United States Department of Agriculture

Foreign Agricultural Service

June 2016

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

FRESH APPLES

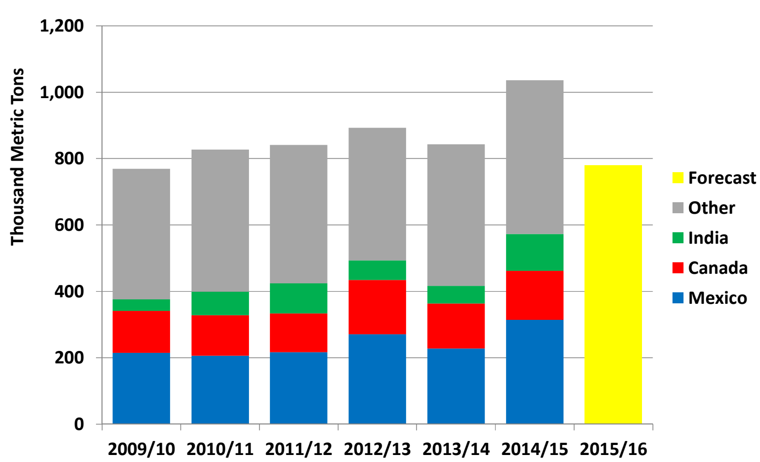
World apple production in marketing year 2015/16 is forecast to increase slightly over last year, to 76.9 million tons, with higher production in China largely offset by lower production in the United States and the European Union (EU). Global trade is forecast lower driven by a downturn in demand from Belarus, Mexico, and Russia.

China's production continues to rise, up 2.1 million tons to 43.0 million on higher bearing acreage and favorable weather. Exports are forecast to surge 400,000 tons to 1.2 million on higher exports to Asian markets, particularly Bangladesh and Thailand, as improved production practices continue to boost competitiveness.

EU's production is forecast down 1.4 million tons to 12.2 million on lower output primarily in Poland, Hungary, and Italy. Exports are expected to drop 220,000 tons to 1.6 million on smaller shipments to Eastern Europe, North Africa, and the Middle East. In addition, Russia continues its ban on EU apples. Imports are up on stronger demand from Macedonia and Serbia and are projected at 485,000 tons.

United States' production is forecast down over 500,000 tons to 4.6 million on adverse weather in all growing areas. Exports are forecast to plummet to their lowest level in 6 years, dropping 256,000 tons to 780,000 on smaller lower shipments to Mexico, India, and most U.S. markets. In January 2016, Mexico implemented antidumping duties (AD) ranging from 2.44% to 20.82% on most U.S. apples, which were imposed as a result of Mexico's preliminary determination of its AD investigation on U.S. imports. On June 7, 2016, Mexico announced a negative final determination in its AD investigation, and the provisional duties were revoked the next day, but this investigation likely slowed trade. U.S. consumption is expected to remain steady at 2.6 million tons as higher shipments from Chile boost U.S. apple imports to 175,000, partially replacing lost domestic production.

U.S. Apple Exports Fall to Most Markets



Russia's production is forecast to remain at 1.4 million tons on stable bearing acreage and normal growing conditions. Imports are expected to continue their decline on lower shipments from Belarus and the continued ban on EU apples. Despite this continued slide, Russia remains the top apple importer at 725,000 tons.

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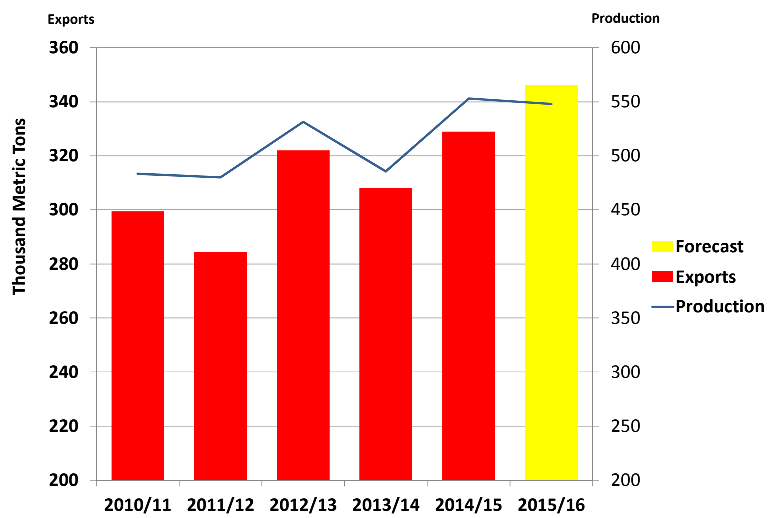
Chile's production is projected flat at 1.2 million tons. Growers continue to switch to more profitable crops as well as to transition to higher-yielding varieties in remaining orchards. Exports are forecast up 32,000 tons to 660,000 on smaller shipments to the United States.

Mexico's production is forecast to decline 17,000 tons to 700,000 as adverse weather impacted yield and quality. Imports are forecast to plunge nearly 100,000 tons to 215,000 as imports from the United States have been driven down by Mexico's antidumping duties.

Argentina's production is forecast to contract slightly to 640,000 tons as hail storms affected fruit quantity and quality and acreage continues to decline due to ongoing labor issues and rising input costs. Exports are projected flat at 105,000 tons.

New Zealand's expected off-year in production is forecast instead to remain steady at 548,000 tons as a compressed high- volume bloom was followed by excellent growing conditions. Exports are expected to rise to their highest level in over 10 years, to 346,000 tons, as the country continues to shift its focus from Europe towards Asia.

New Zealand Apple Exports Expand on Higher Production



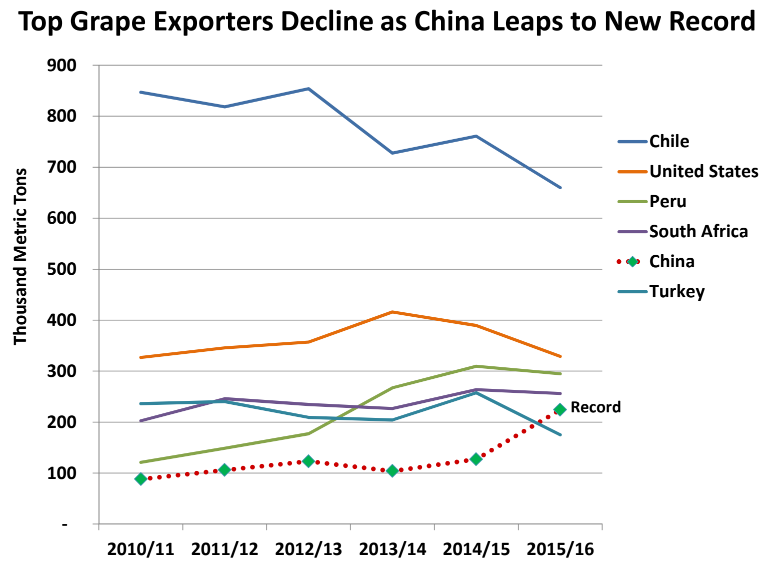
South Africa's production is forecast to remain steady at 930,000 tons as the effects of dry weather are offset by higher plantings. Exports are expected to rise slightly to 473,000 tons.

Turkey's production is forecast to rebound from last year's frost-damaged crop, surging 451,000 tons to 2.7 million. Exports are slashed 42,000 tons to 86,000 on lower exports to Iraq.

FRESH TABLE GRAPES

World table grape production is forecast to increase slightly to 21.0 million tons as continued growth in China is mostly offset by declines in Turkey and Chile. Global trade is forecast to contract slightly as lower exports by Chile, Turkey, and the United States only partly offset China's record exports.

China's production is projected to surge 800,000 tons to 9.6 million on higher area and favorable growing conditions. Exports are forecast to jump 76 percent, up 97,000 tons to a record 224,000 on higher shipments to Thailand and Vietnam. Imports are forecast down slightly to 217,000 tons on lower shipments from the United States and Peru.



Turkey's production is forecast to drop 345,000 tons to 2.0 million due to a spring frost in the main growing region in western Turkey. Exports are projected to fall 82,000 tons to 175,000 on lower shipments to the EU as well as top market Russia, where a ban on certain Turkish imports went into effect January 1, 2016.

EU's production is forecast to rise a modest 49,000 tons to 1.7 million on higher output in Spain. Exports are projected to slip 14,000 tons to 87,000 as alternative markets fail to replace lost market share in Russia, where the ban on EU grapes continues. Imports are projected to slip 18,000 tons to 585,000.

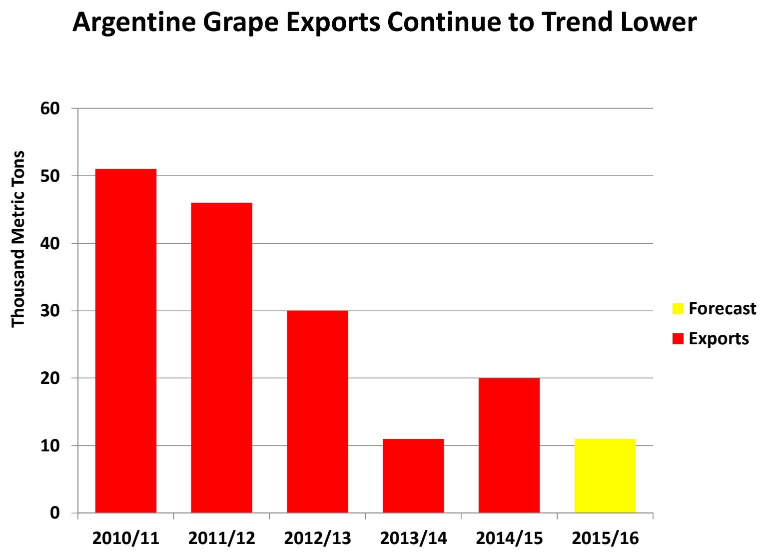
United States' production is forecast to rise slightly to 984,000 tons despite drought concerns in top producing state California. Final trade data show exports are down 60,000 tons to 329,000 driven by lower shipments to top markets. Imports slipped 17,000 tons to 530,000 on lower available product from Chile. Steady production coupled with lower exports is expected to boost consumption to a record 1.2 million tons.

Peru's production is expected to expand slightly to 510,000 tons as new plantings continue to reach maturity. Exports are down slightly to 295,000 tons on competition from Chile in key markets China and Hong Kong.

Chile's production and exports are forecast down nearly 100,000 tons to 840,000 and 660,000, respectively, reflecting the continued impact from last year's March flood and July snow.

Russia's production forecast is lowered to 90,000 tons due to losses in both commercial and household vineyards. Imports are projected to decrease 51,000 tons to 250,000 driven by falling consumer purchasing power, declining consumption, and the inability to replace banned grapes from the EU and Turkey.

Argentina's production is forecast to fall by half to 60,000 tons due largely to table grapes being processed into raisins. After last year's modest rebound, exports are forecast to decline again, dropping 9,000 tons to a lackluster 11,000.



FRESH PEARS

World pear production is forecast up 814,000 tons to 25.2 million on higher output in China where 75 percent of the world's crop is grown and consumed. Global trade is forecast down as lower EU exports more than offset higher Chinese exports.

China's production is forecast up 1.0 million tons to 19.0 million on higher yields following favorable growing conditions in major producing areas. Exports are projected to continue rebounding, up 68,000 tons to 400,000 on greater shipments to Vietnam, Thailand, and Indonesia. Imports are nearly halved to 6,300 tons on lower demand for product from the EU and the United States.

EU's production is projected to drop 144,000 tons to 2.5 million as unfavorable weather affects fruit set in major producing countries. As Russia's ban remains in effect, exports are forecast down 89,000 tons to 328,000 on reduced output and lower demand in Belarus and Brazil. With lower exports resulting in higher available domestic supplies, imports are down slightly to 202,000 tons.

United States' production is forecast down 89,000 tons to 665,000, driven primarily by fewer bearing acres in top-growing states Washington and Oregon. Reduced shipments to Mexico and other top markets are expected to lower exports 15,000 tons to 160,000. Imports are forecast a flat 90,000 tons on steady demand for pears from Argentina and Chile.

Argentina's production is forecast to ease 10,000 tons to 580,000 as hail storms reduced fruit volumes and quality. Exports are expected to remain unchanged at 330,000 tons as losses to Brazil due to tighter phytosanitary rules offset gains to the EU.

Chile's production is projected down 18,000 tons to 272,000 as unseasonably cold temperatures delayed the crop, affecting crop quality. Exports are expected to follow suit, dropping 24,000 tons to 120,000 on lower exportable supplies.

South Africa's production is forecast to rise just 10,000 tons to 410,000 even though higher plantings have come into full production. Exports are expected to keep pace with production, increasing 5,000 tons to 210,000.

Russia's production is expected to remain flat at 160,000 tons due to unfavorable weather. Imports are forecast to remain constant at 270,000 tons as shipments from Belarus offset product from Argentina. While the ban on EU imports continues, Russia remains the top global market despite shipments having dropped more than a third since the ban was initiated in August 2014.

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Marketing Years:

Apples - 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 - The United States and Mexico are on a May-April marketing year. All other Northern Hemisphere countries are on a June-May marketing year. As of this report, the Southern Hemisphere countries of Argentina and Chile are also now on an October-September marketing year, along with South Africa; Peru remains 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.

Note: The Foreign Agricultural Service (FAS) did not update the 2015/16 production forecast for the United States in this scheduled report. In January, the National Agricultural Statistics Service (NASS) announced it would not publish the *Noncitrus Fruits and Nuts 2015 Preliminary Summary*, which would have provided updated U.S. production data. NASS will publish final 2015/16 U.S. production data in the July *Noncitrus Fruits and Nuts 2015 Summary*, and FAS will publish the final 2015/16 U.S. production data in the December issue of *Fresh Deciduous Fruit: World Markets and Trade (Apples, Grapes, & Pears)*. http://www.nass.usda.gov/Newsroom/Notices/2016/01_07_2016.php

Apple Summary

(1,000 Metric Tons)

	2011/12	2012/13	2013/14	2014/15	Dec 2015/16	Jun 2015/16
Production						
China	35,985	38,500	39,680	40,920	43,000	43,000
European Union	12,338	12,207	11,865	13,619	12,220	12,220
United States	4,231	4,049	4,690	5,075	4,561	4,561
Turkey	2,700	2,900	2,930	2,289	2,740	2,740
India	2,203	1,915	2,200	2,200	2,200	2,200
Iran	1,700	1,693	1,693	1,693	1,693	1,693
Russia	1,124	1,264	1,417	1,409	1,390	1,390
Brazil	1,340	1,231	1,377	1,266	1,240	1,240
Chile	1,360	1,420	1,310	1,210	1,350	1,230
Ukraine	1,127	1,211	1,211	1,211	1,211	1,211
Other	5,540	5,234	5,442	5,504	5,414	5,397
Total	69,648	71,624	73,815	76,395	77,019	76,882
Fresh Dom. Consumption						
China	30,647	32,317	34,920	37,038	38,600	38,332
European Union	8,072	7,902	7,351	7,771	7,159	7,234
United States	2,195	2,293	2,498	2,604	2,298	2,562
Turkey	2,517	2,762	2,639	2,064	2,452	2,556
India	2,381	2,085	2,364	2,384	2,372	2,358
Russia	1,564	1,992	2,116	1,800	1,730	1,666
Iran	1,452	1,265	1,487	1,405	1,368	1,368
Other	8,819	8,737	9,278	9,636	9,727	9,707
Total	57,646	59,353	62,654	64,702	65,705	65,782
For Processing						
European Union	3,281	3,273	3,562	4,128	3,696	3,696
China	4,400	5,200	3,850	3,200	3,600	3,600
United States	1,368	1,058	1,562	1,597	1,394	1,394
Russia	721	570	459	370	370	370
Chile	403	392	295	332	320	320
Argentina	450	420	250	300	310	300
South Africa	215	246	200	270	200	200
Other	870	754	849	653	637	637
Total	11,708	11,912	11,028	10,850	10,527	10,517
Imports						
Russia	1,201	1,383	1,254	817	780	725
Belarus	168	159	278	724	660	590
European Union	518	536	622	400	450	485
Egypt	94	77	158	201	250	270
United Arab Emirates	166	223	189	224	225	225
Canada	190	250	222	217	260	215
Mexico	216	266	227	314	290	215
Iraq	249	210	190	202	200	200
Bangladesh	160	121	148	151	145	190
India	208	197	197	204	192	175
Other	2,372	2,503	2,489	2,619	2,721	2,671
Total	5,542	5,923	5,972	6,074	6,173	5,961
Exports						
European Union	1,503	1,568	1,574	1,795	1,615	1,575
China	1,012	1,026	934	750	900	1,150
United States	841	893	843	1,036	1,042	780
Chile	762	833	820	628	780	660
South Africa	389	459	382	466	455	473
New Zealand	285	322	308	329	340	346
Iran	248	428	206	288	325	325
Belarus	63	104	210	570	500	295
Serbia	129	40	143	153	120	215
Argentina	134	162	144	106	130	105
Other	431	361	447	415	483	350
Total	5,796	6,198	6,011	6,537	6,690	6,274

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)

	2011/12	2012/13	2013/14	2014/15	Dec 2015/16	Jun 2015/16
Production						
China	6,600	7,400	8,085	8,800	9,600	9,600
India	2,221	2,483	2,500	2,500	2,500	2,500
Turkey	2,200	2,200	2,200	2,350	2,005	2,005
European Union	1,898	1,724	1,816	1,634	1,683	1,683
Brazil	1,515	1,440	1,437	1,451	1,460	1,460
United States	857	874	1,013	955	984	984
Chile	1,175	1,195	1,055	939	925	840
Peru	365	398	500	500	510	510
South Africa	286	262	252	291	294	284
Korea, South	278	260	260	260	260	260
Other	823	929	856	956	851	836
Total	18,217	19,164	19,974	20,637	21,072	20,961
Fresh Dom. Consumption						
China	6,644	7,436	8,212	8,899	9,685	9,593
India	2,111	2,335	2,363	2,429	2,404	2,375
European Union	2,345	2,134	2,241	2,126	2,177	2,180
Turkey	1,960	1,992	1,997	2,094	1,828	1,832
Brazil	1,496	1,429	1,443	1,448	1,462	1,455
United States	1,044	1,084	1,117	1,113	1,134	1,185
Russia	447	444	407	389	330	330
Korea, South	331	315	320	325	322	309
Ukraine	360	364	352	342	280	273
Peru	220	222	234	192	210	204
Other	1,214	1,274	1,198	1,135	1,106	1,117
Total	18,172	19,027	19,883	20,493	20,936	20,852
Imports						
European Union	581	560	577	603	600	585
United States	533	567	519	547	540	530
Russia	393	389	349	301	250	250
China	150	159	231	226	250	217
Hong Kong	163	144	210	215	220	190
Canada	173	176	182	177	178	173
Thailand	63	85	87	89	90	128
Kazakhstan	55	80	28	67	73	100
Mexico	75	59	77	69	68	70
Korea, South	53	55	60	66	63	50
Other	278	278	288	277	278	270
Total	2,516	2,552	2,608	2,636	2,609	2,564
Exports						
Chile	818	854	728	761	740	660
United States	346	357	416	389	390	329
Peru	149	177	267	310	295	295
South Africa	246	235	226	264	266	256
China	106	123	104	127	165	224
Turkey	241	209	204	257	179	175
Hong Kong	124	105	164	172	175	170
Mexico	138	168	150	152	163	163
India	114	151	142	75	100	130
Australia	44	79	86	91	84	110
Other	235	226	196	159	162	136
Total	2,560	2,683	2,683	2,757	2,719	2,647

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 of Argentina, Chile, and South Africa are on an October-September marketing year; Peru is on a calendar year indicated as the second year of the split year. Some countries may include raisin-type and/or table-type grapes.

Pear Summary

(1,000 Metric Tons)

	2011/12	2012/13	2013/14	2014/15	Dec 2015/16	Jun 2015/16
Production						
China	15,800	17,000	17,300	18,000	19,000	19,000
European Union	2,895	2,009	2,523	2,594	2,450	2,450
United States	876	772	795	754	665	665
Argentina	760	780	690	590	650	580
Turkey	390	390	415	305	415	415
South Africa	361	392	414	400	410	410
India	340	340	340	340	340	340
Japan	299	300	300	300	300	300
Chile	287	289	267	290	300	272
Korea, South	291	173	282	303	259	259
Other	544	515	472	523	523	522
Total	22,842	22,960	23,798	24,399	25,312	25,213
Fresh Dom. Consumption						
China	14,119	15,243	15,506	16,028	16,955	16,906
European Union	2,254	1,732	2,009	2,051	2,016	2,085
Russia	506	464	528	400	375	405
Turkey	367	363	392	279	390	392
United States	433	395	409	414	369	369
India	360	357	356	358	360	365
Japan	298	299	299	299	299	299
Korea, South	271	159	258	279	237	236
Brazil	239	212	227	198	223	188
Taiwan	160	147	124	147	147	147
Other	1,098	1,103	998	1,053	1,121	1,131
Total	20,105	20,474	21,105	21,506	22,491	22,522
For Processing						
China	1,264	1,350	1,500	1,650	1,700	1,700
United States	292	272	265	255	226	226
European Union	410	237	300	288	224	224
South Africa	127	141	158	147	172	172
Argentina	280	266	186	153	220	161
Chile	70	62	65	58	57	57
Russia	43	20	20	9	10	10
Mexico	3	3	4	4	4	4
Canada	0	0	0	0	0	0
Australia	30	30	30	0	0	0
Other	13	13	12	13	0	0
Total	2,531	2,394	2,539	2,576	2,612	2,552
Imports						
Russia	419	369	431	265	240	270
European Union	227	278	255	220	220	202
Brazil	217	190	208	179	205	170
Belarus	19	19	60	186	160	160
Indonesia	129	136	96	86	100	130
United States	40	79	82	90	95	90
Mexico	96	83	90	85	84	81
Other	498	527	448	483	529	537
Total	1,644	1,680	1,670	1,594	1,633	1,640
Exports						
China	419	409	299	332	360	400
Argentina	394	439	409	333	310	330
European Union	458	317	469	417	415	328
South Africa	182	202	207	205	190	210
United States	191	184	203	175	165	160
Belarus	3	11	38	163	140	130
Chile	134	143	117	144	160	120
Other	59	52	65	67	72	69
Total	1,838	1,759	1,807	1,835	1,812	1,747

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.