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MARKETING EXTENSION

TFS-10

THE FRUIT SITUATION

Summary

Total supplies of fruit for market during the winter months are indicated to be much larger than average, with generally low prices expected to prevail throughout the winter marketing season, according to the Bureau of Agricultural Economics.

The crop of oranges for winter and spring marketing is indicated to be 3 million boxes larger than the 1936 crop and one-fourth larger than the 1931-35 average. Present prices of new crop oranges are near the early prices of last year, and the present supply and demand situation indicates that seasonal declines during the next few months may be as sharp as those which occurred from October to January last season.

The grapefruit crop from the 1937 bloom is indicated to be the second largest crop on record, exceeded only by the crop of last year. Prices of grapefruit have declined more than usual during the past month, but prices are still somewhat above last year's prices. Seasonal declines are expected to continue during the next 2 months, but at a reduced rate.

Some improvement occurred in the apple crop during September, and on October 1 indications pointed to a crop slightly larger than that indicated a month earlier and the largest since 1926. It seems likely that the season low point in prices of eastern apples has been passed, but prices of apples from the Western States may experience some further decline.

ORANGES

Larger than average crop

Based on October 1 conditions, the indicated production of oranges from the 1937 bloom, for all varieties except California Valencias, amounts to 41.2 million boxes, compared with 38.3 million boxes in 1936-37, 33.7 million boxes in 1935-36, and 37.9 million boxes in 1934-35. This prospective crop of 41.2 million boxes, which is the chief supply from late October to May, is one-fourth larger than the 1931-35 average production.

The crop of all varieties in Florida is indicated at 24 million boxes and is the largest production on record for that State. The indicated crop of California Navels and miscellaneous oranges is larger than the crop of 1936-37, but is 3 percent less than the 1931-35 average. In Texas and Louisiana the crop is indicated to be smaller than last year, but in Arizona the indications point to a larger crop than a year ago.

Heavier shipments to date than in 1936

The first shipments of Florida oranges were made the latter part of September, and thus far shipments have been somewhat heavier than for the like period of 1936. Early prices of Florida oranges at New York and Chicago this year were not greatly different from prices a year ago. For the week ended October 9, 1937, Florida orange prices averaged \$4.23 per box at New York and \$4.13 at Chicago, compared with \$4.15 per box at New York and \$3.90 at Chicago for the like week of 1936.

Marketing of the new crop of California Navels has not yet begun. Shipments of the old crop of California Valencias have been lighter all summer than a year ago, owing to the smaller crop of Valencias, and prices have been at very high levels.

Price declines similar to last year possible

Seasonal declines in prices of the new orange crop during the next few months are expected to be greater than average and may be similar to the sharp declines which occurred from October to January last season. This possibility is indicated by (1) the prospective large supply of early and midseason oranges, (2) large crops of most other fruits, notably grapefruit, and (3) the prospect that consumer demand during the coming winter and spring will be no higher than a year ago and possibly slightly lower.

GRAPEFRUIT

Second largest crop

The total grapefruit crop, from the bloom of 1937, was indicated on October 1 at 25-1/2 million boxes and is the second largest crop on record, being exceeded only by the record crop of 30 million boxes in 1936-37. The Florida crop was indicated to be almost 5 million boxes less than last year's

production, and the prospective Texas crop is about 1 million boxes less than the 1936-37 crop, but production in both of these States is indicated to be well above the average of recent years. Production in California and Arizona this year is indicated to be somewhat larger than last year's crops.

Shipments considerably smaller than last year

Shipments of the new crop of grapefruit began in early September, and the total movement thus far in the current season has been about one-third less than to the same date last year. Shipments have increased in recent weeks, however, and are not running as far behind last year's shipments as is indicated by the total movement to date.

Grapefruit prices have declined more than usual during the past month, dropping from \$3.76 per box at New York for the week ended September 11 to \$2.55 per box for the week ended October 9, but have remained somewhat above last year's prices. Some further price declines during the next 2 months seem likely, but the rate of decline will be much less than during the past month.

Citrus fruits: Production, average 1931-35, annual 1936 and 1937

Crop and States	Production ^{1/}		
	Average 1931-35	1936	Indicated 1937
	<u>1,000 boxes</u>	<u>1,000 boxes</u>	<u>1,000 boxes</u>
Oranges:			
Winter and spring varieties:			
Calif., Navels and miscel.	15,175	13,234	14,726
Fla. all	16,824	22,500	24,000
Five other States	1,087	2,566	2,480
Total	33,086	38,300	41,206
Summer and early fall varieties:			
Calif., Valencias	19,965	16,329	2/
Total 7 States	53,051	55,129	- 2/
Grapefruit:			
Fla., all	11,997	18,100	13,000
Seedless	^{3/} 3,633	6,000	5,000
Other	^{3/} 8,833	12,100	8,000
Texas	2,105	9,231	8,200
Calif.	1,786	1,550	1,755
Ariz.	981	1,400	2,500
Total 4 States	16,869	30,281	25,455
Lemons:			
Calif.	8,045	8,102	- 2/

^{1/} Relates to crop of bloom of year shown; picking beginning Nov. 1 in California and Sept. 1 in other States. ^{2/} First report of production of California Valencia oranges and lemons and Florida limes (from bloom of 1937) will be issued in December. ^{3/} 1932-35 average.

Citrus fruits: Weighted average price per box, New York and Chicago,
specified periods

Market and crop	Average for week ended			Average for	
	Oct. 10,	Sept. 11,	Oct. 9,	Sept.	Sept.
	1936	1936	1937	1936	1937
	Dollars	Dollars	Dollars	Dollars	Dollars
<u>New York City</u>					
Oranges-					
Calif. Valencias					
(old crop)	4.62	5.50	5.29	4.45	5.39
Fla. (new crop)	4.15	---	4.23	---	---
Grapefruit, Fla.	2.11	3.76	2.55	2.34	2.90
<u>Chicago</u>					
Oranges-					
Calif. Valencias					
(old crop)	4.44	5.42	5.31	4.40	5.42
Fla. (new crop)	3.90	---	4.13	---	---
Grapefruit, Fla.	2.49	3.83	2.73	2.45	3.09

APPLES

Eastern crop nears low point in prices

Prices of eastern apples in terminal markets continued their seasonal decline during the past month, but have now probably passed the season low point. Prices of apples from the Pacific Northwest also have declined slightly but have been relatively high thus far, owing to the late season and consequent light shipments from this area. Further declines in prices of western apples may be experienced as the movement of apples from the Northwest gains in volume. The seasonal rise in apple prices during the latter part of the current marketing year expected to be somewhat less than usual, in view of the extremely large crop and the possibility of lower consumer buying power during the first half of 1938.

Prices of New York McIntosh apples on the New York City wholesale market averaged 95 cents per bushel for the week ended October 8 compared with \$1.28 for the corresponding week in September, and with \$1.73 for the corresponding week in October last year. Rhode Island Greenings at New York averaged 72 cents per bushel for the week ended October 8 this year, 78 cents for the same period in September, and 98 cents for the corresponding week in October 1936. Fancy and Extra Fancy Washington Delicious apples on the Chicago auction market averaged \$1.82 per box for the first week of October this year compared with \$1.94 a year earlier.

Largest crop in 11 years indicated

On October 1 the total 1937 apple crop was indicated at 206,716,000 bushels, which is slightly above that indicated a month earlier, and is the largest crop since 1926. Some improvement in the crop occurred during September in the Atlantic Coast States and in the North Central States, but in the Western

States prospects declined slightly. The indicated 1937 crop in the Western States is about the same as the 1931-35 average of 52-1/2 million bushels. In the Atlantic Coast States the crop is indicated at more than 94 million bushels, and in the Central States at almost 60 million bushels.

Apples: Production by regions, average 1931-35, annual 1936
and 1937

Region	Average 1931-35	1936	Indicated 1937	1937 as percentage of average
	1,000 bushels	1,000 bushels	1,000 bushels	Percent
North Atlantic ^{1/}	41,480	29,011	54,619	131.7
South Atlantic ^{2/}	26,945	19,935	39,765	147.6
Total Atlantic	68,425	48,946	94,384	137.9
North Central ^{3/}	32,809	17,593	48,241	147.0
South Central ^{4/}	7,265	3,214	11,327	155.9
Total Central	40,074	20,807	59,568	148.6
Rocky Mountain ^{5/}	^{7/} 8,504	6,581	8,602	101.2
Pacific Coast ^{6/}	^{7/} 43,905	41,172	44,162	100.6
Total Western	52,409	47,753	52,764	100.7
Total United States	160,909	117,506	206,716	128.5

^{1/} Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania.

^{2/} Delaware, Maryland, Virginia, West Virginia, North Carolina, South Carolina, Georgia.

^{3/} Ohio, Indiana, Illinois, Michigan, Wisconsin, Minnesota, Iowa, Missouri, South Dakota, Nebraska, Kansas.

^{4/} Kentucky, Tennessee, Alabama, Mississippi, Arkansas, Louisiana, Oklahoma, Texas.

^{5/} Montana, Idaho, Wyoming, Colorado, New Mexico, Arizona, Utah, Nevada.

^{6/} Washington, Oregon, California.

^{7/} Includes some quantities not harvested.