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Fruit and Tree Nuts Outlook

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California to Harvest Record-Large Strawberry Crop in 2009, But Major Stone Fruit Crops Smaller

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Approved by the World Agricultural Outlook Board

The index of prices for fruit and tree nut growers rose 4 percent in April from the previous month but was 9 percent lower than in April 2008. At 123 (1990-92=100), the strength in the index is attributed to grower price increases in April for oranges, lemons, and grapefruit. Pulling down the index, however, from a year ago were lower grower prices for fresh-market apples, pears, grapefruits, and lemons.

The initial forecast from USDA's National Agricultural Statistics Service (NASS) call for record-high strawberry production in California for 2009, at 2.4 billion pounds, 4 percent above a year ago. Ranking a distant second, Florida's winter strawberry crop was forecast at 182,600 pounds, up 2 percent from a year ago. Except for some short-term supply gaps in the market due to poor weather, supplies are ample this season, driving down strawberry prices.

On May 12, NASS reported its first official forecast for California's 2009 peach crop, setting it at 1.6 billion pounds. If realized, this year's crop will be down 6 percent from a year ago and 10 percent below the previous 5-year average production. The State's production of freestone peaches is forecast to be down 13 percent in 2009 from a year ago to 740 million pounds, limiting supplies for the fresh market, while the clingstone peach crop is forecast to be up almost 1 percent, increasing to 860 million pounds.

Light banana supplies in the United States early this year drove up January-April banana prices. Weather-reduced production in many banana-producing regions in Central America and the Caribbean was a major factor behind the lower imports this year through March. Fresh pineapple imports were also down so far this year, but papaya imports were up. Mango supplies are building up this spring, thanks to rising imports from Mexico.

According to the *2009 California Almond Forecast* report released by the NASS California field office on May 8, the initial forecast for this year's almond crop is for 1.45 billion pounds, down 10 percent from last year. If realized, this year's crop would be the first downturn in production after 3 years of record-setting crops. While smaller than 2008, this year's crop would still be the second largest on record.

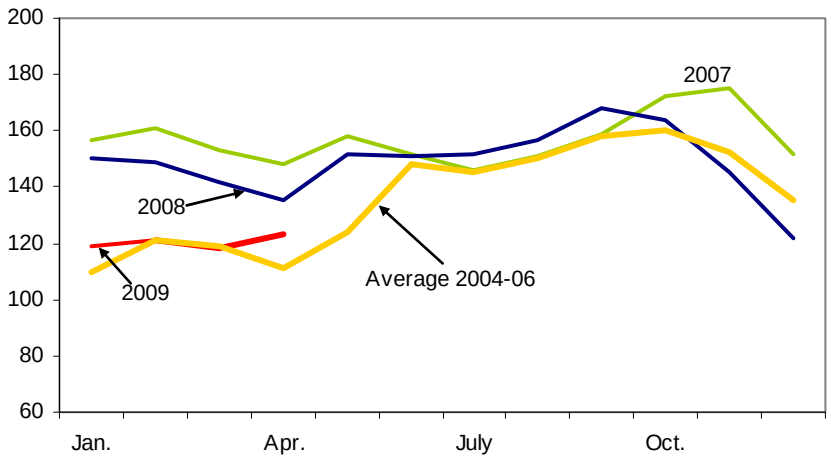
Price Outlook

Fruit and Tree Nut Grower Prices Gain in April from March, But Down From Year-Ago Level

The index of prices for fruit and tree nut growers rose 4 percent in April from the previous month but was 9 percent lower than in April 2008 (fig 1). At 123 (1990-92=100), the strength in the April index is attributed to grower price increases for oranges, lemons, and grapefruit (table 1). Fruit quality issues in March reduced the marketability of the Florida Valencia orange crop but improved quality in April drove up demand from processors, boosting grower prices for the month. As the market for fresh oranges shifts from California's Navel orange crop to its Valencia crop, fresh orange prices fell in April reflecting increased shipments of Valencia oranges in the market. Grapefruit prices strengthened as Florida's season was winding down with tight supplies for both the fresh and processing markets. Citrus price increases in April more than offset price declines for fresh strawberries and apples. Harvesting was already underway for the 2009 California strawberry crop, and increased supplies pressured strawberry prices down. Ample supplies of apples in cold storage at the same time domestic crops of summer fruit and berries have started to show increased presence in the market drove down apple prices.

The April 2009 index remained below the year-ago level as has been every monthly index since October 2008. Pulling down the index are lower grower prices for fresh apples, pears, grapefruits, and lemons. Bigger domestic crops of apples and lemons are driving down their prices. For apples, above-average supplies in cold storage from the big domestic apple crop harvested last fall and the presence of many small-size fruit will continue to put downward pressure on fresh apple prices through the end of the season in early summer. For lemons, this season's crop returned to a more normal size after the last two seasons' small crops, leading to the decline in lemon prices. With warmer weather approaching, demand for California lemons is expected to increase, and this will likely provide a boost to lemon prices in the

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



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

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

Commodity	2008		2009		2008-09 change	
	March	April	March	April	March	April
	Dollars per box				*Percent*	
Citrus fruit: 1/						
Grapefruit, all	2.70	2.89	3.33	3.56	23.3	23.2
Grapefruit, fresh	7.44	8.89	7.28	8.67	-2.2	-2.5
Lemons, all	23.67	22.13	1.97	3.40	-91.7	-84.6
Lemons, fresh	45.90	43.20	8.73	7.88	-81.0	-81.8
Oranges, all	6.20	6.40	5.06	6.48	-18.4	1.3
Oranges, fresh	8.11	7.20	11.09	10.27	36.7	42.6
	Dollars per pound					
Noncitrus fruit:						
Apples, fresh 2/	0.34	0.34	0.22	0.21	-35.8	-38.5
Grapes, fresh 2/	--	--	--	--	--	--
Peaches, fresh 2/	--	--	--	--	--	--
Pears, fresh 2/	0.26	0.26	0.22	0.22	-13.7	-16.1
Strawberries, fresh	0.95	0.66	0.93	0.79	-2.3	20.6

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*.

coming months. However, lemon prices through this summer will continue to average below those of a year ago. Despite smaller pear and grapefruit crops this season, their prices are down from a year ago partially due to weak demand in international markets. Increased competition from large supplies of apples priced lower than last year is also a factor affecting the current weakness in domestic fresh pear prices.

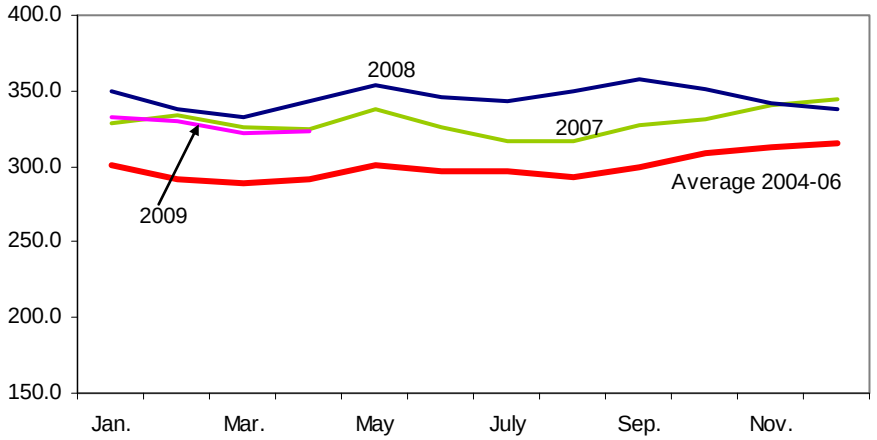
Retail Fresh Fruit Prices Lower in April than a Year Ago

The Consumer Price Index (CPI) for fresh fruit in April 2009 was 322.9 (1982-84=100), 6 percent lower than the CPI in April 2008 (fig. 2). Lower retail prices in April for navel oranges, grapefruit, lemons, Red Delicious apples, Anjou pears, and Thompson seedless grapes relative to the same time last year more than offset the higher prices for bananas and strawberries, driving down the April CPI (table 2).

Lemon prices experienced the biggest decline in April, falling 29 percent to $1.390 per pound from April 2008. The average lemon price this April, however, was about average compared with previous years, except for the last two seasons when tight supplies led to very high prices. Lackluster demand in export markets continues to divert fresh grapefruit supplies to the domestic market, driving grapefruit prices down 11 percent from a year ago to $1.894 per pound—the lowest April average price in the last 4 years. Significant volumes of imported grapes from Chile provided ample supplies to retailers and have kept Thompson seedless grape prices down this winter and spring. Red Delicious apple prices are down by only a fraction, but the CPI for apples in April was 9 percent lower than in April 2008 at 285.2 (1982-84=100), suggesting generally lower prices for other apple varieties. With still ample supplies left heading to the end of the 2008/09 season, consumers are likely to continue to pay lower prices for apples through early summer.

Banana retail prices remained strong as import volumes continued to be limited by available supplies in major producing regions. Strong demand for the Easter weekend and light shipments during the second half of April contributed to higher retail prices for strawberries in April. With harvest in California getting in full swing, supplies are increasing and the forecast record-large production this year will mean ample supplies for promotions, likely keeping the downward pressure on strawberry prices this summer.

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, 2008-09

Commodity	Unit	2008 March	2008 April	2009 March	2009 April	2008-09 change March	2008-09 change April
		--- *Dollars* ---		--- *Dollars* ---		--- *Percent* ---	
Fresh:							
Valencia oranges	Lb.	--	--	--	--	--	--
Navel oranges	Lb.	0.898	0.931	0.889	0.910	-1.0	-2.3
Grapefruit	Lb.	0.859	0.883	0.740	0.789	-13.9	-10.6
Lemons	Lb.	1.919	1.968	1.342	1.390	-30.1	-29.4
Red Delicious apples	Lb.	1.209	1.205	1.195	1.202	-1.2	-0.2
Bananas	Lb.	0.597	0.627	0.634	0.629	6.2	0.3
Peaches	Lb.	1.847	--	--	--	--	--
Anjou pears	Lb.	1.319	1.359	1.225	1.292	-7.1	-4.9
Strawberries 1/	12-oz. pint	2.073	1.777	2.070	1.849	-0.1	4.1
Thompson seedless grapes	Lb.	1.936	2.282	1.803	1.894	-6.9	-17.0
Processed:							
Orange juice, concentrate 2/	16-fl. oz.	2.543	2.559	2.634	2.623	3.6	2.5
Wine	liter	8.204	9.809	8.436	10.856	2.8	10.7

-- 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).

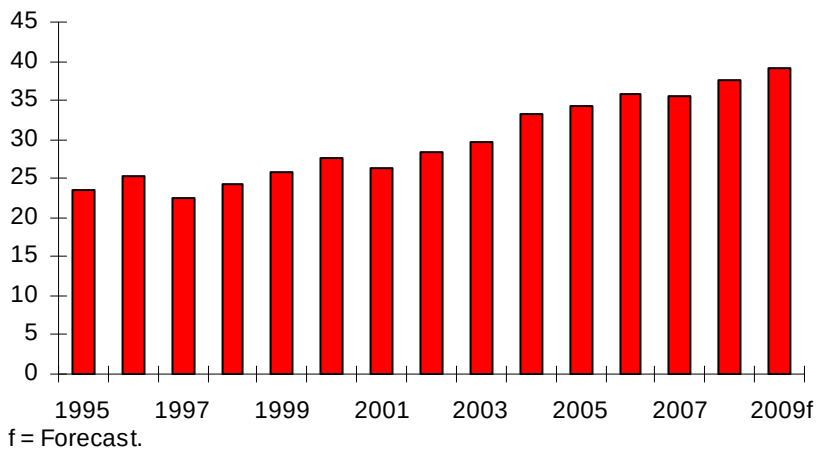
Record-High Strawberry Production Forecast for California in 2009, Florida Output Also Up

There should be ample supplies of U.S. strawberries this year given the expected big crops in two of the largest producing States—California and Florida. The initial forecast from USDA's National Agricultural Statistics Service (NASS) calls for record-high strawberry production in California for 2009, at 2.4 billion pounds, 4 percent above a year ago. California dominates U.S. strawberry production, accounting for nearly 90 percent of the overall annual crop. Ranking a distant second to California, the winter strawberry crop in Florida was forecast at 182.6 million pounds, up 2 percent from a year ago and the fifth largest crop on record.

Increased production in California and Florida is largely attributable to expanded harvested acreage as average yields per acre were forecast to remain steady from last year in California at 60,500 pounds while dropping 15 percent in Florida to 22,000 pounds. Growing domestic and international demand for U.S. fresh-market strawberries and, more often than not, strong grower prices over the last 10 years have encouraged the continued expansion in strawberry acreage in California. Current projections are for harvested acreage in 2009 to increase 4 percent from 2008, reaching 39,000 acres (fig. 3). In Florida, harvested acreage was projected at 8,300 acres, up 20 percent from 2008 and exceeding the State's recent average 10-year expansion pace of about 1 percent each year.

Strawberry shipments from this year's Florida winter crop have already ended and California's season is already underway. With the exception of some short-term supply gaps due to poor weather, overall market supplies have remained ample this year so far, driving down 2009 strawberry prices. January-April 2009 monthly grower prices for fresh-market strawberries in the United States averaged $1.03 per pound, down from $1.21 for the same period last year. With Florida's ample supplies this winter and higher import volumes, lower prices in January through

Figure 3
California's strawberry harvested acreage increasing



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

March held down the 4-month average. Cool weather and rains in California during the first half of February slowed its shipments temporarily during the latter part of the month. This is a typical low period for California strawberry shipments, however, because harvest is just getting started. Improved weather during the second half of the month helped the California crop to return to normal, increasing shipments about 11 percent in March from the same time last year and up about 5 percent in April through early May. The increasing presence of California supplies in the market drove March prices down 27 percent from the previous month to an average $0.93 per pound and again in April to $0.79 per pound. A heat wave that slowed shipments during the last two weeks of April helped raise grower prices above the April 2008 average. Barring any weather problems, prices in the months ahead are likely to continue to be pressured down by the buildup of California supplies over the summer.

At the U.S. retail level, ample supplies available in the market are being reflected in the prices consumers are paying for fresh strawberries so far this year. January-April fresh strawberry retail prices averaged $2.24 per 12-ounce dry print, compared with the January-April 2008 average of $2.42. Retail prices averaged lower than a year ago in January and February. Prices in March, prices averaged unchanged from a year ago and in April, prices were 4 percent higher despite increased overall supplies.

For 2009, ERS forecasts U.S. fresh strawberry consumption at a new record high, up about 5 percent from a year ago to 6.8 pounds per person. This level of demand will be met by the projected bigger domestic crop and from imports (table 3). If realized, this will be the eight consecutive year of record-breaking domestic fresh strawberry consumption. Over the past two decades, annual per capita consumption of fresh strawberries in the United States has been trending up. Strawberries are now the fifth most popular fresh fruit in the country, next to bananas, apples, grapes, and oranges. From around 3.5 pounds of fresh strawberries per person annually in the early 1990s, the average U.S. consumer now eats almost twice this amount. Per capita fresh strawberry consumption already exceeds that of peaches (including nectarines) and grapefruit. Growers have responded to this growth in strawberry demand by expanding acreage and introducing more varieties with different qualities and growing periods, allowing for a year-long extension of the season. Imports, while small relative to domestic production, also have contributed to meeting the supply needs of the U.S. market. Mexico is our largest source for imported strawberries, supplying 99 percent of total import volume annually over the last 5 years.

International demand for U.S. strawberries also has grown, increasing at an annual average rate of almost 10 percent since 2000. U.S. exports of fresh strawberries were at record volumes and value in 2008, totaling 269.3 million pounds and valued at $317.5 million. Exports rose to most of the industry's 30-plus international markets, including the top three—Canada, Mexico, and Japan. Despite current hardships in the global economy, international demand for U.S. strawberries has remained strong, with January-March export volume up 7 percent from the same time last year. The bulk of the exports went to Canada; volume was up 7 percent to that market in 2008, and export growth was considerably higher to other markets, notably Hong Kong, Japan, and Australia.

Table 3--Fresh strawberries: Supply and utilization in the United States, 1990 to date

Year	Supply			Utilization		
	Utilized production	Imports	Total supply	Exports	Consumption: Total	Consumption: Per capita
	Million pounds					*Pounds*
1990	863.6	32.2	895.8	85.7	810.1	3.24
1991	968.2	31.5	999.7	95.2	904.4	3.57
1992	999.7	23.8	1,023.5	102.3	921.2	3.59
1993	1,010.8	31.4	1,042.2	102.1	940.1	3.62
1994	1,147.7	43.7	1,191.4	126.4	1,065.0	4.05
1995	1,145.6	58.8	1,204.4	111.4	1,093.1	4.10
1996	1,212.6	67.3	1,279.9	116.0	1,163.9	4.32
1997	1,201.8	31.9	1,233.7	115.8	1,117.9	4.10
1998	1,132.2	58.1	1,190.3	109.3	1,081.1	3.92
1999	1,305.2	94.8	1,400.0	124.3	1,275.7	4.57
2000	1,433.3	76.2	1,509.5	136.5	1,373.0	4.86
2001	1,259.7	70.7	1,330.4	128.1	1,202.3	4.21
2002	1,406.3	89.9	1,496.2	156.9	1,339.3	4.64
2003	1,642.4	90.3	1,732.7	194.8	1,537.9	5.28
2004	1,694.4	94.4	1,788.8	182.6	1,606.3	5.46
2005	1,811.0	122.7	1,933.7	207.6	1,726.1	5.82
2006	1,910.9	153.4	2,064.3	229.1	1,835.2	6.13
2007	1,973.3	157.7	2,131.0	240.3	1,890.7	6.26
2008 1/	2,091.1	143.0	2,234.1	269.3	1,964.8	6.44
2009 2/	2,166.6	178.2	2,344.8	253.8	2,091.0	6.80

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

Frozen strawberry inventories at the start of 2009 were 5 percent lower than the average beginning inventories of the previous 5 years, likely increasing processor demand for freezer berries in 2009. By April 1, supplies in cold storage remained low, estimated by NASS at 151.7 million pounds, down 17 percent from the previous month and down 17 percent from the same time a year ago. Cumulative deliveries of freezer berries (Grade No.1, California) to processors beginning around mid-March through mid-May were 20 percent higher than what was reported the same time last year by the Processing Strawberry Advisory Board (PSAB) of California. Increased deliveries to processors partially reflect strong demand from processors based on frozen strawberry inventory levels earlier in the year. Because the frozen strawberry market serves as a residual outlet for the fresh market, the increase in deliveries in the past couple of months also likely reflects an increase in the quantity of strawberries that did not meet quality requirements for the fresh market due to February rains and a heat wave in late April. Deliveries of juice berries were also higher, running 18 percent above a year ago to date.

2009 Blueberry Crops in Early-Producing States Likely To Remain Large

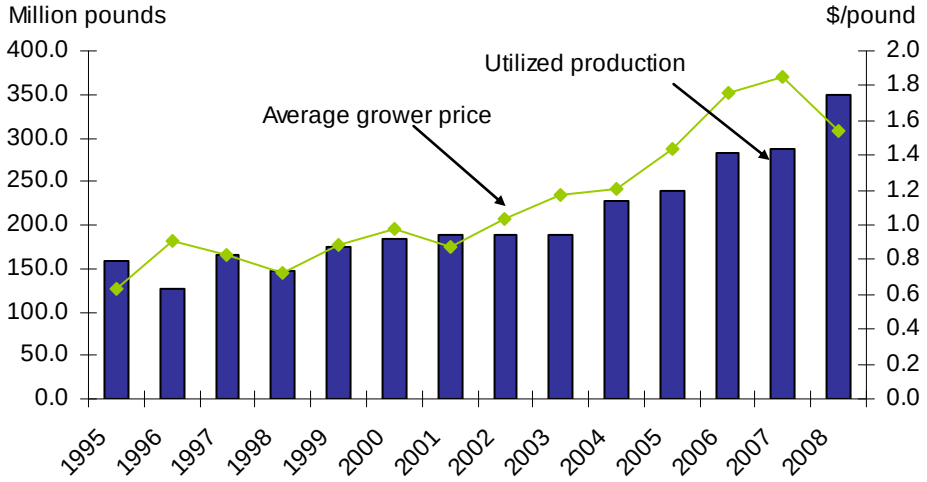
As of April, blueberry supplies in the United States had already transitioned from Southern Hemisphere imports this winter to domestic production, primarily from the smaller producing States in the southeast, like Florida and Georgia. Freezes in January and February in both of these States delayed the blueberry crops by 1 to 2 weeks and also caused some damage to production. However, with significant new acreages coming into production in recent years, industry sources have indicated that 2009 production in these States will likely be near the record highs of last year, suggesting ample supplies for the spring. Production in Florida in 2008 was 9.8 million pounds, up 26 percent from the previous year. Production in Georgia was 41 million pounds, more than three times the very small crop produced in 2007. Prompted by strong demand and high prices for blueberries in recent years,

harvested acreage also increased significantly in other producing States, including most big producers, driving the overall annual growth in production over the last few years (fig. 4).

Florida's shipments this season through early May were running 27 percent above the volume shipped last year the same time, but early spring blueberry prices have remained about the same as a year ago. Partly contributing to the price strength thus far is the lack of any significant overlap with Southern Hemisphere supplies unlike last year. F.o.b. prices in Central Florida in April were mostly in the range of $22.00-$24.00 per flat of 12 4.4-ounce cups, the same as a year ago. In May, f.o.b. prices ranged from $16.00-$18.00 per flat, down from the previous month as supplies have increased, but slightly higher than May 2008 prices ($15.00-$17.00 per flat).

Initial light harvest began in south Georgia in late April. The delay in the crop's start this season will also provide Florida growers an extended marketing window. Georgia's early crop likely will be small due to freezes this January and February, but the late crop likely will be strong, providing ample promotable volume when other producing States begin their season. As supplies build up, there will likely be a downward push on prices. By late spring and extending through the summer months, harvest will shift to bigger producers, starting with North Carolina's crop then moving further up north to New Jersey, New York, and Michigan. To the West, very light harvesting started in early May in California's Central and Southern San Joaquin Valley growing districts, and supplies are expected to increase seasonally as more handlers begin to harvest the crop. The quality of California's blueberry crop is reported to be good, boding well for prices.

Figure 4
U.S. grower prices for cultivated blueberries rising in most years despite increasing domestic production



Source: USDA, NASS, Noncitrus Fruit and Nuts Summary, various issues.

Major Stone Fruit Crops in California Likely Reduced from a Year Ago

On May 12, NASS reported its first official forecast for California's 2009 peach crop, setting it at 1.6 billion pounds. If realized, this year's crop will be down 6 percent from a year ago and 10 percent below the previous 5-year average production. The State's production of freestone peaches is forecast to be down in 2009 from a year ago, declining 13 percent to 740 million pounds while the clingstone peach crop is forecast to be up almost 1 percent, increasing to 860 million pounds. Over the past three years, a third of California's annual peach crop moved through the fresh market (table 4), utilizing 70 percent of the freestone crop. Processing-use production utilized virtually the entire clingstone crop and a portion of the freestone crop and together made up 70 percent of the State's total crop. California dominates U.S. peach production, supplying more than half of the total fresh-market crop and over 95 percent of all U.S. peaches produced for the processing sector.

Freeze damage in March contributed to the smaller California peach crop this year, but a bigger factor was above-average tree pullouts in orchards in recent years. These same factors also affected the State's 2009 nectarine and plum crops. Preliminary estimates from the California Tree Fruit Agreement (CTFA), the group managing the marketing order programs on behalf of California's peach, nectarine, and plum growers, indicated combined fresh-market production for these three major stone fruit crops in 2009 will be 16 percent below that of a year ago. CFTA forecast 2009 peach production to be 10 percent below a year ago, slightly lower than what NASS forecast the decline would be for the 2009 freestone peach crop. NASS production estimates for both the 2009 California nectarine and plum crops will not be available until January 2010. CFTA, however, indicated that the 2009 nectarine crop size likely will be down 14 percent from a year ago and the plum

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

Year	Production 1/	Utilization		Grower price	
		Fresh	Processed	Fresh	Processed 2/
		Million pounds		*--Dollars/pound--*	
1990	1,555	384	1,171	0.22	0.11
1991	1,597	402	1,195	0.16	0.11
1992	1,759	430	1,329	0.14	0.11
1993	1,640	386	1,254	0.19	0.11
1994	1,717	440	1,277	0.12	0.09
1995	1,323	323	1,000	0.24	0.11
1996	1,715	459	1,256	0.28	0.11
1997	1,839	498	1,341	0.14	0.13
1998	1,712	432	1,280	0.20	0.11
1999	1,792	508	1,284	0.20	0.11
2000	1,808	538	1,270	0.19	0.13
2001	1,677	538	1,139	0.21	0.12
2002	1,870	556	1,314	0.21	0.13
2003	1,837	565	1,272	0.20	0.11
2004	1,858	518	1,340	0.17	0.13
2005	1,738	504	1,234	0.27	0.13
2006	1,424	484	940	0.30	0.15
2007	1,898	594	1,304	0.25	0.15
2008 3/	1,704	584	1,120	0.20	0.17

1/ Utilized production. 2/ Prices are only for clingstones which represents about 80 percent of all California peaches processed. 3/ Preliminary.
Source: USDA, National Agricultural Statistics Service, *Noncitrus Fruit and Nuts Summary*, various issues.

crop would be down 30 percent. If these projected declines are realized, California's nectarine crop will be around 248,000 short tons (or 496 million pounds), slightly higher than the average crop size reported by NASS during 2005-07, while plum production will be below average, at around 108,000 short tons (or 216 million pounds) (tables 5 and 6).

Timing of this year's crops is reported to be similar to last year which was about 4-5 days behind historical norms. The slight delay in crop maturity may be viewed positively as providing more time for fruit to size. According to CTFA, the crops had good fruit set, and because orchards received sufficient chill hours this winter,

Table 5--Nectarines: Production, utilization, and season-average grower price, California

Year	Production 1/	Utilization		Grower price	
		Fresh	Processed	Fresh	Processed
		Short tons		*--Dollars/ton--*	
1990	232,000	229,500	2,500	2/	2/
1991	215,000	211,000	4,000	2/	2/
1992	236,000	233,000	3,000	2/	2/
1993	205,000	201,000	4,000	2/	2/
1994	242,000	238,000	4,000	2/	2/
1995	176,000	170,000	6,000	2/	2/
1996	247,000	239,800	7,200	2/	2/
1997	264,000	258,500	5,500	2/	2/
1998	224,000	207,600	16,400	2/	2/
1999	274,000	256,300	17,700	437.00	27.90
2000	267,000	260,700	6,300	407.00	24.00
2001	275,000	265,400	9,600	480.00	26.00
2002	300,000	300,000	--	382.00	--
2003	273,000	273,000	--	436.00	--
2004	252,000	252,000	--	342.00	--
2005	239,000	239,000	--	504.00	--
2006	218,000	218,000	--	517.00	--
2007	269,000	269,000	--	331.00	--
2008 3/	288,000	288,000	--	365.00	--

-- = None.
1/ Production all utilized. 2/ Not published to avoid disclosure of individual operations. 3/ Preliminary.
Source: USDA, National Agricultural Statistics Service, *Noncitrus Fruit and Nuts Summary*, various issues.

Table 6--Plums: Production, season-average grower price, and crop value, California

Year	Utilized production	Grower price	Crop value
	Short tons	*Dollars/ton*	*1,000 dollars*
1990	223,000	603.00	134,412
1991	218,000	449.00	97,894
1992	250,000	252.00	63,033
1993	185,000	508.00	93,954
1994	247,000	321.00	79,358
1995	124,000	950.00	117,849
1996	228,000	420.00	95,831
1997	246,000	312.00	76,825
1998	188,000	529.00	99,388
1999	196,000	419.00	82,041
2000	197,000	442.00	87,115
2001	210,000	306.00	64,362
2002	201,000	386.00	77,586
2003	209,000	418.00	87,362
2004	144,000	516.00	74,347
2005	171,000	541.00	92,463
2006	158,000	688.00	108,648
2007	152,000	665.00	101,077
2008 1/	154,000	356.00	54,824

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

expectations are for fruit quality and flavor to be very good, likely aiding prices. The freeze in March did not cause any widespread damage, although there were some growers who experienced significant losses. The freeze mostly affected the early peach and nectarine varieties, leading to much lighter supplies for these fruit at the beginning of the season. Cumulative pack-outs for peaches and nectarines through May 15, 2009 were running 38 percent and 31 percent below the same time last year, driving prices higher. As of mid-May, the range in prices for various yellow flesh California well-matured peaches in the Central and Southern San Joaquin Valley averaged $28.10 (f.o.b. shipping point) for a two-layer tray pack of size 48-50s, $24.10-$26.10 for 54-56s, and $20.10-$22.10 for 60-64s. For the same period in 2008, f.o.b. prices averaged $25.05-$26.05 for 48-50s, $23.05-24.05 for 50-56s, and $19.05-$21.95 for 60-64s. For nectarines, f.o.b. shipping point prices for various yellow flesh varieties for a two-layer tray pack averaged $30.10-$31.10 for size 54-56s and $28.10-$30.10 for 60-64s. Relative to last year, nectarine f.o.b. prices were at $28.05-$30.05 for 54-56s and $25.05-$27.95 for 60-64s. Plum supplies were not yet in sufficient volumes to establish a market price at the time this report was released.

Processor supplies of peaches in 2009 will be up as a result of the bigger clingstone crop. The increase in processing-use supplies will likely put downward pressure on prices California growers will receive from processors this year for their crop. In light of the smaller clingstone crop last year, the 2008 average grower price reached a record-high at $0.174 per pound ($347 per ton), up from $0.152 per pound ($304 per ton) in 2007.

Reduced Supplies, High Prices to Push Banana Consumption Down in 2009

Light banana supplies in the United States early in 2009 drove up January-April banana retail prices. Cumulative imports this year through March were down 3 percent from where they were in terms of volume the same time last year, mostly reflecting the lower shipments from our major supplying countries—Guatemala, Costa Rica, and Honduras (table 7). Imports were down in January and February but were 8 percent higher in March 2009 than in March 2008. Weather-reduced production in many banana-producing regions in Central America and the Caribbean was a major factor for the lower year-to-date imports in the United States. Rains and flooding during the latter part of 2008 will likely continue to limit supplies from Costa Rica and Honduras this spring, and cooler weather in Guatemala may also impact its supplies in the coming months. Therefore, despite a stronger U.S. dollar, imports are likely to remain light through most of the first half of 2009, keeping banana prices strong for this period. Imports make up almost all of the banana supplies in the United States, averaging over 8.5 billion pounds annually in recent years and valued at over $1.1 billion.

U.S. retail prices for bananas in 2009 continued to set record-breaking high monthly averages for each month through April, based on U.S. Bureau of Labor Statistics (BLS) data. Retail banana prices have been setting record-high monthly levels beginning February 2008 due to tight global supplies last year. Because of the large gain in import volume between February and March 2009, retail prices fell from an average $0.641 per pound to $0.634 over this period and to $0.629 per pound in April. Continued weather-related problems limiting supplies and higher input costs

resulting from the current global economic crisis added to the overall cost of importing, and some of these costs are being passed on to consumers. Although U.S. Census Bureau trade data were available only through March 2009 and BLS retail price data through April 2009 at the time this report was released, AMS data indicate continued lower but increasing imports through early May and retail prices averaging about the same as last year.

The United States is almost completely dependent on imports for banana consumption as domestic Hawaiian production accounts for only a fraction of overall supplies. U.S. banana consumption has declined from the record high 30.7 pounds per person in 1999 to an average 25 pounds over the last 5 years (table 8). Should imports continue lower, the downward trend in domestic consumption will continue, likely resulting to a per capita consumption below the recent 5-year average and the lowest since 1990.

Table 7--U.S. imports of fresh bananas, excluding plantains, by country, 2004-09

Country	2004	2005	2006	2007	2008	Jan.-Mar. 2008	Jan.-Mar. 2009	Change 2008-09
	Million pounds							*Percent*
Guatemala	2,250	2,269	2,013	2,411	2,621	584	607	4
Costa Rica	1,908	1,814	2,044	2,286	1,928	462	373	-19
Ecuador	2,026	1,994	2,192	2,048	1,830	581	637	10
Honduras	1,120	999	932	1,064	1,111	294	209	-29
Colombia	1,024	1,133	1,045	832	994	206	232	12
Other countries	210	223	238	186	283	58	70	21
World	8,538	8,431	8,465	8,827	8,766	2,185	2,127	-3

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

Table 8--Fresh bananas: Supply and utilization in the United States, 1990 to date

Calendar year	Supply			Utilization		
	Utilized production	Imports 1/	Total supply	Exports	Consumption Total	Consumption Per capita
	Million pounds					*Pounds*
1990	11.3	6,077.7	6,089.0	0.0	6,089.0	24.36
1991	11.4	6,333.8	6,345.2	0.0	6,345.2	25.05
1992	12.0	6,949.7	6,961.7	0.0	6,961.7	27.12
1993	11.7	6,906.1	6,917.8	0.0	6,917.8	26.60
1994	13.7	7,299.0	7,312.7	0.0	7,312.7	27.78
1995	13.0	7,200.8	7,213.8	0.0	7,213.8	27.08
1996	13.0	7,425.7	7,438.7	0.0	7,438.7	27.60
1997	13.7	7,394.0	7,407.7	0.0	7,407.7	27.16
1998	21.0	7,709.1	7,730.1	0.0	7,730.1	28.01
1999	24.5	8,545.8	8,570.3	0.0	8,570.3	30.70
2000	29.0	8,003.8	8,032.8	0.0	8,032.8	28.44
2001	28.0	7,570.1	7,598.1	0.0	7,598.1	26.62
2002	20.0	7,694.5	7,714.5	0.0	7,714.5	26.75
2003	22.5	7,589.2	7,611.7	0.0	7,611.7	26.13
2004	16.5	7,549.1	7,565.6	0.0	7,565.6	25.73
2005	20.9	7,437.0	7,457.9	0.0	7,457.9	25.17
2006	22.0	7,484.6	7,506.6	0.0	7,506.6	25.09
2007	25.6	7,811.6	7,837.2	0.0	7,837.2	25.95
2008	22.8	7,609.4	7,632.2	0.0	7,632.2	25.03
2009 F	23.5	7,510.9	7,534.3	0.0	7,534.3	24.49

F=Forecast.
1/ Imports are net of re-exports.
Source: USDA, Economic Research Service calculations.

U.S. Papaya Prices Down with Larger Import Volumes in 2009

U.S. fresh papaya imports this year through March were up 25 percent in volume relative to last year the same time, driving down 2009 domestic papaya prices from a year ago. Imports were up 28 percent from Mexico, the source of most of the papaya supplies in the United States (table 9). Although dwarfed by the volume coming in from Mexico, January-March imports from Belize were up even more sharply than for imported Mexican papayas. Combined import volume from both countries made up 95 percent of all U.S. imported papayas during the first 3 months of 2009. For this same period, imports from other countries were mostly down from a year ago due to unfavorable weather conditions.

January terminal market prices for Mexican Maradol type papayas in Philadelphia averaged in the range of $22.00-$23.00 for a 35-pound carton, compared with $28.00-$29.00 in January 2008. As the year has progressed, prices have declined with the build up of Mexican supplies. Early May prices averaged in the $18.00-$21.00 per 35-pound carton range and ran $4.00 to $6.00 per carton cheaper than the same time a year ago. Despite the increase in Mexican supplies, strong demand and lower volume from other key suppliers have kept prices for other sourced, other variety-type papayas near last year's level.

Heavy rains and stormy conditions in September and October of 2008 affected papaya production regions in Central America and the Caribbean, slowing U.S. import volumes from Guatemala, the Dominican Republic, and Jamaica during the early part of 2009. Despite heavy rains that flooded some papaya fields in Belize, imports from the country through March were up 59 percent. AMS weekly shipment data indicate import shipments in April through early May remained above a year ago, especially from Mexico, consistent with the direction of import volume during the first three months of the year as reported by the U.S. Department of Commerce, U.S. Census Bureau.

Production in Hawaii, the major domestic papaya producer, has generally trended down since the mid-1990s, averaging around 30 million pounds during 2006-08 (table 10). Papaya demand in the United States has since been fulfilled mostly by imports. Growing at an average annual rate of 8 percent since 2000, imports now

Table 9--U.S. imports of fresh papayas, by country, 2004-09

Country	2004	2005	2006	2007	2008	Jan.-Mar. 2008	Jan.-Mar. 2009	Change 2008-09
				1,000 pounds				*Percent*
Mexico	207,703	176,772	200,968	204,210	187,132	48,124	61,785	28
Belize	53,390	61,104	74,712	73,831	62,104	9,290	14,810	59
Brazil	10,700	10,134	8,073	9,183	8,363	2,577	1,699	-34
Guatemala	914	2,740	2,248	3,396	8,204	2,234	1,315	-41
Dominican Republic	2,647	2,400	2,175	11,326	4,685	1,160	672	-42
Jamaica	2,197	2,277	2,907	2,186	2,416	684	402	-41
Other countries	252	461	303	345	1,196	342	39	-89
World	277,803	255,886	291,385	304,477	274,100	64,410	80,723	25

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

Table 10--Fresh papayas: Supply and utilization, 1990 to date

Year	Supply			Utilization		
	Utilized production	Imports	Total supply	Exports	Consumption	
					Total	Per capita
	Million pounds					*Pounds*
1990	58.0	11.5	69.5	25.4	44.1	0.18
1991	48.2	13.4	61.5	18.6	42.9	0.17
1992	55.8	23.1	78.9	17.9	61.0	0.24
1993	58.2	31.3	89.5	16.7	72.8	0.28
1994	56.2	41.2	97.4	18.3	79.1	0.30
1995	41.9	73.4	115.3	17.3	98.0	0.37
1996	37.8	126.1	163.9	17.7	146.2	0.54
1997	35.7	106.3	142.0	13.8	128.1	0.47
1998	35.6	105.6	141.2	12.8	128.4	0.47
1999	39.4	146.6	186.0	11.8	174.2	0.62
2000	50.3	154.1	204.3	11.5	192.9	0.68
2001	52.0	186.1	238.1	14.2	223.9	0.78
2002	42.7	195.2	237.9	10.8	227.1	0.79
2003	40.8	224.6	265.4	11.6	253.8	0.87
2004	34.1	277.8	311.9	10.0	301.9	1.03
2005	30.7	255.9	286.6	9.4	277.2	0.94
2006	26.6	291.4	318.0	7.9	310.1	1.04
2007	31.2	304.5	335.7	8.4	327.3	1.08
2008 1/	30.7	274.1	304.8	7.6	297.2	0.97
2009 2/	24.3	296.1	320.4	7.6	312.8	1.02

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

constitute over 90 percent of papaya supplies in the United States. Imports reached record volume in 2007, totaling 304.5 million pounds valued at $73.1 million. Stormy conditions and flooding during the second half of 2007 sharply reduced production across Central America and the Caribbean in 2008. This resulted in a 10-percent reduction in last year's import supplies in the United States, totaling 274.1 million pounds and value down slightly from the previous year at $72.3 million. Exports continue to comprise only a small portion of the market for papayas in the United States, with over 96 percent of U.S. papaya supplies sold in the domestic market. Domestic demand for fresh papayas has been growing an average 6 percent annually since 2000 with average domestic consumption estimated at 1.0 pound per person annually during the last 5 years. Despite robust demand, the reduced availability of papayas from imports in 2008 resulted in per capita consumption slipping 10 percent from the previous year to 0.97 pound. If Mexico continues to provide large supplies throughout the year and if production from other important suppliers recovers from the slow start this year as is likely, there should be ample supplies to meet demand, and consumption is likely to return to or slightly exceed 1.0 pound per person in 2009.

Spring Mango Supplies Increasing But Overall Supplies Still Down

After a big dip earlier this year, mango supplies in the United States this spring are building up, thanks to increasing imports from Mexico. Mangoes from Peru and Ecuador, the major early-season suppliers to the U.S. market, were down due to weather problems in the two countries. The Mexican mango season took off earlier and stronger than normal this year, in part to fill in for the weather-shortened supplies from Peru and Ecuador. Relative to the same period in 2008, import volumes during the first three months of 2009 were down 64 percent from Peru and down 21 percent from Ecuador (table 11). For the same period, imports from Mexico were 65 percent above the volume shipped in 2008, with substantial volumes already showing up by February rather than in March as in previous years.

Moreover, AMS shipment data indicate Mexican volumes in April through early May were 44 percent ahead of last season, except during the third week in April when shipments declined 27 percent from the previous week and were 20 percent below the same time a year ago. While this temporary dip in Mexican supplies may be partially attributed to diminished supplies of the yellow-skinned variety, Ataulfos, because of a light second bloom, shipments of other varieties such as Tommy Atkins and Hadens are coming into season and increasing, compensating for falling Ataulfo supplies over the last few weeks.

Mango prices are slipping as a result of the rising overall supplies from Mexico. Because of the sluggish volume at the beginning of the year, however, f.o.b. shipping-point prices for mangoes have not been very low relative to last year. Based on AMS data, cumulative imports for this season through early May remained below a year ago but the rate of decline in supplies has slowed from earlier in the year. F.o.b. shipping point prices for Mexican Ataulfo mangoes crossing through Texas in February were in the range of $9.00-$10.00 per 1-layer carton (12s), declining to $7.00-$8.00 per carton in March. Prices strenghtened somewhat in April while those for Mexican Tommy Atkins and Hadens trended down. By early May, prices for Ataulfo's (12s) were in the $8.00-$8.50 range and Tommy Atkins and Hadens (10-12s) ranged $3.00-$3.50.

With the large supplies from Mexico, U.S. consumers are able to purchase mangoes at a lower cost this spring than last. Through April, retail mango prices have declined each month since February. Supplies in Mexico are expected to reach peak levels in early summer as harvests in other production regions in Mexico get underway, putting additional downward pressure on prices. While mango demand has been growing in the United States in the past decade, there are concerns that the present economic downturn could hinder U.S. mango sales. However, if mango prices stay low through the summer, they should help attract demand, especially among those who are not traditional consumers of the fruit.

There is very little mango production in the United States so the domestic market relies almost entirely on imports for meeting the growing demand for this fruit (table 12). Export markets account for only 2-3 percent of overall domestic supplies and are valued at around $9.0 million, with the United Kingdom, Canada, and Mexico the top three markets. Recent annual U.S. imports have reached over

Table 11--U.S. imports of fresh mangoes, by country, 2004-09

Country	2004	2005	2006	2007	2008	Jan.-Mar. 2008	Jan.-Mar. 2009	Change 2008-09
				1,000 pounds				*Percent*
Mexico	383,760	350,476	397,802	406,640	400,335	43,220	71,502	65
Peru	66,857	65,816	74,104	64,353	84,296	81,769	29,069	-64
Brazil	59,937	57,637	50,901	54,405	56,760	1,899	0	-100
Ecuador	55,194	53,093	68,498	68,868	54,451	17,313	13,617	-21
Guatemala	19,346	20,539	20,130	28,398	32,891	7,934	3,735	-
Haiti	17,779	20,703	22,632	18,531	18,238	0	0	-
Other countries	6,364	6,794	10,513	9,725	8,902	4,825	2,753	-43
World	609,236	575,058	644,580	650,919	655,873	156,959	120,676	-23

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

Table 12--Fresh mangoes: Supply and utilization in the United States, 1990 to date

Year	Supply			Utilization		
	Utilized production	Imports 1/	Total supply	Exports 2/	Consumption	
					Total	Per capita
	Million pounds					*Pounds*
1990	19.3	130.5	149.7	15.8	133.9	0.54
1991	27.5	203.6	231.1	15.2	215.9	0.85
1992	22.0	167.9	189.9	17.1	172.8	0.67
1993 3/	2.8	243.9	246.7	14.9	231.7	0.89
1994	5.5	271.4	276.9	21.7	255.1	0.97
1995	8.3	312.4	320.6	22.2	298.4	1.12
1996	5.5	378.3	383.8	22.9	360.9	1.34
1997	5.5	411.3	416.8	25.2	391.6	1.44
1998	NA	435.2	435.2	23.2	412.0	1.49
1999	NA	483.1	483.1	29.8	453.3	1.62
2000	NA	518.3	518.3	23.3	495.0	1.75
2001	NA	524.6	524.6	14.6	510.0	1.79
2002	NA	580.6	580.6	11.8	568.8	1.97
2003	NA	613.8	613.8	14.5	599.4	2.06
2004	NA	609.2	609.2	17.1	592.1	2.01
2005	NA	575.1	575.1	18.3	556.7	1.88
2006	NA	644.6	644.6	16.7	627.9	2.10
2007	NA	650.9	650.9	15.8	635.1	2.10
2008 4/	NA	655.9	655.9	14.6	641.3	2.10
2009 5/	NA	631.8	631.8	16.3	615.5	2.00

NA= Not available.
1/ Imports 1989-92 include small amounts of fresh guava. 2/ Exports 1989-92 include mangosteens and guavas. 3/ Reflects tree losses due to Hurricane Andrew in August 1992.
4/ Preliminary. 5/ Forecast.
Source: USDA, Economic Research Service calculations.

650 million pounds, with Mexico being our largest mango supplier, accounting for over 60 percent of total import volume. Imports have been increasing an average 4 percent annually since 2000, setting record high volumes each year during 2006-08. As a result, domestic consumption, while steady year-to-year during 2006-08, was at a record high in those years, estimated at 2.10 pounds per person each year. Prior to the recent highs, per capita consumption had trended up from 0.54 pound in 1990 to 1.75 pounds in 2000 and to 2.06 pounds in 2003, marking the first year when consumption reached 2.0 pounds per person.

Depending on how much Mexico ships to the United States in 2009, the significant decline in imports from South American suppliers earlier this year will likely bring down overall imports in the United States for this year. Industry sources have also indicated that Mexico is giving particular attention to quality this year, so there will likely be a decline in the number of small fruit exported. This could mean that, while imports from Mexico are expected to be ample for the year, shipments from the country will likely fall below last year's large volume of 400 million pounds, the second-largest mango shipments the United States has ever received from Mexico. Initial ERS projections show total imports this year declining 4 percent from 2008. Should exports continue to increase at the same average pace as earlier in the year, estimated domestic consumption is projected to decline slightly from the record levels of the past 3 years to 2.00 pounds per person.

Early 2009 Pineapple Imports Down for Fresh and Canned, Up for Juice

During the first 3 months of 2009, U.S. fresh pineapple imports were down 11 percent from the same months in 2008 and canned pineapple imports were down 15 percent (tables 13 and 14). Pineapple juice imports, on the other hand, were up 19 percent for the same period (table 15).

Table 13--U.S. imports of fresh and frozen pineapples, by country, 2004-09

Country	2004	2005	2006	2007	2008	Jan.-Mar. 2008	Jan.-Mar. 2009	Change 2008-09
				1,000 pounds				*Percent*
Costa Rica	873,559	978,920	1,161,862	1,280,268	765,120	307,173	278,780	-9
Mexico	60,102	61,238	49,697	64,815	40,405	29,527	27,968	-5
Ecuador	76,817	83,291	80,148	74,935	39,799	12,766	13,942	9
Guatemala	38,840	71,889	73,144	60,562	1,617	17,000	12,004	-29
Honduras	75,911	73,072	28,047	44,445	45,478	16,671	12,084	-28
Panama	3,884	8,321	7,437	17,094	930	5,160	3,068	-41
Thailand	8,894	10,032	7,769	7,410	6,845	2,477	1,480	-40
Philippines	153	4,424	10,322	7,238	0	3,155	2,853	-10
Other countries	1,587	1,985	3,036	2,035	826	570	502	-12
World	1,139,747	1,293,172	1,421,462	1,558,803	902,645	394,501	352,681	-11

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

Table 14--U.S. imports of canned pineapples, by country, 2004-09

Country	2004	2005	2006	2007	2008	Jan.-Mar. 2008	Jan.-Mar. 2009	Change 2008-09
				1,000 pounds				*Percent*
Thailand	240,722	280,029	320,931	286,192	315,410	89,183	85,612	-4
Philippines	286,954	281,726	266,220	276,527	252,306	66,081	54,053	-18
Indonesia	113,174	129,213	124,735	103,016	119,300	26,972	24,505	-9
China	58,299	75,108	69,035	76,862	75,038	25,202	15,619	-38
Malaysia	16,463	16,037	16,746	24,486	11,059	4,397	2,332	-47
Vietnam	2,343	2,935	1,935	2,675	7,003	2,550	72	-97
Other countries	7,765	5,801	8,128	5,084	5,867	1,409	1,077	-24
World	725,720	790,850	807,730	774,843	785,983	215,795	183,271	-15

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

Table 15--U.S. imports of pineapple juice, by country, 2004-09

Country	2004	2005	2006	2007	2008	Jan.-Mar. 2008	Jan.-Mar. 2009	Change 2008-09
				1,000 single-strength gallons				*Percent*
Philippines	40,820	36,971	38,191	35,464	38,754	10,249	9,933	-3
Thailand	16,732	17,384	21,133	19,500	20,213	7,155	9,939	39
Indonesia	6,451	7,991	7,146	3,539	3,716	1,946	3,306	70
Costa Rica	1,634	2,655	3,251	4,742	10,224	1,108	1,753	58
Kenya	77	25	89	262	627	777	245	-68
Other countries	2,628	2,665	2,975	2,818	1,593	266	452	70
World	68,343	67,692	72,785	66,326	75,391	21,501	25,627	19

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

U.S. fresh pineapple imports this year through March were down significantly from all leading foreign suppliers, except Ecuador. Cold temperatures throughout Central America have affected pineapple production supplies in most of the leading U.S. sources, tightening fresh pineapple import volumes to date. The United States' growing demand for fresh pineapples continues to rely heavily on imports. Despite lower imports to date, U.S. retailers are offering pineapples at a lower price than a year ago, likely in an effort to boost sales at a time of economic hardships when consumers are likely to be more conscious in their food-purchasing choices. AMS data report pineapple retail prices from January through April averaged $0.07 to $0.25 less than at the same time in 2008. With pineapples priced at $3.20 each in

early May, consumers were still paying about $0.24 less than what they paid for pineapples at the same time last year.

Although pineapples are not as exotic as other newly introduced tropical fruits in the United States, more mainstream American consumers still likely do not regard fresh-market pineapples as a staple. Pineapples have been around for U.S. consumers for decades but most of what has been consumed in the past was in the form of canned fruit or juice. Domestic fresh pineapple demand took off only around the mid-1990s with the introduction of golden sweet varieties and fresh-cut products that made a market impact (table 16). Also partially contributing to increased domestic demand is the growing Latin American and Southeast Asian immigrant populations who mostly already have an established familiarity with the fresh product. Per capita consumption of fresh pineapples in the United States during 2006-08 was estimated at slightly over 5.0 pounds annually, more than three times the level of consumption in 1995-97. Continued lower imports in the coming months could push per capita consumption below the average of the past 3 years.

Nearly 80 percent of total import volume through March came from Costa Rica. Cold weather and rains reduced pineapple supplies in Costa Rica, driving down volumes shipped to the United States 9 percent during the first 3 months of 2009 from the same period in 2008. Import volumes declined even more significantly from other sources in Central America, such as Guatemala, Honduras, and Panama, and were also down from other key suppliers, such as Mexico, Thailand, and the Philippines.

Table 16--Fresh pineapples: Supply and utilization in the United States, 1990 to date

Calendar year	Supply			Utilization		
	Utilized production	Imports	Total supply	Exports	Consumption	
					Total	Per capita
	Million pounds					*Pounds*
1990	282.0	251.1	533.1	20.7	512.4	2.05
1991	250.0	253.9	503.9	19.6	484.3	1.91
1992	260.0	272.7	532.7	20.9	511.7	1.99
1993	270.0	280.3	550.3	20.2	530.1	2.04
1994	260.0	289.1	549.1	17.8	531.3	2.02
1995	250.0	274.7	524.7	16.3	508.4	1.91
1996	230.0	298.2	528.2	17.2	511.0	1.90
1997	206.0	449.7	655.7	17.0	638.8	2.34
1998	222.0	557.4	779.4	19.7	759.7	2.75
1999	244.0	624.1	868.1	21.7	846.4	3.03
2000	244.0	692.3	936.3	26.8	909.5	3.22
2001	220.0	708.3	928.3	26.3	902.1	3.16
2002	234.0	894.4	1,128.4	28.2	1,100.2	3.81
2003	260.0	1,044.9	1,304.9	27.2	1,277.6	4.39
2004	208.0	1,126.7	1,334.7	34.4	1,300.2	4.42
2005	212.0	1,273.8	1,485.8	33.4	1,452.4	4.90
2006	192.0	1,397.9	1,589.9	34.5	1,555.4	5.20
2007	NA	1,536.2	1,536.2	20.5	1,515.7	5.02
2008	NA	1,573.2	1,573.2	26.3	1,546.9	5.07
2009 F	NA	1,486.0	1,486.0	26.6	1,459.4	4.74

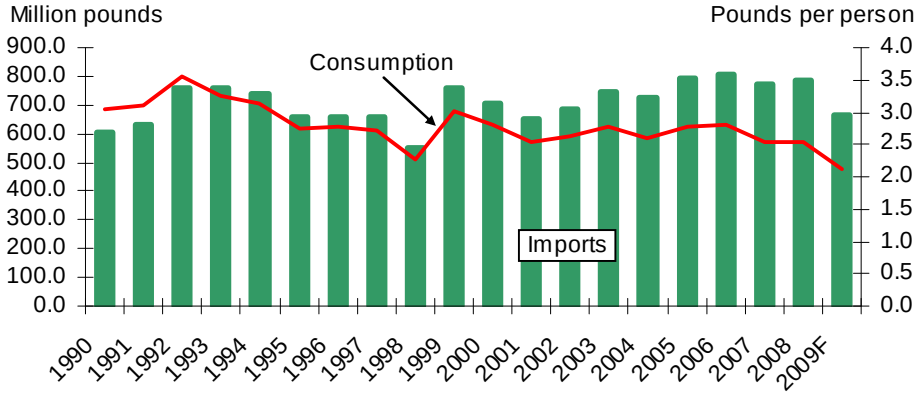
F = Forecast.
NA = Not available.
Source: USDA, Economic Research Service calculations.

U.S. canned pineapple imports from major suppliers in January-March 2009 were down from the same period a year ago. Accounting for almost half the volume to date, imports declined 4 percent from Thailand, the top supplier to the United States. Further pulling down imports were bigger declines from other key sources —the Philippines, Indonesia, China, Malaysia, and Vietnam. The United States has imported an average 777 million pounds (processed-weight equivalent) of canned pineapple annually over the last 5 years (fig. 5). Imports account for nearly all U.S. consumption of canned pineapple. With fluctuations year to year, imports were at a record high in 2006 at 807.7 million pounds. Average canned pineapple consumption in the United States is estimated at around 2.7 pounds per person during 2004-08, processed-weight basis. Export markets take up about 1 percent of overall domestic canned pineapple supplies. Because imports dominate the U.S. canned pineapple market, continued low import volumes will drive down domestic canned pineapple consumption in 2009 from the estimate of 2.55 pounds per person in 2008. The 15-percent rate of decline in January-March imports and strong exports during the same period, if realized throughout the year, could push domestic consumption down to a record low, at around 2.13 pounds. January-March export volume was up 33 percent from the same time in 2008, with big increases to Mexico, several Carribean countries, and some markets in South America.

U.S. pineapple juice imports from all sources totaled 75.4 million (single-strength) gallons in 2008—the highest in the last 5 years (fig. 6). The United States sources more than half of its pineapple juice imports from the Philippines. Imports in 2008 rose from the top three suppliers—the Philippines, Thailand, and Indonesia. In addition, volumes shipped from important but smaller suppliers, particularly Costa Rica and Kenya, were more than twice the volumes they shipped the previous year. Imports continue to be large going into 2009: as of the first three months, imports of pineapple juice from the Philippines fell 3 percent below a year ago the same time, but this decline was more than offset by sharp increases from Thailand, Indonesia, and Costa Rica. Should imports continue to increase throughout the year at the same pace in the first 3 months, domestic pineapple juice consumption is projected to increase from the estimated 0.27 gallon per person in 2008 to around 0.32 gallon per person in 2009—the highest per capita consumption estimate in 5 years.

Figure 5

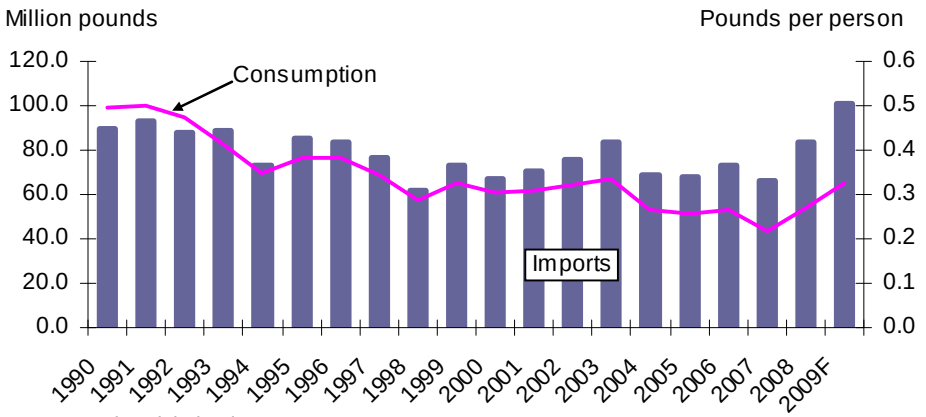
Canned pineapple: U.S. imports and domestic consumption*



* Processed-weight basis. F=Forecast.
Source: U.S. trade data from the U.S. Dept. of Commerce, U.S. Census Bureau; and consumption estimates derived by USDA, Economic Research Service.

Figure 6

Pineapple juice: U.S. imports and domestic consumption*



* Processed-weight basis. F=Forecast.

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

2008/09 Citrus Crop Size Forecast Increases as Season Progresses

The NASS forecast for the total 2008/09 U.S. citrus crop increased 1 percent in April to 11.8 million tons, due mostly to an increase in the forecast for California navel oranges (table 17). The April *Crop Production* report forecast a 10-percent increase in California's navel orange crop to 1.4 million tons compared to the 1.3 million tons reported in the March *Fruit and Tree Nuts Outlook* report. The bigger navel orange crop offset revised forecasts for smaller Florida early to- mid-season oranges, California and Florida grapefruit, California mandarins, and Florida tangerines. NASS' production forecasts remained unchanged between April and May for oranges, but showed a decline in Florida's grapefruit and tangerine crop sizes in its May *Crop Production* report.

Smaller than Average California Orange Crops Brings Growers Strong Prices

Despite the revised NASS forecast for a larger California navel orange crop than originally forecast this season, total orange production for the State is expected to reach only 2 million tons, the second smallest since 2003/04. At the onset of the new season's crop, NASS reported that the fruit set for California's navel oranges were the lowest on record. This was the major factor in the initial forecast for a 34-percent smaller crop than last season. As this season has progressed, numerous weather incidents affected production, including a freeze in March. Despite the weather effects, the navel oranges sized well this season, and the larger fruit helped boost the crop production forecast for the season. The larger fruit, however, was not sufficient to offset the lower fruit set resulting in lower yields, and the April forecast for California's navel crop was down 16 percent from last season.

Although the crop is smaller this season, the bigger-sized fruit and reported good quality has helped drive demand, and shipments have been strong. According to AMS data, orange shipments this season through the first week in May were running 4 percent ahead of last season during the same time period. The industry

Table 17--Citrus: Utilized production, 2006/07, 2007/08 and forecast for 2008/09 1/

Crop and state	2006/07	2007/08	Forecast for 2008/09 as of 3-2009	2006/07	2007/08	Forecast for 2008/09 as of 3-2009
	1,000 boxes 2/			*1,000 tons*		
Oranges:						
Early/mid-season and navel:						
Arizona	200	230	150	7	9	6
California	34,500	45,000	38,000	1,294	1,688	1,425
Florida 3/	65,600	83,500	84,600	2,952	3,757	3,807
Texas	1,600	1,500	1,550	68	64	66
Total	101,900	130,230	124,300	4,321	5,518	5,304
Valencia:						
Arizona	100	150	150	4	6	6
California	11,500	17,000	15,000	431	638	563
Florida	63,400	86,700	73,000	2,853	3,902	3,285
Texas	380	234	150	16	10	6
Total	75,380	104,084	88,300	3,304	4,556	3,860
All oranges	177,280	234,314	212,600	7,625	10,074	9,164
Grapefruit:						
Arizona	100	100	150	3	3	5
California	5,500	5,200	4,400	184	174	147
Florida	27,200	26,600	22,500	1,156	1,131	957
Texas	7,100	6,100	6,200	284	244	248
All grapefruit	39,900	38,000	33,250	1,627	1,552	1,357
Tangerines:						
Arizona	300	400	250	11	15	9
California	3,500	6,700	6,700	131	251	251
Florida	4,600	5,500	3,900	219	261	185
All tangerines	8,400	12,600	10,850	361	527	445
Lemons:						
Arizona	2,500	1,500	2,500	95	57	95
California	18,500	14,800	19,000	703	562	722
All lemons	21,000	16,300	21,500	798	619	817
Tangelos						
Florida	1,250	1,500	1,150	56	68	52
All citrus	247,830	302,714	279,350	10,467	12,840	11,835

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 -90; tangerines-AZ and CA-75, FL-95. 3/ Includes Temples.
Source: USDA, National Agricultural Statistics Service, *Crop Production* , various issues.

reports there is sufficient supply to market navels through May with some shipments likely in early June.

Adding together the strong demand and a smaller crop, it is not surprising that grower prices have been strong this season. While prices started out below the previous 6-year average this past November, at $10.47 per 75-lb box, they picked up in December and have remained strong, averaging $12.77 per box through April (table 18).

Table 18--Fresh oranges: Average equivalent on-tree prices received by growers, California, 2002/03-2008/09

Month	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
	Dollars/75-lb box						
November	11.05	12.20	13.00	13.00	9.49	15.28	10.47
December	8.25	10.00	10.40	10.60	12.39	10.98	13.97
January	5.65	8.50	9.50	9.10	12.39	9.48	14.87
February	4.26	8.55	8.95	9.11	24.68	8.27	13.37
March	6.45	10.10	9.34	9.20	22.71	8.39	12.28
April	8.41	9.74	10.47	11.30	22.74	7.61	11.63
Nov.-Apr. Average	7.35	9.85	10.28	10.39	17.40	10.00	12.77

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

The Valencia crop is forecast at 563,000 tons, down 12 percent from last season, unchanged from the last *Fruit and Tree Nuts Outlook* report. Harvesting began in March and fruit quality was reported to be good. Unlike the navel oranges, the Valencia oranges are reported to be of average size. Because navel oranges are still in the marketplace during these early months for the Valencia crop, Valencia growers are not likely to command as high a price for these fruit now as in the coming months.

Florida Orange Crop Smaller than Last Season, But Second Biggest in 5 Years

NASS revised the forecast for the early- to mid-season orange crop down slightly between March and April to 3.8 million tons. It is still up 1 percent from last season, however, and up 29 percent from two seasons ago. The early- to mid-season orange harvest was mostly finished by mid-March as the Valencia harvest was just getting underway. The Valencia crop forecast in May is down 16 percent from last season, but unchanged from April.

The Valencia harvest was slow to get underway this season. Demand for the fruit was weak because the acid percentage of the fruit was averaging on the high side, causing an off flavor to the fruit. As a result, grower prices were low. In recent weeks, the futures market for frozen concentrated orange juice (FCOJ) improved, and the acid percentage in the fruit declined, making them more acceptable for processing. As a result, demand was reversed, prices for Valencia oranges picked up, and growers resumed harvesting. By the end of the first week in May, less than half the Valencia orange crop remained to be harvested, according to data from Florida's Citrus Administrative Committee (CAC). Most processing plants expect to close in June.

Florida grower prices for processing oranges averaged $3.97 per 90-lb box this season, October through April, down 29 percent from the average price last season of $5.56 per box, and down 54 percent from the 2006/07 season (table 19). Prices this season, however, averaged above the 2002/03 through 2004/05 seasons. The larger early- to mid-season orange crop this season over the previous 2 seasons, along with continued large supplies of orange juice in storage, weakened processors' demand for oranges through much of the 2008/09 season, contributing to lower grower prices.

Table 19--Processing oranges: Average equivalent on-tree prices received by growers, Florida, 2002/03-2008/09

Month	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
	Dollars/90-lb box						
October	1.68	1.13	--	0.40	4.25	--	--
November	2.29	1.89	2.04	3.23	7.45	3.85	1.40
December	2.37	2.03	2.32	3.94	8.05	5.14	3.90
January	2.50	2.11	2.52	4.33	8.55	5.44	4.70
February	2.58	2.18	2.71	5.24	9.25	5.80	4.55
March	3.84	3.62	3.59	6.04	11.15	6.28	3.25
April	3.87	3.72	4.27	6.31	11.45	6.85	6.00
Oct.-Apr. Average	2.73	2.38	2.91	4.21	8.59	5.56	3.97

-- = Not available.

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

ERS forecasts orange juice production down 9 percent from last season to 1 billion gallons, single-strength equivalent (sse), mostly due to the smaller Florida Valencia crop and lower juice yields per box. This season, NASS forecasts the yield per box at 1.65 gallons (at 42 degrees Brix), down from 1.67 gallons last season. If realized, except for the hurricane-damaged crops during 2004/05 through 2006/07, juice production this season would be the lowest since the freeze-damaged crops in the early 1990s.

Despite the lower production and expected reduced quantity of orange juice imported this season, supplies are forecast to be 1 percent higher this season than last (table 20). Very large juice stocks coming into the season helped drive up the forecast for supplies to reach 2 billion sse gallons. At this quantity, there should be sufficient juice available for domestic and export markets. ERS forecast orange juice consumption to increase by 1 percent this season over last season to 3.82 gallons per person. Aside from last season, that forecast consumption is lower than for any other season since 1989/90. Florida industry data showed that, through early May, not-from-concentrate orange juice movement was lagging last season by 3 percent, but FCOJ movement was ahead 14 percent, providing for the slightly optimistic expectation that overall domestic demand for orange juice will increase this year.

Orange juice exports have been strong this season, October 2008 through March 2009, increasing 6 percent over the same time period last season. Although shipments dropped to Canada, which purchased over half the orange juice exported, shipments to the two major European markets, the Netherlands and Belgium, were at a 3-year high. Shipments were also up to the United Arab Emirates, Japan, Mexico, and Australia. The South Korean market appears to be weakening, with the fourth consecutive season of reduced imports. China and Taiwan, however, continue to show growth as markets for U.S. orange juice. While still small markets, each accounting for less than 1 percent of the exports during this period, both markets have shown growth over the past several seasons and have the potential to become important destinations for U.S. orange juice exports.

Table 20--United States: Orange juice supply and utilization, 1990/91 to present

Season 1/	Beginning stocks	Production	Imports	Supply	Exports	Domestic consumption	Ending stocks	Per capita consumption
	----------	----------	----------	*Million sse gallons 2/*	----------	----------	----------	*Gallons*
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	222	2,393	123	1,448	822	4.95
2004/05	822	974	358	2,153	119	1,411	623	4.77
2005/06	623	986	299	1,909	138	1,312	459	4.40
2006/07	459	889	399	1,747	123	1,248	376	4.15
2007/08	376	1,146	411	1,933	151	1,146	636	3.78
2008/09 F	636	1,046	285	1,967	148	1,169	650	3.82

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.

U.S. Grapefruit Production Down, Grower Prices Lowest in 4 Years

The 2008/09 grapefruit crop is forecast to be 13 percent smaller than last season and 17 percent smaller than two seasons ago. NASS revised its estimate down 2 percent between April and May due to an expected smaller crop out of Florida, the major U.S.-grapefruit producer. Despite the smaller crop, grower prices for fresh grapefruit averaged a 4-year low.

In Florida, red grapefruit harvesting began earlier start than for white grapefruit. The fruit were reported to be of high quality. The earlier start to its harvest, along with stronger consumer demand for red grapefruit, resulted in its stronger utilization so far this season compared with the white grapefruit. By the end of the first week of May, about 6 percent of the red grapefruit crop and 9 percent of the white grapefruit crop remained to be harvested, according to CAC data. This is a higher than normal share remaining for this time in the season. Generally only about 2 percent of the red grapefruit and less than 1 percent of white grapefruit would still be available by mid-May. The relatively larger share remaining, especially during a season when the crop size is down, indicates weak demand. The CAC data show that fresh grapefruit utilization is down from last season for both red and white grapefruit, but much of that could be due to the smaller crop. Utilization for processing is lagging behind last season, especially for white grapefruit. White grapefruit going to processing were down 30 percent from last season through about May 10 and red grapefruit were down 19 percent. Data from Florida Citrus Mutual indicate that grapefruit utilization for both the fresh and processing market was completed by mid-May. Fruit quality had deteriorated, making the remaining fruit undesirable for fresh or processing uses.

The overall lower demand for grapefruit is highlighted by the low returns growers received for their fruit this season. Fresh grapefruit prices averaged $8.27 per 80-lb

box this October 2008 through April 2009, down 22 percent from last season and the lowest average for this period since 2003/04 (table 21). Processing prices averaged $-0.77 per box, almost the same as last season but considerably below the previous three seasons (table 22). A negative return indicates that growers are not recovering all their costs.

Despite overall weak demand for U.S. fresh grapefruit, there were some positives for the industry. Exports this season, October through March, were down 4 percent from last season, but are up from 2004/05 and 2005/06. Shipments to Japan, the number 1 export market for U.S. fresh grapefruit, were up 3 percent from last season. Japan accounted for 54 percent of total exports during this time. Shipments, however, were down 3 percent to Canada, the next biggest export market, and to most of Europe. An interesting occurrence in U.S. fresh grapefruit exports may be the emerging Russian market. While still small, exports to Russia jumped up this season from a virtually nonexistent market the past three seasons. No grapefruit were shipped to Russia between the 1999/2000 and the 2004/05 season. This season, Russia ranked as the tenth biggest destination in terms of quantity.

U.S. grapefruit juice demand appears to be declining this season after improving last season. The Florida Department of Citrus reports that, through the beginning of May, movement of frozen concentrated grapefruit juice was down 16 percent from last season and not-from-concentrate juice was down 5 percent. Despite slowing down from last season, movement so far this season for both was still stronger than in 2006/07. While domestic demand may be off somewhat, demand has been

Table 21--Fresh grapefruit: Average equivalent on-tree prices received by growers, Florida, 2003/04-2008/09

Month	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
	Dollars per 80-lb box					
October	9.72	16.05	14.90	15.21	--	14.30
November	6.86	19.93	13.53	12.19	15.66	7.28
December	6.26	18.87	14.23	11.27	12.52	5.80
January	6.14	19.41	15.87	9.65	10.19	7.09
February	6.52	18.93	15.05	7.67	8.61	7.41
March	7.46	18.32	12.50	7.58	8.19	7.50
April	6.75	18.91	11.01	7.47	8.49	8.52
Oct.-Apr. Average	7.10	18.63	13.87	10.15	10.61	8.27

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

Table 22--Processing grapefruit: Average equivalent on-tree prices received by growers, Florida, 2004/05-2008/09

Month	2004/05	2005/06	2006/07	2007/08	2008/09
	Dollars per 85-lb box				
October	3.88	1.90	1.70	--	-2.25
November	4.14	3.03	0.47	-1.38	-1.76
December	5.01	3.69	1.32	-0.90	0.15
January	5.57	4.77	1.32	-0.57	-0.10
February	5.77	5.17	1.24	-0.18	0.10
March	5.24	4.61	1.00	0.28	0.36
April	4.39	4.04	0.81	0.39	0.28
Oct.-Feb. Average	4.87	3.71	1.21	-0.76	-0.77

-- = Not available.

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

strong in several international markets. Export shipments were up 7 percent through March, with shipments to the Netherlands, the number 1 export market for U.S. grapefruit juice, up 44 percent and the highest since the same period in 2003/04. Shipments to Canada showed a modest increase over last season, but those to Japan were at a 3-season low for this time period. Offsetting the slump to Japan, the third biggest export market, were the biggest shipments yet to China, which received almost three times as much this season through March than last.

Larger Lemon Crop Moderates Grower Prices in 2008/09

The 2008/09 lemon crop is forecast at 817,000 tons, 32 percent larger than last season but only 2 percent larger than in 2006/07. California is forecast to produce 722,000 tons and Arizona 95,000 tons. If realized, California's crop will be larger than either of the two previous seasons and Arizona's crop will be two-thirds larger than last season and the same size as in 2006/07. This season's crop, however, looks to be slightly below the average through much of the first half the 2000s for both States.

With a bigger crop, shipments out of Arizona and California have been running ahead of 2007/08 this season, August 2008 through early May 2009. According to AMS data, shipments were about 23 percent above last season during this time period. By this time of the year, most of the shipments are out of California's South Region, around Ventura County, the major area for lemon production. Most of Arizona's crop is finished and while some fruit are still coming out of the San Joaquin Valley, these shipments were only about half the amount shipped from Ventura.

Grower prices for fresh lemons averaged $18.29 per 76-lb box, down 60 percent from last season (table 23). Prices also averaged lower than the 2006/07 season, but were higher than in 2004/05 and 2005/06, when crop sizes were similar. As a result of the bigger crop this season, the need for imports to meet domestic demand declined. AMS data show that lemon imports this season are only about a quarter of the quantity imported through early May last season. Mexico is the source of most of the imported lemons.

Table 23--Fresh lemons: Average equivalent on-tree prices received by growers, 2003/04-2008/09

Month	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
	Dollars per 76-lb box					
August	17.70	20.31	15.72	27.01	43.40	35.58
September	13.87	19.73	13.41	31.37	46.10	28.54
October	10.96	17.87	12.06	34.03	47.95	22.40
November	10.23	16.39	12.35	26.55	47.99	20.87
December	8.98	16.53	12.33	18.31	42.71	16.03
January	8.17	16.33	10.99	16.24	45.50	14.00
February	9.72	15.40	13.47	37.31	47.10	10.54
March	13.80	15.00	16.00	37.71	45.90	8.73
April	16.40	17.71	23.82	36.71	43.20	7.88
Aug.-April Average	12.20	17.25	14.46	29.47	45.54	18.29

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

Exports are down 32 percent so far this season from last. The strengthened U.S. dollar and weakened economies around the world has resulted in a decline in the quantities shipped. Shipments to Japan, the number 1 export market for U.S. lemons, were about half the quantity shipped during this time the last season. The amount sent to Canada, the number 2 export market, and Australia and South Korea, the number 4 and 5 markets, were also down so far this season. In 2007/08, however, record high quantities of U.S. lemons were shipped to these countries during August through March. This season's shipments were down from the record highs, but were the second highest during this time period. Shipments to Hong Kong, the number 3 market, have been the highest since 1997/98 so far through the season. Those to China are on their way to being a record quantity as are those to Russia. Russia was an important market for the U.S. lemon industry in the 1990s, but shipments stopped in the early 2000s, and were relatively minor the past two seasons. This season so far, they have picked up considerably and Russia ranks ninth in quantity shipped.

Almond Production Down After 3-Year Climb

According to the *2009 California Almond Forecast* report released by the NASS California field office on May 8, the initial forecast for this year's almond crop is 1.45 billion pounds, down 10 percent from last year's revised forecast of 1.61 billion pounds. If realized, this year's crop would be the first downturn in production after 3 years of record-setting crops. While this year's crop is forecast to be smaller than last year's, it would still be the second largest on record; 4 percent higher than 2007, the previous record crop. Weather factors contributed significantly to the expected decline in the crop size, resulting in nut yields per acre down 14 percent from last year. Reduced bee activity, because of wet weather during pollination, reduced the number of nuts set per tree. Fortunately for the Sacramento Valley orchards, cool weather extended the almond bloom in that area, allowing more time for pollination. Counties in the Sacramento Valley, however, account for only 22 percent of almond acreage. Most almond acreage is in the San Joaquin Valley. Freezing temperatures in March were reported to have caused damage to some almond orchards. Further complicating matters, especially for orchards in the San Joaquin Valley, was the restrictions on irrigation due to drought conditions in the area. For this year's crop at least, water did not appear to be a major limiting factor to crop size. Water restrictions are reported to be easing, beginning in May, due to increased rains and snows in the mountains during the month. However, if restrictions continue, almond trees may become more stressed, and could adversely affect the size of future crops.

Almond acreage continued to grow, increasing annually since 1996 (fig. 7). This year, NASS reports there were 710,000 acres of bearing almond trees, 4 percent more than last year. The forecast for non-bearing acres has not yet been released. Last season, there were 115,000 non-bearing almond acres, down for the third consecutive season. This year will likely show another decline, as new plantings appears to have peaked for now. Water availability is likely to contribute to decisions concerning future plantings; if drought conditions continue, growers may likely reduce the new acres planted.

The almond industry should have no problems moving this year's crop, once harvesting begins in August. Demand for almonds is strong in both the domestic

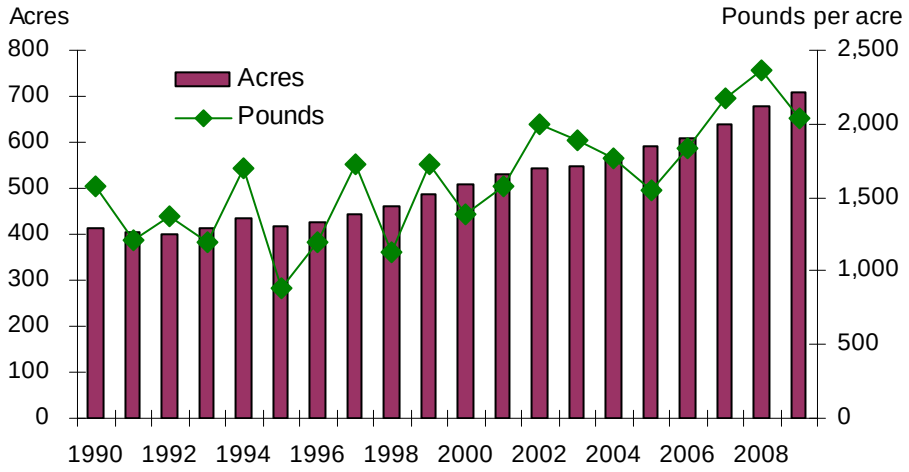
and international markets as indicated by increased shipments for the 2008/09 crop. The Almond Board of California reports total shipments up 6 percent this season, August through April, over the same period last season. Export movement has been very strong, up 9 percent so far, with domestic shipments up only a fraction. The quantity of almonds sold, but not yet shipped, is up 41 percent for the domestic market and 53 percent for the international market. The European market, while still the number 1 destination for U.S. almond exports, received fewer shelled almond shipments so far this season compared with the same time last season. Shipments of inshell almonds, however, were up. Inshell almonds sell at a lower price premium than shelled, and processors may be looking for ways to reduce their expenses by purchasing the less expensive product.

Shipments to Asia have been very strong so far this season, up 38 percent for shelled almonds and 33 percent for inshell almonds. While Japan, usually the major Asian market, received fewer shelled almonds, it bought more inshell almonds from the United States compared with last year. On the other hand, China's purchases of shelled almonds more than doubled during this period, making it now the number 1 Asian market for U.S. shelled almonds. China also purchased about 3 times the amount of inshell almonds to date compared with last year. India, however, remains the major market for U.S. inshell almonds, accounting for 56 percent of all the inshell shipments through April. Inshell almond shipments to India were up 9 percent during this time period.

Even with this strong movement, stocks going into the 2009/10 season are likely to be high, offsetting the smaller production forecast for the coming season, keeping supplies near record highs. As a result, grower prices may be higher than the average price of $1.45 per pound received in 2008, but they may not reach the $2.00 per pound mark seen during the mid-2000s.

Figure 7

U.S. almond bearing acreage and production, 1990-2009



Source: USDA, NASS, *2009 California Almond Forecast.*

Pistachio Nut Recall Drives Down Industry Shipments

In early April, Setton Pistachios of Bella Terra, CA, issued a voluntary recall of some of its pistachio products due to potential salmonella contamination during processing at the plant. Although the recall was limited to Setton Pistachios, the U.S. Food and Drug Administration (FDA) advised consumers not to consume pistachios or products containing pistachios until they could verify that the product did not contain those that were recalled. As a result, the recall was felt by the entire industry for much of the month as the affected products were removed from the market. By mid-May, the FDA reported that it had identified most of the products that were associated with the recall, allowing wholesalers, retailers, and food service firms to remove these products from their lines and resume normal pistachio nut use.

The Administrative Committee for Pistachios reports that a total of 4.3 million pounds of pistachios were shipped in April 2009, down 53 percent from last April, when the crop was almost double the size. While last year was a very good year for pistachio shipments due to a record large crop and strong demand, shipments this April were also off from the previous two Aprils when the crop sizes were similar. The big 2007 crop brought along with it record high ending stocks, pushing supplies this season 17 percent higher than in 2006 and 14 percent higher than in 2005. Despite the big supplies this year, April shipments were down 44 percent from 2006 and 43 percent from 2005, indicating the recall did have an impact on the entire industry. Also showing the effect of the recall is the decline in shipments between April and the previous months during this marketing season. From September 2008 through March 2009, shipments of all pistachios averaged 9.4 million pounds monthly, ranging from a high of 12.2 million pounds in November to 7.1 million pounds in February.

This May's shipments might also be down compared to May shipments in recent years as the product recall works its way through the system. With most products identified, those purchasing pistachio nuts can now make the necessary adjustments to purchase pistachios from other processors. There are still several months remaining in this season (which ends in August) for the industry to return to more normal marketing patterns. Total shipments, however, are likely to be down from recent years with similar crop sizes due to the removal of some of the crop from the market and the general impact of the recall on the industry until the affected product could be identified and consumer confidence returns.

Big Apple, Grape, and Strawberry Crops Aid Export Demand

Despite the strengthening of the U.S. dollar and current uncertainties in the global economy, international demand for U.S. fresh apples, grapes, and strawberries has remained strong this season through March from the previous season the same time, while other fresh fruit exports lagged (table 24). Big domestic apple and grape crops harvested last year and increased strawberry production so far this year have contributed to the larger volumes moved to international markets in 2008/09 to date. Export shipments were up 10 percent for apples, 12 percent for grapes, and 7 percent for strawberries. Apple exports are holding strong across many markets worldwide, including the top 3 export markets for U.S. fresh apples—Mexico, Canada, and Taiwan. This season's apples from Washington, the largest producer and exporter of apples in the United States, had an abundance of small size fruit which is preferred in Mexico. While apple shipments increased to the top 3 markets, exports grew more significantly to other smaller markets in Central and South America, the Caribbean, Asia, and the Middle East. Meanwhile, demand for U.S. apples remains weak in the European Union, with season-to-date shipments to the region down 9-percent from the same time in 2007/08.

Cumulative grape exports are down 1 percent to Canada, the No. 1 market for U.S. fresh grapes, but up considerably to other major like Mexico and Hong Kong, driving up overall exports. Strong export demand for U.S. strawberries was met by increased strawberry supplies in California and Florida. Although Florida's strawberry season has already ended, the forecast larger production in California this year will continue to provide ample supplies to meet the present strong export demand. Frozen strawberry exports, meanwhile, are down 27 percent so far this season as small beginning inventories this year has limited the available supplies to meet international demand during the first three months of 2009. Shipments were down to major markets for U.S. frozen strawberries—Canada, Japan, Mexico.

The 2009/10 California grape season started in May in the Coachella Valley region with light supplies early in the season. As California's production moves through the San Joaquin Valley region early this summer, more fresh-market supplies will become available for both the domestic and exports markets. In 2008/09, the weak Mexican peso has not kept demand down for U.S. fresh grapes, a good sign for U.S. grape exporters this season. However, there is concern among U.S. grape exporters as well as other exporters in general over the new import tariffs issued by Mexico on a variety of U.S. goods, including certain fruit and vegetables. Mexico had issued these new tariffs in retaliation for the U.S. cancellation of a cross border trucking pilot program instituted under the North American Free Trade Agreement. The tariff set for fresh grapes was the highest on the list, at 45 percent. This high tariff may likely discourage Mexican importers from bringing in fresh grapes from the United States, limiting the growth in U.S. fresh grape exports to this major market unless this issue is resolved before the 2009/10 domestic grape season gets in full swing. Tariffs were also set for pears, apricots, cherries, strawberries, dried fruit mixes, almonds, fruit juices, and wine and therefore export demand for these goods will also likely be negatively affected.

Table 24--U.S. exports of selected fruit and tree nut products

Commodity	Marketing season	Season-to-date (through March) 2008	2009	Year-to-date change
		---------- *1,000 pounds* ----------		*Percent*
Fresh-market:				
Oranges	November-October	756,161	576,657	-23.7
Grapefruit	September-August	501,355	481,595	-3.9
Lemons	August-July	210,823	144,025	-31.7
Apples	August-July	1,094,416	1,201,258	9.8
Grapes	May-April	660,901	739,355	11.9
Pears	July-June	308,195	295,355	-4.2
Peaches (including nectarines)	January-December	1,849	1,749	-5.4
Straw berries	January-December	50,860	54,640	7.4
Cherries	January-December	630	285	-54.8
		------ *1,000 sse gallons 1/* -------		
Processed:				
Orange juice, frozen concentrate	October-September	15,858	28,647	80.6
Orange juice, not-from-concentrate	October-September	49,525	34,436	-30.5
Grapefruit juice	October-September	7,224	7,710	6.7
Apple juice and cider	August-July	5,881	5,016	-14.7
Wine	January-December	29,538	25,050	-15.2
		---------- *1,000 pounds* ----------		
Raisins	August-July	210,011	211,370	0.6
Canned pears	June-May	12,129	12,856	6.0
Canned peaches	June-May	57,129	62,293	9.0
Frozen straw berries	January-December	4,923	3,587	-27.1
		---------- *1,000 pounds* ----------		
Tree nuts:				
Almonds (shelled basis)	August-July	696,487	753,683	8.2
Walnuts (shelled basis)	September-August	162,058	131,880	-18.6
Pecans (shelled basis)	October-September	32,856	28,765	-12.5
Pistachios (shelled basis)	September-August	52,108	70,896	36.1

1/ Single-strength equivalent.

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

Larger Volumes from Chile Boost Fresh Grape Imports, Peach Imports Down This Season

U.S. fresh grape imports in 2008/09 through March were up 19 percent from the same time the previous season (table 25). The increase in imports mostly reflects the larger shipments from Chile, the No.1 supplier of imported fresh grapes to the United States. In contrast to the previous season, favorable growing weather in Chile contributed to a sizable crop in 2008/09, with reported good quality to supply the export market. Other international suppliers such as Brazil, Peru, Italy, and South Korea also shipped more grapes, but imports were down 3 percent from Mexico, the United States' second-largest source for imported fresh grapes, and down 31 percent from Canada, another important supplier. Most of Chile's grapes enter the U.S. market during the winter months when it is the off season for domestic production. Mexican supplies, on the other hand, are available at the front end of the U.S. fresh grape marketing season and therefore more directly compete in this market. Tighter supplies in Mexico due to adverse weather were partially behind the smaller volume of grapes shipped to the United States in 2008/08. For the 2009/10 season, early indications are that export volume in Mexico will be slightly down from the 2008/09 season although there would still be sufficient promotable volume. While weather factors were cited for limiting Mexican export volume for this season, other factors include the removal of some of their vineyards with poor yield and quality performance in the recent past and diverting some production to the domestic market instead because with the poor economic situation in the country some producers were not able to continue farming practices that helped their crop meet export quality standards.

U.S. peach imports this season through March were down 19 percent due to lower shipments from Chile. Chilean shipments made up most of the imports to date, offsetting the increased volumes from Argentina and Hong Kong. Chile's peach export season is strong this year and while shipments are down to its primary market—the United States, their exports increased considerably to Mexico, Taiwan, Hong Kong, Russia, and to some Central and South American markets.

U.S. lime imports increased 3-percent in January through March from the same period a year ago. Shipments from Mexico comprised the bulk of the volume and rose 6 percent, more than compensating for the decline in shipments from relatively smaller suppliers in South and Central America.

U.S. pecan imports, mostly from Mexico, were down 15 percent from a year ago through March. It was an off-year in the alternate-bearing cycle of the U.S. pecan crop in 2008/09 but record-large stocks at the beginning of the season helped alleviate the downward pressure on supplies, along with export shipments returning to a more normal level this season after increasing sharply in 2007/08.

Table 25--U.S. imports of selected fruit and tree nut products

Commodity	Marketing season	Season-to-date (through March) 2008	2009	Year-to-date change
		---------- *1,000 pounds* ----------		*Percent*
Fresh-market:				
Oranges	November-October	18,405	18,636	1.3
Tangerines (including clementines)	October-September	143,269	184,592	28.8
Lemons	August-July	128,603	68,693	-46.6
Limes	January-December	166,489	172,016	3.3
Apples	August-July	133,017	107,246	-19.4
Grapes	May-April	1,028,660	1,227,327	19.3
Pears	July-June	107,368	98,123	-8.6
Peaches (including nectarines)	January-December	122,163	98,466	-19.4
Bananas	January-December	2,184,562	2,127,288	-2.6
Mangoes	January-December	156,959	120,676	-23.1
		------ *1,000 sse gallons 1/* -------		
Processed:				
Orange juice, frozen concentrate	October-September	221,553	111,196	-49.8
Apple juice and cider	August-July	368,351	323,207	-12.3
Wine	January-December	51,337	57,833	12.7
		---------- *1,000 pounds* ----------		
Canned pears	June-May	62,156	53,930	-13.2
Canned peaches (including nectarines)	June-May	161,580	121,251	-25.0
Canned pineapple	January-December	215,798	183,271	-15.1
Frozen straw berries	January-December	59,482	65,584	10.3
		---------- *1,000 pounds* ----------		
Tree nuts:				
Brazil nuts (shelled basis)	January-December	3,263	4,591	40.7
Cashew s (shelled basis)	January-December	60,809	59,864	-1.6
Pine nuts (shelled basis)	January-December	3,013	2,088	-30.7
Pecans (shelled basis)	October-September	48,407	41,168	-15.0

1/ Single-strength equivalent.

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

Contacts and Links

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Data

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

Related Websites

Fruit and Tree Nuts Briefing Room,
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