United States Department of Agriculture

Foreign Agricultural Service

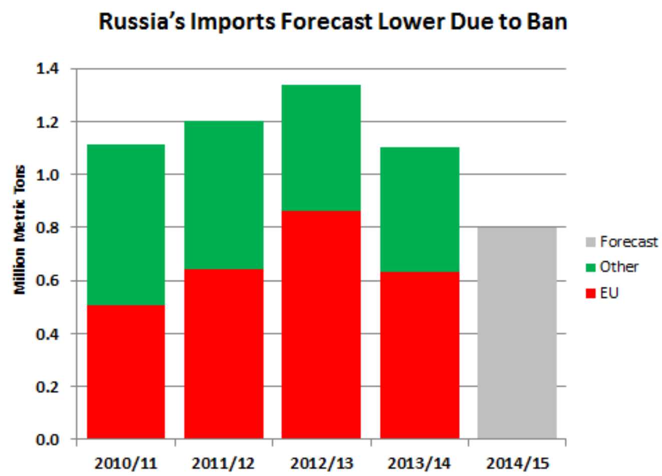
December 2014

Fresh Deciduous Fruit (Apples, Grapes, & Pears): World Markets and Trade

FRESH APPLES

World production in marketing year 2014/15 is forecast to decrease slightly from last year to 70.8 million metric tons (tons), with declines in China and Turkey offsetting gains in the European Union (EU). Global trade is expected to decline more than 5 percent primarily as a result of Russia's ban on fruit from certain countries.

Russia's production is forecast to increase nearly 10 percent to 1.6 million tons due in part to higher yields from renovated orchards. On August 7, 2014, Russia issued an order banning for one year certain agricultural imports, including fruit, from the United States, EU, Canada, Australia, and Norway. With the EU being the dominant supplier, imports are forecast to drop 27 percent to 800,000 tons. Imports from other countries are not expected to replace these volumes due in part to the devaluating Ruble, a slumping economy, and rising inflation.



EU's production is forecast to increase 11 percent to a record 13.3 million tons driven by gains in Poland and to a lesser extent Italy. While production is forecast to increase, it is expected that not all product will be harvested as labor costs exceed prices. Exports are forecast to drop 21 percent to 1.3 million tons due to the Russian ban, its top market. Imports are also expected to decrease, by 12 percent to 550,000 tons, as increased output and the effect of the Russian ban will saturate the domestic market. Domestic consumption is forecast to increase and efforts are being made to find alternate markets, but these two factors combined are not expected to offset lost exports to Russia.

United States production is expected to increase nearly 4 percent to 4.9 million tons driven by Washington, the top growing state, experiencing a favorable growing season with good irrigation supplies. Exports are forecast to increase 4 percent to 875,000 tons primarily on rising shipments to Mexico, with imports decreasing 11 percent to 190,000 tons.

Chile's production is forecast to increase 8 percent to 1.4 million tons as new and more productive trees bear fruit. The majority of the increased production is expected to go towards the processing sector. Exports are forecast to increase slightly to 834,000 tons.

China's production is forecast to decrease 5 percent to 37.8 million tons due to low temperatures and heavy rains during the blossom period and a persistent summer drought in key provinces. Processing is expected to decline nearly 20 percent as a result of lower production. Exports are forecast to decrease 6 percent to 880,000 tons as high prices affect shipments to Asia, and limit opportunities in Russia created by the ban. Imports are expected to rebound back to earlier levels, to 40,000 tons, due to higher domestic prices making imports more attractive and the re-opening of the market to Washington state apples.

Mexico's production is forecast to drop 22 percent to 670,000 tons after last year's record crop. Imports are forecast to increase 15 percent to 260,000 tons. The Economy Secretariat has initiated an antidumping investigation against U.S. producers and exporters as requested by the Regional Fruit Producers Association from the State of Chihuahua. The Mexican government has established protocols and agreements with China that include imports of apples. Initial test shipments of Fuji apples have begun, however, the industry does not anticipate significant competition since this variety is still not widely accepted by consumers.

New Zealand's production is forecast to increase 11 percent to 525,000 tons as apple orchards will be on an on-year, bloom is reported to be good, and there is a slight increase in area. To avoid over-supplying the market, growers are expected to conduct a comprehensive thinning program to control fruit size and to channel higher volumes to processing and the domestic market. Exports are forecast to increase 5 percent to 325,000 tons.

South Africa's production is expected to remain nearly unchanged at 910,000 tons. For exports, a modest increase is forecast at 400,000 tons. Consumption is expected to remain flat.

Turkey's production is forecast to drop over 20 percent to 2.3 million tons due to a late March frost which damaged the fruit set. As a result, exports are forecast to plummet to 40,000 tons.

Key revisions to 2013/14:

Global production is raised 3.2 million tons to 71.6 million.

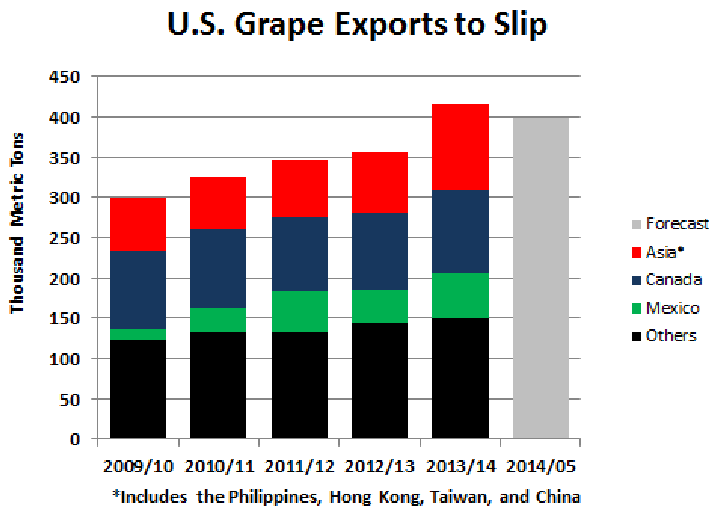
- China is raised 1.7 million tons to 39.7 million.
- EU is raised 513,700 tons to 12.0 million.
- India is raised 450,000 tons to 2.2 million due to updated data.
- Mexico is raised 255,000 tons to 860,000 due to improved weather conditions.

TABLE GRAPES

World table grape production is forecast to increase 2 percent to 20.6 million tons as gains in China more than offset losses in Turkey and the EU. Global exports are expected to increase 3 percent to 2.8 million, driven primarily by Chilean exports.

China's production is forecast to increase 11 percent to 9.0 million tons as area continues to expand. With exports forecast to be up 15 percent to 120,000 tons, the vast majority of grapes are consumed domestically. Imports are expected to jump 20 percent to 280,000 tons on continued strong demand for counter seasonal grapes. Peru is currently China's second largest supplier, and its import tariff will drop to zero on January 1, 2015.

United States production is forecast to decrease 6 percent to 950,000 tons as drought in California and hail negatively affected some vineyards. Exports are forecast to decrease 4 percent to 400,000 tons on flat demand from the top markets Canada and Mexico. Imports are forecast to increase 9 percent to 565,000 tons due to higher available product from top supplier Chile.



Chile's production is forecast to rebound from last year's frost, up 14 percent to 1.2 million tons. As a result of increased available supplies, exports are forecast to rise nearly 15 percent to 825,000 tons.

Turkey's production is forecast to decrease 13 percent, to 1.9 million tons, due to hail and frost in the spring then heavy rains during bloom. Exports are forecast to decrease 17 percent to 170,000 tons based on lower output and resulting higher prices.

EU's production is forecast to decrease 16 percent to 1.6 million tons as area continues to decline due to reduced profitability. Exports are forecast to decline 15 percent to 130,000 tons due in part to the Russian ban. Imports are forecast to decrease 5 percent to 540,000 tons.

Peru's production is forecast to increase again, by 8 percent to 540,000 tons as the industry continues to expand its overseas presence. Exports are forecast to increase 9 percent to 290,000 tons as shipments to all markets continue to expand.

Russia's production is forecast to increase 10 percent to 81,000 tons. Imports are expected to decrease slightly to 385,000 tons as supplies from banned countries are largely off-set by other countries.

Revised 2013/14:

Global **production** is increased 2.0 million tons to 20.0 million tons.

- India is raised to 2.5 million tons due to updated data.
- South Korea is raised to 260,000 due to updated data.
- Peru production of 500,000 tons is added to the database; data was added back to 2001/02.

World **imports** are increased 118,000 tons to 2.4 million.

- Turkey was revised from 6,000 tons to 600 based on updated data.
- Russia is raised 81,000 tons to 391,000 primarily as a result of stronger than anticipated shipments from Turkey.

World **exports** are increased almost 152,000 tons to 2.7 million.

- Brazil is revised down 58,000 tons to 26,000 on sharply reduced exports to the EU.
- Peru exports of 265,000 tons is added to the database; data was added back to 2001/02.

FRESH PEARS

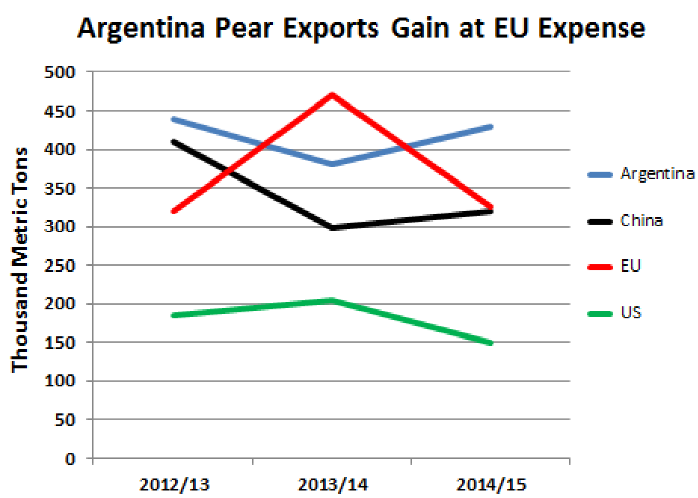
World pear production is forecast to increase a modest 5 percent to over 24.4 million tons boosted by increased production in China. Global trade is forecast down 7 percent, primarily as a result of the Russian ban.

China's production is forecast to continue expanding, to a record 18.5 million tons as area also expands. Exports are expected to rise slightly to 320,000 tons prompted by a bump in demand from its top market, Indonesia.

United States production is forecast to decrease 9 percent to 724,000 tons, driven by reduced area in Washington and the other western states. Exports are forecast to plummet 26 percent to 150,000 tons as a result of reduced available supplies and, to a lesser extent, the Russian ban. Imports are also forecast to decline 9 percent to 75,000 tons.

EU's production is forecast flat at 2.4 million tons as higher yields offset less area. Exports are forecast to drop 31 percent to 325,000 tons due to the Russian ban. With more available supplies and lower domestic prices, imports are expected to decrease by 14 percent to 220,000 tons. Domestic consumption is forecast to increase and efforts are being made to find alternate markets, but these two factors combined are not expected to offset lost exports to Russia, their top market.

Argentina's production is expected to rebound 20 percent to 820,000 tons as a result of favorable weather. A majority of the increase is expected to go towards processing. Exports are forecast to increase 13 percent to 430,000 tons, as higher available supplies and the Russian ban enable Argentina to expand market share to Russia, one of their top markets.



Russia's production is forecast to increase 6 percent to 153,000 tons due to favorable weather. Imports are expected to drop 30 percent to 275,000 tons due to the ban, which primarily affects the EU, and to a lesser extent the United States. Imports from other countries, such as Argentina and South Africa, are expected to only partially offset these losses.

Chile's production is forecast to increase 9 percent to 290,000 tons on favorable weather. As a result of larger production and stronger demand, exports are also expected to expand to 135,000 tons.

Revised 2013/14:

Global **production** is raised slightly by 109,000 tons to 23.2 million.

- China is revised down 200,000 tons to 17.3 million due to a spring freeze.
- India production of 340,000 tons is added to the database; data was added back to 2001/02.

World **imports** are lowered almost 83,000 tons to 1.6 million.

- Brazil is revised down 22,100 tons to 207,900 on reduced shipments from Argentina.
- Indonesia is revised down 44,500 tons to 95,500 on less shipments from China.

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Marketing Years:

Apples - The United States and Mexico are on an Aug-July marketing year. All other Northern Hemisphere countries are on a July-June marketing year. Southern Hemisphere countries are on a calendar year indicated as the second year of the split year.

Table Grapes - The United States and Mexico are on a May-April marketing year. All other Northern Hemisphere countries are on a June-May marketing year. Southern Hemisphere countries are on a calendar year indicated as the second year of the split year.

Pears - Northern Hemisphere countries are on a July-June marketing year. Southern Hemisphere countries are on a calendar year indicated as the second year of the split year.

Apple Summary

(1,000 Metric Tons)

	2009/10	2010/11	2011/12	2012/13	2013/14	Dec 2014/15
Production						
China	31,681	33,263	35,985	38,500	39,680	37,800
European Union	12,096	10,981	12,338	12,207	11,974	13,300
United States	4,280	4,175	4,231	4,049	4,693	4,877
Turkey	2,750	2,500	2,700	2,900	2,900	2,250
India	1,777	2,891	2,203	2,200	2,200	2,200
Russia	1,230	910	1,124	1,264	1,416	1,550
Chile	1,370	1,431	1,360	1,420	1,310	1,410
Brazil	1,279	1,339	1,336	1,335	1,335	1,335
Ukraine	897	954	1,127	1,120	1,120	1,120
South Africa	781	767	813	907	900	910
Other	3,916	4,123	4,056	3,735	4,061	4,081
Total	62,057	63,334	67,273	69,637	71,589	70,833
Fresh Dom. Consumption						
China	24,941	26,520	30,647	32,317	34,920	33,810
European Union	8,146	7,538	8,072	7,929	8,070	8,664
United States	2,269	2,156	2,195	2,293	2,494	2,658
India	1,881	2,988	2,381	2,370	2,364	2,370
Turkey	2,560	2,328	2,517	2,762	2,609	2,112
Russia	1,435	1,533	1,564	1,947	1,944	1,750
Brazil	1,080	1,227	1,112	1,163	1,227	1,245
Other	6,258	6,105	6,376	6,345	6,574	6,364
Total	48,570	50,394	54,863	57,126	60,203	58,974
For Processing						
European Union	3,327	2,973	3,281	3,273	2,950	3,868
China	5,600	5,760	4,400	5,200	3,850	3,150
United States	1,424	1,341	1,368	1,058	1,569	1,534
Argentina	380	500	450	420	250	520
Russia	881	458	721	570	491	515
Chile	343	434	403	392	295	380
South Africa	234	216	215	245	305	295
Other	812	819	870	754	834	831
Total	12,999	12,500	11,708	11,910	10,544	11,092
Imports						
Russia	1,120	1,111	1,201	1,338	1,100	800
European Union	590	620	518	563	623	550
Mexico	215	214	216	266	226	260
Canada	184	191	190	250	223	225
India	130	144	208	197	197	200
United States	182	149	173	195	213	190
United Arab Emirates	167	147	166	223	189	180
Bangladesh	138	163	160	121	148	160
Taiwan	127	149	119	136	161	160
Brazil	77	97	58	94	117	150
Other	1,961	1,765	1,781	1,742	1,623	1,657
Total	4,893	4,750	4,789	5,125	4,820	4,532
Exports						
European Union	1,214	1,090	1,503	1,568	1,576	1,250
China	1,201	1,057	1,012	1,026	934	880
United States	769	827	841	893	843	875
Chile	843	800	762	833	820	834
South Africa	306	335	389	459	380	400
New Zealand	260	300	285	322	310	325
Serbia	70	110	129	40	143	150
Argentina	179	233	131	162	150	145
Brazil	91	49	72	85	45	60
Azerbaijan	84	38	51	58	36	45
Other	335	321	277	193	344	182
Total	5,352	5,160	5,451	5,641	5,581	5,146

Note: The United States and Mexico are on an August-July marketing year. All other Northern Hemisphere countries are on a July-June marketing year. Southern Hemisphere countries are on a calendar year indicated as the second year of the split year.

Table Grapes Summary

(1,000 Metric Tons)

	2009/10	2010/11	2011/12	2012/13	2013/14	Dec 2014/15
Production						
China	5,675	6,200	6,600	7,400	8,085	9,000
India	881	1,235	1,240	2,483	2,500	2,500
Turkey	2,250	2,150	2,200	2,200	2,200	1,920
European Union	1,985	2,090	1,898	1,724	1,936	1,630
Brazil	1,310	1,300	1,300	1,300	1,300	1,300
Chile	1,105	1,215	1,175	1,195	1,055	1,205
United States	816	865	857	874	1,014	950
Peru	280	297	365	398	500	540
Ukraine	330	320	320	320	320	320
South Africa	277	260	286	302	280	300
Other	929	894	871	961	892	890
Total	15,837	16,826	17,111	19,158	20,082	20,555
Fresh Dom. Consumption						
China	5,651	6,230	6,644	7,436	8,212	9,160
India	754	1,166	1,130	2,335	2,364	2,367
European Union	2,447	2,514	2,345	2,134	2,353	2,040
Turkey	2,063	1,914	1,960	1,992	1,997	1,751
Brazil	1,274	1,275	1,281	1,289	1,303	1,300
United States	1,073	1,118	1,044	1,084	1,119	1,115
Russia	415	436	447	443	450	450
Chile	324	361	363	339	325	380
Ukraine	360	359	360	364	353	352
Korea, South	338	313	331	315	320	325
Other	926	899	953	1,000	982	959
Total	15,625	16,586	16,858	18,732	19,778	20,197
Imports						
United States	558	580	533	567	520	565
European Union	571	552	581	560	570	540
Russia	386	408	393	388	391	385
China	78	118	150	159	231	280
Canada	183	189	173	176	182	180
Hong Kong	115	143	163	144	210	170
Mexico	39	61	75	59	77	75
Korea, South	33	45	53	55	60	65
Indonesia	35	48	61	47	46	45
Ukraine	30	39	40	44	33	32
Other	63	83	94	98	91	95
Total	2,089	2,266	2,315	2,297	2,411	2,432
Exports						
Chile	781	854	812	856	730	825
United States	300	327	346	357	416	400
Peru	75	121	149	177	265	290
South Africa	260	249	264	280	260	278
Turkey	188	236	241	209	204	170
Mexico	128	171	138	168	150	150
India	130	72	114	152	140	138
Hong Kong	82	109	124	105	164	135
European Union	109	128	134	150	153	130
China	102	88	106	123	104	120
Other	145	149	139	142	113	136
Total	2,299	2,504	2,566	2,718	2,698	2,772

Note: The United States and Mexico are on a May-April marketing year. All other Northern Hemisphere countries are on a June-May marketing year. Southern Hemisphere countries are on a calendar year indicated as the second year of the split year.

Pear Summary

(1,000 Metric Tons)

	2009/10	2010/11	2011/12	2012/13	2013/14	Dec 2014/15
Production						
China	14,263	15,057	15,800	17,000	17,300	18,500
European Union	2,754	2,378	2,895	2,009	2,431	2,410
Argentina	650	830	760	780	690	820
United States	867	738	876	772	795	724
South Africa	366	360	361	379	380	390
India	336	335	340	340	340	340
Japan	285	313	299	300	300	300
Turkey	385	380	390	390	390	295
Chile	262	290	287	289	267	290
Russia	185	135	141	129	145	153
Other	196	212	213	211	213	189
Total	20,549	21,027	22,362	22,599	23,250	24,411
Fresh Dom. Consumption						
China	12,691	13,514	14,119	15,243	15,506	16,536
European Union	2,394	2,209	2,256	1,735	1,941	1,967
Russia	492	500	508	463	488	400
United States	446	410	456	395	408	398
India	351	352	360	357	356	357
Japan	283	312	298	299	299	299
Turkey	354	346	363	352	356	273
Brazil	208	229	237	210	228	245
Australia	62	91	84	85	86	116
Mexico	107	96	118	101	110	111
Other	825	863	866	884	791	808
Total	18,214	18,922	19,664	20,124	20,569	21,510
For Processing						
China	1,102	1,120	1,264	1,350	1,500	1,650
European Union	325	172	410	237	275	290
Argentina	170	240	280	260	215	280
United States	319	256	292	272	265	251
South Africa	132	113	127	128	110	115
Chile	64	72	70	62	58	69
Russia	68	40	43	20	22	11
Turkey	10	10	10	10	10	10
Mexico	2	3	3	3	4	4
New Zealand	3	3	3	3	2	3
Other	32	31	31	30	30	0
Total	2,225	2,059	2,531	2,375	2,491	2,683
Imports						
Russia	383	410	421	368	391	275
Brazil	190	210	217	190	208	225
European Union	279	324	228	282	255	220
Indonesia	96	138	129	136	96	110
Mexico	84	75	96	83	90	90
Canada	72	68	70	75	73	75
United States	63	79	63	79	82	75
Other	439	379	433	449	380	398
Total	1,605	1,684	1,657	1,662	1,575	1,468
Exports						
Argentina	418	470	383	439	380	430
European Union	314	322	458	319	470	325
China	470	423	419	409	299	320
South Africa	186	182	184	203	210	225
United States	164	151	191	184	204	150
Chile	117	137	135	146	125	135
Turkey	22	26	19	29	24	12
Other	17	15	25	21	35	25
Total	1,708	1,725	1,812	1,749	1,748	1,622

Note: Northern Hemisphere countries are on a July-June marketing year. Southern Hemisphere countries are on a calendar year indicated as the second year of the split year.