United States Department of Agriculture

Foreign Agricultural Service

June 2017

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

FRESH APPLES (Updated forecast for 2016/17)

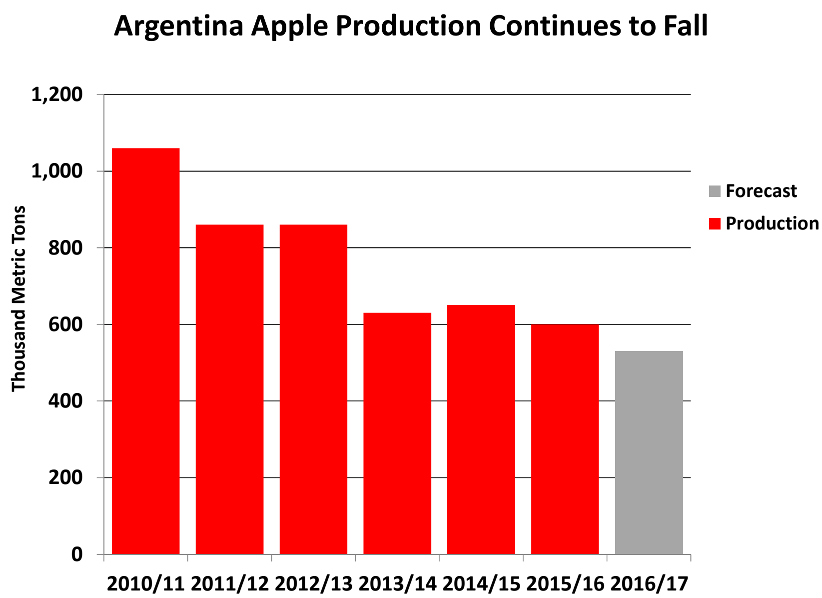
World apple production in marketing year 2016/17 is forecast to rise 728,000 tons to 77.2 million on a rebound in Chile and continued growth in China. Global trade is forecast down slightly to 6.2 million tons on lower shipments from Eastern Europe and South Africa.

China's production is forecast to continue growing, rising 900,000 tons to 43.5 million as yields from additional bearing trees far surpass weather-related losses in Shaanxi and Shandong provinces. Exports are projected up 220,000 tons to 1.4 million as higher shipments to Asian markets, especially India and Indonesia, offset losses in Russia. Imports are expected to slip 7,000 tons to 70,000 on lower demand, especially from Southern Hemisphere suppliers.

EU's production is expected to decline over 300,000 tons to 12.3 million as weather events significantly impacted the harvest throughout the EU. EU exports are forecast down 75,000 tons to 1.5 million as substantially lower shipments to Egypt and Algeria offset gains in Brazil, India, and Eastern Europe. Imports are projected slightly lower to 430,000 tons on reduced deliveries from Brazil and Eastern Europe.

United States' production is anticipated to rise 147,000 tons to 4.6 million as greater output in the Western and Central states more than offsets losses suffered in the Eastern states from damaging April frost and summer drought. Exports are forecast up 72,000 tons to 850,000 as higher available supplies spur exports to Mexico, India, and Taiwan. Higher output is also expected to reduce imports to 180,000 tons.

Argentina's production is forecast to continue its downward trend, dropping 70,000 tons to a record low of 530,000. Top growing regions Rio Negro and Neuquen experienced hail and late frosts, and acreage continues to decline as farmers abandon orchards or convert to more profitable crops, such as wine grapes. A one-year state of emergency was declared in April for these regions, which will allow the implementation of various industry-supporting measures. In spite of lower output, exports are expected to remain almost unchanged at 90,000 tons on stable shipments to the EU and South American markets.



Turkey's production is expected to remain steady at 2.7 million due to good growing conditions. Exports are forecast up over 100,000 tons to 215,000 as greater available supplies boost shipments to Iraq.

Chile's production is forecast up 75,000 tons to 1.4 million as favorable growing conditions led to good fruitset. Exports are expected to rise 35,000 tons to 800,000 with higher deliveries to Colombia, the EU, and Saudi Arabia.

Russia's good growing conditions and resultant higher commercial production are expected to raise overall production slightly to 1.3 million tons. Imports will continue to decline, dropping 72,000 tons to 670,000 as lower shipments from Belarus offset higher supplies from Moldova, Azerbaijan, and Serbia. Russia remains the top apple importer despite its ongoing ban on apples from certain countries.

Mexico's production is expected to decline 20,000 tons to 730,000 as the main producing state of Chihuahua experienced hail and unfavorable growing conditions. Imports are forecast up 32,000 tons to 250,000 on increased demand for U.S. supplies.

New Zealand's production is projected to rise 25,000 tons to 574,000 as harvested area continues to expand and good growing conditions augment the "on-year" cycle. The larger crop and high quality of supplies is expected to spur higher shipments to Asia and the EU, boosting total exports to a record 385,000 tons.

South Africa's production is forecast to rise a slight 9,000 tons to 933,000 on output from increased harvest area, though drought conditions have affected fruit quality and reduced the volume of exportable supplies. Exports are slated to remain nearly unchanged at 515,000 tons.

FRESH TABLE GRAPES

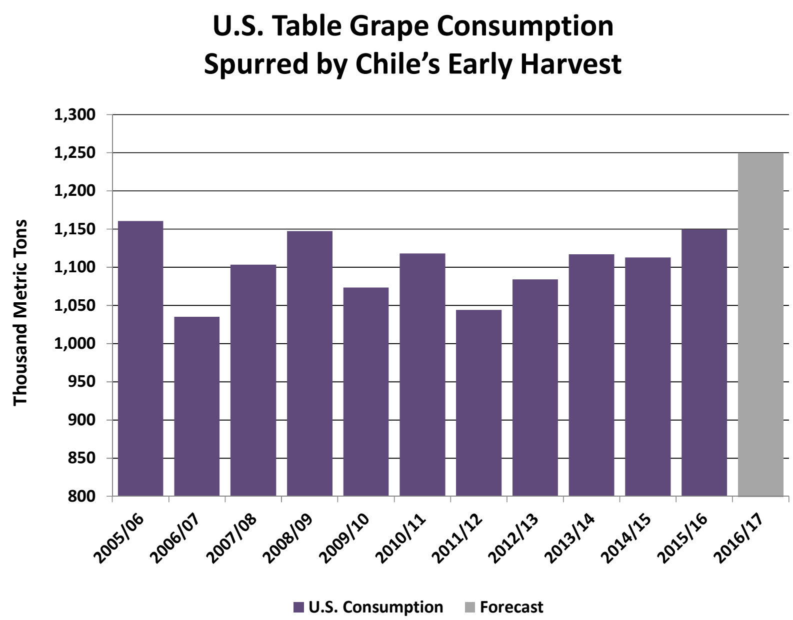
World table grape production is forecast up 1.1 million tons to 22.0 million as China continues its upward trend and Turkey recovers from last year's frost-affected crop. Global trade is forecast up to 2.9 million tons on higher shipments by top suppliers Chile, United States, and South Africa.

China's increasing acreage is expected to propel production 600,000 tons to 10.2 million. Exports are forecast up 33,000 tons to 260,000 as higher supplies and lower prices boost shipments to Asian markets, especially Malaysia and Indonesia. Imports are anticipated to rise a modest 16,000 tons to 265,000 as continuing strong demand drives increased shipments from Chile, South Africa, and the United States.

Turkey's production is forecast up 345,000 tons to 2.4 million, rebounding from last year's frost-affected crop. Exports are forecast to decline slightly to 170,000 tons as losses due to Russia's ban on Turkey's table grapes are only partially offset by higher deliveries to Belarus, Georgia, and the EU.

EU's production is expected to slide 61,000 tons to 1.7 million as decreasing acreage throughout the EU is exacerbated by adverse weather in top producers Italy and Greece. Exports are projected to slip to 84,000 tons as lower available supplies lead to fewer shipments to Belarus and the Middle East. Imports are forecast up 29,000 tons to 640,000 on greater supplies from Southern Hemisphere producers.

United States' production is forecast to bounce back from previous years' adverse growing conditions, rising 60,000 tons to 1.0 million. Final trade data show exports rose a modest 19,000 tons to 347,000 on higher shipments to Mexico. Imports increased to their third-highest level, jumping 63,000 tons to 593,000 on significantly higher shipments from Chile and Peru. Near-record production, combined with rising imports, is expected to boost consumption to a record 1.3 million tons.



Chile's production is forecast up 47,000 tons to 915,000 as favorable weather resulted in good fruitset. Despite Chile's early harvest causing considerable overlap in product availability with Peru in this year's campaign, exports are expected to rise 42,000 tons to 730,000 on higher shipments to top importers United States and China.

Peru's production is expected to rise a robust 65,000 tons to 605,000 on new plantings coming into production and higher yields in maturing vineyards. Exports are forecast up a modest 10,000 tons to 300,000 on continued strong shipments to the United States and EU.

Russia's production is anticipated to rise slightly to 103,000 tons as higher yields offset declining acreage. Imports are forecast down 45,000 tons to 210,000 because of the continued ban on table grapes from top supplier Turkey.

Argentina's production continues to tumble, falling 20,000 tons to 40,000. Frost and hail damage to vineyards and continued high production costs are compelling growers to switch to more profitable crops, such as raisin and wine grapes. Exports are expected to continue to erode, slipping 3,000 tons to 8,000.

FRESH PEARS

World pear production is forecast up 286,000 tons to a record 25.3 million as higher output in China offsets smaller crops in the EU, Argentina, and the United States. Global trade is forecast up slightly to 1.8 million tons.

China's production is projected to rise 600,000 tons to 19.3 million on output from new plantings. Exports are pegged at 480,000 tons, rising 79,000 on higher shipments to Indonesia and other Asian markets. Imports are anticipated to fall back to near 2013/14 levels, slipping 2,000 tons to 6,000 on lower demand for Western pears.

EU's production is expected to drop 220,000 tons to 2.3 million due to cold temperatures and wet weather during bloom in top growing Member States Italy, Belgium, and Spain. Exports are forecast to contract slightly, slipping 10,000 tons to 300,000 on lower deliveries to Belarus and Libya. Imports are expected to rise 13,000 tons to 235,000 on larger supplies from Chile.

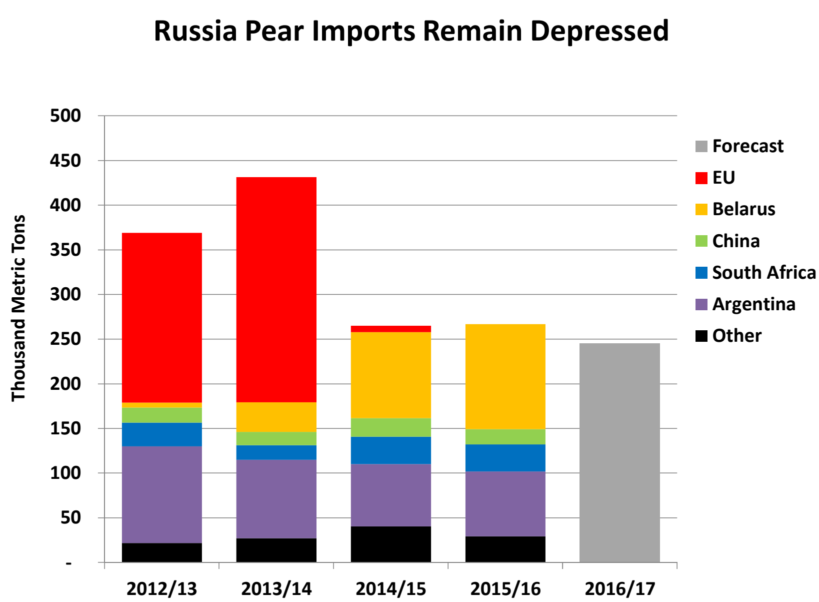
United States' production is anticipated to decline 25,000 tons to 707,000 as bearing acres continue a multi-year decline. Exports are expected to follow suit, dropping 26,000 tons to 130,000 with smaller shipments to top markets Mexico and Canada.

Argentina's production is expected to decline a fourth straight year, falling 80,000 tons to 500,000, due to hail and frost in top growing regions Rio Negro and Neuquen. Acreage also continues to decline as growers continue to abandon orchards or convert land to more profitable crops. A one-year state of emergency was declared in April for these regions, which will allow the implementation of various industry-supporting measures. Exports are forecast down 10,000 tons to 300,000 on lower supplies.

Chile's production is forecast up 13,000 tons to 280,000 as weather conditions led to good fruitset, though an early harvest resulted in smaller fruit. Exports are expected to rise 11,000 tons to 140,000 on higher shipments to the EU.

Russia's production is slated for a slight improvement to 159,000 tons on good growing conditions. Imports are forecast down 22,000 tons to 245,000 due to lower supplies from Belarus and the continued ban on pears from the EU and other certain countries. However, Russia regains its position as the top pear importer.

South Africa's production remains unchanged as higher output on increased growing area offsets losses resulting from drought conditions. Exports are expected to follow suit, remaining flat.



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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. Southern Hemisphere producer countries of Argentina, Chile, and South Africa are on an October-September marketing year; and Australia, Brazil, and Peru are on a calendar year indicated as the second year of the split year.

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

Note: The Foreign Agricultural Service (FAS) did not update the 2016/17 production forecast for the United States in this scheduled report. In July 2016, the National Agricultural Statistics Service (NASS) indicated it would not publish a *Noncitrus Fruits and Nuts* preliminary summary in January 2017, which would have provided updated U.S. production data. NASS will publish final 2016/17 U.S. production data in the June 27, 2017, *Noncitrus Fruits and Nuts 2016 Summary*, and FAS will publish the final 2016/17 U.S. production data in the December 2017 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)

	2012/13	2013/14	2014/15	2015/16	Dec 2016/17	Jun 2016/17
Production						
China	38,500	39,680	40,920	42,600	43,500	43,500
European Union	12,207	11,865	13,636	12,659	12,595	12,295
United States	4,049	4,690	5,067	4,502	4,649	4,649
Turkey	2,900	2,930	2,289	2,740	2,700	2,700
India	1,915	1,900	1,900	1,900	1,900	1,900
Iran	1,693	1,693	1,693	1,693	1,693	1,693
Chile	1,420	1,310	1,210	1,335	1,360	1,410
Russia	1,264	1,417	1,409	1,311	1,335	1,335
Ukraine	1,211	1,211	1,211	1,211	1,211	1,211
Brazil	1,231	1,377	1,263	1,041	1,045	1,045
Other	5,244	5,437	5,526	5,445	5,585	5,426
Total	71,635	73,510	76,124	76,437	77,574	77,165
Fresh Dom. Consumption						
China	32,317	34,920	37,040	37,527	37,885	37,800
European Union	7,929	7,353	7,781	7,499	7,540	7,290
United States	2,293	2,498	2,702	2,520	2,558	2,573
Turkey	2,762	2,639	2,064	2,532	2,466	2,376
India	2,085	2,064	2,084	2,084	2,085	2,172
Russia	1,992	2,116	1,803	1,641	1,626	1,574
Iran	1,266	1,487	1,406	1,259	1,303	1,468
Other	8,758	9,289	9,667	10,046	10,338	10,098
Total	59,401	62,366	64,545	65,108	65,802	65,351
For Processing						
China	5,200	3,850	3,200	4,000	4,400	4,400
European Union	3,273	3,562	4,139	3,852	3,820	3,820
United States	1,058	1,562	1,492	1,392	1,406	1,406
Chile	392	295	332	320	357	357
Russia	570	459	370	335	348	348
Argentina	420	250	300	230	296	230
South Africa	246	200	242	192	216	194
Other	754	849	680	635	370	500
Total	11,912	11,028	10,754	10,955	11,212	11,254
Imports						
Russia	1,383	1,254	820	742	720	670
Belarus	159	278	724	657	540	600
European Union	563	622	400	450	460	430
India	197	197	204	205	210	290
Mexico	266	227	314	218	190	250
Iraq	210	190	202	296	240	245
Bangladesh	121	148	151	203	230	230
Canada	250	222	217	230	225	225
United Arab Emirates	223	189	224	212	200	190
Hong Kong	109	120	147	160	175	180
Other	2,480	2,540	2,692	2,988	3,010	2,857
Total	5,960	5,986	6,096	6,361	6,200	6,167
Exports						
European Union	1,568	1,573	1,792	1,590	1,595	1,515
China	1,026	934	748	1,150	1,300	1,370
United States	893	843	1,037	778	855	850
Chile	833	820	628	765	750	800
South Africa	459	382	466	511	550	515
New Zealand	322	308	329	347	365	385
Serbia	40	143	153	233	175	245
Iran	428	206	288	435	390	225
Turkey	41	193	128	109	125	215
Argentina	162	144	106	91	100	90
Other	424	460	866	492	384	346
Total	6,197	6,006	6,541	6,501	6,589	6,556

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)

	2012/13	2013/14	2014/15	2015/16	Dec 2016/17	Jun 2016/17
Production						
China	7,400	8,085	8,800	9,600	10,200	10,200
India	2,483	2,585	2,823	2,823	2,823	2,823
Turkey	2,200	2,200	2,350	2,005	2,350	2,350
European Union	1,724	1,816	1,638	1,756	1,695	1,695
United States	874	1,013	955	947	1,007	1,007
Brazil	1,440	1,437	1,492	959	970	970
Chile	1,195	1,055	939	868	910	915
Peru	398	500	500	540	605	605
South Africa	262	252	291	285	280	335
Mexico	280	260	247	282	280	280
Other	909	857	969	850	823	823
Total	19,164	20,059	21,005	20,916	21,942	22,002
Fresh Dom. Consumption						
China	7,436	8,212	8,899	9,622	10,150	10,205
India	2,335	2,448	2,752	2,667	2,693	2,648
European Union	2,134	2,241	2,131	2,279	2,220	2,250
Turkey	1,992	1,997	2,094	1,831	2,126	2,181
United States	1,084	1,117	1,113	1,150	1,187	1,253
Brazil	1,429	1,443	1,490	956	967	965
Korea, South	315	320	325	307	316	315
Russia	444	407	389	346	323	302
Peru	221	234	190	238	230	301
Ukraine	364	352	342	273	285	290
Other	1,321	1,253	1,192	1,240	1,308	1,279
Total	19,074	20,022	20,916	20,908	21,804	21,989
Imports						
European Union	560	577	604	611	610	640
United States	567	519	547	530	545	593
China	159	231	226	249	300	265
Hong Kong	144	210	215	232	250	250
Russia	389	349	302	255	230	210
Canada	176	182	177	173	175	180
Thailand	85	87	89	131	160	150
Kazakhstan	80	28	67	100	90	90
Mexico	59	77	69	67	70	75
Vietnam	45	50	51	76	80	73
Other	330	347	341	318	378	381
Total	2,594	2,657	2,688	2,741	2,888	2,907
Exports						
Chile	854	728	761	688	730	730
United States	357	416	389	328	365	347
South Africa	235	226	264	258	255	305
Peru	178	267	312	290	370	300
China	123	104	127	227	350	260
Hong Kong	105	164	172	190	190	230
India	151	142	76	161	135	180
Turkey	209	204	257	175	225	170
Mexico	168	150	152	164	155	155
Australia	73	80	84	110	100	95
Other	226	196	159	134	132	129
Total	2,678	2,677	2,753	2,724	3,007	2,901

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 producer countries of Argentina, Chile, and South Africa are on an October-September marketing year, and Australia, Brazil, and Peru are on a calendar year indicated as the second year of the split year.

Pear Summary

(1,000 Metric Tons)

	2012/13	2013/14	2014/15	2015/16	Dec 2016/17	Jun 2016/17
Production						
China	17,000	17,300	18,000	18,700	19,300	19,300
European Union	2,009	2,523	2,566	2,499	2,279	2,279
United States	772	795	754	732	707	707
Argentina	780	690	590	580	590	500
South Africa	392	414	411	430	440	430
Turkey	390	415	305	415	420	420
India	340	340	340	340	340	340
Japan	294	294	294	294	294	294
Chile	289	267	290	267	280	280
Korea, South	173	282	303	261	250	250
Other	517	521	544	541	546	545
Total	22,956	23,842	24,396	25,059	25,446	25,345
Fresh Dom. Consumption						
China	15,243	15,506	16,028	16,607	17,110	17,106
European Union	1,732	2,009	2,027	2,029	2,017	1,942
United States	395	409	414	402	401	416
Turkey	363	392	282	381	385	394
Russia	464	528	400	397	381	381
India	357	356	358	365	370	370
Japan	293	293	293	293	293	293
Korea, South	159	258	273	226	221	217
Brazil	212	227	194	163	206	181
Taiwan	149	155	152	153	155	154
Other	1,103	1,016	1,071	1,138	1,155	1,200
Total	20,470	21,149	21,493	22,154	22,694	22,655
For Processing						
China	1,350	1,500	1,650	1,700	1,720	1,720
European Union	237	300	294	369	267	267
United States	272	265	255	253	241	241
South Africa	141	158	160	132	134	132
Argentina	266	186	153	170	170	115
Chile	62	65	58	56	57	57
Russia	20	20	9	9	10	10
Turkey	10	10	7	10	10	10
Korea, South	0	0	6	12	7	7
Mexico	3	4	4	4	4	4
Other	33	32	2	2	2	2
Total	2,394	2,539	2,599	2,717	2,622	2,564
Imports						
Russia	369	431	265	267	245	245
European Union	278	255	221	222	275	235
Brazil	190	208	179	147	190	165
Belarus	19	60	186	151	125	150
Indonesia	136	96	86	92	110	145
United States	79	82	89	79	85	80
Vietnam	63	37	43	73	65	75
Other	547	501	525	561	585	552
Total	1,680	1,670	1,595	1,592	1,680	1,647
Exports						
China	409	299	332	401	480	480
Argentina	439	409	333	310	320	300
European Union	317	469	417	310	265	300
South Africa	202	207	205	250	260	250
Chile	143	117	144	129	140	140
United States	184	203	175	156	150	130
Belarus	11	38	163	122	100	87
Other	52	65	67	73	77	68
Total	1,759	1,807	1,835	1,751	1,792	1,755

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.