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Fruit and Tree Nuts Outlook

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Most Major Growing States To Produce Smaller Apple and Pear Crops This Fall

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In August, USDA's National Agricultural Statistics Service (NASS) reported its initial forecast for the 2015 U.S. apple crop to be 10.2 billion pounds, down 11 percent from the upwardly revised 2014 estimate of 11.4 billion pounds. This decline signals that fewer supplies will move to markets during the 2015/16 marketing year (August-July), likely putting upward pressure on U.S. apple prices. If realized, however, this year's production will be 3 percent larger than the 2010-14 average crop. Together with continued above-average storage supplies from last season, domestic supplies are likely to remain ample, mitigating potential price gains in 2015/16.

U.S. pear production for 2015 was forecast by NASS in August at 1.47 billion pounds, down 12 percent from a year ago. If realized, this year's production will be the lowest since 1984. Significant declines are anticipated in Washington and Oregon, but crop size in drought-stricken California is forecast up 5 percent from last year's "off-year" crop. Fewer bearing acres and smaller fruit size due to the hot, dry summer in the Pacific Northwest were mostly behind the lower production in Washington and Oregon. The decline in domestic production will likely limit fresh-market pear output, putting upward pressure on fresh pear prices in 2015/16.

U.S. grape production is forecast at 16.1 billion pounds in 2015, up 4 percent from a year ago. Despite the ongoing drought, California's crop is forecast up 6 percent due to more favorable growing conditions. Forecast production is up for California's wine-type, table-type, and raisin-type grapes. With the 2015 harvest in California's San Joaquin Valley already well underway, the buildup in supplies has already driven down grower prices.

The NASS August forecast for U.S. cranberry production in 2015 is at 841 million pounds, only up by a fraction from a year ago but 5 percent above the previous 5-year average. If realized, production will be the second largest on record, likely putting downward pressure on 2015/16 cranberry grower prices. During the 2014/15 marketing year, favorable demand has slowed the season's year-to-date buildup in inventories to a moderate pace that is encouraging to the U.S. cranberry industry, which continues to be challenged by a market imbalance.

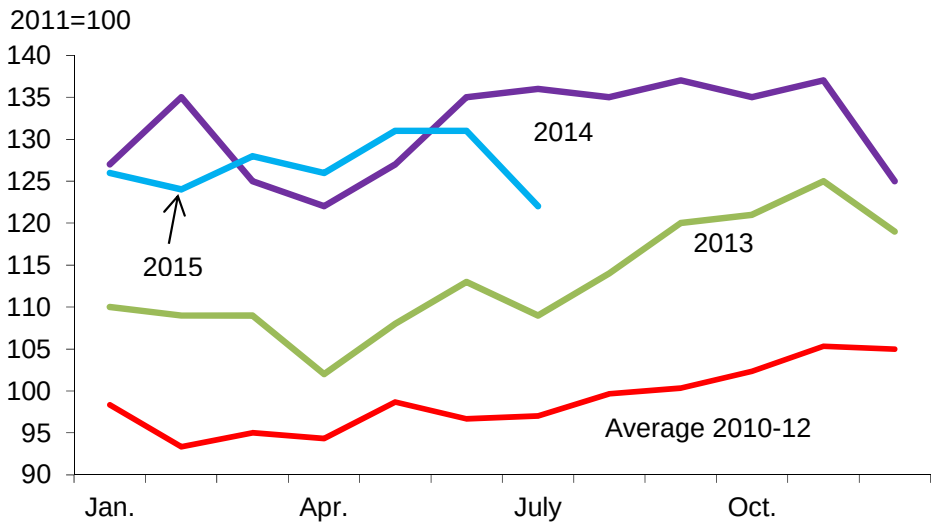
Price Outlook

Fruit and Nut Grower Price Index Drops From Last Year's High Level

After surpassing year-ago levels from March through May, the 2015 grower price index for fruit and nuts fell below last year's exceptionally strong levels in June and July but remain at higher than average levels of recent years. The index was reported at 131 (2011=100) in June and 122 (2011=100) in July, compared with 135 and 136 for the same months last year (fig. 1). Citrus and noncitrus fruit grower prices have dropped from the high levels realized last year. The year-over-year decline in the July 2015 index reflect the lower prices received for most major citrus fruit as well as fresh apples, grapes, peaches, and strawberries, with declines well exceeding the modest gains in fresh lemon and pear prices (table 1).

Orange grower prices, both all and fresh, were down each month this year from last year's strong prices despite reduced production in 2014/15 due to increased imports and small fruit sizes. The summer is a season of low demand for oranges, with competition from various summer fruit and berries usually reducing orange prices. Growers should see an uptick in fresh orange prices as the 2015/16 season gets underway in late fall but supplies usually remain tight until the early winter. Fresh lemon prices have remained strong for the entire 2014/15 season, with only 2 months of prices below 2013/14. Despite increased total production, a 3-percent drop in fresh utilization coupled with strong demand throughout the year has prompted these strong prices. In July, the average fresh lemon price was up almost 2 percent from last season. The all-lemon price was down 12 percent, suggesting lower prices for processing lemons. Fresh lemon prices should continue to remain above average this fall but could wane in the winter season when harvest begins for the 2015/16 lemon crop. Low demand prior to the start of the new grapefruit season in September reflect the drop in the end-of-season grapefruit grower prices in July.

Figure 1
Index of prices received by growers for fruit and tree nuts



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

Table 1--Monthly fruit prices received by growers, United States

Commodity	June		July		2014-15 change	
	2014	2015	2014	2015	June	July
	Dollars per box				*Percent*	
Citrus fruit: [1]						
Grapefruit, all	7.69	7.91	7.19	5.51	2.9	-23.4
Grapefruit, fresh	7.69	7.91	7.19	--	2.9	--
Lemons, all	29.91	37.83	40.05	35.18	26.5	-12.2
Lemons, fresh	38.52	45.01	44.22	44.91	16.8	1.6
Oranges, all	11.12	10.02	14.60	10.47	-9.9	-28.3
Oranges, fresh	20.11	15.17	17.67	14.20	-24.6	-19.6
	Dollars per pound					
Noncitrus fruit:						
Apples, fresh [2]	0.344	0.205	0.332	0.184	-40.4	-44.6
Grapes, fresh [2]	0.935	0.845	0.775	0.670	-9.6	-13.5
Peaches, fresh [2]	0.635	0.555	0.590	0.467	-12.6	-20.9
Pears, fresh [2]	0.447	0.317	0.348	0.353	-29.1	1.6
Strawberries, fresh	0.918	0.615	0.893	0.602	-33.0	-32.6

-- Insufficient number of reports to establish an estimate.

[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* and *Noncitrus Fruit and Nuts 2014 Summary.*

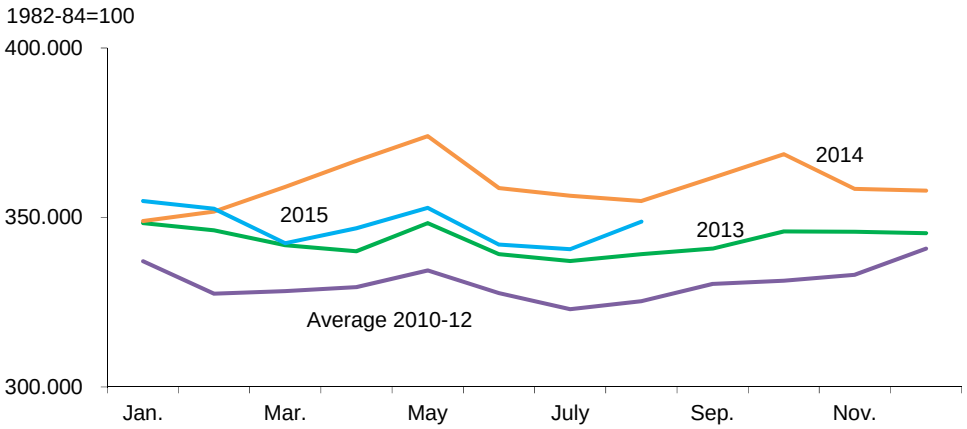
Larger than average storage supplies from the huge harvest last year continue to dampen apple prices this summer, likely limiting potential boost in apple prices this fall resulting from a smaller crop for the 2015/16 season. Meanwhile, the 2015/16 U.S. fresh pear season got underway in July, with grower prices averaging 2 percent higher year over year due to lower shipments. Prices for the season will likely hold strong as the industry anticipates to harvest the smallest crop in over three decades.

With harvest in full swing, grape grower prices have also softened over the summer, compared to last season, due to higher domestic production and increased imports. Increased imports also partly contributed to the lack of strength in peach prices over the late spring/early summer. However, as the fall season begins, prices can be expected to gain some ground as fresh peach supplies tighten. Greater supplies from California are putting downward pressure on strawberry grower prices this summer. While area harvested in the State declined from 41,500 acres in 2014 to 40,500 acres in 2015, higher yields bolstered strawberry production by 4 percent to 2.87 billion pounds. Harvest is underway in all of California's strawberry growing districts, with statewide supply volumes running about 3 percent higher than last season through mid-September.

Consumer Price Index for Fresh Fruit Gains Ground in August

The Consumer Price Index (CPI) for fresh fruit was reported at 348.7 (1982-84=100) in August 2015, strong relative to the 2010-12 average and the August 2013 CPI, but below the August 2014 CPI of 354.9 (fig. 2). Based on data from the U.S. Department of Labor, Bureau of Labor Statistics (BLS), year-to-year retail price declines for grapefruit, lemons, Thompson seedless grapes and bananas in August more than offset price gains for navel oranges, Red Delicious apples, and strawberries (table 2), driving down the August fresh fruit CPI.

Figure 2
Consumer Price Index for fresh fruit



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

Table 2--U.S. monthly retail prices for selected fruit, 2014-15

		2014		2015		2014-15 change	
Commodity	Unit	July	August	July	August	July	August
		--- *Dollars* ---		--- *Dollars* ---		--- *Percent* ---	
Fresh:							
Valencia oranges	Pound	--	--	--	--	--	--
Navel oranges	Pound	1.390	1.467	1.380	1.493	-0.7	1.8
Grapefruit	Pound	1.128	1.156	1.117	1.143	-1.0	-1.1
Lemons	Pound	2.078	2.327	2.254	2.088	8.5	-10.3
Red Delicious apples	Pound	1.391	1.404	1.408	1.435	1.2	2.2
Bananas	Pound	0.606	0.608	0.581	0.580	-4.1	-4.6
Peaches	Pound	1.971	1.799	1.701	1.701	-13.7	-5.4
Anjou pears	Pound	--	--	--	--	--	--
Strawberries [1]	12-oz. pint	1.868	1.968	1.798	2.283	-3.7	16.0
Thompson seedless grapes	Pound	2.356	2.132	2.328	2.100	-1.2	-1.5
Processed:							
Orange juice, concentrate [2]	16-fl. oz.	2.547	2.547	2.658	2.739	4.4	7.5
Wine	liter	10.961	12.402	12.016	12.009	9.6	-3.2

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

Lack of demand is partly behind U.S. banana retail prices dropping below year-ago levels since January, despite nearly level import volumes compared to last year. Increased imports from Mexico and the anticipated ample grape harvest this summer drove down retail grape prices to date. Prices for Red Delicious apples rose modestly in July and August from a year ago. But consumers likely faced lower prices for apples in general, signified by the CPI for apples that was consistently lower through almost the entire 2014/15 season. Increased harvest activity this fall should weaken apple retail prices through the rest of year from price levels this summer, but a smaller crop suggests higher prices for consumers compared to last year. Ample strawberry supplies pressured prices down early this summer but strong demand and seasonally declining shipments provided a late-summer boost.

Navel orange retail prices witnessed a bump in August due to seasonally low domestic supplies but competition from higher imports and low summer demand are likely to keep prices below last season for the rest of the summer. Fresh orange import volumes are up so far this season through July and the months of July-September tend to account for a majority of total import volume on average. The lower total orange production, particularly out of Florida, has lowered processing orange volume and juice yields, which, in turn, has reduced U.S. orange juice production in 2014/15. This decline in orange juice production, along with lower beginning stocks, has placed strong upward pressure on retail concentrated orange juice prices in July and August. Lemon prices dropped in August on increased imports but have remained relatively strong throughout the 2014/15 season (August-July).

Smaller Apple Crop Likely To Boost Prices

In August, USDA's National Agricultural Statistics Service (NASS) initially forecast the 2015 U.S. apple crop to be 10.2 billion pounds, down 11 percent from the upwardly revised 2014 estimate of 11.4 billion pounds. This decline signals that fewer supplies will move to markets during the 2015/16 marketing year (August-July), likely putting upward pressure on U.S. apple prices. If realized, however, this year's production will be 3 percent larger than the 2010-14 average crop of 9.9 billion pounds, which places it as the fourth largest crop since 2000. Together with continued above-average cold storage supplies from last season, domestic supplies are likely to remain ample, mitigating potential price gains in 2015/16.

Smaller crops in major apple-growing States drive overall production down: Relative to last year, production in western States is expected to be down 14 percent, with nearly all apple States producing less, including Washington—the Nation's largest producer (table 3). Washington's 2015 apple crop is forecast at 6.3 billion pounds, 14 percent below the record 7.3-billion-pound crop in 2014 but 6 percent above the previous 5-year average. Although the alternate-bearing nature of fruit trees in general may be partly behind this year's reduced Washington crop, isolated hail storms and a summer heat wave also contributed to lower yields. Consecutive days of intense heat this summer not only led to some sun damage but also somewhat stunted fruit growth. Drought conditions sparked some irrigation water challenges to Washington growers and the warm winter weather advanced harvest about 10 days ahead of schedule. In California and Oregon, production is expected to be 8 percent and 29 percent reduced from a year ago. In the central and eastern United States, forecast smaller crops in principal producing States will also reduce overall production in these regions but compared with the west, anticipated declines are more moderate—down 2 percent and 6 percent, respectively, from a year ago. Frost damage in some orchards contributed to a 15-percent forecast for reduction in New York's crop but part of this loss will be offset by expected increases in most other apple States in the region. In the central region, a moderate decline in Michigan's production will coincide with even bigger declines in a few other States.

Smaller crop likely to limit domestic fresh apple use and exports: The smaller Washington crop will produce fewer apple supplies for fresh use than a year ago during the 2015/16 marketing season (August-July). Typically, about 1 percent of the crop will be unutilized due to economic or natural reasons, leaving about 10.0 billion pounds of the current forecasted crop to be marketed (i.e., the projected utilized production) in 2015/16. Based on previous 5-year average apple-production shares designated for fresh and processing uses, USDA's Economic Research Service (ERS) projects that about 7.0 billion pounds of production will go toward fresh use. This is nearly 70 percent of the projected utilized production, with the balance allocated to the processing sector. If realized, fresh-market production will be down 12 percent from the all-time high volume attained in 2014/15 but 3 percent above the previous 5-year average production (fig. 3).

As U.S. production accounts for a vast majority of the available supplies for domestic consumption, fresh apple per capita use in the United States is expected to decline nearly 11 percent from the estimated 18.8 pounds in 2014 but remain within

Table 3--Apples: Total production and season-average price received by growers, 2012-14, and indicated 2015 production[1]

States	Production				Price		
	2012	2013	2014	2015	2012	2013	2014
	-- *Million pounds* --				-- *Cents per pound* --		
Eastern States:							
Connecticut	17	27	20	27	65.4	74.1	63.2
Maine	30	27	38	42	56.0	51.6	42.1
Maryland	35	33	41	43	40.2	18.7	26.1
Massachusetts	28	44	43	47	62.3	52.0	49.2
New Hampshire	16	26	17	21	58.1	42.9	61.6
New Jersey	35	29	37	38	83.9	45.1	84.7
New York	720	1,410	1,295	1,100	35.2	17.1	18.7
North Carolina	34	155	125	99	31.3	22.2	24.5
Pennsylvania	494	469	493	525	28.1	18.6	16.8
Rhode Island	2	3	2	2	85.1	86.3	74.0
Vermont	26	34	29	31	43.4	45.1	40.7
Virginia	230	195	195	210	29.7	17.6	18.8
West Virginia	91	95	82	90	25.8	13.7	15.2
Total	1,756	2,546	2,418	2,274			
Central States:							
Illinois	32	16	21	20	55.7	52.8	76.4
Indiana	5	30	17	20	39.6	38.7	43.0
Iowa	1	8	5	5	67.5	69.9	77.9
Michigan	115	1,260	1,025	999	35.2	20.4	21.5
Minnesota	14	26	25	25	82.5	83.3	84.2
Missouri	35	17	21	14	47.1	36.8	28.3
Ohio	33	54	44	52	33.6	41.8	45.3
Tennessee	6	7	5	6	48.0	44.4	44.0
Wisconsin	33	48	54	50	64.9	50.8	61.2
Total	273	1,466	1,216	1,190			
Western States:							
Arizona	8	17	7	[2]	21.7	27.4	42.1
California	270	270	240	220	24.1	23.3	23.8
Colorado	17	6	9	2	30.4	36.3	89.2
Idaho	75	71	63	56	32.0	33.1	14.6
Oregon	130	141	155	110	25.0	36.4	27.9
Utah	14	17	23	2/	26.3	48.1	21.9
Washington	6,450	5,900	7,300	6,300	38.5	36.2	26.7
Total	6,964	6,420	7,797	6,688			
United States	8,992	10,432	11,431	10,172	37.1	30.3	25.5

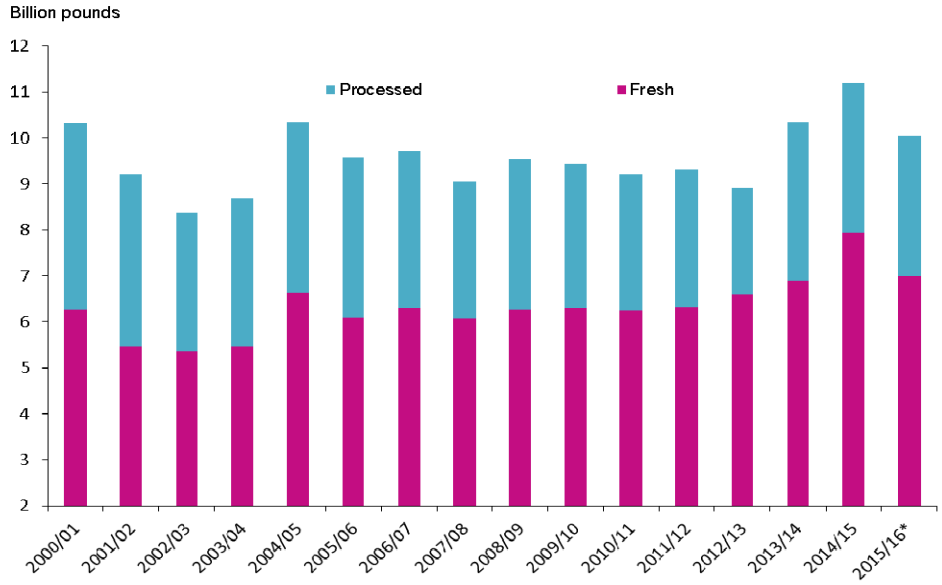
[1]Commercial production from orchards of at least 100 bearing-age trees.

[2] Production withheld to avoid disclosing data for individual operations.

Source: USDA, National Agricultural Statistics Service, *Noncitrus Fruit and Nuts 2014 Summary* and *Crop Production* (August 2015 issue).

average levels of the last 5 years. Exports are projected to remain fairly strong but decline from the record volume last year by nearly the same magnitude as production due to reduced available supplies, maintaining a 29-percent share of fresh-market domestic production. Some factors likely to aid U.S. export prospects in 2015/16 include a return to normalcy from the problems experienced last season with a West Coast port slowdown and not only China's lifting of its suspension of

Figure 3
U.S. apple production declines



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

Washington Red and Golden Delicious apples in October 2014 but also the recent U.S.-China agreement signed in January 2015 that allows all U.S. grown apples to gain access to the Chinese market. In 2010/11, a full marketing year prior to the suspension, U.S. fresh apple exports to China totaled 18.9 million pounds valued at $8.7 million. Upon resuming shipments in 2014/15, noting only partial season but expanded market access, U.S. exports to China totaled 33.4 million pounds, valued at $17.6 million. This 2015/16 season will be the first full marketing year with expanded market to China and the U.S. apple industry estimates that within two years, exports to this country will reach a value of nearly $100 million per year.

Large 2014/15 ending supplies likely to soften price gains in 2015/16: Apple harvest for the 2015/16 season is already in progress, with USDA's Agricultural Marketing Service (AMS) data showing domestic apple shipments through mid-September down only by a fraction from the same period in 2014/15. Supplies out of Washington make up nearly three-quarters of the volume shipped thus far and are nearly level from the same period last season, due to an earlier start to the harvest. Season-to-date shipments from California, Michigan, and New York are all running behind compared to the same time during the previous season. As the U.S. apple season moves into peak harvest this fall, upward price pressure stemming from reduced domestic production will likely be reinforced by continued strong export demand and lower supplies of competing U.S. fresh pears. However, the U.S. Apple Association reported that as of June 1, 2015, there were still 35 percent more fresh-use apple supplies in cold storage from last year's bumper crop. This large storage supplies further dampened 2014/15 fresh-use apple prices at the end of the season that will likely influence early pricing in 2015/16.

USDA's NASS reported the 2014/15 season-average grower price for fresh-use apples at 32.5 cents per pound, compared with 40.5 cents in 2013/14. Prices averaged lower each month of last season through July 2015, the end of the marketing season and the most recent month for which prices were reported by

NASS at the time this report was published. The July 2015 price slipped to 18 cents per pound, down 10 percent from the previous month and below the 33 cents average in July 2014.

At the retail level, average retail prices for Red Delicious apples in the United States began to inch higher month to month since May 2015 through the end of last season as domestic availability tapered down. By July 2015, prices rose to $1.41 per pound, up from $1.36 the previous month and 1 percent above the July 2014 average price. In August, prices averaged $1.44, up 2 percent from the same time last year. The CPI for apples, however, dropped below a year ago in nearly every month during the 2014/15 season, indicating that consumers paid lower prices for apples in general last season. For this current season, consumers will likely have to pay more for apples due to reduced available supplies of most apple varieties. Early pricing for Red Delicious apples already showed gains, with the August 2015 average price at $1.44 per pound, 27 cents higher than the previous month and 2 percent above the August 2014 average.

Above-average processing supplies to limit boost in prices: U.S. apple production for processing is also expected to be down in 2015/16 due mainly to the smaller crops in Washington, New York, and Michigan—major-producing States for the apple processing sector. Processing-use production is projected by ERS to decline around 5 percent from the previous season to total 3.1 billion pounds. However, if achieved, this level of output will be 3 percent above the previous 5-year average production, suggesting that raw material supplies for processors will be sufficient this season, particularly as 2014/15 processing apple supplies remained at relatively high levels near the end of last season. The U.S. Apple Association reported that as of June 1, 2015, processing apple supplies in cold storage were up 18 percent from the same time last year and 28 percent above the previous 5-year average. Despite last year's reduced domestic production for processing, the season-average grower price for processing-use apples declined from $197 per ton in 2013/14 to $168 per ton in 2014/15. Large storage supplies late last season and resulting lower prices will likely curb subsequent upward price impacts from lower domestic production in 2015/16.

Smaller Crop To Boost Fresh Pear Prices

U.S. pear production for 2015 was forecast by USDA's NASS in August at 1.47 billion pounds (equivalent to 733,000 tons), down 12 percent from a year ago (table 4). If realized, this year's production will be the lowest since the 1.42 billion pounds (or 708,000 tons) reported in 1984. Among the top three producing States, production declines from a year ago are anticipated in Washington (down 18 percent) and Oregon (down 17 percent), but crop size in drought-stricken California is forecast to increase 5 percent from last year's "off-year" production.

USDA's NASS cited the presence of fewer bearing acres as driving down production in Washington and Oregon, as well as the hot, dry conditions this summer in much of the Pacific Northwest that resulted to generally smaller sized fruit. There have been no reports so far of major damage to production caused by the recent wildfires in parts of the region. Moreover, despite successive days of scorching heat, quality is reported to be good, thanks to grower's extra efforts in maintaining their orchards. Growers in California are also harvesting a high-quality

Table 4--Pears: Total production and season-average price received by growers, 2012-14 and indicated 2015 production

State	Production [1]				Price		
	2012	2013	2014	2015	2012	2013	2014
	--- *Million pounds* ---				--- *Cents per pound* ---		
Pacific Coast:							
California:							
Bartlett	326	354	308	318	18.5	17.4	20.8
Other	90	86	70	82	32.9	28.6	35.1
Total	416	440	378	400	21.6	19.6	23.5
Oregon:							
Bartlett	122	110	106	96	22.8	25.6	28.6
Other	374	304	326	262	28.5	27.3	29.8
Total	496	414	432	358	27.1	26.9	29.5
Washington:							
Bartlett	362	370	362	250	20.6	21.8	23.9
Other	420	498	470	430	31.3	29.1	31.4
Total	782	868	832	680	26.3	26.0	28.1
Three States:							
Bartlett	810	834	776	664	20.1	20.6	20.6
Other	884	888	866	774	30.3	28.5	31.1
Total	1,694	1,722	1,642	1,438			
Michigan	0.1	11	5	5	31.3	17.4	22.1
New York	6	18	11	14	37.9	28.3	33.3
Pennsylvania	2	3	5	8	39.7	46.2	55.0
Total	8	32	21	28			
United States							
Bartlett	810	834	776	664	20.1	20.6	20.6
Other	892	920	887	802	30.3	28.5	31.1
Total	1,702	1,754	1,663	1,466	25.5	24.6	27.5

[1] Includes unharvested production and production not sold.
Source: USDA, National Agricultural Statistics Service, *Noncitrus Fruit and Nuts 2014 Summary* and *Crop Production* (August 2015 issue).

crop. Fruit is sizing smaller but sweeter as the warm, dry temperatures helped increase sugar levels. Most orchards have wells to irrigate their crop. The combined three-State forecast for the Bartlett pear crop is at 664 million pounds, down 14 percent from a year ago, and the three-State non-Bartlett crop at 774 million pounds, down 11 percent. For the other States, the non-Bartlett crop is forecast up 31 percent, representing 2 percent of the national total, on average.

The decline in domestic production will likely limit fresh-market pear output for the 2015/16 marketing season (July-June). In keeping with the previous 5-year average of 66 percent for the fresh-use share of total utilized production, the fresh-market crop is projected to decline 12 percent from the 2014/15 season to 966 million pounds. If attained, this projected output falls below average levels of recent years, putting upward pressure on prices for U.S. pears in 2015/16. In addition, the anticipated reduced apple crop this year may aid in strengthening domestic pear prices this season.

Below-average production and higher prices will likely dampen demand for U.S. fresh pears in 2015/16, with the potential for domestic per capita use to decline to its lowest level in over three decades (fig. 4). The heavy presence of smaller fruit from this year's harvest should bode favorably in many of the industry's export markets that have preference for this size profile. However, as with domestic availability, export supplies will likely be limited by this year's short crop. Should the export market continue to absorb slightly over one-third of fresh domestic

Figure 4
U.S. fresh pear per capita use declining

F= forecast.
Source: USDA, Economic Research Service, *Fruit and Tree Nut Yearbook*, various years.

production as has been the trend in the past several years, U.S. fresh pear exports could decline to around 356 million pounds in 2015/16, down 8 percent from the previous season and the lowest since 2010/11.

U.S. pears will continue to have no market presence in Russia in 2015/16 given the 1-year extension of the Russian ban on imports of a variety of agricultural products from the United States and several other countries. Prior to 2014/15, when U.S. fresh pear exports to Russia dropped to zero due to the ban, Russia ranked as the No. 3 export destination for the U.S. pear industry even though the country's share of U.S. export volume was less than 5 percent, as a majority of volume goes to Mexico and Canada. Early-season exports, however, are showing strength, partly reflecting the decline in exports last year brought about by the port slowdown. Thus far, July 2015 export volume is up 31 percent from the same time last year and higher than any July volume since 2001/02. Early-season imports also show an increase, with July 2015 volume up 25 percent from the same time last year.

USDA's AMS reports U.S. fresh pear shipments through early September running 11 percent below the same period last year, reflecting lower shipments thus far from California and Oregon. About 61 percent of season-to-date shipments were California pears, 35 percent were Washington pears, and the remainder were Oregon pears. U.S. fresh pear grower prices already started above year-ago levels in 2015/16, with the average prices in July at $0.35 per pound (or $706 per ton), 2 percent higher than the July 2014 average and 12 percent above the 2008-12 average (prices were not reported in 2013). Harvest is underway in Washington and increasing supplies are likely to lead to seasonal price declines. However, a smaller, high-quality crop signals continued high fresh pear grower prices this fall and winter.

At the retail level, increased imports, mostly from the Southern Hemisphere, are partly behind the lower pear prices early this season. Based on USDA/AMS data, advertised retail prices for nonorganic Bartlett, Bosc, and D'Anjou pears in the United States have averaged from 10 percent to almost 35 percent lower than year-

ago levels in July and August, compared with the same time a year ago, D'Anjou prices rose 28 percent in August. Prices, however, have started to show strength as of early September, with year-over-year gains between 4-10 percent for Bartlett and Bosc pears.

Similar to last year, this year's reduced Bartlett pear crop signals fewer pears moving through the processing sector, boosting prices for growers from processors in 2015/16. U.S. processing pear supplies continue to generally trend down as an increasing percentage of the crop has been destined for fresh use over the past decade. While domestic production continues to fulfill the bulk of U.S. demand for canned pears—a major processed product market for U.S. pears—canned pear imports are gaining market share, from about 1 percent in the 1990s to an average 10 percent over the last 5 years. During the previous marketing year, processing accounted for 34 percent of the 2014 pear crop, slightly higher in share than in 2013, but the quantity processed dropped 4 percent to 281,170 tons (or 562.3 million pounds). Processing pear prices rose from $276 per ton in 2013/14 to $287 per ton in 2014/15, up 15 percent from the previous 5-year average and the highest prices reported since 1980.

U.S. Grape Crop Forecast Up in 2015 Despite Drought in California

U.S. grape production is forecast at 16.1 billion pounds (or 8.05 million tons) in 2015, up 4 percent from a year ago (table 5). Despite the ongoing drought, California is forecast to produce 89 percent of this output, up nearly 6 percent from last year due to more favorable growing conditions, for a total of 14.4 billion pounds (or 7.20 million tons). Production is forecast to be up for California's wine-type (up 3 percent), table-type (up 3 percent), and raisin-type (up 13 percent) grapes. Water availability remains a major concern among California growers but increased reliance on groundwater for irrigation and managing water allocations more efficiently has helped maintain a fairly ample supply of good quality California grapes for the 2015/16 marketing season (May-April). During last season, a spring hail storm affected blooms in some of the vineyards, contributing to lower bunch counts for wine and raisin grapes. In 2015, bunch counts were reported slightly higher in the San Joaquin Valley, a major producing region in California. For the raisin-type variety, a sample of 307 raisin-type variety vineyards indicated bunch counts were up 19 percent from a year ago at 43.4 bunches per vine, based on the 2015 objective measurement survey conducted by USDA/NASS in cooperation with the California Department of Agriculture.

Elsewhere across the country, combined production is down 11 percent from last year due to smaller crops in Washington, New York, Pennsylvania, Arkansas, and Ohio (but only by a fraction). In Washington, the second-ranking grape State, juice-grape production is forecast down 30 percent from last year's bumper crop, well exceeding the anticipated production gain for wine grapes, driving the forecast overall crop size for the State in 2015 down by 16 percent to 860 million pounds (or 430,000 tons). Among other major producers, production in New York and Pennsylvania are forecast to be down between 12-13 percent but in Michigan, crop size is anticipated to be 14 percent larger than last year.

Table 5--Grapes: Total production and season-average price received by growers in principal States, 2012-14 and indicated 2015 production

State	Production				Price		
	2012	2013	2014	2015	2012	2013	2014
	-- Million pounds --				*-- Cents per pound --*		
Arkansas	3	4	3	3	58.5	50.5	45.1
Georgia	9	9	8	9	70.5	55.5	73.5
Michigan	76	188	127	144	23.1	18.9	15.3
Missouri	9	12	8	10	36.3	36.4	39.5
New York	230	412	376	330	23.3	18.5	19.3
North Carolina	10	10	12	14	46.6	42.2	40.4
Ohio	11	13	8	8	31.5	29.7	23.9
Oregon	92	98	116	116	102.5	109.5	102.0
Pennsylvania	122	220	182	158	17.2	16.0	15.9
Texas	19	14	19	22	72.5	78.0	75.0
Virginia	16	15	18	19	81.5	90.0	92.5
Washington							
Wine	376	420	454	460	52.0	55.5	55.5
Juice	384	364	570	400	14.0	12.2	8.8
All	760	784	1,024	860	32.8	35.4	29.5
Total [1]	1,358	1,780	1,900	1,693			
California:							
Wine	8,036	8,490	7,786	8,000	38.7	37.7	38.0
Table	2,048	2,454	2,332	2,400	61.0	63.0	67.5
Raisin [2]	3,620	4,540	3,526	4,000	22.9	18.2	20.1
All	13,704	15,484	13,644	14,400	37.8	36.0	38.4
United States	15,062	17,264	15,544	16,093	37.6	35.6	37.5

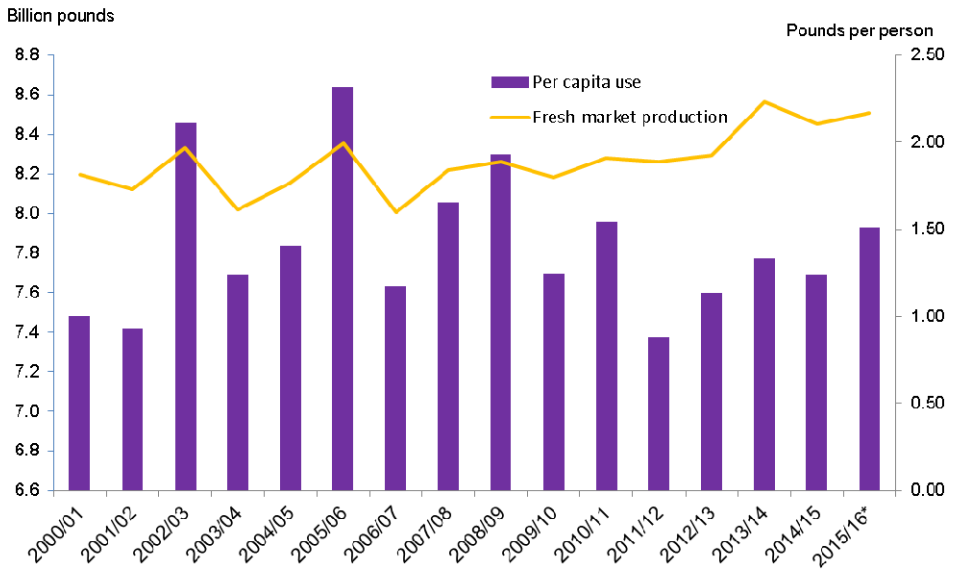
[1] Sum of State production, excluding California. [2] Fresh weight of raisin-type grapes.
Source: USDA, National Agricultural Statistics Service, *Noncitrus Fruit and Nuts 2014 Summary* and *Crop Production* (August 2015 issue).

Projected Bigger Fresh-Market Grape Crop To Pressure Prices Down: With the 2015 harvest in California's San Joaquin Valley already well underway, the buildup in supplies from earlier in the season has already driven down prices growers have received thus far for their fresh-market crop. National-level grower prices have averaged $2,330 per ton in May, $1,690 in June, and $1,340 in July, based on NASS data. Relative to the same months last year, the June and July average prices were down by 10 percent and 14 percent, respectively. USDA/NASS did not report a May 2014 grower price average.

At the retail level, the Bureau of Labor Statistics (BLS) reported average prices for Thompson seedless grapes at the start of the domestic season in May at $3.00 per pound, declining seasonally through August to $2.10 per pound. In addition to the larger domestic crop, increased imports from Mexico also provided retailers with ample supplies to run promotions. Based on USDA/AMS weekly information on advertised retail prices for grapes at major U.S. supermarket outlets, prices this season for various seedless-type grapes have averaged 4-10 percent lower than a year ago in May through early September. Increased imports from Chile this winter resulted in below year-ago prices, on average, from January through April—an off-period for domestic production. Supplies from Chile were winding down in May and June but imports from Mexico also held up, particularly in June when volumes were 55 percent higher than in May 2014.

Increased table grape production in California will mostly account for the higher tonnage of U.S. grapes for fresh use in 2015/16. California's raisin grape tonnage

Figure 5
U.S. fresh-grape production and per capita use



* USDA, Economic Research Service projection.
Source: USDA, Economic Research Service calculations on per capita use; USDA, National Agricultural Statistics Service, *Noncitrus Fruit and Nuts Summary*, various issues.

for fresh use will also likely be up due to the State's larger raisin-type grape crop this year. Raisin grapes for fresh use typically represent less than 5 percent the State's total raisin-type grape crop. Based on current USDA/NASS forecasts, USDA/ERS projects U.S. fresh-market grape production for the marketing year 2015/16 to increase 3 percent from the previous year and, at 2.17 billion pounds, will be 8 percent above the previous 5-year average, if achieved. With this increase, fresh use production will continue to remain in the ballpark of 13 percent of total utilized production as in the previous 5 years. At this production level, the industry will have ample supplies to meet current demand (fig. 5). Domestic per capita use of fresh grapes averaged 7.7 pounds during the previous 5 years.

Though down 6 percent from the 2013/14 record level, U.S. fresh-grape exports reached 858.3 million pounds in 2014/15, 12 percent above the previous 5-year average volume. While demand remained fairly strong, reduced domestic production last year, the strong U.S. dollar, and West Coast port slowdown may have partly contributed to lower export shipments in 2014/15. Exports declined to Canada, Mexico, Hong Kong, and the Philippines—the country's top four international markets for fresh grapes that together received more than half of last season's total volume. Exports through the first 3 months of 2015/16 continue to fall behind, with volumes from May through July down 10 percent from the same period in 2014/15, likely due to lower domestic shipments in the earlier part of the season. Of the top markets, volumes to Mexico and the Philippines appear to be on a rebound this season while those to Canada and Hong Kong continue to lag. Increased production and lower prices, however, should aid overall export prospects for the season.

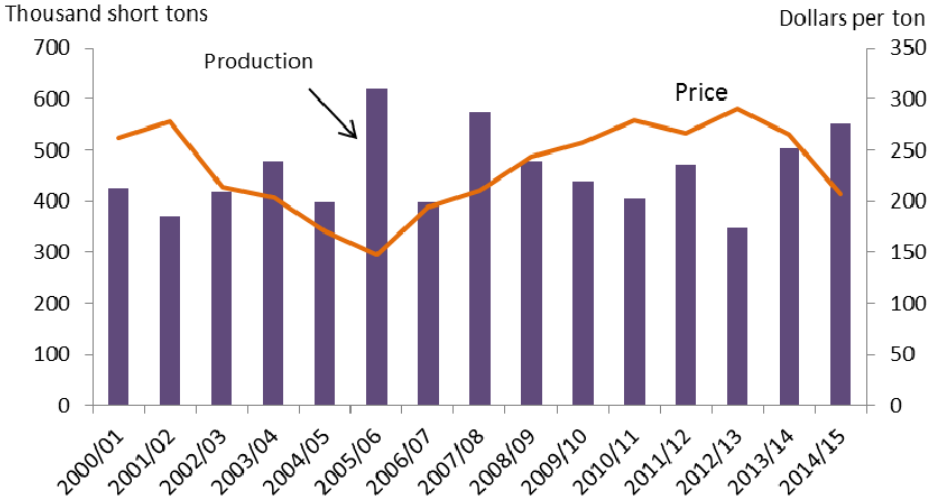
More Grapes Will Be Available for Making Wine: Increased wine grape production in California will largely contribute to boosting the quantity of 2015

grapes to be crushed for wine in the United States. Over the past 5 years, California supplied 93 percent, on average, of all U.S. grapes sent to wineries each year. California's wine grape production is forecast at 4.0 million tons (or 8.0 billion pounds) in 2015, up 3percent from the previous year. This increase will be complemented by a forecast 1-percent increase in Washington's wine grape production, reaching 230,000 tons (or 460 million pounds). Washington supplies 3 to 4 percent of the U.S. grape volume moving through wineries each year. Forecast bigger crops in Michigan, Virginia, Texas, North Carolina, and Missouri as well as relatively steady production in Oregon and Ohio will likely also help raise crushed tonnage this year, offsetting potential declines in New York and Pennsylvania. Based on recent 5-year average shares of State-level grape production going to wineries, USDA/ERS projects total grape tonnage crushed for wine to increase between 4-6 percent in 2015/16 from the previous season to around 4.8 million tons. This higher volume will likely put downward pressure on grower prices for grapes sold to wineries in 2015/16. In 2014/15, grape tonnage for wine dropped 11 percent from the previous season to 4.52 million tons, which drove prices up 4 percent to $767 per ton.

Grape Tonnage for Juice Likely Down: A forecast 30-percent decline in Washington's juice-grape production this year, along with forecast smaller crops in Michigan, New York, and Pennsylvania, will likely lower grape tonnage crushed for juice in 2015/16. Lower tonnage headed to juice processors will likely boost juice-grape grower prices during the 2015/16 marketing season (August-July), a reverse from 2014/15, when above-trend tonnage realized a 22-percent drop in the average grower price to $207 per ton—a 7-year low (fig. 6).

USDA/NASS State-level annual data on grapes produced for juice does not include California although grapes crushed for concentrate production has been reported by the NASS California Field Office since 1999. In 2014, grape tonnage crushed for concentrate production totaled 469,927 tons, 11 percent of the 2014 grape crush

Figure 6
U.S. utilized grape production for juice and average grower price



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

total. However, the share of total concentrate tonnage used specifically for making juice has not been disclosed, nor has the type and variety composition making up total concentrate volume. In comparison to State total crop size, tonnage crushed for concentrate production averaged over 10 percent annually over the last 5 years.

As domestic grape production for juice rose in 2014/15, U.S. grape-juice imports fell to a 13-year low at 48.6 million single-strength-equivalent (SSE) gallons, 22 percent below the previous season mostly on tighter supplies from Argentina. While Argentina supplies around 80 percent of U.S. grape juice imports, on average, lower volumes were also received in 2014/15 from Chile, Australia, Italy, and Mexico, among the other leading suppliers. At the same time, international demand for U.S. grape juice fell to a 28-year low in 2014/15, with volume down 46 percent to 9.31 million sse gallons and value down 17 percent to $72.0 million—the lowest in the past 7 years. Peak export value thus far was in 2012/13, amounting to $99.4 million. Export volume in 2014/15 fell to each of the top 5 export markets for U.S. grape juice—Canada, Japan, South Korea, China, and Costa Rica.

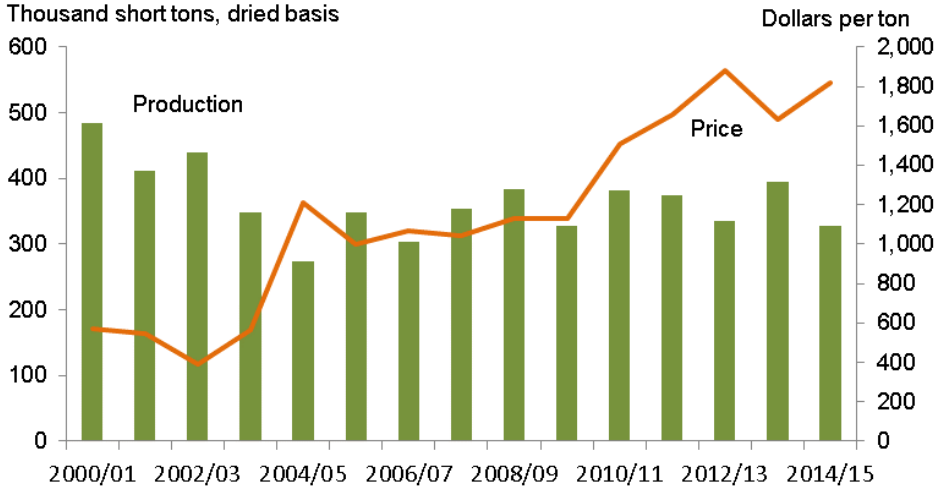
U.S. Raisin Production To Grow: In August, the NASS California Field Office released *the 2015 California Raisin Grape Objective Measurement Report* which provided a forecast for the California raisin grape crop at 2.0 million tons, fresh basis, (or 4.0 billion pounds), up 13 percent from last year. Bearing acreage for raisin grapes in California has been on a downward trend since 2003, presently estimated at 185,000 acres, 70,000 fewer acres than 12 years ago and 5,000 acres less than in 2014. Higher yields more than make up for the reduction in bearing acreage, driving up production in 2015. Despite continued water availability issues, the average number of bunches per vine rose from 36.5 in 2014 to 43.4 in 2015, boosting average yields per acre by 16 percent to 10.8 tons.

The forecast larger California raisin crop this year is expected to raise the quantity of available grapes for drying. USDA's Foreign Agricultural Service (FAS) forecast U.S. raisin production to increase to 340,000 tons in 2015/16, up 9 percent from 2014/15. Reduced global supplies and higher domestic production will aid U.S. export prospects in 2015/16. Total export volume for U.S. raisins is projected to be up 26 percent from the previous season, mostly attributed to a frost-reduced crop in Turkey that will potentially limit competition for U.S. raisins, particularly in the European Union (EU) market. Turkey is second in rank, next to the United States, in world raisin production and is the largest exporter of raisins globally. On average, slightly more than half of Turkish raisin exports go to the EU market.

Coinciding with lower domestic production and increased supplies in Turkey, U.S. raisin exports in 2014/15 fell to 279.4 million pounds (or around 139,682 short tons), down 20 percent from the previous season. U.S. shipments were lower mostly to the EU. In value terms, exports fell 19 percent to $352.2 million, the lowest in the last 5 years. U.S. raisin imports rose in 2014/15 on smaller domestic supplies. Among the United States' largest suppliers of imported raisins, imports increased from Chile, South Africa, and Argentina.

After slipping 13 percent in 2013/14, U.S. grower prices for raisin grapes dried into raisins had a 12-percent bump last season on lower domestic production and reduced inventories. The 2014/15 average price rose to $1,820 per ton (dried basis), second highest to the record $1,880 per ton in 2012/13 (fig. 7). Prospects of robust.

Figure 7
California raisin grape production dried into raisins and average grower price



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

export demand and continued low inventories will offset some of the likely downward pressure on prices due to increased domestic production in 2015/16

U.S. Peach Production Declines for the Fifth Consecutive Year

Forecast estimates from USDA/NASS indicate that the 2015 U.S. peach crop will be down for the fifth straight year to 1.6 billion pounds, down 6 percent from last year and the smallest crop since the 1980s. A vast majority of the peaches are grown in California, where the 2015 crop is forecast at 1.12 billion pounds, down 10 percent from a year ago (table 6). This forecast includes 506 million pounds of California freestone peaches, down 12 percent from last year, and 612 million pounds of clingstone peaches, down 8 percent. Industry sources reported good fruit quality for California's freestone crop but the warm winter prompted early crop maturity and variable fruit set. Quality of the clingstone crop is reported to be high, but sizing of fruit is short of expectations. With continued drought conditions, some growers were able to offset reduced irrigation district water deliveries by using wells to pump groundwater, either by installing new wells and/or deepening pre-existing ones.

Production in the other States also represent freestone peaches, which, when combined with California's freestone crop, indicate a 4-percent year-over-year reduction. Close to 80 percent of U.S. freestone peaches are used fresh, while California clingstones that make up the rest of the U.S. peach crop are mostly canned. The decline in California's 2015 clingstone crop is indicative that processing supplies will be limited this year, likely elevating prices growers will be receiving for cling peaches this year.

Production increases in South Carolina, Georgia, New Jersey, and Pennsylvania helped fill in for the lack of California supplies for the fresh market, particularly in the eastern U.S. markets, where these four States are the major producers. South Carolina is the second largest peach State, where production is forecast at 138

Table 6--Peaches: Total production and season-average price received by growers, 2012-14 and indicated 2015 production

State	Production				Price		
	2012	2013	2014	2015	2012	2013	2014
	-- Million pounds --				-- Cents per pound --		
Alabama	9	8	7	10	62.0	58.5	60.0
Arkansas	32	3	1	2	82.5	80.5	92.0
California	1,426	1,296	1,240	1,118	23.2	21.5	28.7
Freestone	688	560	576	506	29.4	25.8	40.6
Clingstone	738	736	664	612	17.4	18.2	18.5
Colorado	34	15	27	26	79.0	93.5	112.0
Connecticut	3	3	4	3	115.0	138.5	125.0
Georgia	71	71	71	78	48.1	41.3	54.5
Idaho	15	12	16	11	67.0	47.3	53.5
Illinois	15	8	7	7	69.5	67.0	63.5
Maryland	9	8	8	8	59.5	53.0	52.0
Massachusetts	3	3	2	4	160.0	138.5	112.0
Michigan	4	41	18	16	66.5	35.3	46.0
Missouri	7	8	8	5	60.0	92.5	57.0
New Jersey	60	36	45	48	66.0	75.5	66.0
New York	5	15	15	14	79.0	40.8	89.5
North Carolina	11	12	9	6	61.0	57.5	72.5
Ohio	7	11	0	3	85.5	74.0	84.0
Pennsylvania	42	39	30	44	53.0	51.5	59.5
South Carolina	132	139	131	138	52.5	53.5	56.0
Texas	18	17	8	9	92.5	128.5	100.0
Utah	11	11	13	8	54.0	54.0	49.1
Virginia	16	15	11	12	46.7	46.3	58.5
Washington	26	26	25	28	31.4	38.5	43.4
West Virginia	11	11	11	11	65.0	45.0	51.0
United States	1,936	1,808	1,706	1,609	32.4	30.9	37.6

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

million pounds, up 5 percent from a year ago. There was some mild damage to the State's crop from a cold snap in late March but sufficient chill hours for the trees this winter aided fruit set. In Georgia, production is forecast up 10 percent totaling 78 million pounds even as warm temperatures during the bloom period reduced fruit size. Despite some cold winter damage, New Jersey's crop is 7 percent larger than a year ago while in Pennsylvania, growers expect harvest to rebound from last year's frost-reduced crop, with total production increasing by 47 percent.

The expected smaller freestone crop has not yet led to gains in U.S. grower prices for fresh peaches relative to last year's higher-than-average prices. Grower prices averaged 56 cents per pound (or $1,110 per ton) in June 2015 and 47 cents per pound (or $933 per ton) in July 2015, down 13 percent and 21 percent, respectively, from the same time last year. Other than the larger crops in South Carolina, Georgia, and a few other States, winter/spring imports from Chile rebounded from last year's freeze-reduced levels and resulted in lower prices for off-season imported fruit, affecting prices for California peaches at the start of this year's season. As harvest has occurred in many other states, prices have also declined from the average 74 cents per pound (or $1,480 per ton) in May. Last year, there was insufficient volume in May to report an average price for that month and in 2013, USDA/NASS did not report monthly prices throughout the season. Relative to 2010-12 average prices, this year's prices thus far are also fairly strong as with last year's prices.

Similar to the prices realized at the farm-level, U.S. retail prices for peaches are also averaging lower than the strong prices of a year ago. From June through August, BLS reported retail prices averaging 5-15 percent lower each month from the same time in 2014. However, these same prices are 6-12 percent higher when compared with corresponding 2011-13 average prices. While prices have already declined

seasonally through to mid-summer, tighter supplies towards the end of the season will likely keep prices strong for the remainder of the 2015 season.

Cranberry Production Remain at Above-Average Levels

The USDA/NASS August forecast for U.S. cranberry production in 2015 is at 841 million pounds (or 8.41 million barrels), only up by a fraction from a year ago but 5 percent above the previous 5-year average. Should this forecast materialize, production will be the second largest in history for the industry, likely putting downward pressure on grower prices for cranberries in 2015/16. Production is forecast mostly up among the five surveyed States except for New Jersey (table 7).

Some cranberry growers in Wisconsin and Massachusetts reported damage to production due to another harsh winter. Hail was reported to have affected the Wisconsin crop but fortunately damage was not widespread. Other growers in Massachusetts reported some pest problems. Despite all these constraints, expectations are that there will be ample supplies of cranberries produced from these top two cranberry States. Wisconsin produces 60 percent of all U.S. cranberries, on average, while Massachusetts grows about 25 percent. Wisconsin's 2015 cranberry crop is forecast at 503 million pounds, almost even with last year's and 4 percent above the State's previous 5-year average production. The crop in Massachusetts is forecast at 211 million pounds, up 2 percent from 2014 and 3 percent larger than the previous 5-year average. Production in New Jersey, Oregon, and Washington are also forecast to be higher than average this year, mostly due to favorable weather during the growing period. However, relative to last year, New Jersey's crop is forecast down 10 percent from the State's largest production.

U.S. cranberry production has increased for three straight years since 2011, reaching a record 8.96 million barrels in 2013 before declining 6 percent to 8.40 million barrels in 2014 (fig. 8). Despite these increases, USDA/NASS data show cranberry grower prices improved during the marketing years 2011/12 and 2012/13, although still hovering in the $40- to near-$50-per-barrel range, down from the decade-high of $58.1 per barrel in 2008/09. Prices, however, tumbled from $47.9 per barrel in 2012/13 to $32.3 per barrel (about 32 cents per pound) in 2013/14 due to oversupplies in the industry. Grower prices dipped for both processing-use cranberries (down from $46.9 to $31.0 per barrel) and fresh cranberries ($78.3 to $68.9 per barrel) in 2013/14.

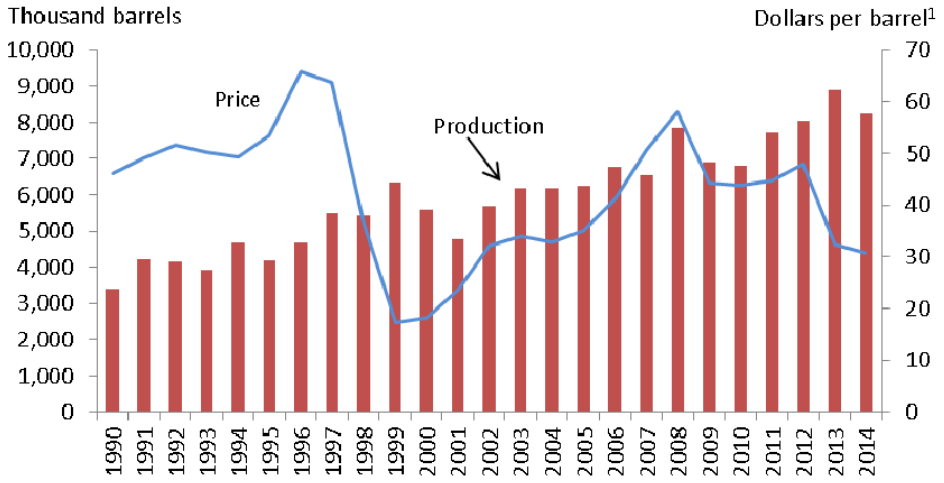
Table 7--Cranberries: Total production and season-average prices received by growers, 2012-14, and indicated 2015 production

	Production				Price		
State	2012	2013	2014	2015	2012	2013	2014
	-- *Million pounds* --				-- *Cents per pound* --		
Massachusetts	212	185	207	211	47.0	31.6	37.1
New Jersey	55	55	65	59	54.4	37.5	36.9
Oregon	41	39	50	50	40.4	30.6	23.1
Washington	14	15	16	18	63.5	43.7	44.6
Wisconsin	483	602	502	503	47.8	32.0	27.9
United States	805	896	840	841	47.9	32.4	30.9

Source: USDA, National Agricultural Statistics Service, *Noncitrus Fruit and Nuts 2014 Summary* and *Cranberries* (released August 2015).

Figure 8

U.S. utilized cranberry production and average grower price



[1] 1 barrel = 100 pounds.

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

As regulated by a Federal marketing order, volume control was not implemented in 2014/15 despite large inventories going into the season and above-average production in the industry. Processed production in 2014, while still large, declined 7 percent from the record 8.56 million barrels in 2013 reaching 7.97 million barrels and the corresponding 2014/15 season-average grower price fell 5 percent to $29.5 per barrel. Production for fresh use—historically at a much smaller scale than the processed sector—declined 17 percent over the same period to 26.8 million pounds, boosting average grower prices in the fresh cranberry market to $72 per barrel in 2014/15, up from $68.9 per barrel in 2013/14.

The last time volume control was implemented was during the 2001/02 marketing year, which succeeded 2 years of rock bottom prices ($17-18/barrel). In 2001/02, the all-cranberry average grower price improved to almost $24/barrel (up 31 percent from the previous year) as the volume control regulation—with a 65-percent producer allotment that year—contributed to a significant reduction in inventories. In the absence of volume control regulation in 2014/15, USDA, through the USDA/AMS's commodity purchase program, as well as marketing and promotion undertakings by the industry to boost domestic and export demand, continued to serve important roles in helping to offset the market imbalance. These activities will again be instrumental in improving cranberry grower prices in the 2015/16 marketing year, along with expectations of slightly lower imports than in 2014/15.

At the time this report was prepared, most recent available market data (which is through cycle 3 of the 2014/15 marketing year) from the Cranberry Marketing Committee (CMC) indicated total U.S. cranberry sales in 2014/15 stood at 7.80 million barrels, up 8 percent from the same period the previous year, reflecting good demand and the potential for overall positive sales growth for the industry throughout the season (September through August). If realized, this will be the second consecutive year of increased sales for the industry following a 2-year slump in 2012/11 and 2011/10. Domestic sales so far in 2014/15 are up 8 percent and foreign sales up 7 percent.

Favorable demand during the 2014/15 marketing year has slowed the season's year-to-date buildup in inventories to a moderate pace, up 3 percent from the same period in 2013/14, when inventories were reported by CMC to be up over 25 percent. While this means that the carry-in inventory volume for the upcoming 2015/16 marketing year will still be increasing, a moderate growth should be more favorable to the U.S. cranberry industry that continues to be challenged by a market imbalance. Supplies still outweigh demand for U.S. cranberries even as domestic production in 2014 declined from the record crop of the year before for the reasons that production last year remained above average and beginning inventories were 29 percent higher at 7.50 million barrels, compared with the 5.79 million barrels in 2013/14.

The domestic market remains the primary market for U.S. cranberries. CMC data report that domestic cranberry sales to the Federal Government for food programs all through the third cycle of the 2014/15 marketing year increased to more than twice the volume from the same time the previous year and this was critical in helping to alleviate the surplus supply in the industry. Moreover, year-to-date processed and sold cranberry volume, which makes up three-fourths of total domestic sales thus far, is up 2 percent from the same period in 2013/14. While demand for U.S. fresh cranberries now extend beyond the early Thanksgiving celebration in Canada and the U.S. holiday season, most U.S. fresh cranberry sales continue to occur from September through December. Reduced U.S. production and strong export demand limited domestic fresh sales in 2014/15, with sales volume down 4 percent from the previous season.

Industry sales to international markets represent approximately one-third of total sales volume for the season. Processed cranberries (mostly sweetened and dried cranberries) take up more than 75 percent of U.S. cranberry exports (foreign sales) while cranberry concentrate make up for nearly 25 percent, leaving only about 2 percent of foreign sales as fresh cranberry volume. Foreign sales in 2014/15 are up thus far from the previous season, boosted mostly by increased volumes of processed cranberries and also by greater volumes of fresh cranberries. Foreign sales of U.S. cranberry concentrate—which comprise a large portion of industry inventories—continue to slack, with volume down 1 percent thus far in 2014/15.

Final 2014/15 Estimate Shows Total Citrus Production Down

With the 2014/15 season ending for most citrus fruits, final production estimates were released on September 17 in the USDA/NASS *Citrus Fruits 2015 Summary*. The final estimate for all citrus crops is 9.02 million tons, a 4-percent decline, year over year (table 8). During the season, continued adjustments were made to production volumes after the initial forecast in October 2014 which expected production to reach 9.7 million tons, up 3 percent from previous season. However, as the season continued, downward revisions to orange, grapefruit, and tangelo production pulled down total citrus volume 8 percent from the October 2014 initial forecast. Texas' citrus production witnessed the largest year-over-year decline, declining 24 percent, from 304,000tons to 232,000 tons. Citrus production in Florida dropped 9 percent, while California's production gained 6 percent. Increased tangerine and lemon production pushed Arizona's final citrus volume up 11 percent, year over year.

All orange production tallied 6 percent lower than in 2013/14, with the final estimate coming in at 6.4 million tons. Florida's all-orange production declined 8 percent to reach 4.4 million tons, due mainly to high fruit drop and smaller sizes for early-midseason oranges and Valencia oranges. Early-midseason volume was reduced by 11 percent and Valencia oranges down 4 percent for 2014/15. Both orange varieties observed fruit drop rates of 22 percent and 25 percent, respectively. Texas witnessed an 18 percent decline in all orange production, with lower production in both orange varieties. California gained some ground for navel production, year-over-year, but continued to lose in Valencia production.

Ample Fruit on Trees Boosts California 2015/16 Navel Orange Forecast

In early September, the California NASS Field Office released its first estimate for the upcoming 2015/16 citrus season, forecasting the California navel orange crop at 1.72 million tons. The current forecast represents a 9-percent gain from 2014/15 and

Table 8--Citrus: Utilized production, 201/13, 2013/14 and forecast for 2014/15[1]

Crop and State	Utilized		Forecast for 2014/15	Utilized		Forecast for 2014/15
	2012/13	2013/14	as of 9-2015	2012/13	2013/14	as of 9-2015
	---- *1,000 boxes*[2] ----			----*1,000 tons* ----		
Oranges:						
Early/mid-season and navel:						
California	42,500	38,700	39,500	1,700	1,548	1,580
Florida[3]	67,100	53,300	47,400	3,020	2,398	2,133
Texas	1,504	1,401	1,170	64	60	50
Total[4]	111,104	93,401	88,070	4,783	4,006	3,763
Valencia:						
California	12,000	10,800	9,500	480	432	380
Florida	66,500	51,400	49,400	2,993	2,313	2,223
Texas	289	376	282	12	16	12
Total	78,789	62,576	59,182	3,485	2,765	2,615
All oranges	189,893	155,977	147,252	8,268	6,771	6,378
Grapefruit:						
California	4,500	3,850	3,800	180	154	152
Florida	18,350	15,650	12,900	780	665	548
Texas	6,100	5,700	4,250	244	228	170
All grapefruit	28,950	25,200	20,950	1,204	1,047	870
Tangerines and mandarins:						
Arizona	160	150	170	6	6	7
California	13,000	14,700	18,200	520	588	728
Florida	3,280	2,900	2,270	156	138	108
All tangerines and mandarins	16,440	17,750	20,640	682	732	843
Lemons:						
Arizona	1,800	1,800	2,000	72	72	80
California	21,000	18,800	20,500	840	752	820
All lemons	22,800	20,600	22,500	912	824	900
Tangelos						
Florida	1,000	880	680	45	40	32
All citrus[4]	259,083	220,407	212,022	11,111	9,413	9,023

[1]The crop year begins with bloom of the first year shown and ends with completion of the harvest following year.

[2]Net pounds per box: oranges in California (CA)-80 (75 prior to the 2010-2011 crop year), Florida (FL)-90, Texas (TX)-85; grapefruit in CA-80 (67 prior to the 2010-11 crop year), FL-85, TX-80; lemons-80 (76 prior to the 2010-11 crop year); tangelos-90; tangerines and mandarins in AZ and CA-80 (75 prior to the 2010-11 crop year), FL-95.

[3] Includes Temples. [4]Totals may not be equivalent to the sum of the categories due to rounding.

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

is almost equal to the previous 5-year average production volume. The forecast data was collected between July 18 and September 1, 2015, with 520 groves randomly sampled.

Average fruit set per tree is up 24 percent this year, with 412 fruit per tree for the Central Valley. Kern, Tulare, and Fresno counties all measured larger fruit set per tree for the 2015/16 season, with Kern leading fruit set with 460 oranges per tree. Aiding in increased production volume is the larger fruit size which is averaging 2.248 inch diameter. The size increased 2 percent from last season's diameter average of 2.205 inch. Navel orange acreage that includes Cara Cara and blood oranges, continues to decline. For 2015/16, this acreage is estimated at 122,000 acres, down from 124,000 in 2014/15, although the acreage has declined concentration of trees is at its highest estimate with trees per acre at 135. The 201516 bearing acreage level is equal to the 2000/01 and 2001/02 seasons.

U.S. fresh-orange exports, 2014/15 season through July, are at 1.13 billion pounds, about 5 percent stronger than the same period last year. Canada has received the most U.S. oranges this season, with 270.5 million pounds. Exports to Canada are up 11 percent season-over-season, with South Korea receiving 26 percent more fresh oranges thru July, reaching 258.9 million pounds. Hong Kong only received 149.6 million pounds, reducing volume by 23 percent. Monthly export volumes have been stronger 7 out of 9 months this season, regaining some ground after a decline in exports in 2013/14.

Imports are very strong for fresh oranges through July, reaching 182.3 million pounds, an increase of 5 percent year over year. Mexico is the top supplier of fresh oranges with 88.2 million, 48 percent of total imports so far this season.
A 43 percent increase in shipments from South Africa pin volume at 43.4 million pounds. The remaining months of the marketing year (July through October) are usually the heaviest time for imports and July has already started off very strong with a 21 percent jump year-over-year.

The *Citrus Fruits 2015 Summary*, released September 17, reports that the season-average equivalent-on-tree price for California navels in 2014/15 was $13.73 per box, a 17-percent decline from $16.54 per box in 2013/14. The total value of the California navel crop was $647 million, 13 percent below the 2013/14 crop value but 9 percent above the previous 5-year average value of $594 million. The anticipated larger navel crop, as well as weak prices at season's start, should keep prices below 2013/14 and 2014/15 values throughout most of the season.

With Lower Production, Florida Ships Less Citrus in 2014/15

The Florida Department of Citrus (FDOC) released its final weekly fresh citrus shipment report for the 2014/15 season on August 17. The report shows Florida fresh citrus shipment volumes down 10 percent, with revenue down 10 percent as well. Shipments have totaled 21.9 million 4/5 bushel cartons in 2014/15, compared to 24.4 million cartons last season. The lower shipments coincide with the 11 percent reduction in total citrus production volume for the State.

Fresh grapefruit shipments represented 48 percent of total Florida fresh citrus shipments reaching 10.5 million cartons, down 13 percent from the 2013/14 volume

of 12.1 million cartons. U.S. shipments to Canada were down 19 percent. Domestic shipments were down 14 percent due to the 18-percent smaller grapefruit crop. Shipments of Florida fresh grapefruit to international markets were also reduced to 5.3 million cartons in 2014/15, from 5.99 million cartons the previous season.

Fresh orange shipments are down but less severely than grapefruit. Total Florida orange shipments represented 37 percent of total fresh citrus shipments in 2014/15 and at 7.97 million cartons was just 4 percent below the previous season. International shipments declined more substantially (down 51 percent) than domestic fresh-orange movement, which dropped 5 percent. Canada actually increased volume of U.S. orange shipments to 648 thousand cartons from 534 thousand cartons, with revenue increasing 14 percent on top of the 21-percent larger volume. Movement of specialty citrus declined 14 percent with revenue down 7 percent for the 2014/15 season.

2015 Citrus Acreage Continues To Decline in Florida

The initial estimate for Florida's 2015/16 citrus production will not be released until October but the first data regarding the upcoming crop was released on September 17 in the Florida NASS Field Office *Commercial Citrus Inventory Preliminary Report*. The report provides the first estimate of commercial citrus acreage in 2015. Despite new plantings of 12,343 acres, the loss of 26,094 acres reduces Florida's citrus acreage by 13,751 acres to a total 501,396 acres in 2015. This continues the trend of net loss of acreage since 1998, despite new plantings annually. A positive note for Florida would be that the newly planted acres of 12,343 is the largest new planted acres since 2009 when 12,155 acres were added. The 2-percent reduction in orange acreage brings total acres down to 441,628 acres for the upcoming season. Grapefruit acreage is down 4 percent year over year, while specialty citrus is down 6 percent. Disease pressures, increased operating costs, and urban development have all contributed to the reduction of citrus acres across the State.

Lemon Prices Strong To End the 2014/15 Season

The start of the 2014/15 lemon season had prices starting very strong, aided by a smaller harvest from 2013/14 and the current season's crop initially forecast only 2 percent larger, creating a marketplace for tight domestic supplies. The production forecast was adjusted, with total utilized production up 9 percent but fresh production is down 3 percent, following a drop in California's fresh lemon utilization. The tighter fresh lemon supplies helped keep prices robust throughout most of the season, with year over year gains for 10 of the 12 months of the 2014/15 marketing year (table 9). The season-average price was $38.56 per 80-lb box, 14 percent above 2013/14 season-average price. Strong domestic demand seems to be fueling the increased price levels, with tight competition for domestic supply and ample international production supplementing domestic consumption.

The 2014/15 lemon season ended in July, with fresh lemon utilization at 1.2 billion pounds, down 3 percent from the previous season (table 10). The slightly lower fresh production and the higher prices prompted increased imports from abroad, with shippers trying to capture profits from the elevated domestic prices. This pushed imports up drastically when compared to the previous season, reaching a record high of 169.6 million pounds. The 2014/15 import volume is 74 percent

higher than 2013/14 and the largest volume since 2007/08, which offset the low production that year. In 2014/15, fresh lemon production was nearly level with the previous 5-year average but continued strong demand bolstered imports. Mexico has provided 54 percent of total lemon imports with 92.1 million pounds. Year over year, Mexico increased shipments to the United States by 45 percent. Chile also increased lemon trade to the United States to 62.2 million pounds, more than double the volume shipped last year. Shipments from Spain almost tripled to 10.3 million pounds. Total imports for the season supplemented domestic production by increasing total domestic supply by 3 percent.

Table 9--Fresh lemons: Average equivalent on-tree prices received by U.S. growers, 2009/10-2014/15

Month	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
			------- *Dollars per box*[1] -------			
August	24.26	25.43	25.09	21.62	31.62	43.81
September	27.06	25.83	22.59	20.25	33.38	44.45
October	25.08	25.20	19.50	19.47	35.17	44.88
November	25.44	26.06	18.97	17.30	32.94	39.86
December	22.42	18.78	19.77	16.48	30.53	34.69
January	22.43	14.80	21.12	15.82	31.71	32.84
February	22.27	12.46	18.50	14.37	30.79	31.24
March	21.26	12.87	17.89	13.72	30.73	30.05
April	22.86	14.83	18.89	17.62	32.92	30.51
May	23.36	16.13	21.29	21.92	35.02	37.81
June	23.86	17.93	22.29	24.62	38.52	45.01
July	24.96	22.43	20.59	25.82	44.22	44.91
Aug.-July average	23.77	19.40	20.54	19.08	33.96	38.34

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

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

Table 10--Fresh lemons: Supply and utilization, 1980/81 to date

Season [1]	Supply			Utilization		
	Utilized production [2]	Imports	Total supply	Exports	Domestic	Per Capita use
			-- *Million pounds* --			*Pounds*
2004/05	997.7	84.5	1,082.2	213.4	868.8	2.9
2005/06	1,372.1	82.7	1,454.8	220.4	1,234.4	4.1
2006/07	980.0	122.4	1,102.4	258.5	843.9	2.8
2007/08	789.0	146.4	935.4	338.5	596.9	2.0
2008/09	1,064.0	91.9	1,155.9	199.9	956.0	3.1
2009/10	968.0	92.4	1,060.4	199.1	861.3	2.8
2010/11	1,202.0	94.8	1,296.8	220.1	1,076.7	3.4
2011/12	1,310.0	126.6	1,436.6	201.6	1,235.0	3.9
2012/13	1,232.0	98.5	1,330.5	232.6	1,097.9	3.5
2013/14	1,260.0	97.8	1,357.8	270.6	1,087.2	3.4
2014/15 P	1,224.0	169.6	1,393.6	247.9	1,145.7	3.6

P = Preliminary. [1] Season begins in August of first year shown. [2] Utilized production does not necessarily match USDA's National Agricultural Statistics Service's numbers due to rounding at the State level.

Source: USDA, Economic Research Service calculations.

The fresh lemon season's total exports ended at 247.9 million pounds, the second highest on record but 8 percent less than 2013/14 record export volume of 270.6 million pounds. Japan was the largest destination for U.S. fresh lemons with 67.9 million pounds, roughly 27 percent of all exported lemons. Canada also received 27 percent of all exported lemons for the 2014/15 season, reaching 66.02 million pounds, slightly down from last season. South Korea rounds out the top three export markets for fresh lemons in 2014/15, with 30.2 million pounds. The movement of lemons out of the country did not reduce total domestic use in 2014/15, estimated up 5 percent from the previous season at 3.6 pounds per person. Since 2010 lemon per capita use has remained above 3 pounds per person.

California Walnut Growers Anticipate Record Crop for 2015/16 Season

The *2015 California Walnut Objective Measurement Report*, released September 3, forecast walnut production at 575,000 tons, a record harvest, if realized. The crop is just 1 percent larger than the 2014 harvest of 570,000 tons and nearly 14 percent larger than the 2010 crop of 504,000 tons, the second largest walnut harvest to date. Nut sets per tree are down 7 percent to 1,272 nuts per tree, pulling yield per acre down 3 percent to 1.92 tons per acre. However, despite the drought and limited chill hours, a 3-percent increase in bearing acreage to reach 300,000 acres and a 7 percent increase in the state average nut meat weight to 22.7 grams, helped keep production above last season. Orchard floors were being readied in late August in preparation for the start of the harvest in September.

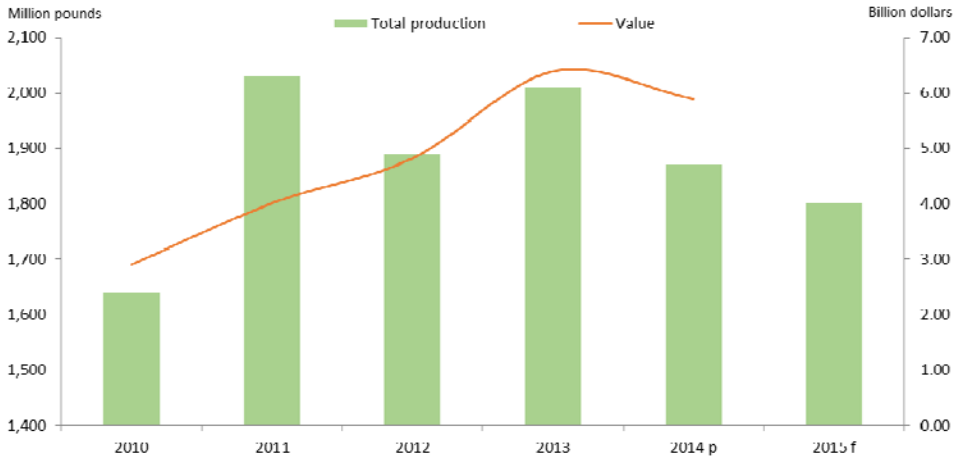
U.S. exports of shelled walnuts for the 2014/15 season (marketing year: September-August) through July is up 39 percent, reaching 218 million shelled pounds. Japan, South Korea and Germany have all received increased shipments of California shelled walnuts. Total shelled-walnut shipments to Japan has increased by 52 percent, reaching 28.2 million pounds and representing 13 percent of all shelled-walnut exports. Deliveries to South Korea increased by 30 percent while Germany received 8 percent more shelled walnuts season to date. Inshell walnut exports through July are down 12 percent to 282.2 million pounds. Turkey is the main destination for inshell walnuts for the 2014/15 season to date, receiving 53.1 million pounds, down 7 percent from the same period last year. Shipments to Hong Kong dropped by 13 percent while volumes to Vietnam were down 8 percent. These are the top three destinations for U.S. inshell walnuts through July.

Almond Harvest in Full Swing on Estimated 1.8-Billion-Pound Crop

In July, California NASS released the *2015 California Almond Objective Measurement Report,* which revised production down 3 percent from May's *Almond Subjective Measurement Report* to reach 1.8 billion pounds. If realized, the 2015/16 almond crop will be 4 percent less than 2014/15's final harvest total of 1.87 billion pounds and 11 percent below the record 2011/12 crop of 2.03 billion pounds (fig 9). Reduced production in 2014/15 witnessed a slight drop in the average grower price for almonds, from $3.21 per pound in 2013/14 to $3.19 per pound in 2014/15. The value of utilized production reached $5.9 billion, the second highest crop value on record, but 8 percent less than the 2013/14 crop value of $6.4 billion.

Growers reported inconsistent chill hours and water issues from groundwater irrigation due to the multiyear drought, with some wells experiencing reduced water volume and/or salinity. The increased bearing acreage assisted in keeping production relatively high despite all the stress on production. State average nut sets per tree are down 12 percent from last season, to 5,874 nuts per tree, reducing yield 6 percent to just 2,020 pounds per acre, the lowest yield per acre since 2009. Harvest started in early August, with some almond-orchard owners noting problems with the navel-orange worm. By the end of August, some counties reported completed harvest of all almond varieties. Due to an earlier bloom and a dry, hot summer, the almond nuts developed about 2 weeks ahead of schedule with hull split occurring rapidly.

Figure 9
Almond production and value of utilized production, 2010-2015



p = preliminary. f = forecast
Source: USDA, NASS, Noncitrus Fruit and Tree Nuts Summary, various years.

Table 11--Almonds: Supply and utilization (shelled basis), 2000/01 to date

Season [1]	Utilized pro-duction	Loss and exempt [2]	Marketable production	Imports	Beginning stocks	Total supply	Ending stocks	Exports	Utilization	
									Domestic	Per capita
				--1,000 pounds--						*Pounds*
2000/01	703,000	26,000	677,000	427	175,850	853,277	107,266	513,344	232,667	0.82
2001/02	830,000	29,300	800,700	809	107,266	908,775	80,922	585,723	242,130	0.84
2002/03	1,090,000	20,200	1,069,800	1,862	80,922	1,152,584	162,045	673,616	316,923	1.09
2003/04	1,040,000	21,800	1,018,200	2,772	162,045	1,183,017	148,940	698,896	335,181	1.15
2004/05	1,005,000	39,922	965,078	5,662	148,940	1,119,681	137,684	712,680	269,317	0.91
2005/06	915,000	36,470	878,530	9,207	137,684	1,025,421	112,222	728,470	184,730	0.62
2006/07	1,120,000	33,502	1,086,498	8,139	112,222	1,206,859	133,950	767,963	304,946	1.01
2007/08	1,390,000	41,491	1,348,509	7,107	133,950	1,489,566	231,151	891,443	366,972	1.21
2008/09	1,630,000	48,438	1,581,562	4,233	231,151	1,816,946	413,734	980,247	422,965	1.38
2009/10	1,410,000	46,326	1,363,674	5,610	413,734	1,783,018	321,355	1,030,754	430,910	1.40
2010/11	1,640,000	27,916	1,612,084	8,105	321,355	1,941,544	253,959	1,188,153	499,432	1.61
2011/12	2,030,000	40,493	1,989,507	15,926	253,959	2,259,393	335,233	1,357,972	566,188	1.81
2012/13	1,890,000	35,583	1,854,417	39,445	335,233	2,229,095	317,226	1,281,108	630,761	2.00
2013/14	2,010,000	60,292	1,949,429	33,928	317,226	2,300,583	350,564	1,336,802	613,216	1.93
2014/15 P	1,870,000	29,329	1,811,876	31,297	350,564	2,193,737	376,614	1,268,850	548,273	1.71

P = Preliminary. [1]Season begins in August . [2]Utilized production minus marketable production.
Source: USDA, Economic Research Service calculations.

The 2014/15 almond season ended in July, with total marketable production at 1.81 million pounds (table 11), a decline of 7 percent. Reduced volume of loss and exempt almonds and a moderately strong import volume (though down 8 percent) could not overcome the decline in production, keeping total domestic supply below 2013/14. More almonds were put into ending stocks in 2014/15. At 376.6 million pounds, this ending stocks level is up7 percent from the previous season and the highest volume since 2008/09's 413.7 million pounds. The higher stocks shifted some supply away from domestic use which dropped 11 percent, translating into 1.71 pounds per person for the 2014/15 marketing year.

Total 2014/15 almond export volume is down 5 percent to 1.27 billion pounds, shelled weight. Shelled almond exports are down 11 percent year-over year, totaling 957.9 million pounds. Shelled shipments to Spain dropped 2 percent to 144.7 million pounds but the country remains the top destination for shelled California almonds. Germany and the United Arab Emirates round out the top 3 destinations for California shelled almonds. Total California inshell almond exports were up 9

151.8 million pounds, 20 percent more than the previous season. Hong Kong and the United Arab Emirates are the other major destinations for inshell almonds. Prepared/preserved almond exports increased to 88 million pounds, from 47 million pounds the previous season, representing an 87 percent increase in volume shipped. Canada, Spain and Australia are the largest destination for prepared almonds for the 2014/15 season. In total, 70 percent of marketable production was exported for the 2014/15 season, up slightly from 69 percent the previous season.

Larger Hazelnut Crop Expected as Harvest Begins in Oregon

At the end of August, the NASS Northwest Field Office released the *2015/16 Hazelnut Crop Forecast* which measured the crop to be 39,000 tons, up 8 percent from the previous season's off-year crop. The volume is almost equal to the previous on-year, 5-year average. Nut sizes are slightly smaller this season with 9 percent in the industry sizing small, instead of 8 percent last season. The slight shift toward smaller sized nuts reduced the estimate for jumbo sized nuts to 36 percent, from 37 percent the previous year. Large sized nuts, on the other hand, remain stable. The smaller sizes reduced overall weight of the average nut this year at just 3.17 grams, down from 3.23 grams in 2014.

Trade Summary Tables

Table 12--U.S. exports of selected fruit and tree nut products

Commodity	Marketing season	Season to date (through July) 2014	Season to date (through July) 2015	Year-to-date change
		---------- *1,000 pounds* ----------		*Percent*
Fresh market:				
Oranges	November-October	1,076,452	1,134,842	5.4
Grapefruit	September-August	323,600	308,804	-4.6
Lemons	August-July	270,601	247,928	-8.4
Apples	August-July	1,858,488	2,284,727	22.9
Grapes	May-April	101,535	91,125	-10.3
Pears	July-June	14,759	19,390	31.4
Peaches (including nectarines)	January-December	102,393	99,971	-2.4
Strawberries	January-December	196,125	202,391	3.2
Cherries	January-December	187,018	163,706	-12.5
Canteloupe	January-December	70,848	54,074	-23.7
Watermelon	January-December	247,575	224,281	-9.4
		------ *1,000 sse gallons* [1] -------		
Processed:				
Orange juice, frozen concentrate	October-September	50,448	40,087	-20.5
Orange juice, not-from-concentrate	October-September	87,466	63,460	-27.4
Grapefruit juice	October-September	10,058	9,295	-7.6
Apple juice and cider	August-July	10,362	11,354	9.6
Wine	January-December	63,454	66,163	4.3
		---------- *1,000 pounds* ----------		
Raisins	August-July	351,418	279,354	-20.5
Canned pears	June-May	1,290	914	-29.2
Canned peaches	June-May	7,136	5,126	-28.2
Frozen strawberries	January-December	196,125	202,391	3.2
		---------- *1,000 pounds* ----------		
Tree nuts:				
Almonds (shelled basis)	August-July	1,336,802	1,268,850	-5.1
Walnuts (shelled basis)	September-August	299,900	342,380	14.2
Pecans (shelled basis)	October-September	70,799	88,212	24.6
Pistachios (shelled basis)	September-August	186,666	141,637	-24.1

[1]Single-strength equivalent.

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

Table 13--U.S. imports of selected fruit and tree nut products

Commodity	Marketing season	Season to date (through July) 2014	Season to date (through July) 2015	Year-to-date change
		---------- *1,000 pounds* ----------		*Percent*
Fresh market:				
Oranges	November-October	173,012	182,348	5.4
Tangerines (including clementines)	October-September	326,831	330,994	1.3
Lemons	August-July	97,751	169,604	73.5
Limes	January-December	543,715	640,604	17.8
Apples	August-July	469,983	360,069	-23.4
Grapes	May-April	839	878	4.6
Pears	July-June	1,990	2,484	24.8
Peaches (including nectarines)	January-December	43,378	77,185	77.9
Cantaloupe	January-December	721,964	733,802	1.6
Watermelon	January-December	1,199,310	1,278,084	6.6
Bananas	January-December	6,408,664	6,383,440	-0.4
Mangoes	January-December	664,203	679,026	2.2
		------ *1,000 sse gallons* [1] -------		
Processed:				
Orange juice, frozen concentrate	October-September	287,312	281,262	-2.1
Apple juice and cider	August-July	450,134	439,693	-2.3
Wine	January-December	167,922	168,933	0.6
		---------- *1,000 pounds* ----------		
Canned pears	June-May	7,578	14,387	89.8
Canned peaches (including nectarines)	June-May	22,600	36,279	60.5
Canned pineapple	January-December	402,924	463,294	15.0
Frozen strawberries	January-December	166,889	231,062	38.5
		---------- *1,000 pounds* ----------		
Tree nuts:				
Brazil nuts (shelled basis)	January-December	9,223	10,011	8.5
Cashews (shelled basis)	January-December	154,230	186,770	21.1
Pine nuts (shelled basis)	January-December	322	718	122.6
Pecans (shelled basis)	October-September	79,886	90,922	13.8

[1] Single-strength equivalent.

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

Produce Microbial Food Safety Practices Surveys

The Food Safety Modernization Act (FSMA) affects all stages of the food production-to-marketing system, including onfarm regulation of produce. On September 17, 2015, the final version of the Preventative Controls Rule (Current Good Manufacturing Practice and Hazard Analysis and Risk-Based Preventative Controls for Human Food) was published in the *Federal Register*. A final version of the Produce Rule (Standards for the Growing, Harvesting, Packing, and Holding of Produce for Human Consumption) is expected to be released soon.

USDA's Economic Research Service (ERS) is undertaking research looking at the impact of FSMA on the produce industry. Data, however, on what types of food safety practices the produce industry uses now are very limited. The only national data on food safety practices in produce was a USDA, National Agricultural Statistics Service (NASS) survey in 1999, the year after the U.S. Food and Drug Administration published its first guidance on food safety for produce. The produce industry has undergone major changes since then with respect to food safety. Without documented knowledge of where the industry is in terms of food safety practices just before FSMA implementation, it will be hard to identify the impact of FSMA.

To fill this knowledge gap, USDA/ERS has developed surveys of food safety practices of produce operations. USDA/NASS will be using the ERS surveys to collect nationally representative, detailed information about the food safety practices of U.S. produce growers and postharvest operators. Once the surveys are collected, ERS researchers will analyze the results.

Survey responses will provide information on food safety practices, some food safety costs, and characteristics of each operation. These will be large surveys to capture the diversity of the produce industry in terms of commodities, regions, and firm size. Questions for growers will be added to the NASS *Chemical Use* surveys in 2015 (for fruit) and 2016 (for vegetables). While *Chemical Use* surveys target either fruit or vegetables, when people get to the food safety portion of these surveys, they are asked to consider their whole produce operation. Over the 2 years, the *Chemical Use* surveys will go out to 10,900 produce growers. As usual with the *Chemical Use* surveys, a NASS representative will visit the operator to conduct the survey. NASS will send out a separate mail survey for postharvest practices in 2015 for all produce. The postharvest survey will go out to 2,200 firms.

Within the fruit and tree nut industries, some producers may already have food safety practices in place that exceed anything FSMA will require. Others may still have a lot to do, once compliance with FSMA becomes mandatory. In addition, some operations may not be covered by the rule or will have a qualified exemption based on their size and marketing channels.

All survey responses are kept strictly confidential, as required by Federal law. NASS will provide ERS with data from the produce surveys for research but without any information that could identify a particular operation. ERS will publish results only in aggregate form, further ensuring that no individual producer or operation can be identified.

Data from the surveys will be used to:

- Document changes in food safety practices since 1999
- Provide a benchmark of practices prior to implementation of FSMA
- Examine expected costs of compliance
- Estimate the impact of FSMA on the produce industry
- Identify the most crucial areas for future research and training efforts
- Ensure that policymakers, produce organizations, and produce businesses have up-to-date information about the U.S. produce industry.

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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://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1378

Fruit and Tree Nuts Topic Page
http://www.ers.usda.gov/topics/crops/fruit-tree-nuts.aspx

Organic Farming Topic Page
http://www.ers.usda.gov/topics/natural-resources-environment/organic-agriculture.aspx

Vegetable and Pulses Topic Page
http://www.ers.usda.gov/topics/crops/vegetables-pulses.aspx

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