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Fruit and Tree Nuts Outlook

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U.S. Citrus Production Forecast Higher in 2007/08 Than Last Season

The index of prices received by fruit and tree nut growers for January 2008 fell 3 percent from December 2007 and 0.7 percent from January 2007. Although the index rose between January and February, the index remained below last February's level. Lower grower prices for oranges have offset higher prices received by other fruit growers to keep prices below last year's for these two months.

The 2007/08 citrus crop is forecast at 12.7 million tons, up 24 percent from last season, and 8 percent higher than 2 seasons ago. If realized, the forecasts for 10 million tons of oranges, 68,000 tons of tangelos, and 434,000 tons of tangerines this season will offset a smaller crop expected for grapefruit, forecast at 1.5 million tons, and a lemon crop expected to be the same size as last season at 703,000 tons.

Orange juice production is forecast up this season, October 2007 through September 2008. Florida's bigger orange crop is expected to push up juice production. Although production is expected to be up, beginning stocks are smaller coming into this season and imports are forecast to be down. As a result, juice supplies are forecast to be up, but small relative to the past 12 seasons (excluding last season). Since domestic orange juice movement still appears sluggish, per capita consumption is forecast to stay at 4.15 gallons per person, the same as last season. Although grapefruit production is forecast to be down this season due to a smaller crop, higher beginning stocks and increased juice movement over last season is forecast to push grapefruit juice consumption up to 0.30 gallons per person.

Tangerine production from both Florida and California is forecast up. Although clementine imports are down this season over last, California's increased clementine production is likely to make up for some of the lost imports.

Tight strawberry supplies created a strong market in the United States this winter. A supply shortage, caused by a freeze in Florida, resulted in relatively higher prices in January. Strawberry supplies are expected to increase as California's 2008 crop takes over from Florida's, and prices are likely to come down from January's high.

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Fruit & Tree Nuts

The next release is
May 29, 2008.

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World Agricultural
Outlook Board

Price Outlook

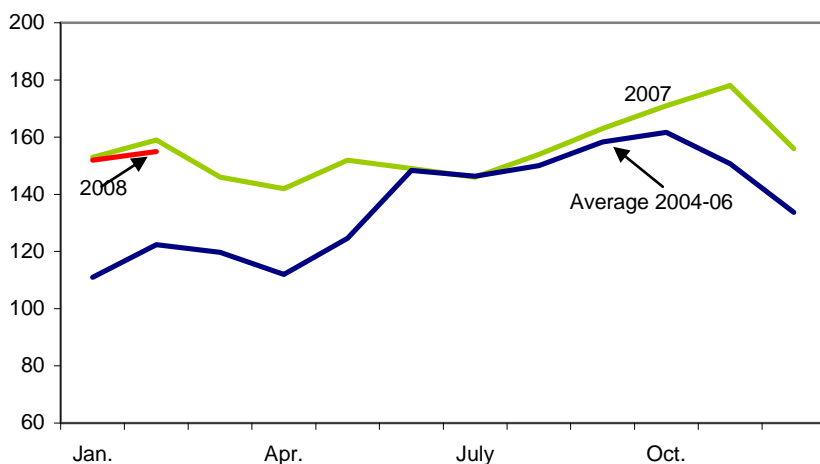
Fruit Grower Prices Average Lower in January, February 2008

The index of prices received by fruit and tree nut growers for January 2008 fell 3 percent from December 2007 and 0.7 percent from January 2007 (fig. 1). Lower prices for oranges and grapefruit, important products in the domestic markets during the winter months, contributed to the overall decline. The 30-percent decline in orange prices and 6-percent decline in grapefruit prices offset very strong lemon prices and more moderate increases in apple, pear and strawberry prices this January. Although the index rose between January and February, from 152 to 155 (1990-92=100), the index remained below last February, as a further drop in orange prices offset increases in most of the other fruit in the market.

Bigger orange crops in Florida and California this season put downward pressure on grower prices through February. Fresh orange prices averaged \$8.21 per 76-pound box this January, 34 percent lower than last January (table 1). February orange prices declined 14 percent from January and 66 percent from last February to \$7.10 per box. Although the price drop from last year appears considerable, the 2008 prices are more in line with the average prices the growers would receive during a normal crop year for January and February. Last season, California experienced a severe freeze in January, reducing available supplies and driving up prices.

Prices for processing oranges also declined this January and February in comparison to the first 2 months of 2007. A larger Florida orange crop this season, along with weak demand for orange juice, has reduced the price processors have been paying for oranges this season. While processing prices declined 30 percent in January 2008 compared with January 2007 and 29 percent for February 2008 over 2007, they are still considerably higher than the average prices growers have received during these 2 months over the past decade prior to the 2004 and 2005 hurricane seasons.

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 growers, United States

Commodity	2007		2008		2007-08 Change	
	January	February	January	February	January	February
	-----Dollars per box-----				Percent	
Citrus fruit: 1/						
Grapefruit, all	5.66	4.02	5.31	4.07	-6.2	1.2
Grapefruit, fresh	9.93	8.25	10.19	8.98	2.6	8.8
Lemons, all	11.50	27.69	36.73	42.42	219.4	53.2
Lemons, fresh	16.22	37.26	45.54	47.10	180.8	26.4
Oranges, all	8.25	8.11	5.77	5.74	-30.1	-29.2
Oranges, fresh	12.50	20.91	8.21	7.10	-34.3	-66.0
	-----Dollars per pound-----					
Noncitrus fruit:						
Apples, fresh 2/	0.299	0.297	0.356	0.347	19.1	16.8
Grapes, fresh 2/	--	--	--	--	--	--
Peaches, fresh 2/	--	--	--	--	--	--
Pears, fresh 2/	0.271	0.259	0.277	0.267	2.2	3.3
Strawberries, fresh	1.310	1.470	1.940	1.630	48.1	10.9

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*.

This season's lemon crop is forecast to be the same as last season. Although California's lemon crop is forecast up 6 percent from last season, it is still smaller than average. As a result, lemon prices this January and February are up considerably from the same time last year. With the second year of lower-than-average lemon production, grower prices are likely to remain above last season.

Higher Retail Prices for Imported Fruit Drives Up Consumer Price Index for the First 2 Months of 2008

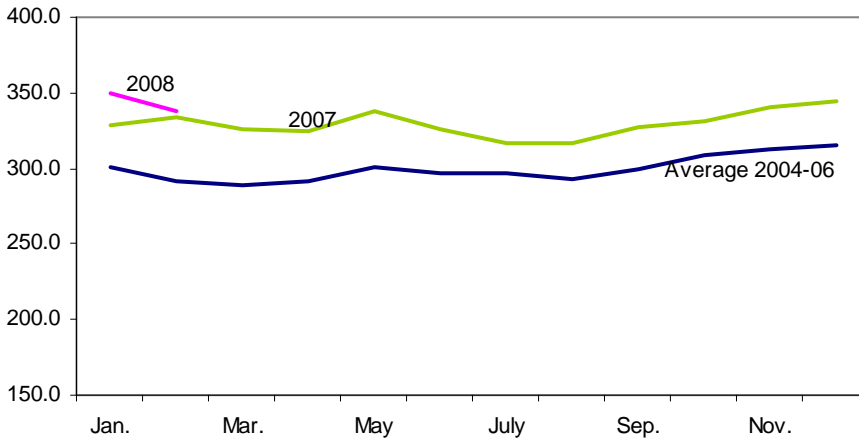
The Consumer Price Index (CPI) for fresh fruit rose to 350.1 (1982-84=100) in January 2008, up 2 percent from December and 7 percent from January 2007 (fig. 2). Higher prices at the retail level for imported fruit, such as bananas, and Thompson seedless grapes, which are imported mostly from Chile during the winter months, helped drive up the index. The CPI for February fell 3 percent from January, but was up 1 percent from last February and 16 percent from the average February index of 292.

Consumers paid more for fresh strawberries, lemons, Red Delicious apples, bananas, and Thompson seedless grapes this January than January 2007 (table 2). The higher prices this season were mostly stimulated by reduced supplies. Mid-December rains in California and a freeze in Florida in early January interrupted strawberry shipments for part of December and into January. As a result of reduced availability, prices rose, reaching \$3.07 in December but declining slightly in January to \$3.02 for a 12-ounce pint. These were the highest fresh strawberry retail prices since late 2004 through early 2005.

January's average retail price for fresh bananas, at \$0.521 per pound was the highest January banana price since 2003. Cold weather in Central America has reduced world export banana supplies. The reduced supply, along with high fuel prices for shipping bananas, has put upward pressure on prices in U.S. markets.

In February, retail prices fell for navel oranges, lemons, Anjou pears, strawberries, and Thompson seedless grapes. Prices for bananas, however, continued to rise, increasing 4 percent from January and 6.5 percent from last February. Because bananas play such a major role in domestic fresh fruit consumption, the impact of the increased cost that individual consumers paid for bananas in February could play a bigger role in their final grocery bill, compared with other fresh fruit that are not as heavily consumed.

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, 2006-07

Commodity	Unit	2007		2008		2007-08 Change	
		January	February	January	February	January	February
		--- Dollars ---		--- Dollars ---		--- Percent ---	
Fresh:							
Valencia oranges	lb	--	--	--	--	--	--
Navel oranges	lb	1.092	1.375	0.905	0.887	-17.1	-35.5
Grapefruit	lb	0.940	0.901	0.854	0.898	-9.1	-0.3
Lemons	lb	1.710	1.948	2.025	1.951	18.4	0.2
Red Delicious apples	lb	1.034	1.072	1.161	1.176	12.3	9.7
Bananas	lb	0.505	0.507	0.521	0.540	3.2	6.5
Peaches	lb	--	1.685	--	1.825	--	8.3
Anjou pears	lb	1.240	1.232	1.272	1.246	2.6	1.1
Strawberries 1/	12-oz pint	2.539	2.609	3.024	2.821	19.1	8.1
Thompson seedless grapes	lb	2.591	1.989	3.411	2.219	31.6	11.6
Processed:							
Orange juice, concentrate 2/	16 fl oz	2.314	2.414	2.544	2.529	9.9	4.8
Wine	liter	7.560	9.394	8.152	9.998	7.8	6.4

-- 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>).

Citrus Crop Forecast Up 2007/08

The 2007/08 citrus crop is forecast at 12.7 million tons, 24 percent bigger than last season, and 8 percent bigger than 2 seasons ago (table 3). The results of the March crop survey released by the U.S. Department of Agriculture's National Agricultural Statistics Service (NASS) forecasts 10 million tons of oranges, 68,000 tons of tangelos, and 434,000 tons of tangerines this season. If realized, the crops will all be bigger than last season. A smaller crop is forecast for grapefruit, at 1.5 million tons, and the lemon crop is forecast to be the same as last season, at 703,000 tons. The increase in the size of the orange, tangerine, and tangelo crops offsets the grapefruit and lemon crops, to produce the biggest citrus crop since 2003/04.

The years between 2003/04 and this season have been plagued with crop losses due to hurricanes and freezes. Although this season's crop is the biggest in the past four seasons, it is still considerably smaller than seasons prior to 2003/2004. Florida's citrus production, the biggest in the United States, has not returned to pre-hurricane levels and may not do so for quite some time, if at all. Tree losses from the hurricanes and diseases that continue to hamper production, along with continued urbanization that has replaced groves with development, increased cultivation costs to combat numerous diseases, and weakened demand for both orange and grapefruit juice, have slowed growers' interest in replacing trees at similar rates as those seen in the mid-1990s and earlier.

California's Navel Crop Forecast To Set Record High

The 2007/08 California orange crop is forecast at 2.4 million tons, 42 percent higher than last season's freeze-reduced crop but 5 percent below the more normal crop in 2005/06. Navel production is forecast at 1.8 million tons, 41 percent higher than last season and 2 percent higher than in 2005/06. If realized, California's navel crop would be the biggest on record. The Valencia crop is forecast at 600,000 tons, 45 percent higher than last season and the biggest in 3 seasons. Last year's freeze appears to have had much less of an effect on California's orange trees than first expected. While some of the higher navel production can be attributed to increased bearing acreage, the larger Valencia crop is most likely due to higher yields as acreage has been reduced continually over the past several years.

The navel harvest was slow to get underway this season. With limited supplies, prices were very strong in November. At \$14.68 per 75-lb box, the average grower price for California's fresh navel oranges was the highest November price since 2001, a freeze season (table 4). (Although last season's crop was reduced by a freeze, the freeze did not occur until late January and the early season prices reflected a normal-sized crop.) Once the 2007/08 harvest got fully underway, however, prices have declined seasonally and ranged between \$8.88 per box in January and \$7.68 per box in February. The January price is about average for the month. February's price, however, is lower than average compared to any February from 2004 through 2006. California's navels are reported to be averaging on the small size this season and that often affects price. Smaller fruit are often bagged and sold at a lower price per pound than the bigger fruit, which are usually sold by the piece.

Table 3--Citrus: Utilized production, 2005/06, 2006/07 and forecast for 2007/08 1/

Crop and state	Forecast for			Forecast for		
	Utilized	2007/08	Utilized	2007/08	Utilized	2007/08
	2005/06	2006/07	as of 3-2008	2005/06	2006/07	as of 3-2008
	---- 1,000 boxes 2/ ----			----1,000 tons ----		
Oranges:						
Early/mid-season and navel:						
Arizona	250	200	250	9	8	9
California	47,000	34,000	48,000	1,763	1,275	1,800
Florida 3/	75,000	65,600	82,000	3,375	2,952	3,690
Texas	1,400	1,600	1,400	60	68	60
Total	123,650	101,400	131,650	5,207	4,303	5,559
Valencia:						
Arizona	200	100	100	8	4	4
California	14,000	11,000	16,000	525	413	600
Florida	72,700	63,400	85,000	3,272	2,853	3,825
Texas	200	380	385	9	16	16
Total	87,100	74,880	101,485	3,814	3,286	4,445
All oranges	210,750	176,280	233,135	9,021	7,589	10,004
Grapefruit:						
Arizona	100	100	150	3	3	5
California	6,000	4,000	5,000	201	134	168
Florida	19,300	27,200	24,500	820	1,156	1,042
Texas	5,200	7,100	6,600	208	284	264
All grapefruit	30,600	38,400	36,250	1,232	1,577	1,479
Tangerines:						
Arizona	550	300	400	21	11	15
California	3,600	2,900	5,100	135	109	191
Florida	5,500	4,600	4,800	261	219	228
All tangerines	9,650	7,800	10,300	417	339	434
Lemons:						
Arizona	3,800	2,500	1,500	144	95	57
California	22,000	16,000	17,000	836	608	646
All lemons	25,800	18,500	18,500	980	703	703
Tangelos						
Florida	1,400	1,250	1,500	63	56	68
All citrus	278,200	242,230	299,685	11,713	10,264	12,688

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

2/ Net pounds per box: oranges-Arizona (AZ) and California (CA)-75, Florida (FL)-90, Texas (TX)-85; grapefruit-AZ and CA-67, FL-85, TX-80; lemons-76; tangelos and Temples-90; tangerines-AZ and CA-75, FL-95. 3/ Includes Temples

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

Fresh orange exports have been very strong so far this season from November through January. With the very large navel crop, over 311 million pounds of oranges had been exported, 23 percent more than last season, and the biggest quantity shipped during this period, since 2003/04. Exports to all the major markets have increased. Shipments to Canada, which account for 39 percent of all shipments during this period were up 7 percent over last season (last season shipments were still strong through much of January, before the freeze). Other important export markets received much larger percentage increases in shipments—

Table 4--Fresh oranges: Average equivalent on-tree prices received by growers,
California, 2003/04-2007/08

Month	2003/04	2004/05	2005/06	2006/07	2007/08
---Dollars/75-lb box---					
November	12.20	13.00	13.00	9.49	14.68
December	10.00	10.40	10.60	12.39	10.28
January	8.50	9.50	9.10	12.39	8.88
February	8.55	8.95	9.11	24.68	7.68
March	10.10	9.34	9.20	22.14	
April	9.74	10.47	11.30	22.55	
May	10.04	10.63	12.55	21.81	
June	11.22	9.02	12.99	18.03	
July	9.64	7.24	12.94	16.83	
August	11.04	6.84	14.84	14.63	
September	15.44	8.14	22.04	12.83	
October	21.23	7.84	19.04	9.63	
Nov.-Feb. Average	9.81	10.46	10.45	14.74	10.38

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

24 percent to South Korea, 38 percent to Japan, 18 percent to Hong Kong, 68 percent to Australia, and 15 percent to China.

Florida's Orange Crop Forecast To Be Biggest Since 2003/04

NASS forecasts Florida orange crop at 7.5 million tons, 3.7 million tons of early-to mid-season oranges and 3.8 million tons of Valencia oranges. If realized, this would be the State's biggest crop since 2003/04, before the severe hurricanes that damaged crops and trees in 2004 and 2005. Although bigger than the past four damaged seasons, this season's crop is still small relative to crops in years prior to the hurricanes.

With a bigger crop this season and continued weak demand for orange juice, prices from October through February, lagged behind last season. Prices ranging from a low of \$4.35 per 90-lb box in November to \$5.80 per box in February, however, have been higher than years prior to last season (table 5). The expected smaller orange crop in Brazil this season, and increasing export demand for U.S. orange juice, are likely helping keep U.S. prices above earlier years.

Orange juice production is forecast up this season, October 2007 through September 2008 (table 6). With an average of 95 percent of Florida's oranges utilized in juice processing annually, the bigger crop this season will push up juice production. Due to a slightly lower average yield forecast, 1.63 gallons per 90-lb box (42⁰ Brix) compared with 1.65 gallon per box last season, USDA's Economic Research Service (ERS) forecasts orange juice production to reach 1.1 billion gallons, single-strength equivalent, more than any of the past 3 seasons but otherwise the lowest since 1991/92, a freeze year. Although production is expected to be up, small beginning stocks coming into this season and forecast reduced imports for the season will limit the increase in juice supplies, forecast to be 1.9 billion gallons, up from last season but small relative to the past 12 seasons. Since domestic orange juice movement still appears sluggish, according to data from the Florida Department of Citrus (FDOC), per capita consumption is forecast to stay at 4.15

gallons per person, the same as last season, leaving ample supplies available for export. This season is likely to be good for U.S. orange juice exports. Not only will processors have sufficient supplies, but Brazil's orange juice production is forecast to be down, which in turn will increase demand for U.S. juice.

Table 5--Processing oranges: Average equivalent on-tree prices received by growers, Florida, 2002/03-2007/08

Month	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
---Dollars/90-lb box---						
October	1.68	1.13	--	0.40	4.25	--
November	2.29	1.89	2.04	3.23	5.23	4.35
December	2.37	2.03	2.32	3.94	6.44	5.10
January	2.50	2.11	2.52	4.33	7.55	5.45
February	2.58	2.18	2.71	5.24	8.55	5.80
March	3.84	3.62	3.59	6.04	10.05	
April	3.87	3.72	4.27	6.31	10.55	
May	3.85	3.71	4.37	6.52	11.55	
June	3.74	3.85	4.26	6.73	11.15	
July	--	--	--	6.28	--	
Oct.-Feb. Average	2.28	1.87	2.40	3.43	6.40	5.18

-- = Not available.

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

Table 6 --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	1,251	291	2,235	103	1,427	705	4.93
2003/04	705	1,467	223	2,395	123	1,450	822	4.95
2004/05	822	976	358	2,155	119	1,412	623	4.78
2005/06	623	988	299	1,910	138	1,314	459	4.40
2006/07	459	891	399	1,749	123	1,250	376	4.15
2007/08 f/	376	1,099	380	1,854	139	1,260	455	4.15

f = forecast.

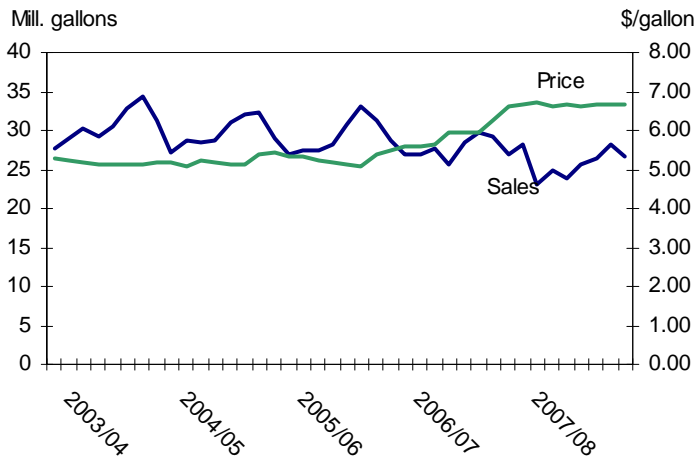
1/ Season begins in October of the first year shown as of 1998/99, prior year season begins in December.

2/ SSE = single-strength equivalent.

Source: Prepared and calculated by USDA, Economic Research Service.

Figure 3

Retails sales of NFC orange juice, July-February 2003/04-2007/08



Source: Florida Department of Citrus, <http://www.floridaj Juice.com/>

Retail prices for not-from concentrate orange juice (NFC) have remained relatively flat throughout this season, averaging \$6.66 per gallon, according to Nielsen Scantrack data (fig. 3). Sales, on the other hand, have fluctuated monthly. In October, the beginning of Florida’s season, sales were at their lowest for at least the past 5 years, improving to last season’s levels in November through January before declining again in February. Reasons for the downward slide in NFC sales are not clear. The industry had the same number of promotional programs running monthly throughout this season as last, however, they did not appear to be sufficient this season to boost consumer demand even to last season’s low levels.

Grapefruit Production and Prices Down in 2007/08

Grapefruit production is forecast at 1.5 million tons for 2007/08, down 6 percent from last season. Florida’s production, which accounts for 71 percent of the total, is forecast down 10 percent, and Texas’ production is forecast down 7 percent. Only California/Arizona’s production is forecast higher for the season, up 26 percent from last season.

Florida’s grapefruit production forecast is split into 723,000 tons of red and pink grapefruit and 319,000 tons of white grapefruit. According to Florida’s Citrus Administrative Committee, about 33 percent of the grapefruit crop has gone to fresh use through mid-March, more than during the same time in the past 2 seasons. At the same time, about 38 percent has gone for processing, about the same as last season, but much less than the 48 percent in 2005/06. As of mid-March, 30 percent of Florida’s grapefruit remained to be harvested, with 27 percent of the red and pink grapefruit remaining and 36 percent of the white grapefruit remaining.

Texas’ grapefruit harvest got an early start this season. Despite a freeze in December, shipments were ahead for most of this season compared to 2006/07. As a result, much of the harvest was completed by mid-January. By mid-March, 83 percent of the cropped had been shipped for fresh use compared to 78 percent at

that time in 2006/07. Most of California's and Arizona's grapefruit are shipped later in the season after Florida's season is completed.

Fresh grapefruit prices have averaged \$10.88 per box from October through February (table 7). Prices this season averaged lower than the past several seasons, including last season when production was higher. Much of the decline in the overall fresh price can be attributed to lower grower prices in Texas. Although the Texas grapefruit is only about a quarter of the quantity of Florida's crop, a late start to Florida's harvest put a heavy emphasis on Texas' marketing in October and early November. In October, Texas growers received an average of \$12.54 per 80-lb box, less than half the average price they received the previous October. Their monthly grower prices have continued below the previous three seasons through February. Florida's monthly grower prices for fresh grapefruit have remained above last season's from November through February, offsetting some of the Texas prices, and resulting in the overall prices exceeding last season for November, and January and February.

Fresh grapefruit exports have been running about 22 percent behind last season, most likely due to the late start of Florida's harvest and to the abundance of small grapefruit out of Florida this season. Shipments from September through January were down 18 percent to Japan, the No. 1 market, accounting for 42 percent of the total exports during this period. While shipments were also down so far this season to Canada, the second-biggest market, they were up to the major European markets—France, the Netherlands, Germany and Belgium.

***Grapefruit Juice Supplies Forecast Up in 2007/08,
Demand Expected To Improve***

Due to the smaller crop this season, grapefruit juice production is expected to be down from last season (table 8). Larger juice stocks at the beginning of this season, however, will boost supplies to meet demand. ERS forecasts grapefruit juice production for 2007/08 at 105 million single-strength-equivalent gallons, down 12 percent from last season. Although it would be higher than during 2004/05 and 2005/06—hurricane-reduced production seasons—production this season

Table 7--Fresh grapefruit: Average equivalent on-tree prices received by growers, 2003/04-2007/08

Month	2003/04	2004/05	2005/06	2006/07	2007/08
	-----Dollars per box-----				
October	9.72	16.05	21.85	15.15	11.74
November	6.86	19.93	14.66	12.42	14.20
December	6.26	18.87	14.37	11.88	9.30
January	6.14	19.41	15.29	9.93	10.19
February	6.52	18.93	13.89	8.25	8.98
March	7.46	18.32	12.60	7.78	
April	6.75	18.91	12.11	8.07	
May	7.54	17.78	15.13	10.44	
Oct.-Feb. Average	7.10	18.64	16.01	11.53	10.88

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

Table 8--Grapefruit juice: Supply and utilization 1991/92-2006/07

Year 1/	Supply				Utilization			
	Production	Imports	Beginning stocks	Ending stocks	Exports	Consumption		
						Total	Per capita	
	----- Million sse gallons 1/-----							Gallons
1991/92	120	4	42	165	39	23	104	0.40
1992/93	186	2	39	227	70	22	134	0.52
1993/94	169	1	70	240	59	17	163	0.62
1994/95	191	1	59	251	72	22	157	0.59
1995/96	171	1	72	244	66	27	151	0.56
1996/97	192	0	66	258	86	21	151	0.55
1997/98	166	0	86	252	68	18	167	0.60
1998/99	171	1	68	240	54	24	161	0.58
1999/2000	203	5	54	263	82	33	148	0.52
2000/01	183	1	82	266	75	39	152	0.53
2001/02	179	0	75	255	84	36	135	0.47
2002/03	140	0	84	224	72	38	114	0.39
2003/04	147	0	72	219	65	42	111	0.38
2004/05	49	11	65	126	35	24	67	0.22
2005/06	80	6	35	121	42	19	60	0.20
2006/07	119	1	42	162	58	20	84	0.28
2007/08 f/	105	1	58	164	54	19	91	0.30

1/single-strength equivalent. f = forecast.

Source: Prepared by USDA, Economic Research Service.

continues considerably below the past few decades. With beginning juice stocks at 58 million gallons, total supply is forecast to be 164 million gallons, again below pre-hurricane years, but the highest since 2004/05.

Data from FDOC show grapefruit juice movement, both for frozen concentrated and not from concentrate ahead of the past two seasons, as of March 8. In response to the stronger movement, ERS forecasts that grapefruit juice consumption will increase to 0.30 gallons per capita for this season. Despite the expected increase in demand, Florida grower prices for processing grapefruit are very low this season, averaging \$-0.82 per 85-lb box (table 9). At this negative-price value, growers selling for processing are not covering all of their costs of production. According to FDOC's pack data, the quantity of juice from fruit is lower so far this season than last, indicating that at least through February, processors' demand for grapefruit has not been strong. Grapefruit juice processing generally gets fully underway in March of each year. If consumer demand remains strong, putting pressure on stocks, processor demand for grapefruit are likely to increase and drive up grower prices in the coming months.

Lemon Prices Jump as Production Remains at Last Season's Freeze Levels

While California's orange trees rebounded after last year's freeze, producing an expected record crop of navels, California and Arizona's lemon trees appear to still be recovering, with production forecast to remain at 703,000 tons, the same as for last year's smaller than average crop. If realized, the 2007/08 crop would be 28 percent smaller than the 2005/06 crop. Arizona's lemon crop is forecast at 57,000 tons, down 40 percent from last season. Arizona's lemon production has been declining over the past 2 decades, and this season's crop is the smallest since the

Table 9--Processing grapefruit: Average equivalent on-tree prices received by growers, Florida, 2004/05-2007/08

Month	2004/05	2005/06	2006/07	2007/08
---Dollars per 85-lb box---				
October	3.88	1.90	-0.70	--
November	4.14	3.03	0.04	-1.55
December	5.01	3.69	0.88	-0.94
January	5.57	4.77	0.98	-0.62
February	5.77	5.17	0.81	-0.18
March	5.24	4.61	0.35	
April	4.39	4.04	-0.14	
May	4.24	3.23	-0.96	
Oct.-Feb. Average	4.87	3.71	0.40	-0.82

-- = Not available.

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

early 1960s. California's lemon crop is forecast at 646,000 tons, 6 percent higher than last year's freeze-damaged crop, but 23 percent lower than 2005/06 and the second smallest crop since 1998/99, when another freeze reduced the crop size.

After the freeze in January 2007, fresh lemon prices shot up 130 percent between January and February, and have remained above average, in the high \$30 per 76-lb box through the remainder of the season (table 10). As last season ended in July, when demand typically reaches its peak, prices rose to \$40.91 per box. With demand still strong throughout the summer months and into the 2007/08 marketing season, prices during the early harvest out of supply-reduced Arizona and California's desert region continued putting upward pressure on prices, driving them to a peak at about \$48.00 per box in October and November. While prices have moderated from the peak, they are still above last year's freeze prices and about three to four times higher than during the 2005/06 season.

In response to this season's tight supplies, fresh lemon imports have more than doubled from August 2007 to January 2008, over the same time last season. Shipments from Mexico, accounting for about 70 percent of the total to date, increased by more than 2.5 times. Mexico has only recently become a major source of lemons for the U.S. market, shipping only a minor quantity as recent as 9 years ago. The previous major import supplier, Chile, also increased its shipments by almost twofold and had its biggest lemon shipments to the United States for this period to date.

Despite this big upswing in imports, prices for California's lemons have continued strong, with grower prices increasing between January and February. While total shipments through mid-March were up 15 percent, according to Agricultural Marketing Service (AMS) Market News data, due to the influx of imported lemons, total domestic shipments were running 42 percent behind last season for this period, keeping grower prices high. American consumers can expect to continue to see high prices for fresh lemons in the retail market this summer as supplies remain tight during the peak demand time.

Table 11--Fresh lemons: Average equivalent on-tree prices received by growers, 2003/04-2007/08

Month	2003/04	2004/05	2005/06	2006/07	2007/08
--Dollars per 76-lb box--					
August	17.70	20.31	15.72	27.01	43.40
September	13.87	19.73	13.41	31.32	46.10
October	10.96	17.87	12.06	34.04	48.04
November	10.23	16.39	12.35	26.48	48.00
December	8.98	16.53	12.33	18.27	42.68
January	8.17	16.33	10.99	16.22	45.54
February	9.72	15.40	13.47	37.26	47.10
March	13.80	15.00	16.00	37.71	
April	16.40	17.71	23.82	36.71	
May	17.10	26.71	28.02	36.11	
June	19.50	21.31	27.62	38.21	
July	21.00	20.51	26.22	40.91	
Aug.-Feb. Average	11.38	17.51	12.90	27.23	45.84

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

Also contributing to the strong lemon grower prices this season is the very strong export market. Even though U.S. production is down this season, exports increased 36 percent from August 2007 through January 2008 over last season, and are the highest on record for this period. Shipments to Japan, the No. 1 market outside the United States, are the biggest since 1996/97. Shipments to the next biggest markets, Canada, Australia, and South Korea, are also recordbreaking. With growing competition among the world's lemon producers, the U.S. industry appears determined to keep its influence in international markets strong despite tight U.S. supplies, in order to maintain these markets. With some of the highest quality lemons destined for the export market, prices received for exported lemons tend to be higher than those on the domestic market. These factors, increased export shipments and the generally higher price from many of these shipments, translate into higher grower prices. With strong demand on the U.S. market and strong demand internationally for this season's smaller lemon crop, it is not surprising that grower prices have gotten as high as they have.

Tangerine Production and Prices Up in 2007/08

Tangerine production is located mostly in Florida and California, with California's production increasing rapidly in recent years. In Florida, tangerine production is comprised mostly of early varieties—Fallglo and Sunburst—and the late variety, Honey. In California, the predominant varieties are mandarins (also called satsumas) mostly the W. Murcott Afourer variety, and clementines, mostly the Clemenules variety. Florida's production has been trending downward in recent years, with bearing acreage declining since 1996/97, mostly due to reduced early variety acreage. Tangerine trees are very susceptible to the diseases that have affected Florida's citrus production over the past decade and there have been big tangerine tree losses due to these diseases. The hurricanes in 2004 and 2005 also contributed to tree loss of both the early varieties and Honey tangerines. In addition, American consumer preference in recent years has shifted from traditional tangerines to easy-to-peel varieties with fewer seeds. While Florida's Honey tangerines have been able to maintain their markets, the early varieties are having a

hard time competing with imported clementines, which meet the new preferences. As a result, Florida growers are not replacing lost or removed early tangerine acreage. The forecast for Florida's tangerine production this season is 228,000 tons, 4 percent higher than last season but 13 percent lower than in 2005/06. The Honey tangerine crop is forecast to account for 46 percent of the crop. By mid-March all of the early variety tangerines and about 60 percent of the Honey variety had been harvested.

In response to the growing demand for clementine-variety tangerines, over the past several years California growers have been increasing acreage planting to various clementine varieties, as well as to several mandarin varieties that are also seedless and easy to peel. Over the past few seasons, these plantings have begun to bear commercial crops. In 2007/08, NASS forecasts California's tangerine production to reach 191,000 tons, 75 percent higher than last season and 42 percent higher than in 2005/06.

Fresh tangerine grower prices have been strong this season, averaging \$19.80 per box October 2007 through February 2008, and are among the highest monthly prices since mid-1994 (table 12). Florida's fresh tangerine prices have ranged from a high of \$17.50 per 95-lb box in January to a low of \$10.00 per box in December. The high January price reflects the shift from early varieties to Honeys. California's fresh tangerine prices range from \$33.78 per 75-lb box in November, when the season began, declining monthly to a low of \$23.78 per box in February.

Fresh tangerine exports fell 3 percent from October 2007-January 2008, compared with the same time last season. Shipments were up 7 percent to Canada, which has accounted for 77 percent of all the fresh tangerines exported during this period. Shipments fell to New Zealand, Japan, and Australia.

Fresh mandarin and clementine exports more than doubled this season over last. Canada received about two-thirds of the shipments. Australia was the second major market, receiving most of the remainder. Exports to Australia increased almost tenfold between the 2006/07 and 2007/08 season.

Most of the tangerine imports are of the clementine variety, with Spain as the major supplier. Clementine imports fell 21 percent during the October-January period this season over last. With production forecast down this season in Spain, and strong demand for Spain's clementines within Europe, the quantity available to be shipped to the United States was reduced. While exports from Morocco were up, they were not sufficient to offset the drop from Spain. The increased availability of California's clementines in markets throughout the United States this season also reduced the need to import clementines at quantities seen in the past.

High Strawberry Prices Early This Winter Tempered by Supply Gains in Recent Weeks

Tight supplies created a strong market for strawberries in the United States during the early part of this winter. Much of the supply shortage may be attributed to inclement weather—freezing temperatures in Florida and cool, rainy weather in California. Although increased imports, particularly from Mexico, helped fill in for the shortage in the domestic crop, overall supplies in January were down almost 30

Table 12--Fresh tangerines: Average equivalent on-tree prices received by growers, United States, 2003/04-2007/08

Month	2003/04	2004/05	2005/06	2006/07	2007/08
--Dollars per box 1/--					
October	9.93	15.90	20.12	12.50	16.00
November	11.94	16.46	19.78	21.32	22.40
December	12.64	16.40	17.18	19.01	18.77
January	14.87	17.12	15.85	19.74	22.22
February	10.39	15.82	13.79	19.04	19.61
March	11.17	16.15	11.78	18.23	
April	14.82	19.79	11.25	20.67	
May	7.60	16.00	8.57	22.40	
Oct.-Feb. Average	11.95	16.34	17.34	18.32	19.80

1/ The net weight of a tangerine box for Florida: 95 pounds, for California: 75 pounds.

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

percent, based on shipment data from AMS. This also coincided with relatively low supplies of other fruit, particularly imported grapes and stone fruit from Chile, because of delays in crop maturity related to a freeze in July of last year. The supply shortage resulted in relatively higher strawberry prices in January than in previous years. Reaching a record high for the month of January, U.S. strawberry grower prices averaged \$1.94 per pound, 23 cents more than the previous month and 63 cents higher than the average January 2007 grower price. At the retail level for the same period, consumers paid an average of \$3.024 per 12-ounce pint, 19 percent more than the year before and only 21 cents less than the record January price set in 2005.

California accounts for nearly 90 percent of domestic annual production with almost year-round presence in the market, but the State's production is typically at a seasonal low from December through March each year. Most of the strawberries sold during the winter months are Florida-grown. The cold front that passed through southern and central Florida in early January did not cause major freeze damage to the State's strawberry industry overall, but there were some growers that were severely impacted by the inclement weather. For some of those growers, the losses incurred this late into their strawberry shipping period (Florida shipments started in early December) discouraged them from replanting and instead they moved on to their next crop for the year. Florida shipment volumes slowed in the weeks that followed the freeze as fields were stripped of damaged berries and plants allowed to recover. AMS data indicated that January weekly shipments in Florida, on average, were down over 20 percent from the same time a year ago. Also limiting supplies was the situation in California. A slow-moving storm in mid-December brought an earlier finish to last season's strawberry crops in the Santa Maria and Oxnard growing districts. Furthermore, freeze damage to some nurseries in the Pacific Northwest that supply new crop transplants to California strawberry growers delayed some plantings in the fall and together with late January rains created a temporary gap in supplies between the State's 2007 and 2008 crop.

Production in Florida returned to normal in February and shipments from California improved. The increase in supplies mostly occurred after the critical January to

early-February marketing window, the period when retailers often feature the fruit for Valentine's Day demand. Hence, February prices remained higher than a year ago. The February average grower price, at \$1.63 per pound, declined 31 cents from January, but was 16 cents higher than the same time a year ago and the highest February average reported. February's retail price moved in the same direction and also set a record high for the month. Weekly strawberry free-on-board (f.o.b.) shipping point prices in Central Florida and in California's Orange-San Diego and Oxnard growing districts remained well above a year ago in early February. Improved volumes in the weeks that followed drove down f.o.b. shipping point prices. Around mid-March, f.o.b. prices were averaging \$8.90-9.90 per flat of 12 1-pint baskets in Central Florida and \$14.90-\$16.90 in California's Orange-San Diego Counties. These prices were relatively unchanged to slightly lower than the same time last year. Florida shipments are winding down for the season while yields in California are expected to improve in the coming weeks. Barring any unforeseen weather problems, strawberry supplies are expected to continue to increase as California's 2008 crop gets fully underway and Mexican shipments continue to be above year-ago levels. The resulting increase in supplies will likely be putting downward pressure on prices.

In the January *Vegetables* report released by NASS, Florida's strawberry harvested acreage in 2008 was forecast at 8,700 acres, 400 acres more than last year and the largest ever. Among the three major strawberry-producing States (California, Florida, and Oregon), harvested area for 2008 was forecast to expand only in Florida. Harvested area in California and Oregon are forecast to remain unchanged at 35,500 acres and 1,900 acres, respectively.

Growing Domestic Demand for Avocados Supported by Bigger Crops in California and Mexico in 2007/08

Demand for avocados in the United States has more than doubled over the last decade, reaching around 1.0 billion pounds annually, or over 3 pounds per person (fig. 4). Each year, domestic demand is met primarily by the crops grown in California, Mexico, and Chile. Florida and Hawaii each contribute a small share of domestic production but California commands an overwhelming share of the total crop. Also, relatively smaller quantities of avocados are imported from New Zealand, the Dominican Republic, and other Caribbean and South American countries. These imports account for less than 10 percent of total imports. With the onset of the 2007/08 marketing season, expected bigger crops in California and Mexico should provide adequate supplies to meet the upward trend in domestic avocado demand. However, substantial reductions in shipments from Chile and sluggish early shipments from California have been driving up avocado prices.

The 2007/08 California avocado crop is on an "on year" of its alternate-bearing cycle and is projected to be bigger than the 2006/07 below-average crop of 132,000 tons. The crop last season was the smallest reported since the record-low crop of 105,000 tons in 1989/90, based on annual production data reported by NASS. The latest projections from the California Avocado Commission indicate a 45-percent increase in production from 2006/07 to 2007/08, meaning that the crop may yield around 191,000 tons—about an average-size crop relative to the last few years, with the exception of 2005/06 when production hit a record high of 300,000 tons. Production will be up despite some losses incurred due to the wildfires that passed through some avocado-producing areas in Southern California in October last year.

While the crop is expected to be bigger in 2007/08, early-season weekly shipments were down substantially from the same time last season. The lag in supplies may be attributed to the effects of last year's wildfires, which also came with warm, dry, and windy conditions that induced stress on the trees. Moreover, rains delayed harvesting and the relatively cold weather in recent months slowed down fruit growth. Avocados are different from most other fruit because they only ripen when harvested and therefore the fruit could remain on the trees for many months. Because growers often negotiate better prices for bigger fruit, some of them have opted to delay harvesting earlier in the season and allow fruit to increase in size. Even though the season started with many smaller-sized fruit, the overall quality of the 2007/08 crop is reported to be very good, which should bode well for prices.

By mid-February, California's weekly shipments began to move ahead of year-ago volumes, but partly because shipments this time last season were reduced by a January freeze. In March this year, South District California avocado f.o.b. shipping point prices ranged from \$36.25 to \$37.25 for a 2-layer carton, size 32s and 36s, about unchanged from earlier in the year. AMS reported average retail prices for avocados during the first 2 weeks in March, at \$1.43 each, remaining higher than in any week since January. (AMS began reporting retail prices for several fruit and vegetable commodities, including avocados, in October 2007.) As the 2007/08 California avocado season gets fully underway, weekly shipments are expected to continue to increase and reflect more of this season's projected production increase, with the bulk of the shipments taking place between March and August. These increases are likely to put downward pressure on prices, especially as large shipments from Mexico continue.

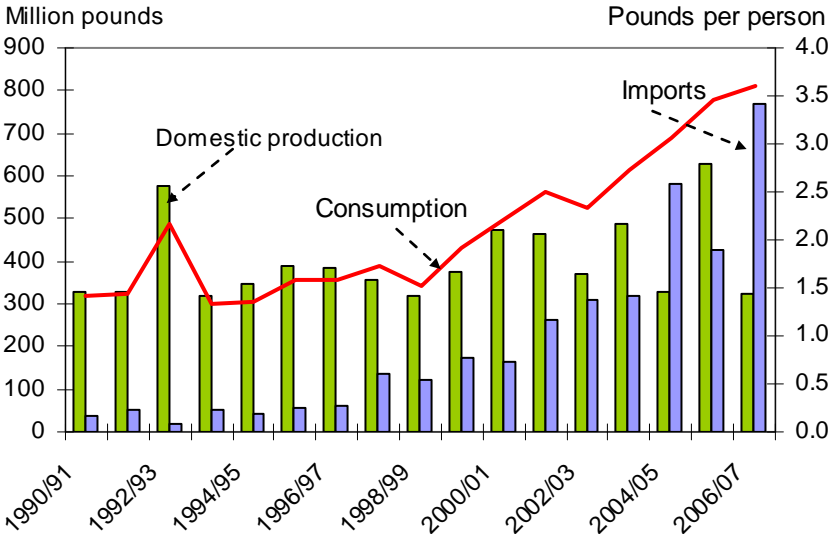
U.S. avocado imports for 2007/08 through January were up less than 1 percent from the same period in 2006/07, based on data from the U.S. Census Bureau. Shipments from Chile during this period were down 32 percent but imports from Mexico were up 47 percent. Although the United States remains its most important market for avocados, Chile will likely continue to see a decline in U.S. import share in 2007/08 as in recent years. This decline will be influenced largely by Chile's freeze-reduced crop this season, continued increased competition from Mexico, who in February 2007 gained complete access to the U.S. avocado market, and also by the weakening U.S. dollar that encourages Chilean exporters to increase shipments to other markets, including emerging European markets, where more favorable exchange rates bolster the growth in import demand. Chile was the United States' leading supplier of imported avocados during the 1990s and early 2000s, but now Chile's share in the U.S. market stands at around 32 percent, down from over 60 percent during 2000-04.

In Mexico, expectations are for production to continue to grow as younger trees become productive thereby increasing harvested acreage. Furthermore, Mexico's avocado industry continues to implement phytosanitary programs to control pests and good agricultural practices that should assist its other avocado-producing States to gain certification to export to the United States—the country's main export market. Currently, 14 municipalities in the State of Michoacán are the only places in Mexico that is permitted to export Hass avocados to the United States. Avocado production in Mexico for 2007/08 is expected to reach a record 1.1 million metric tons, up from 1.07 million metric tons in 2006/07, according to USDA's Foreign Agricultural Service. Mexico's production continues to be heavily consumed in its domestic market but strong international demand, especially in the United States,

has led to the sharp growth in exports in recent years. Production increases have contributed to the recent growth in Mexican exports, as well as has the suspension of a restrictive harvesting practice whereby growers were limited to harvesting only 2 metric tons per hectare. That practice was implemented a few years back to avoid market saturation and falling prices in light of the opening up of the U.S. market to Mexican Hass avocados. For as long as a market glut could be avoided, Michoacán growers currently have the capacity to harvest 10 to 15 metric tons per hectare. With the current strong demand in the United States and the lack of supplies from Chile, Mexico's exports are expected to increase to a record 300,000 metric tons in 2007/08, about 67 percent of which is destined for the U.S. market.

At the same time that the United States serves as Mexico's No.1 export market for avocados, the United States is also Mexico's largest supplier of imported avocados. For the United States, however, Mexico is an emerging market. Since Mexico is ranked as the world's largest avocado producer, demand for imported avocados in Mexico is relatively small. Canada by far is the main destination for U.S. avocados, followed by South Korea and Japan. With the rapidly growing demand and present production capacity in the United States, exports remain a relatively small market outlet for U.S. avocado producers, accounting for an average 1 percent of domestic production during 2000/01-2006/07. This share is down from an average of 6 percent in the early 1990s and 3.0 percent in the mid-to-late 1990s. Exports to Canada and Japan have declined from 1990 levels while growth is reported in South Korea and some emerging markets in the Caribbean. Early-season exports in 2007/08 through January, mostly to Canada, were down significantly from the same time in 2006/07, reflecting the light supplies thus far in California. However, the expected bigger crop for this season and the weak U.S. dollar will likely help boost overall export demand in 2007/08.

Figure 4.
U.S. avocado supply and consumption



Sources: USDA, National Agricultural Statistics Service and Economic Research Service; U.S. Department of Commerce, Census Bureau.

Fruit and Tree Nuts Crops Value Up in 2007

The value of the 2007 fruit and tree nuts crops totaled \$17.9 billion, 5 percent above 2006 (table 13). Higher prices for most citrus fruit resulted in higher returns for oranges, tangerines, and tangelos, as well as for strawberries and apples, and those prices helped drive up the overall value. Together these crops accounted for 38 percent of the total for the year. Crop value was also up for grapes and almonds, the two highest valued fruit and tree nut crops, due to bigger crops offsetting lower prices for the season. Grapes and almonds accounted for 32 percent of the total.

The sharp decline in the value of the grapefruit crop in 2007 from the previous two seasons resulted from the bigger 2007 crop. With more grapefruit in the market, grower prices for fresh grapefruit declined. At the same time, more fruit went to processing than in the previous two seasons. Not only does processing fruit bring lower prices to growers, but in 2007, the processing price dropped to about half the amount growers received in 2006.

While the value of the 2007 peach crop fell only 2.8 percent from 2006, Midwestern and Southern States, where peaches make up a large share of fruit crop value felt the decline in value sharply (table 14). The decline in the total fruit value for Georgia, South Carolina, Illinois, Kentucky, and Missouri was largely due to peach production lost in a severe freeze that hit these States in April 2007. California, however, the biggest peach-producing State, had a bigger crop in 2007 and the value of its crop for the year was up despite lower prices for freestone peaches which mostly went for fresh use.

California, the leading fruit and tree nut producer in the United States, also had the highest value for these crops. Although the value of the California crop reached \$10.5 billion in 2007, 2 percent higher than 2006, its share of the total value declined slightly to 58.6 percent from 60.7 percent the previous year. Washington's crop value, although only 23 percent of California's, ranked second at \$2.4 billion, 13.4 percent of the total and a 15 percent increase from the previous year. The value of its major fruit crops—apple, sweet cherry, pear, and grapes—all rose in 2007, driving up the State total. Rounding out the top five States with the highest valued fruit and tree nut crops were Florida, Oregon, and Michigan.

Table 13--Value of fruit and tree nut crops, by commodity, 2005-07

Commodity	Crop value			Share of total value			Percent change 2006-07
	2005	2006	2007	2005	2006	2007	
	-----1,000 dollars-----			-----Percent-----			Percent
Grapefruit	383,041	345,032	282,809	2.3	2.0	1.6	-18.0
Lemons	306,434	410,338	403,332	1.9	2.4	2.3	-1.7
Oranges	1,475,381	1,829,860	2,110,712	9.0	10.8	11.8	15.3
Tangelos (FL)	8,004	11,431	13,755	1/	0.1	0.1	20.3
Tangerines	127,251	137,666	140,520	0.8	0.8	0.8	2.1
Temples (FL)	3,314	4,034	--	1/	1/	--	--
Apples	1,675,097	2,237,547	2,397,849	10.3	13.2	13.4	7.2
Apricots	39,880	29,563	42,917	0.2	0.2	0.2	45.2
Avocados	353,808	264,166	--	2.2	--	--	--
Bananas (HI)	9,175	9,800	8,820	0.1	0.1	1/	-10.0
Blackberries (OR)	36,867	36,193	28,452	0.2	0.2	0.2	-21.4
Cultivated blueberries	342,311	497,966	516,748	2.1	2.9	2.9	3.8
Wild blueberries (ME)	39,430	60,040	72,141	0.2	0.4	0.4	20.2
Boysenberries	7,158	7,128	4,634	1/	1/	1/	-35.0
Sweet cherries	484,348	465,225	583,683	3.0	2.7	3.3	25.5
Tart cherries	63,936	53,965	67,018	0.4	0.3	0.4	24.2
Cranberries	221,965	261,582	279,901	1.4	1.5	1.6	7.0
Dates (CA)	24,596	24,684	31,860	0.2	0.1	0.2	29.1
Figs (CA)	25,919	25,815	--	0.2	0.2	--	--
Grapes	3,494,095	3,303,668	3,380,634	21.4	19.5	18.9	2.3
Guavas (HI)	1,126	1,051	--	1/	1/	--	--
Kiw ifruit (CA)	22,461	23,148	--	0.1	0.1	--	--
Loganberries (OR)	188	100	88	1/	1/	1/	-12.0
Nectarines	126,942	121,004	85,602	0.8	0.7	0.5	-29.3
Olives (CA)	80,097	18,119	86,694	0.5	0.1	0.5	378.5
Papayas (HI)	11,241	11,049	13,011	0.1	0.1	0.1	17.8
Peaches	511,520	512,867	498,623	3.1	3.0	2.8	-2.8
Pears	293,863	329,928	345,954	1.8	1.9	1.9	4.9
Pineapples (HI)	79,288	75,542	2/	0.5	0.4	--	--
Plums (CA)	92,463	108,648	94,397	0.6	0.6	0.5	-13.1
Dried prunes (CA)	138,180	262,710	111,650	0.8	1.5	0.6	-57.5
Prunes and plums (4 States)	5,085	8,678	4,973	1/	0.1	1/	-42.7
Black raspberries (OR)	10,418	9,780	3,583	0.1	0.1	1/	-63.4
Red raspberries	45,184	25,346	32,622	0.3	0.1	0.2	28.7
Raspberries (CA)	200,592	249,615	291,060	1.2	1.5	1.6	16.6
Straw berries	1,395,724	1,519,960	1,745,609	8.6	9.0	9.8	14.8
Tree nuts							
Almonds	2,525,909	2,258,790	2,324,601	15.5	13.3	13.0	2.9
Hazelnuts	61,824	46,440	65,520	0.4	0.3	0.4	41.1
Macadamia nuts	43,740	38,860	21,600	0.3	0.2	0.1	-44.4
Pecans	406,920	320,643	376,063	2.5	1.9	2.1	17.3
Pistachios	580,150	449,820	549,400	3.6	2.7	3.1	22.1
Walnuts	557,350	563,980	--	3.4	3.3	--	--
Totals 3/	16,312,275	16,971,781	17,853,647	100.0	100.0	100.0	100.0

-- Data not available until July 8, 2008.

1/ Less than 0.05 percent. 2/ Data not published to avoid disclosure of individual operations.

3/ Includes estimated value of production for avocados, figs, guavas, kiw ifruit, and walnuts.

Source: USDA, National Agricultural Statistics Service, *Crop Values 2007 Summary*.

Table 14--Value of fruit and tree nut crops, by State, 2004-06

State	Crop value			Share of U.S. value			Percent change	State ranking
	2005	2006	2007	2005	2006	2007	2006-07	
	-----1,000 dollars-----			-----Percent-----				
Alabama	12,935	12,970	15,770	0.1	0.1	0.1	21.6	25
Arizona	79,147	76,819	103,237	0.5	0.5	0.6	34.4	12
Arkansas	11,363	10,560	2,639	0.1	0.1	1/	-75.0	38
California	10,669,169	10,298,995	10,464,648	65.4	60.7	58.6	1.6	1
Colorado	17,706	21,895	22,230	0.1	0.1	0.1	1.5	21
Connecticut	9,002	11,527	14,009	0.1	0.1	0.1	21.5	27
Florida	1,384,703	1,757,240	2,200,428	8.5	10.4	12.3	25.2	3
Georgia	168,896	165,204	165,667	1.0	1.0	0.9	0.3	8
Hawaii	145,098	136,900	45,080	0.9	0.8	0.3	-67.1	17
Idaho	25,499	22,132	20,464	0.2	0.1	0.1	-7.5	23
Illinois	28,100	28,478	3,811	0.2	0.2	1/	-86.6	35
Indiana	16,045	19,518	12,320	0.1	0.1	0.1	-36.9	29
Iowa	861	2,921	1,088	1/	1/	1/	-62.8	40
Kansas	4,160	2,600	450	1/	1/	1/	-82.7	41
Kentucky	2,278	3,636	228	1/	1/	1/	-93.7	42
Louisiana	6,875	21,602	11,490	1/	0.1	0.1	-46.8	30
Maine	49,330	69,891	88,075	0.3	0.4	0.5	26.0	14
Maryland	9,744	10,559	9,753	0.1	0.1	0.1	-7.6	33
Massachusetts	64,372	91,378	85,561	0.4	0.5	0.5	-6.4	15
Michigan	278,759	360,765	412,525	1.7	2.1	2.3	14.3	5
Minnesota	8,563	9,228	12,807	0.1	0.1	0.1	38.8	28
Mississippi	1,760	9,140	20,790	1/	0.1	0.1	127.5	22
Missouri	19,797	21,041	2,966	0.1	0.1	1/	-85.9	37
Montana	4,165	1,071	3,278	1/	1/	1/	206.1	36
New Hampshire	6,045	9,683	11,238	1/	0.1	0.1	16.1	31
New Jersey	119,253	154,568	158,601	0.7	0.9	0.9	2.6	9
New Mexico	110,500	85,100	88,750	0.7	0.5	0.5	4.3	13
New York	227,884	315,288	346,027	1.4	1.9	1.9	9.7	6
North Carolina	79,769	103,131	65,400	0.5	0.6	0.4	-36.6	16
Ohio	39,028	47,109	40,099	0.2	0.3	0.2	-14.9	18
Oklahoma	31,279	24,170	25,431	0.2	0.1	0.1	5.2	20
Oregon	348,364	425,582	454,937	2.1	2.5	2.5	6.9	4
Pennsylvania	102,665	116,412	114,939	0.6	0.7	0.6	-1.3	11
Rhode Island	734	975	1,223	1/	1/	1/	25.4	39
South Carolina	34,280	39,670	16,443	0.2	0.2	0.1	-58.6	24
Tennessee	4,316	4,994	40	1/	1/	1/	-99.2	43
Texas	209,206	154,285	150,504	1.3	0.9	0.8	-2.5	10
Utah	17,939	16,989	14,104	0.1	0.1	0.1	-17.0	26
Vermont	8,970	10,125	8,908	0.1	0.1	1/	-12.0	34
Virginia	35,047	32,725	35,232	0.2	0.2	0.2	7.7	19
Washington	1,751,255	2,077,649	2,398,497	10.7	12.2	13.4	15.4	2
West Virginia	10,847	10,948	10,825	0.1	0.1	0.1	-1.1	32
Wisconsin	156,567	176,308	193,135	1.0	1.0	1.1	9.5	7
United States	16,312,275	16,971,781	17,853,647	100.0	100.0	100.0	5.2	

1/ Less than 0.05 percent.

Source: USDA, National Agricultural Statistics Service, *Crop Values 2007 Summary*.

Fruit and Tree Nut Trade Outlook

Orange, Lemon, and Tree Nut Exports Strong This Season

U.S. fresh orange and lemon exports are considerably stronger this season than were exports from last season's freeze-reduced crop (table 15). An expected record large navel orange crop this season has provided ample fruit to meet export demand. Exports are up this season to all the major markets—Canada, China (including Hong Kong), South Korea, Japan, and Australia. Lemon exports are also up, despite high prices and tight domestic supplies. Tight supplies from a major exporter, Spain, have increased demand for U.S. lemons on the international market. Shipments were up to the two traditional major markets, Japan and Canada, as well as to recent rapidly growing markets—Australia and South Korea. From August 2007 through January 2008, fresh lemon exports to these two markets nearly doubled from last season.

The 2007/08 export season has been very good for the U.S. tree nut industries. Shipments increased for almonds, walnuts, pecans, and pistachios. Having strong dependence on export markets, with an average of 65 percent of the almond supplies, 36 percent of the walnut supplies, and 38 percent of the pistachio supplies exported each season, it is critical for these industries to have strong international demand to maintain strong grower prices.

Table 15--U.S. exports of selected fruit and tree nut products

Commodity	Marketing season	Season to date (through January)		Year-to-date change
		2007	2008	
		----- 1,000 pounds -----		Percent
Fresh-market:				
Oranges	November-October	273,012	328,869	20.5
Grapefruit	September-August	348,792	271,715	-22.1
Lemons	August-July	110,438	149,797	35.6
Apples	August-July	797,640	810,087	1.6
Grapes	May-April	588,864	655,027	11.2
Pears	July-June	217,872	264,537	21.4
Peaches (including nectarines)	January-December	31,907	46,209	44.8
Straw berries	January-December	11,074	11,123	0.4
Cherries	January-December	20	461	2191.4
		----- 1,000 sse gallons 1/ -----		
Processed:				
Orange juice, frozen concentrate	October-September	11,155	8,318	-25.4
Orange juice, not-from-concentrate	October-September	23,578	35,975	52.6
Grapefruit juice	October-September	4,359	4,623	6.0
Apple juice and cider	August-July	3,359	3,921	16.7
Wine	January-December	7,728	8,623	11.6
		----- 1,000 pounds -----		
Raisins	August-July	135,930	159,418	17.3
Canned pears	June-May	14,940	8,695	-41.8
Canned peaches	June-May	31,907	46,209	44.8
Frozen straw berries	January-December	2,708	3,158	16.6
		----- 1,000 pounds -----		
Tree nuts:				
Almonds (shelled basis)	August-July	452,014	510,116	12.9
Walnuts (shelled basis)	August-July	105,283	141,275	34.2
Pecans (shelled basis)	October-September	15,932	22,325	40.1
Pistachios (shelled basis)	September-August	36,803	54,559	48.2

1/ Single-strength equivalent.

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

The U.S. almond industry produced another record large crop this season. As a result, grower prices were down, but strong demand brought the value of this season crop up compared with last season. The pistachio industry experienced a similar situation, record high crop, lower prices stimulating demand, bringing strong grower returns. The walnut crop, however, was on an off year and production was lower. With the strong international demand so far this season, prices are likely to be strong this season (price data for walnuts are not released by NASS until July 8, 2008).

The pecan industry is less reliant on the export market for its demand, with only about 15 percent of its annual supplies exported. This season, October 2007 through January 2008, 71 percent of the inshell pecan shipments went to Hong Kong, followed by Mexico, and Vietnam. While Mexico is a traditional market for U.S. pecans, with its pecan industry not far from Texas' pecan production, Hong Kong and Vietnam are new markets. U.S. pecan growers sent their first shipments to Hong Kong in 2000/01 and to Vietnam only last season. Shipments to Hong Kong are likely going into China. There are reports of increased nut consumption in China as incomes rise and consumers are searching out new and nutritious products. The shipments of the inshell pecans to Vietnam are similar to reported big shipments of other U.S. inshell tree nut to the country. Vietnam may be importing different varieties of tree nuts to shell and package as mixed nuts for export. The bulk of the U.S. shelled pecans went to Canada, Europe, Israel, and Mexico.

Banana Imports Down This January

Bananas are the No. 1 imported fruit into the United States and also rank as the No. 1 fresh fruit consumed in the country. This January, banana imports were down 8 percent from last January (table 16). Weather factors have reduced production in many of the major banana-producing countries in Central and South America.

Shipments from Costa Rica, typically the top supplier to the United States, were down 26 percent. Guatemalan and Colombian shipments were also down this January. Slightly higher shipments from Ecuador and Honduras have offset some of the decline. Flooding has been reported in Ecuador recently and may affect banana trade in the coming months. Due to the tight banana supplies, retail prices for bananas this January were the highest since 2003.

Tangerines, predominantly clementines, are the major citrus fruit imported into the United States. This season, October 2007 and January 2008, clementines imports fell 16 percent from the same time period last season. Shipments from Spain, the major source of clementine imports for the United States were at their lowest since 2001/02 due to a smaller crop this season. At the same time, demand for imported clementines may have been slightly reduced in the United States due to a bigger crop from California meeting a growing share of domestic consumers' needs.

Lemon imports were up at the same time that exports were up. Often in the produce industry, imports are brought in to meet certain market needs, especially if domestic supplies are tight, allowing the packinghouse or other sellers supplies to meet their export market needs, often of the highest quality fruit (in terms of size and appearance) and to maintain their presence in these markets.

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

Commodity	Marketing season	Season to date (through January)		Year-to-date change
		2007	2008	
		----- 1,000 pounds -----		Percent
Fresh-market:				
Oranges	November-October	14,522	9,442	-35.0
Tangerines (including clementines)	October-September	154,548	129,302	-16.3
Lemons	August-July	53,642	125,334	133.7
Limes	January-December	60,847	55,354	-9.0
Apples	August-July	67,466	103,248	53.0
Grapes	May-April	608,894	561,365	-7.8
Pears	July-June	40,511	42,081	3.9
Peaches (including nectarines)	January-December	51,059	43,200	-15.4
Bananas	January-December	772,947	714,981	-7.5
Mangoes	January-December	38,704	43,746	13.0
		----- 1,000 use gallons 1/ -----		
Processed:				
Orange juice, frozen concentrate	October-September	90,472	123,820	36.9
Apple juice and cider	August-July	223,456	272,007	21.7
Wine	January-December	18,145	17,296	-4.7
		----- 1,000 pounds -----		
Canned pears	June-May	48,515	52,357	7.9
Canned peaches (including nectarines)	June-May	107,629	141,379	31.4
Canned pineapple	January-December	79,211	89,324	12.8
Frozen straw berries	January-December	13,096	13,022	-0.6
		----- 1,000 pounds -----		
Tree nuts:				
Brazil nuts (shelled basis)	January-December	810	1,516	87.3
Cashew s (shelled basis)	January-December	21,980	23,769	8.1
Pine nuts (shelled basis)	January-December	1,100	1,146	4.2
Pecans (shelled basis)	October-September	31,274	37,615	20.3

1/ Single-strength equivalent.

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

Contacts and Links

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