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Fruit and Tree Nuts Outlook

Agnes Perez

acperez@ers.usda.gov

Katherine Baldwin

kbaldwin@ers.usda.gov

Kristy Plattner

kplattner@ers.usda.gov

2011/12 U.S. Citrus Production Relatively Unchanged from Previous Season

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The next release is
March 30, 2012.

Approved by the
World Agricultural
Outlook Board.

USDA's National Agricultural Statistics Service (NASS) released its first citrus production forecast for marketing year 2011/12 on October 12. Total U.S. citrus production is forecast at 11.7 million tons in 2011/12, down less than 1 percent from a revised 2010/11 estimate. Production gains for oranges and mandarins are more than offset by declines in the production of grapefruit, lemons, and tangelos.

NASS forecasts California's 2011/12 orange crop down nearly 7 percent from last season to 2.3 million tons. The decline is entirely due to a smaller navel crop of 1.76 million tons, down from last season's record production of 1.92 million tons. In contrast, California Valencia production is projected unchanged from last year's production of 540,000 tons. A smaller California orange crop this year will likely help support grower prices, particularly given that fruit sizes are reported to be larger than normal.

Florida's 2011/12 orange crop, nearly all of which is used for juice production, is forecast at 6.6 million tons, up 5 percent from last season and the largest Florida orange crop since 2008/09. Tight orange juice beginning stocks, combined with a small increase in orange production and limited opportunities for expanded imports, is expected to result in tight overall supplies for the U.S. orange juice market this year—likely signaling higher grower prices in 2011/12.

The U.S. 2011/12 grapefruit crop is forecast at 1.2 million tons, down 5 percent from last season. If realized, this season's crop would be the smallest since 2004/05 when Florida's hurricane-reduced crop drove U.S. grapefruit production to a record low since the 1970s. Florida's crop is projected to account for 72 percent of the total, with Texas and California producing 17 and 11 percent, respectively. Shipments of Florida grapefruit are off to their fastest start since 2008/09, with the largest gain in shipments seen in exports of colored grapefruit, up 21 percent from this time last year.

U.S. lemon production is forecast to experience the biggest year-over-year decline amongst all citrus crops. NASS forecasts the 2011/12 U.S. lemon crop at 832,000 tons, down more than 11 percent compared to last year and the smallest crop since 2007/08. Despite this forecast reduction, prices for all lemons have had a sluggish start to the season, down more than 20 percent from this time last year. Prices are expected to rise later in the year, however, due to the reduction in domestic supplies.

Price Outlook

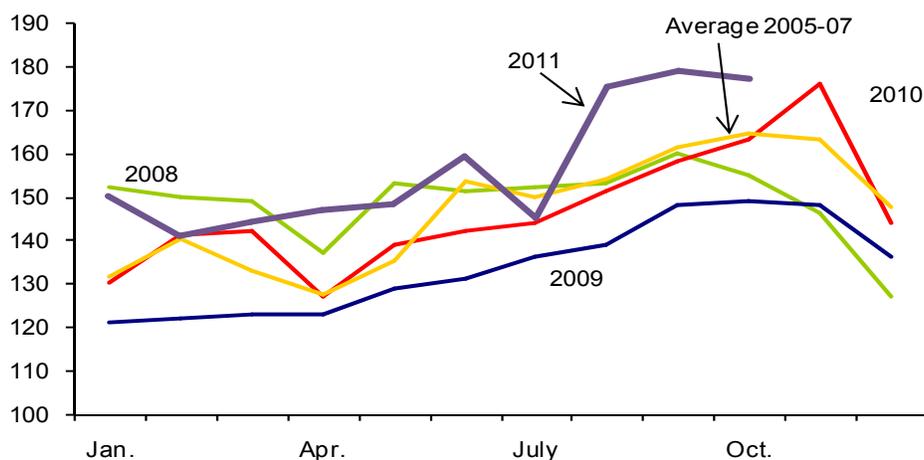
Fruit and Nut Grower Prices Up Substantially

The October fruit and tree nut grower price index declined 1 percent from the previous month but is up 9 percent from the same month a year ago (fig. 1). Prices for grapefruit and fresh grapes were up substantially in October compared to the same period in 2010. Oranges and fresh apples also posted gains, but lemons and pears declined.

The late California navel orange harvest has helped support grower prices at the end of the 2010/11 season (table 1). Prices were 20 percent higher in October 2011 compared to last year, with overall supplies strained in the run-up to harvest. With the smaller anticipated California navel crop in 2011/12, prices should remain elevated throughout the marketing year. Grapefruit prices have jumped in the last 2 months, with prices up 26 percent compared to this time last year. The grapefruit crop is projected to be smaller this season, likely boosting prices. As with oranges, end-of-year supplies are tight. On the other side of citrus, lemon prices have been down to start the season due to large domestic supplies—mostly a result of increased imports. A smaller domestic crop for 2011/12 should pressure lemon prices higher in the rest of the marketing season.

As the apple harvest winds down, prices remained high due to the overall smaller crop in Washington State which is the country's largest apple-producing State and accounts for a majority of the domestic fresh-market apple crop. Light supplies earlier in the season bolstered prices. Presently, the smaller harvest is causing increased grower prices compared with the same period a year ago. Unlike apples, pear supplies are ample this marketing season. As the harvest continues, fresh pear prices have been pressured downward. Fresh pear grower prices in October were down 10 percent from last year. Shipments of pears are up compared to the first

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	2010		2011		2010- 11 change	
	September	October	September	October	September	October
	-----Dollars per box-----				Percent	
Citrus fruit: 1/						
Grapefruit, all	4.70	7.62	9.50	9.62	102.1	26.2
Grapefruit, fresh	4.70	8.08	9.50	12.06	102.1	49.3
Lemons, all	19.72	19.92	15.34	12.93	-22.2	-35.1
Lemons, fresh	26.23	25.23	22.59	19.57	-13.9	-22.4
Oranges, all	6.88	6.96	8.44	8.26	22.7	18.7
Oranges, fresh	9.29	9.29	11.25	11.15	21.1	20.0
	-----Dollars per pound-----					
Noncitrus fruit:						
Apples, fresh 2/	0.365	0.357	0.480	0.434	31.5	21.6
Grapes, fresh 2/	0.210	0.215	0.405	0.395	92.9	83.7
Peaches, fresh 2/	0.249	--	0.303	--	21.9	--
Pears, fresh 2/	0.243	0.311	0.293	0.281	20.5	-9.6
Strawberries, fresh	0.733	0.876	0.876	0.876	19.5	0.0

1/ Equivalent on-tree price.

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

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

two weeks in November 2010, demonstrating the ample supply situation that is reducing grower prices. While supplies going to market early in the season were light due to weather-related delays, shipments have strengthened later in the season.

Grape prices have remained strong in the fall months of September and October. Grower prices gained 93 percent and 84 percent, respectively, from the previous year. Shipment totals through November 12, 2011 show a 3-percent decline in shipments season-to-date. The slight decline in total shipments thus far is attributed to the weather-delayed harvest causing tight supplies early in the season. As the season has progressed, the lower fresh grape production will most likely keep prices above last season through the end of the year.

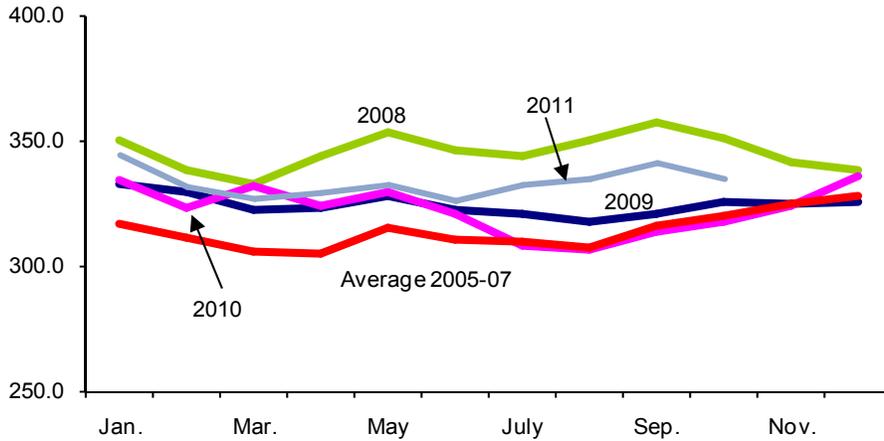
Retail Fresh Fruit Prices Remain Strong

The U.S. consumer price index (CPI) for fresh fruit in October 2011 was 335 (1982-1984=100), down 2 percent from the previous month, but 5 percent above October 2010's CPI (fig. 2). Lower supply and high demand for many fresh fruit crops have bolstered prices for the past two months. Large price gains in Red Delicious apples and Thompson Seedless grapes led the year-to-year gain in the CPI. Higher retail prices for navel oranges, grapefruit and bananas also boosted the October index compared to the same time last year. Only lemons and strawberries had price declines due to end-of-season quality declines and seasonal demand shifts.

Continued tight supplies of navel oranges and grapefruit received higher retail prices with 8-percent gains over October 2010 (table 2). An overall smaller apple crop has increased retail prices for Red Delicious by 19 percent in both September and October this year compared to the previous year. Banana prices have increased by 5 percent this October. Agricultural Marketing Service (AMS) shipment data show a 5 percent decline in shipment volumes through the second week of November. Most major banana import suppliers—Guatemala, Ecuador, and Colombia—show a decline in shipments from a year ago, likely contributing to the increase in retail banana prices.

Figure 2
Consumer Price Index for fresh fruit

1982-84=100



Source: U.S. Department of Labor, Bureau of Labor Statistics, <http://www.bls.gov/data/home.htm>.

Table 2--U.S. monthly retail prices, selected fruit, 2010-11

Commodity	Unit	2010		2011		2010-11 change	
		September	October	September	October	September	October
		--- Dollars ---		--- Dollars ---		--- Percent ---	
Fresh:							
Valencia oranges	pound	1.017	--	1.009	--	-0.8	--
Navel oranges	pound	1.302	1.281	1.438	1.386	10.4	8.2
Grapefruit	pound	1.002	1.018	1.100	1.094	9.8	7.5
Lemons	pound	1.719	1.757	1.682	1.598	-2.2	-9.0
Red Delicious apples	pound	1.259	1.180	1.505	1.409	19.5	19.4
Bananas	pound	0.573	0.580	0.607	0.607	5.9	4.7
Peaches	pound	1.591	--	1.657	--	4.1	--
Anjou pears	pound	--	--	--	--	--	--
Strawberries 1/	12-oz. pint	1.896	2.095	1.983	2.060	4.6	-1.7
Thompson seedless grapes	pound	1.622	1.805	1.849	2.079	14.0	15.2
Processed:							
Orange juice, concentrate 2/	16 fl oz	2.463	2.461	2.720	2.749	10.4	11.7
Wine	liter	8.304	10.382	9.233	11.278	11.2	8.6

-- 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>.

Fruit and Tree Nut Outlook

Overall Estimated U.S. Citrus Production in 2011/12 Virtually Unchanged From 2010/11

USDA's National Agricultural Statistics Service (NASS) released its first citrus production forecast for marketing year 2011/12 on October 12. Total U.S. citrus production is forecast at 11.7 million tons in 2011/12, down less than 1 percent from a revised 2010/11 estimate. Production gains for oranges and mandarins are slightly offset by declines in the production of grapefruit, lemons, and tangelos. Florida is the only State where total citrus production is forecast larger in 2011/12, driven by increased production of both early/mid-season/navel varieties and Valencias. Estimates are also slightly higher for this season's crops of Florida grapefruit and tangerines/mandarins; tangelo production is forecast slightly down. Citrus production in California is projected down 5 percent in 2011/12, with the largest absolute year-over-year decline forecast for early/mid-season/navel oranges. Production of California Valencias is forecast to be unchanged from 2010/11. California grapefruit production is projected down 17 percent, while the State's lemon crop is forecast to contract 5 percent. These losses are partially compensated by a 4-percent gain in the production of tangerines/mandarins. Citrus production in Texas is forecast to decline 17 percent in 2011/12, led by a 19 percent forecast drop in the State's grapefruit crop. Arizona's citrus crop is forecast to experience the biggest percentage decline of all producing States in 2011/12. Production there is forecast down 64 percent, primarily due to a large decline in the State's lemon crop as a result of a severe freeze earlier this calendar year.

California's Orange Crop Down in 2011/12

NASS forecasts California's 2011/12 orange crop down nearly 7 percent from last season to 2.3 million tons (table 3). The decline is entirely due to a smaller navel crop of 1.76 million tons, down from last season's record production of 1.92 million tons. In contrast, California Valencia production is projected to remain equivalent to last year's production of 540,000 tons. Despite the smaller navel crop, navels are still expected to account for 77 percent of California's total orange production this year. Fruit development has been slow this season, and growers are consequently expecting a late start to the harvest.

While navel-bearing acreage is unchanged from 2010/11 at 133,500 acres, fruit sets per tree are forecast lower. Survey data from California's *Navel Orange Objective Measurement Report* indicated an average fruit set of 318, down from the State's 5-year average of 353 and well below last year's 418. With a smaller fruit set, individual fruit sizes are projected higher in 2011/12.

A late start to the California navel harvest was reinforced by shipment data from USDA's Agricultural Marketing Service (AMS). California shipments through the first week of November are nearly even with the same time last season when the navel harvest was similarly delayed. Additionally, import shipments from Chile have continued through early November, although shipments are slowing. Australia, Chile, and South Africa typically provide most of the summer/early fall navels in the U.S. fresh market. With navel imports finished from most major origins, California navels should be well-positioned to fill domestic demand once harvesting begins in earnest.

Table 3--Oranges: Utilized production, 2008/09-2010/11 and forecast for 2011/12 1/

Crop and State	Utilized			Forecast	Utilized			Forecast
	2008/09	2009/10	2010/11	2011/12 as of 10-2011	2008/09	2009/10	2010/11	2011/12 as of 10-2011
	--1,000 boxes 2/--				--1,000 short tons--			
Oranges:								
Early/mid-season and navel 3/:								
Arizona	150	--	--	--	5	--	--	--
California	34,500	42,500	48,000	44,000	1,294	1,594	1,920	1,760
Florida	84,600	68,600	70,300	74,000	3,807	3,087	3,164	3,330
Texas	1,300	1,360	1,700	1,380	55	58	72	59
Total	120,550	112,460	120,000	119,380	5,161	4,739	5,156	5,149
Valencia:								
Arizona	100	--	--	--	4	--	--	--
California	12,000	15,000	13,500	13,500	450	562	540	540
Florida	77,900	65,100	70,000	73,000	3,506	2,930	3,150	3,285
Texas	159	275	249	329	7	12	11	14
Total	90,159	80,375	83,749	86,829	3,967	3,504	3,701	3,839
All oranges	210,709	192,835	203,749	206,209	9,128	8,243	8,857	8,988

-- = Data not available.

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

2/ Net pounds per box: Arizona and California--75 prior to 2010/11, 80 thereafter, Florida--90, and Texas--85.

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

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

Smaller California Orange Crop Likely to Boost Fresh Orange Prices

A smaller California orange crop this year will likely help support grower prices, particularly given that fruit sizes are reported to be larger than normal. The late start to the season should help further boost prices in the short term, but they will likely decline once the harvest hits full swing. While fresh orange prices may average lower than last season, they are likely to remain above the average for the last decade. Prices this year will continue to be very dependent upon export demand. Since 2008/09, exports have increased as a share of domestic production, reaching a record estimated 1.66 billion pounds in 2010/11. If this trend continues, fresh orange exports could be on target toward another strong year. However, given the forecast reduction in California's orange crop this year, the Economic Research Service (ERS) projects exports will fall slightly to 1.55 billion pounds. Domestic consumption of fresh oranges is forecast at 3.11 billion pounds for 2011/12, up from 3.08 billion pounds in 2010/11.

Florida's Orange Output Forecast Up in 2011/12

Florida's 2011/12 orange crop, nearly all of which is used for juice production, is forecast at 6.62 million tons, up 5 percent from last season and the largest Florida orange crop since 2008/09. Production of early, midseason, and navel varieties in Florida is forecast 5 percent higher than last season at 3.33 million tons. The 2011/12 Valencia crop is forecast at 3.29 million tons, up 4 percent from last season. While production is forecast up, acreage planted to oranges continues to decline in Florida. The Florida NASS September *Commercial Citrus Inventory Preliminary Report* estimated total orange acreage at 473,086 acres—the seventh straight year of declining acreage and the lowest level since 1986. While dry conditions marked the bloom period over most of the State's citrus-producing areas, supplemental irrigation helped maintain moisture levels and aided fruit development. The Florida NASS November *Citrus Maturity Test Results and Fruit Size* report indicated much larger fruit sizes this year for all varieties of oranges than in either of the previous two seasons.

With the overwhelming majority of Florida's orange crop destined for juice production, grower prices will largely depend upon the overall supply-and-demand dynamics for orange juice. Tight orange juice beginning stocks, combined with a small increase in orange production and limited opportunities for expanded imports, is expected to result in tight overall supplies this year—likely signaling higher grower prices in 2011/12. Beginning stocks in 2011/12 are estimated at 407 million single-strength-equivalent (sse) gallons, down nearly 30 percent from the previous season and the lowest stocks since 2007/08. In this environment of reduced total domestic supplies, the Florida Department of Citrus (*Florida Citrus Outlook 2011-12 Season*, October 19, 2011) (FDOC), estimates that prices will rise this year for both early/midseason and Valencia varieties compared to 2010/11. They project average on-tree processed orange prices of \$7.22 per box for early and mid-season varieties and \$8.84 per box for Valencias compared to \$5.71 and \$7.60, respectively, last year.

U.S. Orange Juice Production Forecast to Increase for Second Straight Year in 2011/12

ERS forecasts this year's U.S. orange juice production at 952 million single-strength equivalent (sse) gallons, up 4 percent from last season (table 4). The forecast increase in production is the product of both higher output of Florida oranges this year and a higher projected juice yield. Imports are forecast up 7 percent to 285 million gallons sse due to a small projected increase in Brazilian exports this year. However, the much lower beginning stocks estimate brings down the total domestic supply forecast to 1.6 billion gallons—a 5-percent decrease from last year. Although the U.S. dollar remains generally weak, with tighter domestic supplies, exports are projected to fall 18 percent to 175 million gallons. While down from last year's record exports, ERS anticipates that tight Brazilian orange juice supplies will help U.S. exports—still projected higher than the average of the previous five years. Domestic consumption is projected at 1.05 billion gallons, down six percent from 2010/11. Nielsen retail sales data from the FDOC support this reduced consumption estimate; for the first month of the 2011/12 marketing year, retail purchases of orange juice are down 7 percent compared to the same period last season. At the same time, prices for not-from-concentrate (NFC) orange juice have risen by 7 percent (fig. 3).

Second Consecutive Season of Tight Global Orange Juice Supplies Expected

Combined U.S. and Brazilian orange juice production accounts for approximately 90 percent of total global supplies, according to USDA's Foreign Agricultural Services (FAS) *Production, Supply, and Distribution* database. Brazil alone accounts for around 60 percent of global production, yet the country is also the source of around 80 percent of the world's orange juice exports. While the U.S. is the world's second largest producer of orange juice, higher domestic consumption reduces U.S. exportable supplies—the U.S. accounts for less than 10 percent of global orange juice trade, despite producing around 30 percent of the world's orange juice.

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

Season 1/	Beginning		Imports	Supply	Exports	Domestic consumption	Ending stocks 2/	Per capita consumption
	stocks	Production						
-----Million sse gallons 3/-----								Gallons
1990/91	225	876	320	1,422	94	1,170	158	4.6
1991/92	158	930	286	1,374	107	1,096	170	4.3
1992/93	170	1,207	324	1,701	114	1,337	249	5.2
1993/94	249	1,133	405	1,787	107	1,320	360	5.0
1994/95	360	1,257	198	1,815	117	1,264	434	4.8
1995/96	434	1,271	261	1,967	119	1,431	417	5.3
1996/97	417	1,437	256	2,110	148	1,398	564	5.2
1997/98	564	1,555	281	2,400	150	1,571	679	5.7
1998/99	679	1,236	350	2,265	147	1,585	534	5.7
1999/00	534	1,493	339	2,366	146	1,575	645	5.6
2000/01	645	1,387	258	2,291	123	1,470	698	5.2
2001/02	698	1,433	189	2,321	181	1,447	692	5.0
2002/03	692	1,250	291	2,233	103	1,426	705	4.9
2003/04	705	1,467	222	2,393	123	1,448	822	5.0
2004/05	822	974	358	2,153	119	1,411	623	4.8
2005/06	623	986	299	1,909	138	1,312	459	4.4
2006/07	459	889	399	1,747	123	1,248	376	4.2
2007/08	376	1,156	406	1,938	136	1,155	647	3.8
2008/09	647	1,060	317	2,025	125	1,206	694	3.9
2009/10	694	840	328	1,862	147	1,158	557	3.8
2010/11	557	914	265	1,736	214	1,115	407	3.6
2011/12 f/	407	952	285	1,644	175	1,050	419	3.3

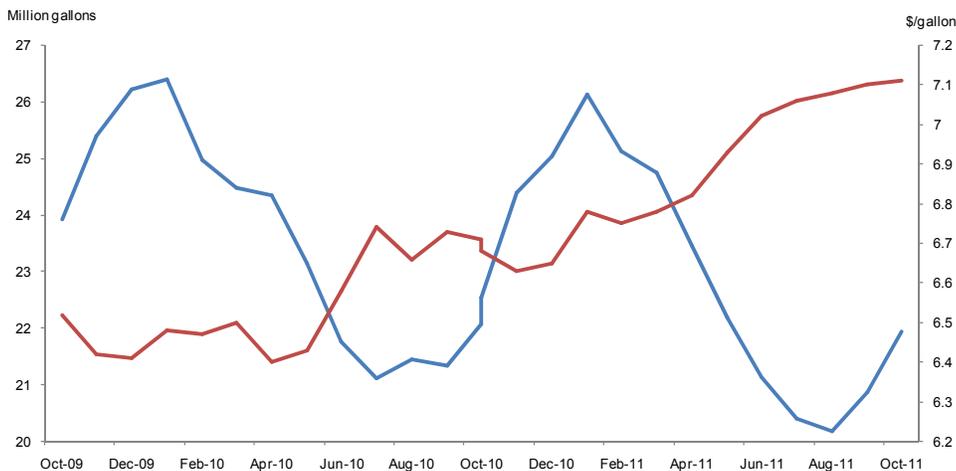
f = forecast.

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

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

Source: USDA, Economic Research Service.

Figure 3
Not-from-concentrate orange juice sales dip as prices rise



Nielsen sales data, refrigerated not-from-concentrate Orange Juice.

Source: compiled by USDA, Economic Research Service from Florida Department of Citrus.

After three consecutive years of declines, Brazil's orange juice production is expected to rebound in 2011/12 to 2.01 billion gallons sse, according to data released by FAS in July (table 5). If realized, this would be the most orange juice produced by Brazil since 2007/08, and represents a 30-percent increase over 2010/11 levels. This increased production estimate is largely due to recovery from severe drought in Sao Paulo State. Although much larger Brazilian production is forecast in 2011/12, most of the increase is likely to be used to rebuild the country's

Table 5--Brazilian orange juice production and utilization, 1991-2011

Season 1/	Beginning stocks	Production	Domestic consumption	Exports	Ending stocks 2/
--Million sse gallons 3/--					
1991	177	1,334	25	1,390	96
1992	96	1,610	25	1,532	148
1993	148	1,572	25	1,546	148
1994	148	1,583	31	1,482	218
1995	218	1,525	25	1,476	242
1996	242	1,620	24	1,660	177
1997	177	1,954	22	1,778	331
1998	331	1,712	26	1,600	418
1999	418	1,912	22	1,821	486
2000	486	1,683	21	1,778	370
2001	370	1,375	21	1,511	212
2002	212	1,904	21	1,757	337
2003	337	1,618	25	1,852	79
2004	79	2,084	28	1,992	142
2005	142	1,807	32	1,891	25
2006	25	2,024	39	1,989	21
2007	21	2,061	43	1,808	231
2008	231	1,831	47	1,776	240
2009	240	1,773	47	1,787	178
2010	178	1,532	47	1,657	6
2011	6	2,005	49	1,727	235

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

3/ SSE = single-strength equivalent. To convert to metric tons at 65 degrees brix, divide by 1.40588. Beginning in 2007, divide by 1.3926.

Source: USDA, Foreign Agricultural Service, *Brazil Citrus Semi Annual* reports.

inventories, which were reduced to historically low levels last season. In its *Florida Citrus Outlook 2011-12 Season* report, the FDOC reports that the Brazilian government has established a program incentivizing stock building in order to slow exports and support grower prices (FDOC, October 19, 2011). FDOC forecasts greater stock levels for 2011/12 than those estimated by USDA in July (table 5 does not reflect these potential adjustments), but still projects an increase in exports compared to 2010/11. This increase in Brazilian exports contributed to ERS's forecast for slightly increased U.S. orange juice imports. However, the muted increase in Brazilian exports is also likely to create opportunities for U.S. orange juice exports in third-country markets, similar to the situation in 2010/11.

U.S. Grapefruit Production Forecast Down in 2011/12

The U.S. 2011/12 grapefruit crop is forecast at 1.2 million tons, down 5 percent from last season (table 6). If realized, this season's crop would be the smallest since 2004/05 when Florida's hurricane-reduced crop drove U.S. grapefruit production to its lowest level since at least the 1970's. Florida's crop is projected to account for 72 percent of production in 2011/12, with Texas and California producing 17 and 11 percent, respectively.

Bucking the national trend, grapefruit production in Florida is projected nearly 2 percent higher in 2011/12 to 854,000 tons. Despite a further decline in grapefruit acreage and smaller fruit sets this year, sizing of colored grapefruits is expected to be above average, resulting in a crop projected 4 percent higher than in 2010/11.

Table 6--Grapefruit: Utilized production, 2008/09-2010/11 and indicated 2011/12 1/

Crop and State	Utilized			Forecast for	Utilized			Forecast for
	2008/09	2009/10	2010/11	2011/12 as of 10-2011	2008/09	2009/10	2010/11	2011/12 as of 10-2011
	--1,000 boxes 2/--				--1,000 short tons--			
Florida, all	21,700	20,300	19,750	20,100	922	863	840	854
Colored	15,100	14,300	13,900	14,500	642	608	591	616
White	6,600	6,000	5,850	5,600	280	255	249	238
Arizona	25	3/	3/	3/	1	3/	3/	3/
California	4,800	4,500	4,100	3,400	161	151	164	136
Texas	5,500	5,600	6,300	5,100	220	224	252	204
Total	32,025	30,400	30,150	28,600	1,304	1,238	1,256	1,194

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

2/ Net pounds per box: California and Arizona-67 prior to 2010/11, 80 thereafter, Florida-85, and Texas-80.

3/ Estimates discontinued beginning with the 2009/10 crop year.

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

In contrast, white grapefruit sizes are reported to be smaller than average with production forecast down 11,000 tons this year to 238,000 tons. While total grapefruit acreage in the State fell to a new low of 48,990 acres, the rate of decline slowed to 2 percent this year compared to more than 5 percent the previous two seasons.

Shipments of Florida grapefruit are off to their fastest start since 2008/09 according to data from the Florida's Citrus Administrative Committee (FCAC). Through November 13, fresh grapefruit shipments are up 24 percent compared to the same week last season, and processed grapefruit shipments are more than double last year's volume at this time. The largest gain in shipments was seen in exports of colored grapefruit, up 21 percent from this time last year. Exports of white grapefruit have also started the year ahead of last season's pace, while total domestic shipments (including shipments to Canada) are nearly unchanged from a year ago.

With higher supplies of grapefruit available early this year, the FCAC reports free-on-board (f.o.b.) prices for both white and red seedless grapefruit down from last year: white seedless grapefruit are averaging \$13.28 per 4/5 bushel box and red seedless are averaging \$11.13 per box, compared to \$14.65 and \$14.06, respectively, last season.

Texas' grapefruit crop is forecast down 19 percent this season to 204,000 tons—the first year of a production decline for the State since 2008/09. The decline was largely the product of dual weather phenomena. First, a hard freeze in February of this year damaged blossoms and reduced the number of fruit per tree. Second, fruit sizes have been reduced as a result of the State's record-breaking drought. However, drought tends to concentrate sugars within the fruit, so this year's crop of Texas grapefruit should be sweeter than average. AMS shipment data reinforce this year's decline in the Texas grapefruit crop. As of November 12, shipments of Texas grapefruit (both domestic and exports) were down more than 40 percent from the same period last season.

Grapefruit Juice Production and Supplies Forecast Down in 2011/12

U.S. production of grapefruit juice is expected to decline 7 percent in 2011/12 to 78 million sse gallons, mostly due to a smaller Texas grapefruit crop (table 7). With Texas' grapefruit production projected down nearly 20 percent from last year, U.S. grapefruit juice production will be affected in two ways: much smaller Texas grapefruit supplies destined for processing and a larger share of Florida grapefruit projected to enter the fresh market in order to cover the shortfall in Texas' production. Despite the expectation that a larger share of Florida's grapefruit production will enter the fresh market this year, a larger Florida crop means that the absolute quantity of Florida grapefruit destined for processing is virtually unchanged from last year.

Total grapefruit juice supplies are forecast down 11 percent from last year to 115 million sse gallons—the smallest total supplies dating back to at least 1970. While the decline in supplies can partly be explained by a lower production estimate, the bulk of the decline is due to lower juice stocks coming into the season—primarily lower inventories of frozen grapefruit juice in Florida. On the use side, both exports and consumption are expected to decline due to smaller overall supplies. ERS forecasts per capita grapefruit juice consumption will fall slightly to 0.23 gallons per person—a 6-percent decline compared to 2010/11, but still higher than in 2009/10.

Table 7--U.S. grapefruit juice: Supply and utilization, 1990/91 to date

Season 1/	Supply				Utilization			
	Production	Imports	Beginning stocks 2/	Total supply	Ending stocks	Exports 3/	Total	Per capita
-- Million gallons, single-strength equivalent --								Gallons
1990/91	129.0	1.5	62.6	193.1	45.1	16.4	131.6	0.52
1991/92	119.5	4.2	45.1	168.9	42.1	23.2	103.6	0.40
1992/93	186.3	1.9	42.1	230.4	74.3	22.0	134.0	0.52
1993/94	168.5	0.9	74.3	243.7	63.6	17.4	162.7	0.62
1994/95	190.8	0.9	63.6	255.2	76.2	22.1	157.0	0.59
1995/96	171.5	0.5	76.2	248.2	69.4	26.8	152.0	0.56
1996/97	192.0	0.2	69.4	261.5	89.6	21.3	150.7	0.55
1997/98	166.0	0.2	89.6	255.8	67.8	18.1	166.7	0.60
1998/99	170.9	1.3	67.8	240.0	54.3	25.3	160.3	0.57
1999/2000	203.4	4.1	54.3	262.7	81.9	32.6	147.8	0.52
2000/01	184.9	0.9	81.9	267.7	74.8	39.0	153.9	0.54
2001/02	180.4	0.3	74.8	255.5	83.6	36.3	135.7	0.47
2002/03	141.6	0.4	83.6	225.6	71.7	38.3	115.6	0.40
2003/04	147.8	0.5	71.7	220.0	65.5	42.3	112.2	0.38
2004/05	50.7	11.5	65.5	127.6	35.5	23.9	68.2	0.23
2005/06	80.8	5.6	35.5	121.9	42.0	18.7	61.2	0.20
2006/07	121.4	0.9	42.0	164.4	57.9	20.2	86.3	0.29
2007/08	109.2	0.3	57.9	167.4	59.8	16.1	91.6	0.30
2008/09	83.6	0.5	59.8	143.9	47.8	15.6	80.5	0.26
2009/10	77.1	0.6	47.8	125.5	44.7	12.8	68.0	0.22
2010/11	83.9	0.4	44.7	128.9	36.5	15.8	76.6	0.25
2011/12 f/	78.2	0.5	36.5	115.2	29.7	13.5	72.0	0.23

1/ As of 1998/99, season begins in October. Previously, it began in December.

2/ Stock data were adjusted beginning with 1989/90 ending stock data to more accurately reflect Florida inventories. 3/ Exports include shipments to territories until 1986/87. f/ = forecast.

Source: USDA, Economic Research Service calculations.

Table 8--Lemons: Utilized production, 2008/09-2010/11 and forecast for 2011/12 1/

State	Utilized			Forecast for	Utilized			Forecast for
	2008/09	2009/10	2010/11	2011/12 as of 10-2011 2/	2008/09	2009/10	2010/11	2011/12 as of 10-2011
	---1,000 boxes 2/---				---1,000 short tons---			
Arizona	3,000	2,200	2,500	800	114	84	100	32
California	21,000	21,000	21,000	20,000	798	798	840	800
Total	24,000	23,200	23,500	20,800	912	882	940	832

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

2/ 76 pound boxes prior to 2010/11, 80 pounds thereafter.

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

U.S. Lemon Production Forecast Down 11 Percent Due to Freeze Damage

U.S. lemon production is forecast to experience the biggest year-over-year decline amongst all citrus crops. NASS forecasts the 2011/12 U.S. lemon crop at 832,000 tons, a reduction of more than 11 percent compared to last year and the smallest crop since 2007/08 (table 8). Declines were particularly pronounced in Arizona, where production is forecast down 68 percent from 2010/11 due to damage from a major freeze that struck the southern part of the State last winter. In California, production is forecast at 800,000 tons, down 5 percent from last year. Harvest is currently underway in that State's desert region. AMS shipment data show domestic lemon shipments up 9 percent compared to this time last season. The pace of lemon imports has been much swifter, up 30 percent compared to last season, likely due to the expectation of a smaller domestic crop in the face of sustained consumer demand. Despite the forecast reduction in the U.S. crop, prices for all lemons have had a sluggish start to the season, down more than 20 percent from this time last year. Prices are expected to rise later in the year, however, due to the reduction in domestic supplies.

Production of Tangerines/Mandarins Forecast at a Record in 2011/12

Production of tangerines and mandarins is forecast at a record 643,000 tons in 2011/12, up 2 percent from last season. Production of tangerines/mandarins has grown for the past three consecutive seasons (table 9). The largest year-over-year gains are expected in California, with production there forecast up 4 percent to 412,000 tons. Florida's production is forecast up nearly 1 percent to 223,000 tons, while Arizona's production is expected to fall by nearly a third to just 8,000 tons.

NASS' Florida field office reports declining acreage for all major tangerine varieties (Fallglo, Sunburst, and Honey). Total tangerine acreage there is forecast at 13,127 acres for 2011/12, down 4 percent from last season. Fruit sets are expected to be higher this year for Honey tangerine varieties, but lower for Fallglo and Sunburst. In contrast, fruit sizes are projected to be larger for Fallglo and Sunburst, but smaller for Honey tangerines. Tangelo production in Florida is forecast down 4 percent from last year to 50,000 tons. Tangelo fruit sets are expected to be smaller than last year, while fruit size is projected to be larger.

With a larger crop forecast, the FDOC reports that shipments of all tangerine varieties are up 3 percent compared to the same time last season. AMS shipment data also reflect a strong start to the season, with domestic shipments up 14 percent from last year through mid-November. In spite of higher volumes, the FDOC reports that total revenues have fallen nearly 72 percent from last year, indicating

Table 9--Other citrus: Utilized production, 2008/09-2010/11 and forecast for 2011/12 1/

Crop and State	Utilized			Forecast for	Utilized			Forecast for
	2008/09	2009/10	2010/11	2011/12 as of 10-2011	2008/09	2009/10	2010/11	2011/12 as of 10-2011
	-----1,000 boxes 2/-----				-----1,000 short tons-----			
Tangelos:								
Florida	1,150	900	1,150	1,100	52	41	52	50
Tangerines:								
Arizona	250	350	300	200	9	13	12	8
California	6,700	9,900	9,900	10,300	251	371	396	412
Florida	3,850	4,450	4,650	4,700	183	211	221	223
Total	10,800	14,700	14,850	15,200	443	595	629	643

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

2/ Net pound per box: tangerines--California and Arizona--75 prior to 2010/11, 80 thereafter; Florida--95; tangelos--90;

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

much lower grower prices. FCAC reports season-to-date f.o.b. prices for Florida's Sunburst and Fallglo varieties have been below last year, averaging \$15.31 and \$13.58 per 4/5 bushel box, respectively, compared to \$18.35 and \$13.69 last season. These lower prices are consistent with the FDOC estimates of lower total on-tree revenues for specialty citrus this season (*Florida Citrus Outlook 2011-12*, October 19, 2011).

Production of tangerines/mandarins continues to increase in California, driven largely by strong consumer demand for newer seedless, easy peel varieties out of the State. Most of this year's production increase has been driven by younger trees coming into bearing age. Despite a larger California crop of tangerines/mandarins, prices are likely to remain strong, with forecasts increases in both domestic and export demand for fresh tangerine/mandarin varieties this year.

More Avocados to Soften Prices in 2011/12

After a season of tight supplies and high prices, U.S. avocado supplies are poised to make a comeback during the 2011/12 marketing season (November through October) as larger crops are expected from California, Mexico, and Chile—the country's three main sources for avocados. All three avocado-growing regions produced lighter crops last year (2010/11), resulting in overall lower-than-average supplies in the U.S. market. At 253 million pounds, production in California in 2010/11 declined 54 percent from the 549.6 million pounds bumper harvest in 2009/10. Relative to the State's previous 5-year average production (2004/05-2008/09), last season's crop was 24 percent lower. Chile's avocado exports to the United States declined 26 percent in 2010/11, November through August, compared with the same time the previous season, although the July through August export volume already reflects the country's new-crop (2011/12) supplies. For the same period (November-August), exports of Mexican Hass avocados to the United States totaled 551.4 million pounds, 13 percent more than the volume exported in 2009/10. Despite lower production in Mexico last year, the country's exports to the United States grew to partially make up for the tight U.S. supplies and strong demand, at the same time encouraged by the high-price market for avocados this past season. While still a small player in the U.S. avocado import market, shipments from Peru rose sharply this past season, aided by a good quality crop and the recent relaxation of U.S. import requirements for Peruvian Hass avocados as cold treatment or

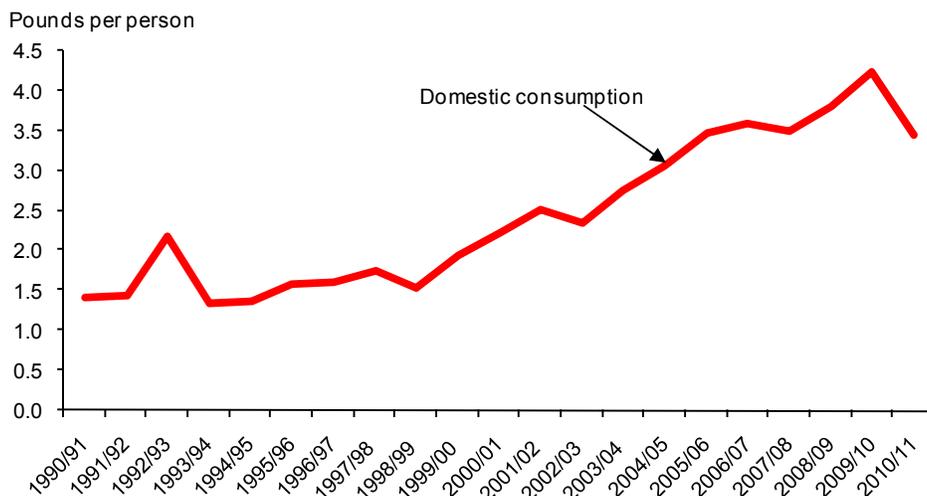
fumigation are no longer required before shipping to the United States. Barring any weather problems affecting production levels, these revised import requirements could potentially facilitate continued growth in Peruvian Hass avocado exports to the United States in the coming years.

Coming off of the third-smallest crop in the past three decades, this will be an “on-year” for the California avocado crop. Although there will be fruit on trees this fall, harvest will not start until April of next year, with the heaviest volumes harvested by summer. Supplies this fall will come mainly from imports. Despite a recent freeze, supplies from Chile are also expected to make a comeback in 2011/12 as last year was an “off-year” crop that was also affected by cold weather during the growing season. Starting with the early shipments in July, U.S. avocado imports from the country through September are up almost five-fold from the same period last year, reaching 47 million pounds. Nearly one-third of all avocados imported in the United States come from Chile each year. Meanwhile, the Avocado Producers and Exporting Packers Association of Michoacan (APEAM) indicated exports of Mexican Hass avocados to the United States in 2011/12 will likely increase to near 2008/09 record levels as Mexico’s 2011 production is anticipated to increase 8 percent from a year ago. Additionally, their industry has seen an increase in the number of certified producers and orchards that could export product to the United States.

The Economic Research Service has estimated that while overall imports grew last season due to increased shipments from Mexico, the relatively small crop in California last year had significantly reduced total 2010/11 supplies from the record set the previous season. This supply reduction has driven down U.S. per capita avocado consumption from the all-time high of 4.2 pounds in 2009/10 to 3.4 pounds in 2010/11 but still within average levels of recent years (fig. 4). Barring any weather abnormalities, this year’s anticipated larger crops in California, Mexico, and Chile could potentially provide ample supplies for retailers to promote avocados in 2011/12, likely putting downward pressure on avocado prices from the high’s realized last season. Based on AMS data, free-on-board (f.o.b.) shipping-point prices for South District California Hass avocados, size 32s and 36s, averaged around \$45-\$46 per 2-layer carton when the market opened in March. The same time last year, f.o.b. prices averaged in the range of \$27-\$28 per 2-layer carton. Prices continued to gain strength through the spring, peaking in June at \$52.50-\$53.25, remaining well above last year’s average June range of \$31.00-\$32.25. Although f.o.b. prices for California avocados this summer moved down slightly from the peak levels realized in June, prices remained relatively strong ending at \$48-\$50 in September, a month earlier than the 2009/10 season’s finish.

At the retail level, monthly AMS U.S. retail advertised prices data report Hass avocados averaging \$1.27 each during the 2010/11 marketing season, up from \$1.05 during the record-high 2009/10 supply year. Prices last season were also up from \$1.20 in 2008/09—another large-supply year but nearly unchanged from the average retail advertised price in 2007/08 when total supplies almost matched those in 2010/11. As of the first two weeks of November, Hass avocados were priced at an average of \$1.12 each for U.S. consumers, relatively unchanged from the same time last year.

Figure 4
U.S. per capita avocado use slips from record high but remains within average of recent years



Source: USDA, Economic Research Service calculations.

Favorable Growing Weather Benefit California Kiwifruit Crop

Weather was generally favorable for the 2011/12 California kiwifruit crop, potentially yielding a larger crop than in 2010/11. For this growing season, most of the crop received sufficient chill hours during the winter, frost and wind damage did not deter production growth, and mild temperatures encouraged good sizing of fruit. Moreover, above-average rainfall and snow pack levels the past two years have ended the drought problems encountered by growers in recent past years. While this year's cold and wet spring prolonged the growing period for many U.S. fruit crops, the mild temperatures through most of California's kiwifruit growing period also promoted normal timing of bloom. According to the now defunct California Kiwifruit Commission (CKC), growers throughout the State reported an initial 2011/12 fruit set matching or surpassing last season. As of the initial assessment in June, indications were that fruit were forming good shape and uniform sizes and that the estimated 2011/12 packable fruit counts per acre in the State's south and north growing areas were 13 percent and 4 percent higher than in 2010/11, pointing to higher production for this season. NASS estimated last season's production at 32,700 tons, the second-largest crop this past decade and 19 percent larger than the previous 10-year average crop size.

With harvest schedules this season running about normal for a crop of excellent quality and good fruit size, the potential is there for domestic and export demand to continue strong for California kiwifruit in 2011/12. Similar to last season, the expected larger production will likely put some downward pressure on 2011/12 grower prices. Last season, the 28-percent bigger crop drove down the 2010/11 average grower price for California kiwifruit to \$768 per ton, from \$847 per ton in 2009/10. However, despite the lower price, the increase in production was more than enough to raise the 2010/11 crop value to a record breaking \$25 million. While the large domestic production in 2010/11 lowered import volume last season, domestic demand for kiwifruit continued to be strong. U.S. per capita kiwifruit use was estimated at 0.49 pound, about 8 percent above the 10-year average. U.S.

kiwifruit shipments also continued strong to major international markets—particularly Mexico, Canada, and Japan, driving overall export volume during the 2010/11 marketing season (October-September) to 20 million pounds, well above the average this past decade, with an all-time high value of approximately \$16 million. Moreover, export shipments were up sharply to a number of relatively smaller markets, including South Korea, New Zealand, Australia, Sweden, Costa Rica, Chile, and Russia.

Based on AMS data, early 2011/12-season shipments of California kiwifruit through the end of October were down more than 60 percent from the same period last season, but volumes are expected to pick up as harvest goes into full swing in November when most fruit achieve required sugar contents. There were some lingering supplies from Italy and New Zealand in the U.S. market in late October, with overall import volume for the early season from all sources 27 percent higher than the same time last season. Free-on-board (f.o.b.) shipping-point prices for California kiwifruit in the Central and Northern San Joaquin Valley opened for the 2011/12 season during the week ending October 30, with those in the size 27 category ranging from \$13.10 to \$15.10 per 9-kilogram (or 19.8 pounds) container loose of the Hayward variety, compared with \$15.10 to \$16.10 the same time last year. Prices have remained unchanged at \$13.10-\$15.10 through the second week in November, still slightly lower than the same time last year (\$14.50-\$16.10). This season's opening f.o.b. prices for size 30s were at \$14.10 and 33's at \$13.10 to \$14.10 per 9 kilogram container loose, Hayward variety. Last year the same time, f.o.b. shipping-point prices in this size range were reported at around \$14.80-\$15.10. As California supplies increase seasonally through the fall, prices are likely to move down from earlier in the season and remain below a year ago.

Import volume during the 2010/11 season, October through September, declined 8 percent from the previous season to 113.9 million pounds. Imports from Chile continued to top all other foreign kiwifruit shipments to the United States in 2010/11, totaling 49.6 million pounds, 3 percent higher than the previous season and representing close to half of total import volume. Imports from New Zealand and Italy, which together made up 56 of total import volume, declined 9 percent and 25 percent, respectively, hampered by problems with bacterial canker. Most imports from Chile and New Zealand are counter-seasonal with California supplies, arriving during the spring and summer time, while those from Italy provide more direct competition with domestic production.

Blueberry Supplies Remain Ample This Winter

As the U.S. fresh blueberry market transitions from domestic production to Southern Hemisphere supplies this fall, consumers will likely continue to see abundant supplies through the winter months as exports from Chile—the No. 1 foreign supplier of blueberries to the United States since 2007—is expected to be up by about 15 percent from last season, according to the Chilean Blueberry Committee. Good weather this growing season has benefitted the Chilean blueberry crop, with industry sources citing projections of about a 20-percent increase in production from the previous season. Barring any major natural disasters, blueberry production in Chile is also expected to continue to trend upward in the next few years as approximately half of the country's estimated 32,000 acres of blueberries has yet to reach productive stage.

Based on AMS shipment data, cumulative import volume from Argentina—another southern hemisphere source—was down by as much as 46 percent from October through the second week of November compared with the same time last year. Early import volume from Chile was also down significantly from the same time last year, but supplies are expected to increase seasonally, likely surpassing year-ago volumes this fall and winter, which could put downward pressure on blueberry prices. Volumes from Chile typically start light in early November then gain momentum, peaking in January.

As of early November, free-on-board (f.o.b.) shipping-point prices for Argentine blueberries entering through both Miami and Los Angeles International Airports ranged from \$16-\$18 per flat of 12 (4.4-oz) cups with lids (medium-large), relatively unchanged from the same time last year. At the retail level, fresh blueberry advertised prices during the first two weeks in November average \$2.82 per 4.4-ounce package, down from \$3.94 in early October but up slightly from \$2.32 same time last year, based on AMS data.

Pecan Harvest Underway, Smaller Crop Supplemented by Imports

Despite the drought-troubled season for much of the U.S. pecan growing regions, harvest has begun. Although the 2011 anticipated harvest should have represented an “on cycle” year for U.S. pecan trees, current NASS estimates pin total production at 252 million inshell pounds, down 14 percent from last season and down 18 percent from the 10-year on-cycle average. Dry conditions caused very different crop expectations for the top three pecan producing States with drought-stressed pecan trees in Texas yielding 43 percent less pecans in 2011 than in the previous year and down 33 percent from 2009. NASS forecasts New Mexico’s production down 15 percent from 2010 and 18 percent from the last “on cycle” harvest in 2009. Georgia is projected to harvest an average-sized crop of 90 million pounds, while some industry sources are looking closer to 100 million pounds, a 10 percent decline from 2010 but nearly equal to the State’s 2009 production.

The ongoing drought in the Southeastern United States will be felt as the pecan harvest continues. As of the beginning of November, Georgia was expecting a decline in nuts to shellers and decreased quality due to hot and dry weather in September through October. At the start of October, the quality of Georgia pecans was excellent and received strong prices for those nuts sold out of contract. A large portion of producers are contracted through the end of November with unreported prices. As of November 8, some growers began slowing deliveries to shellers; as prices were unstable. Growers have grown reluctant about sending pecans to market where export demand has slightly slowed and prices have become variable, resorting more to storing the nuts until the market settles. Some prices received for Blends with Stuarts are in the ranged of \$5.30-\$5.52 per point. Around the same time last year Blends with Stuarts sold for \$4.80-\$4.99 per point.

New Mexico pecans are reported in good condition even with the drought conditions experienced in the predominant southwestern growing region. Harvest is just underway in New Mexico as of November 7, 2011. Louisiana growers report that nuts are still green and not harvest ready. Cooler weather is needed for nut split. At present shellers are using cold-storage inventory supplies to meet demand where harvested supplies are not sufficient.

Texas is experiencing premature nut drop due to windy conditions in the Trans-Pecos region, while harvest continued in South Texas. The drought conditions experienced throughout the season has hindered nut development. Quality and size are a concern among Texas growers. As of the first week of November, deliveries of Texas pecans were light as harvest was slow, and prices, even for good quality pecans, were met with low prices as improved variety quantities were light. The slow harvest is mainly attributed to the poor weather throughout the season as nut sizes are small but with good nut meat reported.

Mexican inshell pecan shipments to the United States are up 8 percent season-to-date while the country's shelled shipments are up 17 percent according to the November 15, 2011 AMS *Pecan Report*. Shipments from Mexico increased to supplement the limited production in the United States. Increased Mexican shipments were also made possible by the country's higher estimated production this season at 231 million inshell pounds, up 37 percent from 2010's off-cycle harvest. November and December are the heaviest periods for Mexico's harvest, so shipments to the U.S. should increase through the end of this year, particularly as harvest in some pecan-producing States have declined or were delayed. Mexico is continuing to increase pecan acreage, mostly by farmers with wells on their property which could slow the pace of new acreage additions in the upcoming years as land with ample wells is limited. This year, Mexico has an estimated 172,974 acres harvested to pecans, and total acreage at 217,453 acres. A majority of production occurs in the state of Chihuahua with 88 million inshell pounds produced in 2010. In 2010, almost 90 percent of all Mexican inshell pecan and 99 percent of shelled pecans were shipped to the United States. Pecans are the most popular nut in Mexico but consumption is price sensitive. For this reason, in seasons with higher prices, domestic supply and utilization declines, which could occur this season if U.S. prices remain strong.

Overall exports for the 2010 season represented the highest exports on record in both shelled and inshell pecan shipments. Inshell pecans had an export volume of 121.8 million inshell pounds and 47.1 million shelled pounds (or, a total of 105,000 thousand pounds shelled weight basis). Mexico was the top export market for U.S. inshell pecans with 51.8 million pounds for the 2010 season, followed by Hong Kong with 45.7 million pounds. Vietnam vied for the third largest export market with 10.1 million inshell pounds. The top export destination for U.S. shelled pecans was Canada with 14.5 million pounds, followed by the Netherlands with 8.1 million pounds and the United Kingdom with almost 6.0 million pounds. November and December are the heaviest export months for domestic pecans. With the estimated smaller 2011 crop size, exports should remain relatively strong but lower than the 2010 season.

Pistachio Industry has Record Breaking 2010 Season

The California pistachio industry enjoyed an extraordinary 2010 season, with a record-breaking harvest of 522 million pounds produced on a record level of bearing acreage at an all-time high average grower price of \$2.22 per pound. The overall 2010 crop value was \$1.16 billion, the most valuable pistachio crop since the domestic industry began in 1976. The season also marked a year of strong domestic demand, with total supplies available for domestic use (what is left after

exports and ending stocks) reaching 114 million pounds, double those in 2009 and the largest quantity on record. Exports in 2010 were the second highest on record at 135 million pounds with 50 percent of total domestic supply shipped abroad (shelled basis), down from the peak in 2008 of 145 million pounds with 71 percent shipped abroad.

The harvest is beginning to wind down in the first week of November after some pistachio orchards were shaken for a second time this season. American Pistachio Growers (California Farm Bureau Federation) currently estimates 2011 production at 450 million pounds. This is a decline of 14 percent from the 2010 crop, but is 24 percent above the past 5-year average. The Administrative Committee of Pistachios has domestic crop receipts at 448 million pounds through October. Pistachios are alternate bearing but in recent years the annual fluctuation in yields is less noticeable as the industry has been planting new pistachios and more non-bearing acreage is maturing. The influx of non-bearing acreage into nut-bearing age has reduced the alternate bearing pattern, particularly since 2008 (fig. 5).

Increases in production can be mostly attributed to new pistachio plantings (fig. 6). Since 2000, production area has increased from 74,578 bearing acres to 137,000 bearing acres in 2010. Total acres have also steadily increased over the past 10

Figure 5
Pistachio Production, 2000-11

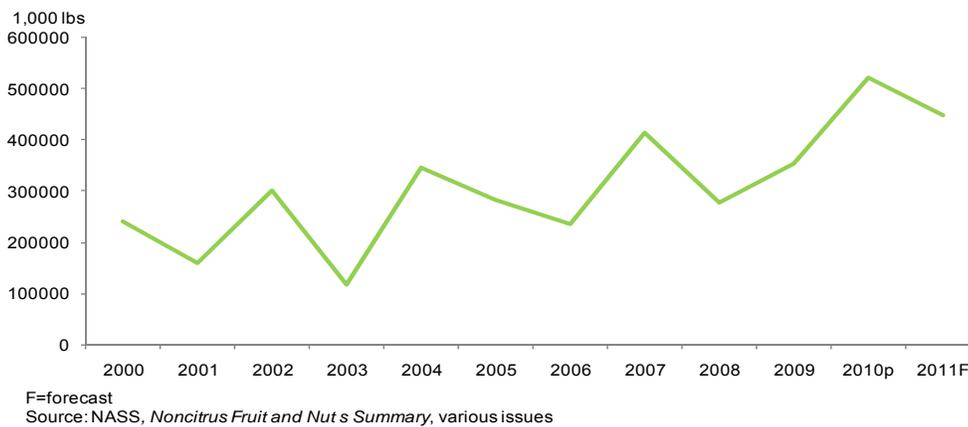
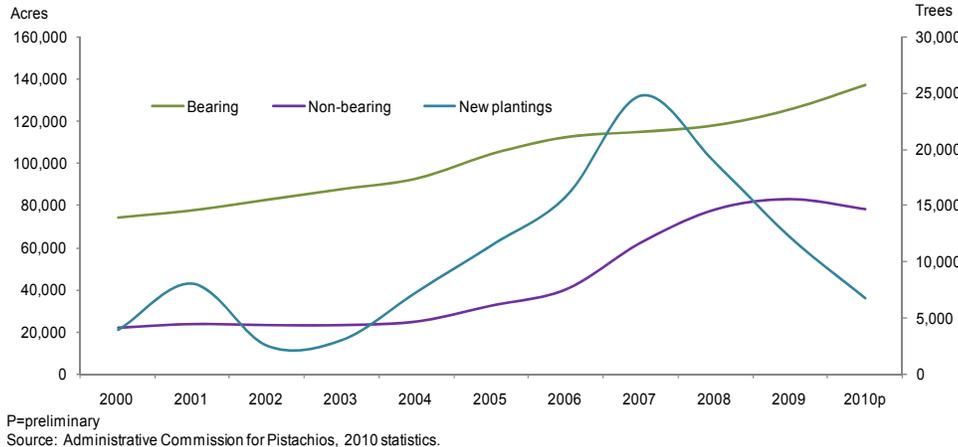


Figure 7
Pistachio bearing acres, non-bearing acres, and new plantings, 2000-10



years, reaching 215,336 acres in 2010. Each year, new pistachios are planted to replace older trees, increasing future production. Production potential over the next few years is anticipated to double due to the increase in bearing acreage from new plantings and nonbearing acreage reaching nut-bearing age.

Season-to-date shipments are up for both shelled and inshell pistachios. Inshell shipments for the month of September are 17.6 million pounds up 14 percent for the same period last year. This represents the highest September domestic inshell pistachio shipments on record, even with the projected smaller crop. The 2011 export season has started strong. Hong Kong is the top market in September 2011, with 7.7 million pounds, roughly 44 percent of total U.S. pistachio inshell exports. Shipments to Hong Kong in September are up more than sevenfold from September 2009 and up 68 percent from September 2009 inshell exports. Belgium has received 1,455 thousand inshell pounds. China destined pistachios are also up this season more than 2-fold to 911,511 inshell pounds, but down from September 2009 shipments of 4.1 million inshell pounds. Shelled shipments are up 42 percent for September 2011 with 869,086 pounds, the second-highest shelled exports to China behind 2005's levels.

Fruit and Tree Nuts Trade Outlook

Increased Exports for Oranges, Fruit Juices and Tree Nuts

As the 2010/11 orange marketing season draws to a close, exports are up 13 percent, November through September, compared with the same period last season (table 10). This season was marked with strong production for U.S. oranges, both fresh and processed. U.S. exports of frozen concentrate orange juice (FCOJ) for the 2010/11 season-to-date has increased 57 percent in volume from the previous season, while not-from-concentrate (NFC) has risen 31 percent. At 122.5 million gallons, FCOJ export volume in 2010/11 stands to be the second highest on record, behind only 2001/02 shipments of 125.4 million gallons. Similar to FCOJ, NFC orange juice export volume was 82.4 million gallons which is the second highest on record, behind the 83.7 million gallons in 2007/08. The increase in orange juice exports was supported by strong demand abroad and the weak dollar. Canada, Singapore, Japan and Australia were the top NFC orange juice markets while Belgium, the Netherlands, United Kingdom and Canada were the major FCOJ export markets.

The U.S. fresh pear industry is also experiencing strong demand in the international market, with a 12-percent gain in export volume during the first 3 months of the 2011/12 marketing season. The overall good quality crop and increased domestic production has aided international demand. This season's fresh pear exports-to-date, July-September, totaled 62.7 million pounds and are valued at \$28.9 billion, a 10 percent increase over the same time last year. Current-season exports are showing strong gains to Mexico, the No.1 foreign market for U.S. pears, aided by the lowering of the retaliatory import tariff related to the cross-border trucking dispute imposed on several U.S. agricultural commodities, including fresh pears. Moreover, the recent suspension of these retaliatory tariffs (including the one for pears) will likely facilitate continued strong export growth to this market this season.

Despite lower domestic production, U.S. fresh grape exports for the 2011/12 season are up 5 percent, May-September, relative to the same time the previous season. Season-to-date exports have slowed to top market Canada, but posted gains to many other important markets. The largest gains among the United States' major international grape markets were to Australia and Mexico, where export volumes to date more than doubled compared with the previous season. Part of the current gain in exports to Mexico can be attributed to the reduction and more recently the suspension of the retaliatory import tariff for U.S. fresh grapes, which likely signals improved export opportunities to this market for the remainder of this season and in the coming years.

Cherry exports remain strong with a 22-percent increase in exports season-to-date. The total value for exported cherries is \$410.8 million, the highest value on record for season-to-date shipments. Although U.S. fresh cherries experienced high prices early in the season due to harvest delays in major production areas, the weak U.S. dollar and an overall increase in production has led to a bullish export season. Canada is the top market for U.S. cherries, with export value at \$146.5 million on 64.7 million pounds—the highest export market value on record, season-to-date. Japan was the second-largest export market for U.S. cherries with 21.5 million pounds, season-to-date.

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

Commodity	Marketing season	Season-to-date (through September)		Year-to-date change
		2010	2011	
		----- 1,000 pounds -----		Percent
Fresh-market:				
Oranges	November-October	1,455,569	1,638,628	12.6
Grapefruit	September-August	12,315	8,746	-29.0
Lemons	August-July	18,572	12,932	-30.4
Apples	August-July	156,609	136,460	-12.9
Grapes	May-April	310,768	326,428	5.0
Pears	July-June	56,109	62,672	11.7
Peaches (including nectarines)	January-December	215,867	198,999	-7.8
Strawberries	January-December	246,884	241,812	-2.1
Cherries	January-December	128,596	156,396	21.6
		----- 1,000 sse gallons 1/ -----		
Processed:				
Orange juice, frozen concentrate	October-September	78,095	122,469	56.8
Orange juice, not-from-concentrate	October-September	62,678	82,376	31.4
Grapefruit juice	October-September	12,812	15,805	23.4
Apple juice and cider	August-July	1,041	1,648	58.3
Wine	January-December	77,180	81,999	6.2
		----- 1,000 pounds -----		
Raisins	August-July	64,560	57,004	-11.7
Canned pears	June-May	5,784	4,662	-19.4
Canned peaches	June-May	12,069	18,780	55.6
Frozen strawberries	January-December	23,314	34,370	47.4
		----- 1,000 pounds -----		
Tree nuts:				
Almonds (shelled basis)	August-July	148,015	149,590	1.1
Walnuts (shelled basis)	September-August	4,174	6,725	61.1
Pecans (shelled basis)	October-September	70,787	105,309	48.8
Pistachios (shelled basis)	September-August	3,261	9,528	192.2

1/ Single-strength equivalent.

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

Tree nut exports are performing well this fall. Pistachio shipments in the month of September are up almost threefold from 2010. The current crop estimate is lower than the 2010 harvest, but the crop harvest is almost complete as of late November, making most fresh pistachios market available. Walnuts are also undergoing a similar start to the 2011 season, with exports up 61 percent for the month of September compared with 2010. Both pistachios and walnuts experienced record breaking harvests in 2010, and international demand remains strong for these tree nuts. Mexico is currently the top export market for U.S. walnuts, importing 2.62 million pounds of shelled walnuts and 669,000 pounds inshell walnuts. Total walnut shipments to Mexico in September have an estimated value of \$6.7 million, an increase from \$370 thousand in 2010 and a 62-percent increase from 2009. This increase can be attributed to Mexico's recent lifting of the retaliatory import tariff on U.S. walnuts in connection with the cross-border trucking dispute.

Strong Domestic Production for Most Fruit and Tree Nuts Signal Reduced Imports

As the domestic orange crop closes in on the end of the marketing year, imports are down 15 percent from the same period last year (table 11). The larger domestic crop has curbed imports this season, with shipment declines from South Africa, Mexico, and Australia. U.S. import volume from Australia, November through September, has declined 54 percent from the same time last season, while imports from South Africa have dropped 4 percent. For the same period, shipments from Mexico, the United States' leading import source of fresh oranges, has declined 45 percent. Chile is the only supplier with gains in orange export shipments to the United States, increasing by 18 percent this season to 70.2 million pounds.

The start of the 2011/12 U.S. lemon season has already posted import gains above 75 percent for August through September. High fresh lemon demand in the summer months when domestic production is low, coupled with a smaller 2011/12 domestic crop, caused this spike in imports. Chile and Mexico are the largest suppliers currently, with 34.1 million pounds and 33.7 million pounds, respectively.

The large domestic pear harvest has reduced imports by 23 percent so far this season. As domestic demand is currently being met by ample supplies of U.S. pears, imports from South Korea are down. The other major import suppliers are currently showing low shipments due to the opposite seasons from southern hemisphere countries. A large majority of imports occur in March, April and May.

Table 11--U.S. imports of selected fruit and tree nut products

Commodity	Marketing season	Season-to-date (through September)		Year-to-date change
		2010	2011	
		----- 1,000 pounds -----		Percent
Fresh-market:				
Oranges	November-October	204,649	174,417	-14.8
Tangerines (including clementines)	October-September	278,007	328,935	18.3
Lemons	August-July	38,804	68,038	75.3
Limes	January-December	605,031	599,018	-1.0
Apples	August-July	51,703	49,397	-4.5
Grapes	May-April	358,065	307,938	-14.0
Pears	July-June	6,931	5,312	-23.4
Peaches (including nectarines)	January-December	97,878	94,889	-3.1
Bananas	January-December	7,294,932	7,407,872	1.5
Mangoes	January-December	638,704	753,876	18.0
		----- 1,000 sse gallons 1/ -----		
Processed:				
Orange juice, frozen concentrate	October-September	265,703	198,349	-25.3
Apple juice and cider	August-July	96,767	96,676	-0.1
Wine	January-December	177,003	184,335	4.1
		----- 1,000 pounds -----		
Canned pears	June-May	19,246	10,954	-43.1
Canned peaches (including nectarines)	June-May	54,877	37,040	-32.5
Canned pineapple	January-December	534,575	571,152	6.8
Frozen strawberries	January-December	162,955	165,643	1.6
		----- 1,000 pounds -----		
Tree nuts:				
Brazil nuts (shelled basis)	January-December	19,203	12,235	-36.3
Cashews (shelled basis)	January-December	204,526	198,687	-2.9
Pine nuts (shelled basis)	January-December	1,938	1,316	-32.1
Pecans (shelled basis)	October-September	82,861	111,015	34.0

1/ Single-strength equivalent.

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



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Contacts and Links

Contact Information

Agnes Perez (Noncitrus and tropical fruit), (202) 694-5255, acperez@ers.usda.gov
Kristy Plattner (Tree nuts), (202) 694-5190, kplattner@ers.usda.gov
Katherine Baldwin (Citrus), (202) 694-5831, kbaldwin@ers.usda.gov

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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.

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