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Fruit and Tree Nuts Outlook

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Weather Again Reduces Citrus Production In 2005/06

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The next release is
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The prices growers received for fruit and tree nuts dropped slightly in October from September and from October 2004. Grower prices dropped between September and October for grapefruit, lemons, apples, grapes, and strawberries. Prices were lower than last October for lemons, oranges, apples, and pears. The Consumer Price Index for fresh fruit rose in October to the highest level in 2005. Retail prices rose between September and October for fresh oranges, bananas, strawberries, and grapes.

As of October 1, the U.S. Department of Agriculture's National Agricultural Statistics Service (NASS), forecast the U.S. citrus production to reach 13.5 million tons, up 19 percent from last season's hurricane-reduced crop, but down 17 percent from 2003/04. The forecast was made before Hurricane Wilma hit key citrus-production regions in Florida, likely reducing production from the initial forecast.

Orange production from California, Arizona, and Texas is forecast to be down in 2005/06. The California and Arizona crop, which provides the bulk of the oranges for the fresh market, is forecast at 2.1 million tons, 10 percent lower than last season. NASS forecast Florida's orange crop at 8.6 million tons. A new NASS forecast, to be published December 9, 2005, will likely show a reduced crop due to Hurricane Wilma.

Florida's grapefruit production was battered by Hurricane Wilma this season after taking a direct hit from hurricanes last season. Prior to Wilma, NASS forecast the 2005/06 grapefruit crop at 1 million tons.

The 2005/06 lemon crop is forecast at 866,000 tons, 7 percent higher than last season and the biggest crop in 3 years. Tangerine production is forecast to reach 424,000 tons in 2005/06, 28 percent higher than last season and the biggest crop in 3 years. This forecast was made prior to Hurricane Wilma.

Pecan production is forecast at 288.7 million pounds, 55 percent higher than last season, and 2 percent higher than in 2003. Grower prices may be hampered by the bigger crop and reported incidences of poor quality nuts.

Price Outlook

Grower Prices Drop in October

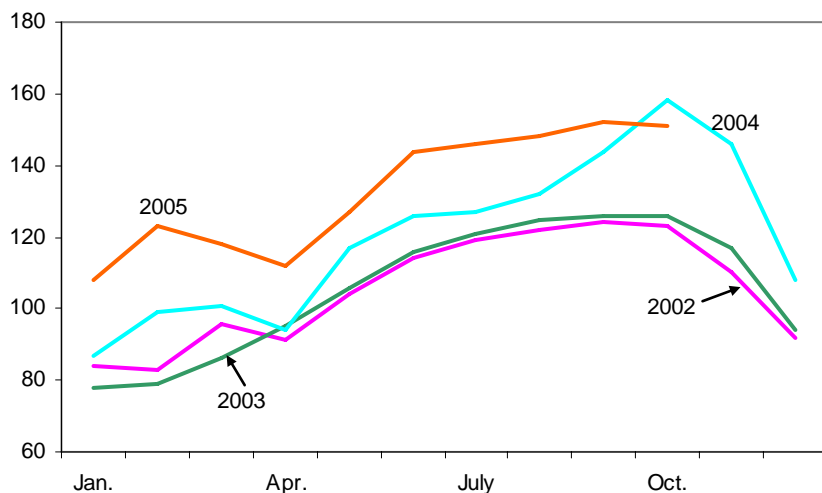
The prices growers received for fruit and tree nuts dropped slightly in October from September. The index of prices received by growers was at 151 (1990-92 =100), about 1 percent lower than in September (fig. 1). The index was also 4 percent below last October. Grower prices dropped between September and October for grapefruit, lemons, apples, grapes, and strawberries. It is not uncommon for apple prices to decline in October because the new harvest is getting underway and storage facilities are trying to reduce their supplies of the previous year's stocks.

The 4-percent decline in the grower price index between October 2005 and October 2004 is the first time that prices in 2005 were below 2004. Prices were lower than last October for lemons, oranges, apples, and pears (table 1). The lower lemon prices reflect the beginning of the 2005/06 harvest out of Arizona and the ending of the California harvesting of the 2004/05 crop. Lower fresh orange prices reflect an increase in imports during the early fall, with heavy shipments of navel oranges entering the United States from Australia competing with the California Valencia orange crop, driving down domestic grower prices.

Figure 1

Index of prices received by growers for fruit and tree nuts

1990-92=100



Source: National Agricultural Statistics Service, USDA.

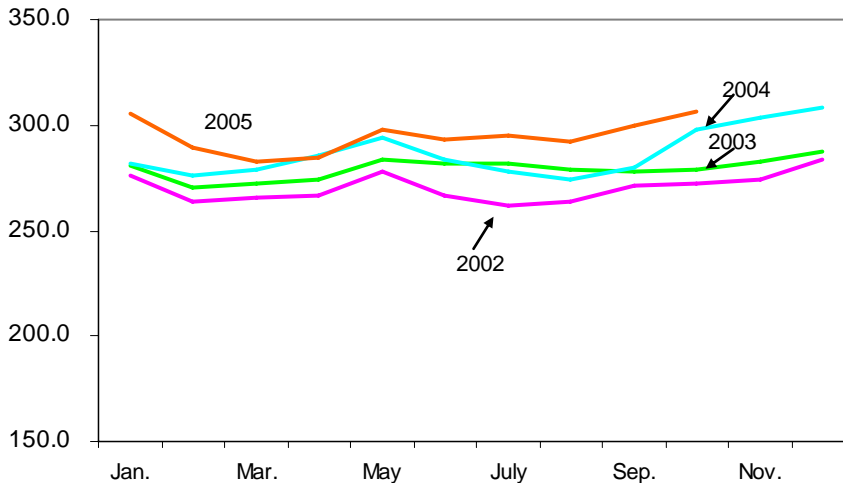
Consumers Paying Higher Retail Prices for Fruit in October

The Consumer Price Index for fresh fruit (CPI) rose in October to 306.5 (1982-84 = 100), the highest index number in 2005 (fig. 2). The October index, (the highest for any October since ERS has kept records going back to 1989) rose 2 percent from September, which was already 7 percent above August.

Consumers paid higher prices in October over September for fresh oranges, bananas, strawberries, and grapes. Retail prices for fresh grapes were higher in October despite lower grower prices for the same month. The higher grape prices likely reflect a lag in marketing September-picked grapes when grower prices were higher. Consumers can expect to continue to pay high prices this fall for fresh fruit once the smaller orange and grapefruit crops enter the marketplace.

Figure 2

Consumer Price Index for fresh fruit
1982-84=100



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

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

Commodity	2004		2005		2004-05 Change	
	September	October	September	October	September	October
	--Dollars per box--				Percent	
Citrus fruit: 1/						
Grapefruit, all	15.47	17.30	18.57	17.86	20.0	3.2
Grapefruit, fresh	13.83	17.38	20.69	22.22	49.6	27.8
Lemons, all	16.29	19.88	10.27	7.62	-37.0	-61.7
Lemons, fresh	15.20	18.06	13.81	12.05	-9.1	-33.3
Oranges, all	15.85	15.85	4.57	4.85	-71.2	-69.4
Oranges, fresh	20.87	21.08	8.66	8.92	-58.5	-57.7
	--Dollars per pound--					
Noncitrus fruit:						
Apples, fresh 2/	0.268	0.261	0.288	0.286	7.5	9.6
Grapes, fresh 2/	0.340	0.415	0.390	0.380	14.7	-8.4
Peaches, fresh 2/	0.261	--	0.301	--	15.3	--
Pears, fresh 2/	0.196	0.219	0.257	0.260	30.9	18.7
Straw berries, fresh	0.991	1.000	0.827	0.700	-16.5	-30.0

1/ Equivalent on-tree price.

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

Source: National Agricultural Statistics Service, USDA.

Table 2--U.S. monthly retail prices, selected fruit, 2004-2005

Commodity	Unit	2004		2005		2004-05 Change	
		September	October	September	October	September	October
		--- Dollars ---		--- Dollars ---		--- Percent ---	
Fresh:							
Valencia oranges	Lb	0.709	--	0.880	0.904	24.1	--
Navel oranges	Lb	1.142	--	1.363	1.388	19.4	--
Grapefruit	Lb	0.895	0.976	1.208	--	35.0	--
Lemons	Lb	1.470	1.380	1.485	1.465	1.0	6.2
Red Delicious apples	Lb	1.085	0.992	0.967	0.940	-10.9	-5.2
Bananas	Lb	0.488	0.485	0.485	0.491	-0.6	1.2
Peaches	Lb	1.492	--	1.553	--	4.1	--
Anjou pears	Lb	--	--	--	--	--	--
Straw berries 1/	12-oz pint	1.843	2.600	2.146	2.188	16.4	-15.8
Thompson seedless grapes	Lb	1.605	2.346	1.662	2.022	3.6	-13.8
Processed:							
Orange juice, concentrate 2/	16-fl. oz	1.815	1.933	1.782	1.806	-1.8	-6.6
Wine	liter	6.864	7.534	7.271	8.575	5.9	13.8

-- Insufficient marketing to establish price.

1/ Dry pint.

2/ Data converted from 12 fluid ounce containers.

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

Fruit and Tree Nuts Outlook

Citrus Production Expected To Be Up This Season, But Still Below Normal

The United States Department of Agriculture's (USDA) National Agricultural Statistics Service (NASS) published its first forecast for the 2005/06 citrus crop in its October 12th *Crop Production* report. The survey upon which these forecasts were based was conducted before Hurricane Wilma hit Florida. Since Wilma hit several important citrus-producing counties, blowing fruit off trees and damaging some of the remaining crops in these areas, the crop sizes are likely to be smaller than first forecast. Therefore, the data presented in this report for Florida, the largest citrus-producing State, are likely to change once the results of a new survey by NASS are completed. These data will be published in the December 9th *Crop Production* report.

According to the October forecast, U.S. citrus production is forecast to reach 13.5 million tons, 19 percent bigger than last season's hurricane-reduced crop, but 17 percent smaller than the more average-sized 2003/04 crop. The orange crop is forecast to produce 10.7 million tons, 17 percent higher than last season, but smaller than any other crop since 1998/99, when a freeze reduced California's crop by half. The grapefruit crop is forecast at 1.4 million tons, 42 percent higher than last season, but smaller than any other crop in the past 25 years. The tangerine crop is forecast at 424,000 tons, 28 percent higher than last season and 2 percent higher than two seasons ago. Increased production is expected in all three tangerine-producing States--Florida, California, and Arizona. The lemon crop is forecast at 822,000 tons, the biggest in three seasons. A larger crop from Arizona is expected to boost overall production, while California's crop estimate remained unchanged from last season.

Variable weather conditions in Florida since the hurricanes of 2004, including a dry, warm winter, delaying the bloom period, followed by heavy rains in June and again in October have resulted in lagging internal fruit maturity. As a result, harvesting is running later this season than in the past. In California, extensive periods of hot weather slowed fruit growth, and the beginning of this season's harvest is running later than average. Texas' citrus production region also experienced extensive high temperatures beginning in the early spring and throughout the summer months. A few cold fronts, along with rains in October, have helped fruit maturity. The first citrus shipment from Texas began at the end of the first week of October, and harvesting picked up as the month progressed.

Florida's Citrus Woes

Florida's citrus producers have been facing several difficult situations in recent seasons. Last season, many of the major citrus-production regions were hit hard by three hurricanes, dramatically reducing the size of all the citrus crops. The heavy rains and strong winds blew citrus canker bacterium into areas of the State where the disease previously was not present. Adding to the loss of limbs and trees to the hurricanes, growers finding citrus canker in their groves have to remove trees in a 1,900-square-foot area surrounding the finding. No citrus can be planted in these areas for another 2 years to ensure that the canker is no longer present. While big growers may be able to bear the loss of income from the lost crops, smaller growers

are finding it difficult to remain as citrus producers. While some may plant annual crops, such as vegetables, many are finding it more profitable to sell the land for development and get out of the business altogether. This land would then be lost to citrus production in the future. Added to these troubles, was the finding of citrus greening in southern Florida. Citrus greening is a bacteria that is spread by the citrus psyllid insect. While trees infected with citrus canker can still produce marketable fruit as the trees slowly deteriorate, with citrus greening, the fruit are also ruined and are not marketable. The industry is searching for ways to control these two diseases that are difficult to eliminate other than by destroying trees. Added to all these problems, Hurricane Wilma hit Florida's southwest citrus counties that had managed to escape last season's hurricanes, knocking down fruit and destroying trees. As Wilma moved across the State, it hit the East Coast grapefruit counties that were already trying to recover from two hurricanes last season.

The first estimates from Florida's industry are a 13-percent loss in the orange crop and a 47-percent loss in the grapefruit crop. Loss estimates are expected to be higher, however, once NASS publishes its survey results due to increased fruit droppage since the initial hurricane losses.

Orange Crop Forecast To Be Second Smallest in 7 Years

While NASS forecast Florida's orange crop at 8.6 million tons, with the estimated 13 percent loss from Hurricane Wilma, the crop is likely to be 7.4 million tons or lower. While this crop would still be larger than last season's hurricane-reduced crop, it would be smaller than any season since the freezes in the late 1980s, early 1990s. Orange production from California, Arizona, and Texas is forecast to be down in 2005/06 (table 3). The California and Arizona crop, which provides the bulk of the oranges for the fresh market, is forecast at 2.1 million tons, 10 percent lower than last season. Smaller-than-average-sized fruit so far this season reduces

Table 3--Oranges: Utilized production, 2002/03-2004/05 and forecast for 2005/06 1/

Crop and State	Utilized			Forecast	Utilized			Forecast
	2002/03	2003/04	2004/05	2005/06 as of 10-2005	2002/03	2003/04	2004/05	2005/06 as of 10-2005
	--1,000 boxes 2/--				--1,000 short tons--			
Oranges:								
Early/mid-season and navel 3/:								
Arizona	200	300	240	270	8	12	9	10
California	42,000	39,500	43,000	42,000	1,575	1,481	1,613	1,575
Florida	112,000	126,000	79,100	93,000	5,040	5,670	3,560	4,185
Texas	1,350	1,420	1,500	1,300	57	60	64	55
Total	155,550	167,220	123,840	136,570	6,680	7,223	5,246	5,825
Valencia:								
Arizona	270	170	190	200	10	6	7	8
California	20,000	11,000	18,000	13,000	751	413	675	488
Florida	91,000	116,000	70,500	97,000	4,095	5,220	3,173	4,365
Texas	220	230	270	230	9	10	11	10
Total	111,490	127,400	88,960	110,430	4,865	5,649	3,866	4,871
All oranges	267,040	294,620	212,800	247,000	11,545	12,872	9,112	10,696

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

2/ Net pounds per box: Arizona and California--75, Florida--90, and Texas--85.

3/ Navel and miscellaneous varieties in California and Arizona, and early- and mid-season (including Navel) varieties in Florida. A small quantity of tangerines is also included in Texas' data.

Source: National Agricultural Statistics Service, USDA.

the number of boxes of oranges expected to be picked. While the crop is smaller than last season, it is expected to be 9 percent bigger than two seasons ago. The smaller-sized fruit may result in packinghouses bagging more fruit for retail sale this season (versus selling the fruit by the piece or by weight) which could benefit consumers with lower prices. By the middle of the second week of November, harvesting slowly got underway in California, mostly for the domestic market. As fruit maturity increases, shipments for exports were expected to begin by the middle of the month. Texas' crop is forecast to be 10,000 tons smaller this season than last and 5,000 tons smaller than two seasons ago. A freeze during Christmas 2004 defoliated trees, resulting in an erratic bloom and reduced the fruit set. A long hot spell in the spring and summer slowed fruit growth, resulting in smaller fruit through the early part of the season. Growers are hopeful fruit size will improve as cooler weather continues.

Smaller Florida Orange Crop Likely To Boost Grower Prices; But Juice Supplies Ample To Meet Consumer Demand

While it may be premature to estimate orange juice supply due to an expected adjustment to the forecast of the Florida orange crop for 2005/06, USDA's Economic Research Service (ERS) made estimates based on the initial forecast made in October as well as assuming a 24.4-million-box loss. As was mentioned earlier, the number of boxes may be even lower than this first loss estimate due to increased fruit drop. Another orange juice supply and utilization estimate will be made in the January *Fruit and Tree Nuts Outlook* report reflecting new forecast numbers presented in the NASS survey that will be published in December.

ERS estimates that orange juice production in 2005/06 will total 1.1 billion single-strength equivalent (sse) gallons, 10 percent higher than last season's hurricane-reduced production (table 4). While production may be the second lowest in 15

Table 4--United States: Orange juice supply and utilization, 1990/91 to date

Season 1/	Beginning		Imports	Supply	Exports	Domestic consumption	Ending stocks 2/	Per capita consumption
	stocks	Production						
-----Million SSE gallons 3/-----								
1990/91	225	876	320	1,422	94	1,170	158	4.6
1991/92	158	930	286	1,374	107	1,096	170	4.3
1992/93	170	1,207	298	1,675	117	1,308	249	5.1
1993/94	249	1,133	425	1,807	105	1,342	360	5.1
1994/95	360	1,257	240	1,857	117	1,306	434	4.9
1995/96	434	1,271	221	1,927	127	1,383	417	5.2
1996/97	417	1,437	256	2,110	148	1,398	564	5.2
1997/98	564	1,555	281	2,400	150	1,571	679	5.7
1998/99	679	1,236	350	2,265	147	1,585	534	5.7
1999/00	534	1,507	339	2,380	147	1,588	645	5.7
2000/01	645	1,439	258	2,342	122	1,521	698	5.4
2001/02	698	1,432	189	2,319	181	1,446	692	5.0
2002/03	692	1,247	291	2,230	103	1,422	705	4.9
2003/04	705	1,464	223	2,392	123	1,447	822	4.9
2004/05	822	984	358	2,163	119	1,435	609	4.9
2005/06 4/	609	1,224	360	2,194	115	1,499	580	5.0
2005/06 5/	609	1,079	360	2,048	108	1,450	490	4.9

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

2/ Data may not add due to rounding. Beginning with 1994/95, stock data include chilled as well as canned and frozen concentrate juice. 3/ SSE = single-strength equivalent. 4/ Forecast. 5/ ERS estimate based on

15 percent reduction in Florida orange crop.

Source: Economic Research Service and Foreign Agricultural Service, USDA.

years, beginning stocks this season are much larger than in the early nineties when production was last at 1 billion sse gallons. Imports are also expected to increase this season, although only slightly since Brazil's production is down this year, and its overall supply available for export is the lowest in 4 years (table 5). As a result, total juice supply this season is estimated at 2 billion sse gallons (based on the first estimates of fruit loss at 24.4 million boxes).

Grower prices are likely to stay strong this season, as they were last season, in light of tighter orange supplies. This is particularly true if it turns out that there was a lot of damage to the Valencia crop after Hurricane Wilma swept through the southwestern counties, including Hendry, a major Valencia orange producing county in Florida. Valencia oranges are highly valued in juice production and generally bring higher grower prices than the early- to mid-season oranges.

Per capita consumption is likely to remain unchanged from last season under this scenario. Industry data for the 5th week of the 2005/06 season show movement of not-from-concentrate juice just slightly slower than last season but ahead of two seasons ago. Frozen concentrated orange juice movement continues to decline. As the industry tries to turn around demand for orange juice and increase consumption, processors are likely to hold orange juice prices down at the retail level to encourage consumers to buy more juice.

Grapefruit Production Hurt Again by Hurricane

Florida's grapefruit production was battered by Hurricane Wilma this season after taking a direct hit from hurricanes last season. The initial NASS forecast for Florida's grapefruit crop, at 1 million tons, was almost half the normal size crop during a good-weather year due to tree loss and damage (table 6). After Hurricane

Table 5--Brazilian FCOJ production and utilization, 1991-2005

Season 1/	Beginning stocks	Production	Domestic consumption	Exports	Ending stocks 2/
--Million SSE gallons 3/--					
1991	177	1,334	25	1,390	96
1992	96	1,610	25	1,532	148
1993	148	1,572	25	1,546	148
1994	148	1,583	31	1,482	218
1995	218	1,525	25	1,476	242
1996	242	1,620	24	1,660	177
1997	177	1,954	22	1,778	331
1998	331	1,665	26	1,586	418
1999	418	1,912	22	1,821	486
2000	486	1,683	21	1,778	370
2001	370	1,375	21	1,511	212
2002	212	1,904	21	1,757	337
2003	337	1,618	25	1,852	79
2004	79	2,040	28	1,920	170
2005	170	1,749	28	1,763	128

1/ Season begins in July. 2/ Data may not add due to rounding.

3/ SSE = single-strength equivalent. To convert to metric tons at 65 degrees brix, divide by 1.40588.

Source: Foreign Agricultural Service, USDA.

Table 6--Grapefruit: Utilized production, 2002/03-2004/05 and indicated 2005/06 1/

Crop and State	Utilized			Forecast for	Utilized			Forecast for
	2002/03	2003/04	2004/05	2005/06 as of 10-2005	2002/03	2003/04	2004/05	2005/06 as of 10-2005
	--1,000 boxes 2/--				--1,000 short tons--			
Florida, all	38,700	40,900	12,800	24,000	1,646	1,738	545	1,021
Colored	22,500	25,000	9,400	17,000	957	1,063	400	723
White	16,200	15,900	3,400	7,000	689	675	145	298
Arizona	130	140	140	120	4	5	5	4
California	5,600	5,800	5,800	5,800	187	194	194	194
Texas	5,650	5,700	6,600	5,400	226	228	264	216
Total	50,080	52,540	25,340	35,320	2,063	2,165	1,008	1,435

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

2/ Net pounds per box: California and Arizona-67, Florida-85, and Texas-80.

Source: National Agricultural Statistics Service, USDA.

Wilma swept through the Indian River region, the State's biggest grapefruit-producing area, the first industry estimates of grapefruit loss were at 11.3 million boxes, 47 percent of the crop. The losses may exceed these estimates because this season's fruit droppage is expected to be higher than initially forecast. Normally Florida's crop accounts for nearly 80 percent of U.S. grapefruit production. This season, however, the initial forecast shows its share of the total is only about 70 percent. Prior to the hurricane, this season's grapefruit crop already was the smallest since 1944/45, except for last season. Based on the 47-percent loss to Florida's crop, only 955,000 tons of grapefruit are likely to be utilized this season, 5 percent less than the drastically reduced crop last season.

California is forecast to produce about the same quantity of grapefruit this season as last. Since most of California's grapefruit are marketed after Florida's and Texas' fresh-market grapefruit are no longer in the market, consumers are unlikely to see much change in grapefruit supplies in the late spring and summer months.

Texas' grapefruit crop is forecast at 216,000 tons, the smallest crop since 1997/98. The 2004 Christmas freeze affected the tree bloom and reduced fruit set, bringing down this season's crop size. As of the end of October, domestic shipments of Texas grapefruit were nearly twice the quantity shipped at the same time last season. Most of the fruit was going to the fresh market. Export shipments had not yet begun.

Grower prices for fresh and processing grapefruit will likely be above last season as the supply for the fresh market will be scarce from Florida and tight from Texas. Demand for grapefruit from the processing industry will also be strong this season because grapefruit juice stocks began lower this season than last. Demand will be strongest among manufacturers of the not-from-concentrate grapefruit juice which is showing much higher demand from consumers than for frozen concentrated grapefruit juice.

Lemon Crop Forecast To Be Largest in 3 Years

The 2005/06 lemon crop is forecast at 866,000 tons, 7 percent higher than last season and the biggest crop in 3 years (table 7). While production out of California,

Table 7--Lemons: Utilized production, 2002/03-2004/05 and forecast for 2005/06 1/

State	Utilized			Forecast for	Utilized			Forecast for
	2002/03	2003/04	2004/05	2005/06 as of 10-2005	2002/03	2003/04	2004/05	2005/06 as of 10-2005
	--1,000 (76-lb) boxes--				--1,000 short tons--			
Arizona	3,000	3,000	2,400	3,800	114	114	91	144
California	24,000	18,000	19,000	19,000	912	684	722	722
Total	27,000	21,000	21,400	22,800	1,026	798	813	866

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

Source: National Agricultural Statistics Service, USDA

the major lemon producer, is forecast to remain the same as last season at 722,000 tons, Arizona's crop is forecast to be 144,000 tons, 58 percent higher than last season and the largest crop from the State in a decade. The lemon trees have a good fruit set this season, resulting in the big crop. Because of the high fruit set, the lemons tend to be small. Arizona started off the domestic lemon harvest with fruit reported to be of good to excellent quality.

Lemon grower prices have averaged \$9.88 per 76-pound box so far this season, from a high of \$11.75 per box in August to \$7.62 per box in October. Due to the bigger crop out of Arizona, where most of the early crop is harvested, prices have been lower than in recent seasons. With fresh lemon prices from August through October averaging about 28 percent lower than last season, consumers can expect slightly lower retail prices.

Exports were strong in August and September with almost half the shipments going to Japan. During the first 2 months of the season, exports to Japan totaled 5.8 million tons, the highest since 2000. The increased Japanese demand for U.S. lemons reflects the good quality of the U.S. fruit this season, along with a smaller quantity of South African lemons shipped to Japan in August and September.

Plentiful Supply of Tangerines Forecast for 2005/06

The initial NASS survey forecasts tangerine production to reach 424,000 tons in 2005/06, 28 percent higher than last season and the biggest crop in 3 years (table 8). Production is forecast to be higher in all three production regions, Florida, California, and Arizona. While the October forecast puts Florida's production at 285,000 tons, 35 percent higher than the hurricane-damaged 2004/05 crop, the effects on the crop due to Hurricane Wilma have not yet been evaluated. Since Hendry County is an important tangerine producing area, its tangerine crop was likely affected when Wilma passed through the area.

California is becoming an increasingly important tangerine producer. In recent years, growers have been converting acreage from other citrus over to tangerine varieties, such as Satsuma and clementines, in response to strong consumer demand for easy peeler varieties of citrus. These plantings are starting to bear commercial-sized crops. This season, California is forecast to produce 120,000 tons of tangerines, 14 percent higher than last season.

While the domestic crop should be sufficient to meet consumer demand, the increasingly popular imported clementines are likely to be in short supply. Spain, the major supplier of clementines to the U.S. market during the late fall and winter

Table 8--Other citrus: Utilized production, 2002/03-2004/05 and forecast for 2005/06 1/

Crop and State	Utilized			Forecast for	Utilized			Forecast for
	2002/03	2003/04	2004/05	2005/06 as of 10-2005	2002/03	2003/04	2004/05	2005/06 as of 10-2005
	--1,000 boxes 2/--				--1,000 short tons--			
Tangelos:								
Florida	2,350	1,000	1,550	1,400	105	45	70	63
Tangerines:								
Arizona	430	690	400	500	16	25	15	19
California	2,800	2,200	2,800	3,200	105	83	105	120
Florida	5,500	6,500	4,450	6,000	261	309	211	285
Total	8,730	9,390	7,650	9,700	382	417	331	424
Temples:								
Florida	1,300	1,400	650	900	59	63	29	41

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

2/ Net pound per box: tangerines--California and Arizona--75; Florida--95; tangelos--90; Temples--90.

Source: National Agricultural Statistics Service, USDA.

months, is experiencing one of the worst droughts in about 60 years. Production in Andalusia, the major clementine producer, is estimated to be down from last season. This is likely to increase prices of the Spanish clementines sold in the U.S. market. Also, it will likely increase imports from Morocco, Mexico, Israel, and Cyprus, although not enough to offset the decline in Spain's exports.

Pecan Production Up in 2005

Pecan trees are on an up year in their alternate-bearing cycle, and production is forecast at 288.7 million pounds, 55 percent higher than last season, and 2 percent higher than in 2003, also an up year. Improved variety pecans are expected to account for 80 percent of the crop, up from an average of 74 percent over the past 5 years. If realized, Georgia's improved variety crop will be 90 percent higher than last year's crop and 33 percent higher than in 2003. New Mexico and Texas also have large improved variety crops this year. On the other hand, crops in Louisiana and Mississippi were diminished by hurricanes this season, with Louisiana's crop expected to be the smallest since 1992.

Georgia's harvest began about 2 weeks later than usual this year. By mid-November, deliveries were reported to be moderate by USDA's Agricultural Marketing Service (AMS). Demand for nuts for high-end uses, such as giftpacks, fundraising, and inshell use was low due to below-average nut quality. Frequent rains throughout the summer and cloudy, humid conditions spread scab disease and prevented some of the necessary spraying needed to control the disease. The quality issue has put downward pressure on prices.

The quality of the early Texas crop is also reported to be poor. Heavy winds in mid-November blew much of the crop to the ground, and growers were busy gathering the nuts before animals consumed them. AMS reported demand was high for good quality nuts.

Although this year's pecan crop is forecast to be larger than the past 4 years, ERS forecasts that total supplies will be up only 2 percent over last season and 1 percent down from 2003. Export competition is also expected to be strong this year with

Mexico also expecting a big crop. While the United States continues to be the world's biggest pecan producer, Mexico's pecan acreage continues to increase and production is projected by USDA's Foreign Agriculture Service (FAS) to grow in the coming years. With the combination of factors such as the big crop this season, above-average quantities of low quality nuts, and strong competition from Mexico, grower prices are likely to decline this year from 2004.

California Kiwifruit Crop Larger in 2005/06

Preliminary indications from the California Kiwifruit Commission (CKC), a grower funded organization that promotes the marketing of California kiwifruit, point to a 13-percent increase in kiwifruit production in 2005/06 from a season ago. NASS reported that an estimated 26,700 tons were produced during 2004/05. Favorable weather during pollination and set contributed to increased yields this season, and overall fruit quality is reported to be good. Fruit had already sized prior to the heat wave this summer and as a result, the crop still produced plenty of medium- and large-size fruit. The abundance of large-size fruit in the market will likely help boost demand for kiwifruit in the United States during 2005/06, and help offset some of the downward pressure on kiwifruit grower prices brought about by the larger crop. During 2004/05, small fruit size along with larger supplies drove grower prices lower, with the season-average grower price down 5 percent, to \$809 per ton. Although the 2004/05 average price declined from the previous season, it held stronger relative to any other season since 1991/92.

Kiwifruit harvesting in California begins in late September, with most of the fruit harvested during October and early November. Harvesting of the 2005/06 crop was delayed as the summer heat wave slowed fruit maturity. Still, harvesting was more than halfway finished by the end of October. Despite the expected larger crop, shipments in October, based on data from AMS, were running well below the same time last year due to the late start this season and the earlier-than-normal start to the harvesting of the 2004/05 crop. F.o.b. shipping-point prices for kiwifruit in the Central and Northern California Districts opened this season at \$13.00 to \$14.00 per 9 kilogram (19.8 pound) containers loose Hayward U.S. One (size 27). Last season, prices opened about a week earlier at \$14.00 to \$16.00. Supplies in November have already picked up, pushing prices lower. As of the third week in November, prices have already weakened to \$11.00 to \$12.00 per 9 kilogram container. At this time last year, prices ranged from \$13.00 to \$14.00.

Kiwifruit bearing acreage in the United States have been trending down since peaking in the early nineties, but have stabilized at around 4,500 acres in the past 3 years. As domestic production followed a declining path after the record-large crop in 1992, imports increasingly played a larger role in meeting domestic demand for kiwifruit. In recent years, over 60 percent of all the fresh kiwifruit consumed in the United States were imported, up from about 50 percent during the 1990s. Chile, New Zealand, and Italy are the primary suppliers to the United States for imported kiwifruit, with a combined share of 98 percent of total import volume. While a reduced crop limited shipments from New Zealand, increased shipments from Chile and Italy drove overall imports in 2004/05 (October-September) up 8 percent from a season ago, totaling 89.9 million pounds. Production in Italy is expected to be slightly smaller in 2005/06 than last season. Meanwhile, export prospects in Chile and New Zealand for 2005/06 are likely to be improved as new plantings coming

into production will help achieve larger crops, provided weather factors are favorable.

Increased supplies, large fruit size, and lower prices will likely aid the U.S. kiwifruit industry in marketing internationally during 2005/06. Export demand was sluggish during 2004/05, likely affected by the small fruit size. Shipments (October 2004 through September 2005) to foreign markets declined 9 percent, to 15.5 million pounds. Driving down overall exports were lower shipments to Mexico (down 30 percent), the second largest export market for U.S. kiwifruit, and to South Korea and Taiwan, also top markets.

Fruit and Tree Nut Trade Outlook

Exports Generally Lower in 2005, Driven By Smaller Citrus and Tree Nut Crops

Exports through September 2005 were down for citrus and tree nut crops from the same period in 2004. The smaller orange and grapefruit crops, along with smaller almond and walnut crops, reduced the quantity of fresh and processed products available for the export market. Quality issues were also a major factor in exporting. Adverse weather conditions reduced the quality of crops, such as grapefruit and sweet cherries, contributing to reduced exports. On the other hand, fresh apple and strawberry export shipments increased during this time period due to the large 2004 crops.

Exports are likely to continue the downward trend during the coming winter months. Citrus fruit are the major domestically-produced fruit in the market during the winter, and the smaller California orange and the hurricane-diminished Florida grapefruit crops reduce the quantity of fruit available for export.

Table 9--U.S. exports of selected fruit and tree nut products

Commodity	Marketing season	Season-to-date (through September)		Year-to-date change
		2004	2005	
		--- 1,000 pounds ---		Percent
Fresh-market:				
Oranges	November-October	1,343,491	1,249,438	-7.0
Grapefruit	September-August	872,164	501,041	-42.6
Lemons	August-July	15,643	21,206	35.6
Apples	August-July	113,905	181,127	59.0
Grapes	May-April	373,986	346,463	-7.4
Pears	July-June	78,774	64,208	-18.5
Peaches (including nectarines)	January-December	225,807	220,667	-2.3
Straw berries	January-December	162,825	179,361	10.2
Sweet cherries	January-December	93,349	90,579	-3.0
		--- 1,000 sse gallons 1/ ---		
Processed:				
Orange juice, frozen concentrate	October-September	6,447,038	5,149,324	-20.1
Orange juice, not-from-concentrate	October-September	5,875,779	6,761,928	15.1
Grapefruit juice	October-September	4,233,733	2,388,806	-43.6
Apple juice and cider	August-July	60,563	87,058	43.7
Wine	January-December	7,631,752	6,862,864	-10.1
		--- 1,000 pounds ---		
Raisins	August-July	55,100	48,499	-12.0
Canned pears	August-July	2137	1513	-29.2
Canned peaches	July-June	18,814	15,172	-19.4
Frozen straw berries	January-December	17,023	18,155	6.7
		--- 1,000 pounds ---		
Tree nuts:				
Almonds (shelled basis)	August-July	110,193	94,257	-14.5
Walnuts (shelled basis)	August-July	13,573	13,400	-1.3
Pecans (shelled basis)	September-August	3,600	2,601	-27.7
Pistachios (shelled basis)	September-August	5,595	4,744	-15.2

1/ Single-strength equivalent.

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

Fruit and Tree Nut Imports Strong Throughout 2005 Through September

U.S. imports of fruit and tree nuts were up for many of the major crops. Banana imports, the number one fruit imported into the United States, increased slightly from January through September 2005 from the same period in 2004 after lagging behind a year ago during the early months of this year. While shipments were down from Costa Rica early this year due to bad weather, shipments rose from other major producers, such as Guatemala and Ecuador.

Frozen concentrated orange juice imports increased 60 percent during October 2004 to September 2005 from the same period last season. The greatly reduced Florida orange crop following the three hurricanes that crossed the State in 2004 led to the need for imported orange juice to compensate for some of the lost domestic production. Apple juice imports rose this August and September from the same 2-month period last season, by 33 percent. They were, however, 2 percent below the same period in 2003. Shipments from China were up 138 percent during this time period and accounted for 56 percent of all apple juice imports. The apple crops in Washington and New York are down this season from 2004. Both of these States are major producers of apple juice. With the smaller crop, processors are importing more juice to meet increasing domestic demand.

Table 10--U.S. imports of selected fruit and tree nut products

Commodity	Marketing season	Season-to-date (through September)		Year-to-date change
		2004	2005	
		--- 1,000 pounds ---		Percent
Fresh-market:				
Oranges	November-October	118,317	132,549	12.0
Tangerines (including clementines)	October-September	202,454	207,504	2.5
Lemons	August-July	44,070	37,618	-14.6
Limes	September-August	54,371	62,761	15.4
Apples	August-July	27,052	26,600	-1.7
Grapes	May-April	227,272	356,545	56.9
Pears	July-June	3,478	4,329	24.5
Peaches (including nectarines)	January-December	139,397	143,046	2.6
Bananas	January-December	6,393,546	6,405,829	0.2
Mangoes	January-December	531,656	491,677	-7.5
		--- 1,000 sse gallons 1/ ---		
Processed:				
Orange juice, frozen concentrate	October-September	20,743,169	33,100,095	59.6
Apple juice and cider	August-July	4,405,822	5,839,441	32.5
Wine	January-December	11,935,516	13,287,516	11.3
		--- 1,000 pounds ---		
Canned pears	August-July	5,306	6,513	22.8
Canned peaches (including nectarines)	July-June	16,231	24,094	48.4
Canned pineapple	January-December	531,314	601,629	13.2
Frozen straw berries	January-December	110,676	128,244	15.9
		--- 1,000 pounds ---		
Tree nuts:				
Brazil nuts (shelled basis)	January-December	23,393	25,396	8.6
Cashew s (shelled basis)	January-December	221,058	208,161	-5.8
Pine nuts (shelled basis)	January-December	7,296	8,732	19.7
Pecans (shelled basis)	September-August	1,507	1,867	23.9

1/ Single-strength equivalent.

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

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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.

Recent Article

Understanding Fruit and Vegetable Choices

<http://www.ers.usda.gov/publications/aib792/>

A series of research briefs providing information on the economic, social, and behavioral factors influencing consumers' fruit and vegetable choices. USDA's Food Guide Pyramid recommends 2-4 servings of fruit and 3-5 servings of vegetables daily, but current consumption levels of these healthy foods do not meet dietary recommendations.

Related Websites

Fruit and Tree Nuts Briefing Room,
<http://www.ers.usda.gov/Briefing/FruitAndTreeNuts/>

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