | 27.06 | 28.60 |
| October | 12.06 | 34.03 | 47.98 | 20.15 | 24.77 | 26.20 |
| November | 12.35 | 26.55 | 48.00 | 17.85 | 25.37 | 26.93 |
| December | 12.33 | 18.31 | 42.66 | 14.06 | 22.41 | 19.78 |
| January | 10.99 | 16.24 | 45.50 | 14.24 | 22.43 | 14.98 |
| February | 13.47 | 37.31 | 47.10 | 11.27 | 22.26 | 12.64 |
| March | 16.00 | 37.71 | 45.90 | 8.85 | 21.26 | 12.92 |
| April | 23.82 | 36.71 | 43.20 | 8.68 | 22.86 | 14.83 |
| May | 28.02 | 36.11 | 44.40 | 11.48 | 23.36 | |
| June | 27.62 | 38.21 | 45.90 | 17.38 | 23.86 | |
| July | 26.22 | 40.91 | 43.00 | 22.78 | 24.96 | |
| Aug.-Apr. Average | 14.46 | 29.47 | 45.54 | 17.83 | 23.63 | 20.42 |

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.

A larger crop this season has led to a slight decline in prices, with the 2010/11 season average of August-April estimated at $20.42 per 80-lb box compared to last year's $23.63 per 76-lb box (table18). This represents an 18-percent decline in prices on a per-pound basis. Though prices began the year stronger than in 2009/10, larger supplies led to a softening of prices beginning in December. However, prices are expected to increase in the remainder of the marketing year as the harvest has ended in California's desert region, resulting in tightening supplies.

### *Tangerine and Tangelo Production Higher in 2010/11; Strong Demand Raises Grower Prices*

Production for all tangerines and mandarins is forecast at 615,000 tons in 2010/11, 2 percent higher than the March forecast and 3 percent above the 2009/10 crop. Increased production in both California and Florida compensated for the slight production decline in Arizona. California is estimated to account for over 60 percent of production in 2010/11 with 384,000 tons. Harvesting of mandarins there is nearing completion. Florida accounts for most of the remainder of U.S. tangerine/mandarin production, forecast to produce 219,000 tons this year. Harvesting of honey tangerines is currently winding down for the season. With an expected harvest of 12,000 tons, Arizona is projected to account for just 2 percent of production in 2010/11.

Strong demand has led to higher grower prices this season, up 19 percent over 2009/10 and the highest season-to-date prices since 1990/91. Fresh on-tree equivalent grower prices are estimated at $22.33 per box, October through April, compared to $18.73 per box last year.

Tangelo production is forecast to increase to 52,000 tons in 2010/11, up 11,000 tons from last year and identical to 2008/09 levels. Tangelos are typically marketed in

November through February, and all tangelo prices for this period in 2010/11 averaged $5.50 per box compared to $4.75 per box the year before.

### *Almond Acreage and Production Continue Upward*

Almond bearing acreage in California has increased by over 2 percent in 2010 to 740,000 acres, as stated in the *2010 California Almond Acreage* report released in April by the NASS California Field Office. The acreage increase continues a long-term trend since 1993, following a downturn from the high of 419,000 acres in 1988. After 1993, bearing acreage has increased 87 percent to the current estimate of 750,000 acres in 2011—a record high (fig.6).

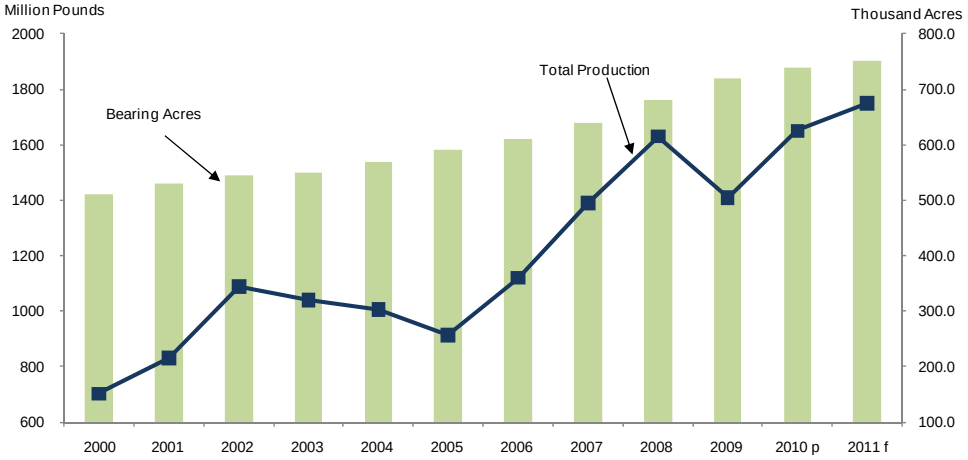
The 2011 crop is estimated at a record breaking 1.75 billion pounds, 6 percent larger than the previous record of 1.65 billion pounds in 2010. Demand is strong for the large harvest according to the Almond Board of California (ABC), with domestic and export shipments up this year compared to the same time last year. Concerns that supply will outpace demand for almonds have not materialized. Domestic shipments have been record-breaking for every month during the 2010/11 season, except in February.

U.S. shelled almond exports are up 6 percent to 650 million pounds year-to-date. Spain is the top shelled almond destination with 89 million pounds, a decrease from last years' 100 million pounds through March. The second largest export market is Hong Kong with 79 million pounds and experiencing a 32-percent increase from the 2009/10 shipments and more than double the 2008/09 amount of 35 million pounds. The third largest export market for shelled almonds, at 77 million pounds, is Germany, although shipments to date represent a decrease of 3 percent from the same period last year.

U.S. in-shell almond exports are at 295 million pounds, 23 percent above the same period last year. India is the top export market for California in-shell almonds with 97 million pounds year-to-date, a 24-percent increase from last year. Hong Kong is the second largest export market with 95 million pounds, up from 69 million pounds for the same period in 2009/10. The United Arab Emirates received 24 million pounds of U.S. in-shell almonds this season. Health benefits are cited by industry sources as a reason for the jump in demand in China and India.

So far this season, winter weather has provided ample chilling hours to the almond crop, aiding in the crop bloom that began in March 2011. During the first week of March, the early varieties were supplied with irrigation to limit effects of freezing temperatures on the buds in the Central Valley. Some frost damage occurred in the north, but no significant damage was reported. The cold spring prolonged blooming, lasting into the first week of April, according to NASS's California Field Office, *California Crop Weather* report. Even with the cold spring, bee pollination was efficacious and the almond trees set a good crop. The cold weather aided in minimizing insect and disease stress while abundant rainfall has reduced irrigation concerns. The orchards are reported in good condition. As of May 8th, normal nut drop has occurred and monitoring for pests is ongoing.

Firure 6
Almond bearing acreage and total production, 2000-2011




F= forecast,
P=preliminary
Source: USDA, National Agricultural Statistics Service, *Noncitrus Fruit and Nuts Summary*, various issues.

## *Record-breaking Crop Value for Pecans in 2010/11*

The 2010/11 pecan harvest was estimated at 271.3 million pounds, down 7 percent from the 2009/10 crop. The current season is an "off-cycle" harvest, but despite the decline, the harvest is 31 percent higher than the 15-year off-cycle average harvest of 207 million pounds. Preliminary estimates by NASS project total crop value in 2010/11 at $556 million, 33 percent higher than the 2009/10 crop value and more than double the 15-year off-cycle season average of $208 million (fig. 7). The 2010/11 grower price averaged $2.14 per pound, up 50 percent from the 2009/10 average grower price of $1.43 per pound and the highest on record.

The beginning of the 2010/11 harvest was slow as reported by AMS's *Pecan Report*, published bi-weekly during the season. In October, demand was strong for high quality pecans, but due to dry, hot conditions, harvest was very light. In Georgia, prices reached $5.00 per point (price-per-point is the dollars per pound of edible nut meat) in early November, but overall pecan deliveries were light. The hot weather prevented pecan nut drop, which delayed the harvest. Due to the harvest delays, along with the smaller crop and high export and domestic demand, pecan prices rose from $4.00 per point at the start of the season to $5.28 per point in early December in Georgia, Oklahoma, and Texas.

Another factor playing into high domestic pecan prices was the lower forecasted Mexican pecan harvest. According to the USDA's Foreign Agricultural Service's Global Agricultural Information Network Mexico Tree Nuts Annual report published September 14, 2010, the 2010/11 pecan harvest was forecast at 165 million in-shell pounds, down 35 percent from the previous season. The harvested acreage reported for the 2010/11 season is 158,147 acres (or 64,000 hectares), compared with 161,799 acres in 2009/10. The majority of the pecan trees are in Chihuahua, Coahuila, Durango, Sonora, and Nuevo Leon.

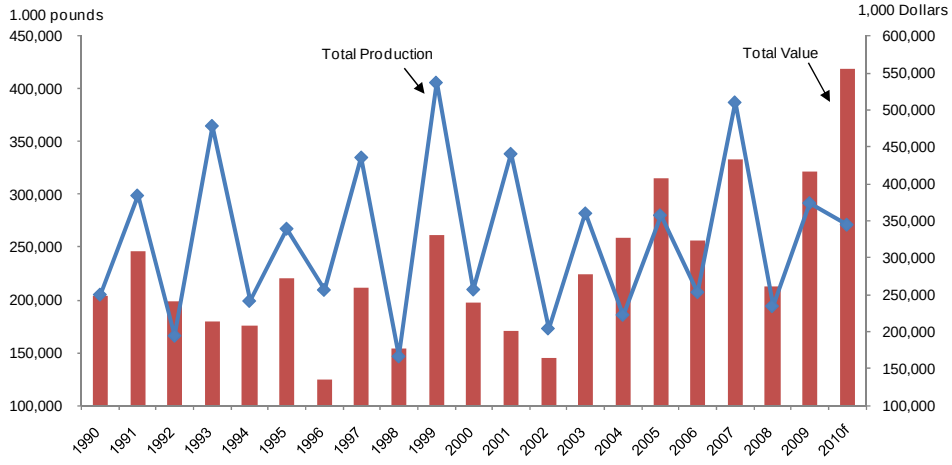
World trade of U.S. in-shell pecans from October through March was up 29 percent compared to the same time last year to 83 million pounds. Shelled pecan exports were down 18 percent to 19 million pounds. Total shipments to date were 55.6

million pounds shelled equivalent. This is 6 percent less than total shipments for the entire marketing year of 2008/09, the previous "off-cycle" season. During the 2008/09 "off-cycle", in-shell pecan shipments were at 28 million pounds, 3 times less than current 2010/11 in-shell exports of 83 million pounds. Total 2010/11 exports are 47 percent of the shelled equivalent harvest to date.

Hong Kong is the top U.S. export market for in-shell pecans for marketing year 2010/11 to date, with 40 million pounds. This is down 10 percent from 44 million pounds at the same time last year. Mexico was the second-largest export market for in-shell pecans at 25 million pounds for 2010/11 through March, followed by Vietnam with 8 million pounds, and mainland China with 4 million pounds. Shelled pecan exports to Canada have reached 7 million pounds for 2010/11 through March, down 32 percent from the same time last year. The Netherlands, Mexico, and Israel round out the top markets for shelled U.S. pecans.

Currently a large portion of pecan-producing States is under severe to exceptional drought conditions. This is the situation being reported in Texas based on the *Texas Crop Progress and Condition* report by the Texas NASS field office. Since pecan production is spread throughout the state, production is under various levels of drought intensity. New Mexico's three largest pecan-producing counties—Dona Ana, Eddy and Otero—are in the extreme to exceptional drought areas in the southern region of the State. However, the crop in New Mexico is reported to be progressing fairly well. Southern Georgia's main pecan-growing areas are in a moderate to severe drought. According to the NASS *Georgia Crop Progress and Condition* report, 58 percent of pecan producers report their crop as being in fair condition while 31 percent report their crop is in good condition, leaving only 10 percent reporting excellent crop condition. If weather remains dry through the spring and summer, this could affect the development of the 2011/12 pecan crop in the major producing states.

Figure 7
Pecan total production and total value, 1990-2010




F=forecast
Source: USDA, National Agricultural Statistics Service, *Noncitrus Fruit and Nuts Summary*, various issues.

### *Most Major U.S. Fruit Show Gains in Fresh Exports*

U.S. fresh fruit exports for the 2010/11 marketing season through March gained in volume from a year ago for most major fruit crops produced in the country, some on grounds of bigger domestic crops. This is true for most citrus crops, except for grapefruit where the fresh export volume is down 7 percent this season to date, due mostly to lower domestic supplies (table 19). Exports of fresh oranges are at a record-high so far this season and lemon exports are up 14 percent. More details on the status of this season's fresh citrus exports are provided in the Fruit and Tree Nut Outlook section of this report.

Despite smaller overall U.S. crops of apples and grapes for this season, fresh exports of these fruit continue to see volume gains to date. Near-record apple production in Washington, a major provider to the fresh apple market, and the weaker dollar has helped boost U.S. fresh apple export volume so far this season. As the fresh-market apple season is winding down, reports that Washington supplies remaining in storage in May are higher than last year at this time, signaling continued larger available supplies for exports for the remainder of the season. Total fresh apple exports to date are up 6 percent to 1.3 billion pounds, with a value of $648 million, 14 percent higher than the same period last season. Of the top 3 export destinations for U.S. apples, shipments to Mexico this season are up 2 percent while those to Canada and Taiwan are down 4 percent and up less than 1 percent, respectively. Shipments to other leading markets in Southeast and East Asia and in the Middle East are seeing significant gains.

U.S. exports of fresh grapes in 2010/11 to date (May through March) are up 9 percent from the same period in 2009/10. At 718 million pounds valued at $628 million, season-to-date exports are the third-largest volume on record for the period and setting the highest value thus far. As with apples, increased supplies and the weaker dollar contributed to the export growth this season. Despite the overall decline in U.S. grape production this season, increased fresh-market production in California, the dominant grape-producing State, boosted the U.S. fresh-market crop. However, while table grapes account for a majority of all California grapes for fresh use, the increase in raisin grapes sold for fresh use in 2010/11 is what drove up total fresh supplies; California's fresh-market table-grape production declined 2 percent.

With only one more month of trade data to complete the 2010/11 U.S. fresh grape marketing season, shipments (in volume terms) to the No.1 export destination—Canada—is marginally below last season but is more than compensated by strong exports to Hong Kong, Mexico, Indonesia, Malaysia, China, Thailand, and Vietnam among the leading ten. Most other export market destinations are also posting increases in U.S. fresh grape shipments.

U.S. fresh pear exports continue to be dampened by lower production in 2010/11. Exports to date (July through March) are down 10 percent to 290 million pounds from the same period the previous season. Even with this much decline in export volume, the value of fresh pear exports to date is almost unchanged from last season's July-March record-breaking $142 million in export sales. U.S. shipments are down to most leading export markets, including Mexico (down 12 percent) which received one third of the total volume this season to date. Russia is the only

Table 19--U.S. exports of selected fruit and tree nut products

| Commodity | Marketing season | Season-to-date (through March) 2010 | 2011 | Year-to-date change |
|---|---|---|---|---|
| | | ---------- *1,000 pounds* ---------- | | *Percent* |
| Fresh-market: | | | | |
| Oranges | November-October | 751,424 | 870,005 | 15.8 |
| Grapefruit | September-August | 472,050 | 440,445 | -6.7 |
| Lemons | August-July | 137,989 | 157,276 | 14.0 |
| Apples | August-July | 1,239,025 | 1,315,960 | 6.2 |
| Grapes | May-April | 660,581 | 717,929 | 8.7 |
| Pears | July-June | 323,366 | 290,006 | -10.3 |
| Peaches (including nectarines) | January-December | 1,596 | 2,676 | 67.7 |
| Strawberries | January-December | 68,152 | 58,801 | -13.7 |
| Cherries | January-December | 478 | 188 | -60.7 |
| | | ------ *1,000 sse gallons 1/* ------- | | |
| Processed: | | | | |
| Orange juice, frozen concentrate | October-September | 24,864 | 44,026 | 77.1 |
| Orange juice, not-from-concentrate | October-September | 32,599 | 38,898 | 19.3 |
| Grapefruit juice | October-September | 4,556 | 6,208 | 36.3 |
| Apple juice and cider | August-July | 12,506 | 5,474 | -56.2 |
| Wine | January-December | 24,375 | 24,548 | 0.7 |
| | | ---------- *1,000 pounds* ---------- | | |
| Raisins | August-July | 250,934 | 213,025 | -15.1 |
| Canned pears | June-May | 11,622 | 15,980 | 37.5 |
| Canned peaches | June-May | 29,679 | 37,686 | 27.0 |
| Frozen strawberries | January-December | 7,121 | 8,886 | 24.8 |
| | | ---------- *1,000 pounds* ---------- | | |
| Tree nuts: | | | | |
| Almonds (shelled basis) | August-July | 821,284 | 826,916 | 0.7 |
| Walnuts (shelled basis) | September-August | 190,158 | 239,158 | 25.8 |
| Pecans (shelled basis) | October-September | 51,758 | 55,631 | 7.5 |
| Pistachios (shelled basis) | September-August | 79,578 | 76,266 | -4.2 |

1/ Single-strength equivalent.

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

export market receiving increased shipments among the leading five, with total volume to date up 3 percent and accounting for 8 percent of the total thus far.

U.S. tree nut exports are up in 2010/11. While almonds comprise more than half of total tree nut export volume for this season through March, increases are only amounting to less than 1 percent of last season's volume for the same period, despite record domestic production. Also with the highest domestic production on record, walnuts are showing the largest growth in exports this season to date, with volume up 26 percent. In terms of value, season-to-date U.S. walnut export sales are at an all-time high for the period September through March, reaching $760 million, up from $512 million in 2009/10 and well above average for the same period in earlier years. Shipments are up to the top 5 export markets, with those to Hong Kong and China doubling in volume.

## *Grape and Peach Imports Up in 2010/11*

U.S. fresh grape imports in 2010/11 through March are up 10 percent from the same period in 2009/10, totaling 1.1 billion pounds (table 20). Imports were up 30 percent from Mexico which supplies the early-season market in the United States. Over 60 percent of total import volume to date is from Chile, the main supplier of imported grapes in the United States, shipping from December through May when hardly any domestic production is available. As the United States is Chile's main market for their grapes, imports from the country are up 2 percent from May through March of this season on heavier production. Early 2011/12 imports will likely be diminished as freezing weather in Mexico back in February caused some damage to early varieties in the Sonora grape-growing region of the country. It remains uncertain whether overall production volume in Mexico for the new season will be down from 2010/11 due to the freeze. Industry sources, however, indicated

that Mexican grape supplies from the Sonora region are expected to improve moving into June, with ample promotional supplies of late varieties through when their shipping season ends in July.

U.S. fresh peach imports are up 2 percent in volume from January through March against the same period a year ago. Nearly all of the imports to date are from Chile, historically the top supplier of imported fresh peaches to the United States. Imports from Argentina more than doubled to date though relative volume is very small. Some imports from China (approximately 42,000 pounds) were also reported. More recent shipment data from AMS indicate this year's imports from Chile through mid-May are up 7 percent. The supply situation in Chile is expected to be improved from last year, when production was down and shipments were disrupted by a major earthquake. Also, a delayed start to this year's California peach crop due to cold, wet spring weather has provided more opportunities for Chilean peaches in the U.S. market this spring.

Table 20--U.S. imports of selected fruit and tree nut products

| Commodity | Marketing season | Season-to-date (through March) 2010 | 2011 | Year-to-date change |
|---|---|---|---|---|
| | | *1,000 pounds* | | *Percent* |
| Fresh-market: | | | | |
| Oranges | November-October | 35,720 | 17,592 | -50.8 |
| Tangerines (including clementines) | October-September | 153,942 | 204,171 | 32.6 |
| Lemons | August-July | 73,609 | 79,322 | 7.8 |
| Limes | January-December | 175,158 | 146,712 | -16.2 |
| Apples | August-July | 76,356 | 97,418 | 27.6 |
| Grapes | May-April | 1,002,667 | 1,100,389 | 9.7 |
| Pears | July-June | 69,311 | 95,528 | 37.8 |
| Peaches (including nectarines) | January-December | 41,316 | 42,156 | 2.0 |
| Bananas | January-December | 2,267,684 | 2,294,656 | 1.2 |
| Mangoes | January-December | 124,210 | 194,740 | 56.8 |
| | | *1,000 sse gallons 1/* | | |
| Processed: | | | | |
| Orange juice | October-September | 197,870 | 139,024 | -29.7 |
| Apple juice and cider | August-July | 342,387 | 387,516 | 13.2 |
| Wine | January-December | 55,045 | 61,643 | 12.0 |
| | | *1,000 pounds* | | |
| Canned pears | June-May | 49,234 | 51,506 | 4.6 |
| Canned peaches (including nectarines) | June-May | 110,569 | 124,610 | 12.7 |
| Canned pineapple | January-December | 161,205 | 182,790 | 13.4 |
| Frozen strawberries | January-December | 49,169 | 59,847 | 21.7 |
| | | *1,000 pounds* | | |
| Tree nuts: | | | | |
| Brazil nuts (shelled basis) | January-December | 2,842 | 2,004 | -29.5 |
| Cashews (shelled basis) | January-December | 54,835 | 56,042 | 2.2 |
| Pine nuts (shelled basis) | January-December | 809 | 425 | -47.5 |
| Pecans (shelled basis) | October-September | 65,770 | 82,301 | 25.1 |

1/ Single-strength equivalent.

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

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## *Data*

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.

## *Related Websites*

Fruit and Tree Nuts Outlook
http://www.ers.usda.gov/publications/fts/

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