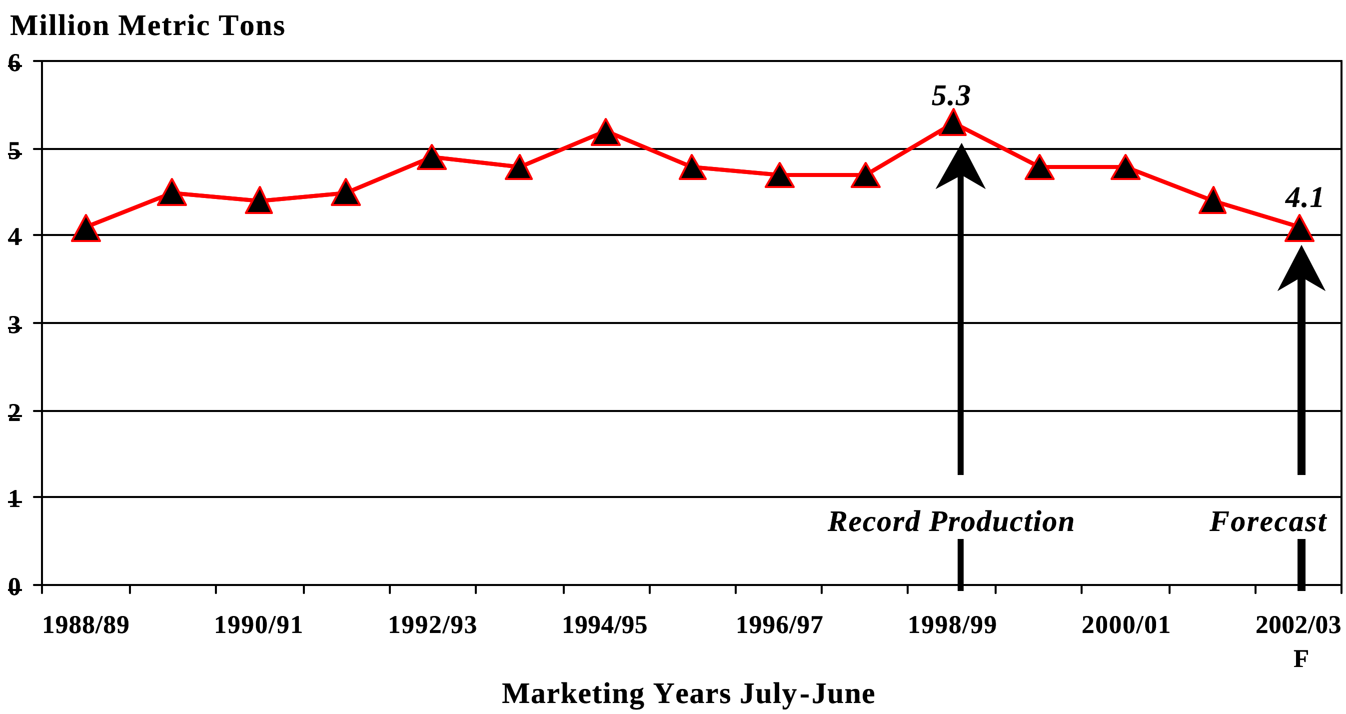
United States Department of Agriculture

Foreign Agricultural Service

Circular Series
FHORT 11-02
November 2002

# World Horticultural Trade and U.S. Export Opportunities

## U.S. Apple Production Expected to Decline for the Third Consecutive Season




***Source:U.S. Bureau of the Census***

U.S. apple production in 2002/03 is forecast to decrease for the third consecutive season to 4.1 million tons, the smallest volume since 1988/89. Smaller apple crops are anticipated in most major U.S. producing states, including New York (down 35 percent), Michigan (down more than 40 percent), and California (down 15 percent), due to unfavorable weather during the spring and to a reduction in bearing acreage. Apple production in Washington, on the other hand, is forecast at 2.4 million tons, up 6 percent from last season. Although apple-bearing acreage in Washington has been reduced as well, favorable weather during the spring is expected to boost the volume of its apple crop in 2002/03. The 2002/03 U.S. apple production forecast reflects in part the difficult economic challenges facing the domestic apple industry. Overproduction, stagnant domestic demand, and increased imports of lower-priced apple juice from China have put downward pressure on U.S. apple prices and, as such, have contributed to the reduction in apple acreage. This trend is expected to continue.

**[Check Out the New U.S. Trade Internet System Website. Go to http://www.fas.usda.gov/ustrade]**

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| Yvette Wedderburn Bomersheim | 202-720-0911 | Wine, grape juice, table grapes, Export credit programs |

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## Export Summary
## August

U.S. exports of horticultural products to all countries in August totaled $896 million, roughly the same as August 2001. The categories with significant increases in August were essential oils (up 40 percent to $76 million), processed fruit (up almost 6 percent to $57 million), and fresh fruit, (up 2 percent to $194 million). The categories with the most significant decreases were fruit and vegetable juices (down 12 percent to $59 million), wine and beer (down 6 percent to $64 million) and processed vegetables (down 4 percent to $129 million).

August 2002 exports to Canada, the top market, were up 11 percent from August 2001 to $301 million. Exports to China climbed 29 percent to $16 million, while sales to Australia rose 46 percent to $11 million, sales to Singapore rose 25 percent to 11 million, and sales to Hong Kong rose 24 percent to $45 million. August exports to the European Union (EU) dropped 9 percent to $131 million, while sales to Japan fell almost 3 percent to $109 million.

Exports for the fiscal year (FY) 2002 period were about level with the same period in FY 2001 at $10.2 billion. Tree nut exports were up about 6 percent to $1.1 billion for the October-August 2001/02 period, while essential oils exports were up 12 percent to $703 million, and fruit and vegetable juices rose about 1 percent to $673 million and fresh vegetables rose about 1 percent to $1.2 billion. All of the other major categories declined.

Exports to Canada rose 7 percent to $3.3 billion for the October-August period, while exports to the EU fell about 2 percent to $1.8 billion and exports to Japan fell 6 percent to $1.4 billion. Exports to Mexico rose 3 percent to $900 million. Exports to Korea rose 21 percent to $325 million, while exports to Hong Kong and Taiwan dropped 10 percent and 20 percent, respectively, compared with the same period in FY 2001. In addition to Korea, the fastest growing markets for FY 2002 to date include: Russia, up 63 percent, India, up 30 percent, Kuwait, up 22 percent, the Dominican Republic, up 15 percent, Colombia, up 11 percent, the United Arab Emirates, up 7 percent, and Indonesia, up 6 percent.

To access FAS Attaché Reports online, please reference the following Internet address:

http://www.fas.usda.gov/scriptsw/attacherep/default.asp

Search through the country and market reports prepared by FAS attaches covering over 20 horticultural and tropical product commodities and nearly 130 countries. Search by keyword, including country and commodity.

**Visit the HTP Homepage!**

The Horticultural & Tropical Products (HTP) Division Homepage is updated weekly to bring the latest information to the public as efficiently as possible. The site contains information on policy and technical developments affecting trade in horticultural commodities, as well as selected reports submitted by FAS overseas offices and special reports prepared by the division. The information typically remains on the site for approximately one week, before being archived. For further information on this site, please contact Nancy Hirschhorn (202) 720-2974. Go to http://www.fas.usda.gov/htp.

## SPECIAL ANNOUNCEMENTS!!!

### USDA Launches Production, Supply, and Demand Database Site

WASHINGTON, Aug. 26, 2002 – The Foreign Agricultural Service (FAS) announced a new on-line database web site that provides current and historical USDA data on production, supply and distribution of agricultural commodities for the United States and key producing and consuming countries.

The data, which goes back as far as 1960, provides users with a complete global picture--all commodity-specific attributes, countries and years are available. Users can view all facets of the database onscreen or download to a spreadsheet file. Pre-defined tables categorized by commodity groups are readily available, or the user can create custom queries for specific commodities. E*xample: Barley*

| *Argentina* | *2001* | *2002* |
|---|---|---|
| *Area harvested* | *240* | *250* |
| *Production* | *510* | *600* |
| *Yield* | *2.13* | *2.4* |

The site includes 108 commodity groups and over 190 countries. The information will be particularly useful for commodity traders, agriculture importers, exporters, economists, producers, and researchers who can use the information to determine future prices, production levels, and demand for agricultural products.

The production, supply, and demand database site can be found at Internet address: http://www.fas.usda.gov/psd

For further information, please E-mail: PSDOnline@fas.usda.gov

**Foodapest (Budapest, Hungary – November 26-29, 2002)**.

The U.S. Department of Agriculture/Foreign Agricultural Service (USDA/FAS) is organizing a U.S. Pavilion at the Foodapest trade show in Budapest, Hungary. Products identified as having excellent market potential in Central Europe include nuts (almonds, peanuts, pecans), raisins and dried fruits (cranberries, prunes), seafood, distilled liquors, snack foods, prepared sauces and condiments, and miscellaneous grocery items. There are a variety of ways you can participate: purchase booth space in the U.S. Pavilion; order a customized package of meetings with potential business partners under our Dialogue Concept; or participate in the American Café. What is an American Café? For a small fee of $350, your sample products can be prepared and distributed at the show to potential customers by USDA/FAS staff. Immediately after the show USDA/FAS sends feedback and leads, providing you with the opportunity to follow up with potential buyers. For more information on any of these options, contact Sharon Cook/FAS Trade Show Office at 202-720-3425 or Sharon.Cook@usda.gov

**International Food and Drink Exhibition (London, United Kingdom – March 23-26, 2003)**.

The International Food and Drink Exhibition (IFE) is the United Kingdom's (U.K.) leading food and drink trade exhibition. A biennial event, IFE attracts approximately 38,000 visitors. IFE has a reputation for attracting U.K. buyers from key sectors of interest to U.S. companies – importers, retailers, and foodservice buyers. It is particularly useful for new-to-market companies with shelf-stable or frozen grocery products. Best product prospects include: wine, beer, tree nuts, processed fruits and vegetables, fresh fruit, sauces and marinades, confectionery, snack foods, egg products, non-soy vegetable oil, organic products, soft drinks, bakery ingredients, seafood and frozen foods. For more information on this USDA-endorsed show, please call Sharon Cook/FAS Trade Show Office at 202-720-3425 or Sharon.Cook@fas.usda.gov

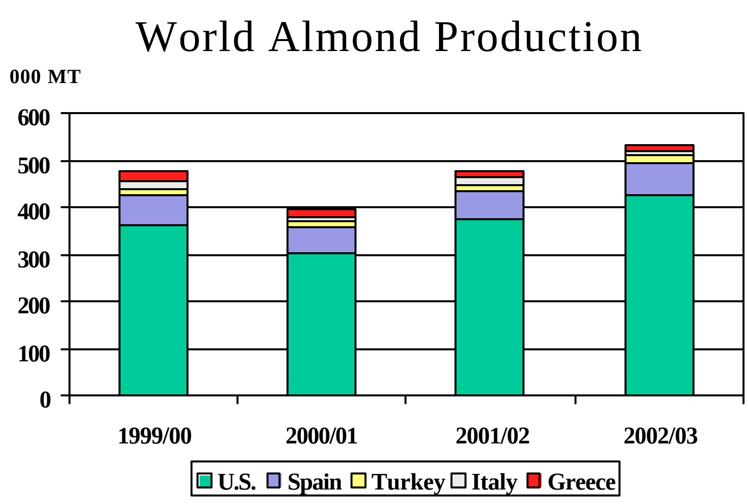
## Almond Situation and Outlook in Selected Countries

**Production of almonds in 5 major producing countries in 2002/03 is forecast at 530,884 metric tons (tons) , up 11 percent from 2001/02. The increase was attributed mainly to a 13-percent increase in U.S. output as well as increases in Spain (up 21 percent) and Turkey (up 7 percent). As a result of the higher almond supplies, U.S. almond grower prices are expected to decline. However, low almond prices encourage consumption and have previously boosted U.S. exports to record levels. Exports of almonds from selected countries are forecast at 346,632 tons, up 3 percent from 2001/02, while domestic consumption is expected to reach 226,532 tons, up 5 percent from the previous year.**

## GLOBAL PRODUCTION & TRADE

World production of almonds is expected to reach almost 531,000 tons in 2002/03, up 11 percent from the previous year. The United States produces approximately 75 percent of all commercial almonds worldwide.

The top four producers in 2002/03 are the United States (530,884 tons), Spain (69,000 tons), Turkey (15,000 tons), and Greece (11,500 tons). Other key producers include Italy, Australia and Morocco.

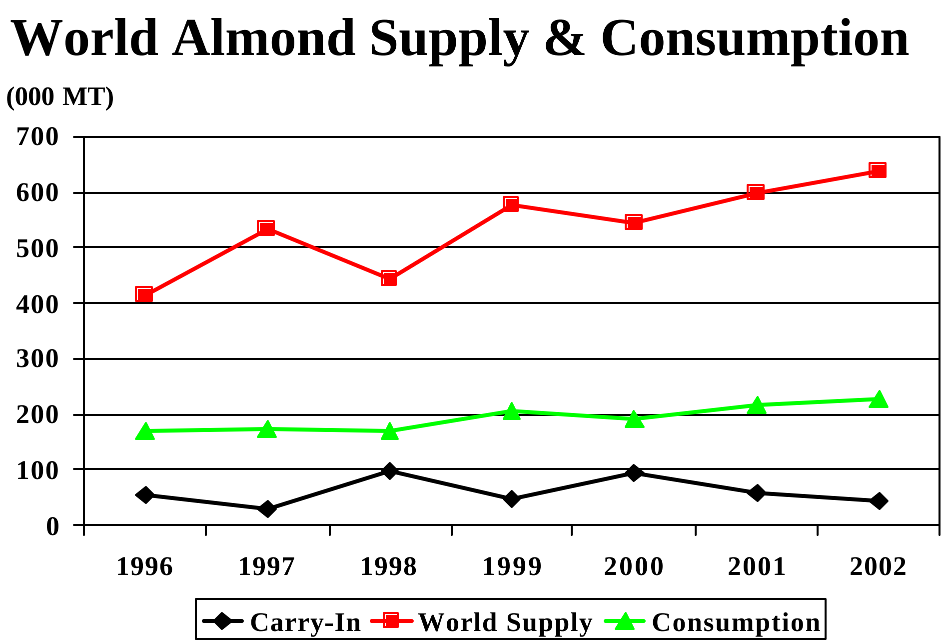



Source: USDA Attaché Reports

## GLOBAL POLICY

*Europe*

The European Union (EU) has a fruit and vegetable (F&V) regime in place that is based on producer organizations (POs) that are voluntarily formed by groups of growers and cooperatives. However, less than half of all Spanish fruit and vegetable production is under POs. Only the larger POs that are able to set-up operational funds are eligible to receive EU support. The EU supports the operational funds, which are set voluntarily by the POs each year and may be up to 4.1 percent of the PO's annual sales. These funds are generally used for the financing of fruit and vegetable withdrawal operations (not nuts), and may be used for investments in operational programs such as improvement of irrigation systems, upgrading technical systems and environmental protection measures. The Mid Term Review (MTR) of the Common Agricultural Policy (CAP), as currently proposed by the EU Commission, includes a new support scheme for tree nuts that nut growers have been long seeking to replace the temporary tree nut improvement 10 year-program, which ended in June 2002. However, they claim that the subsidy rate of 100 euros/hectare (ha) is clearly insufficient given current increased production costs and depressed market prices. Member countries would have the option of supplementing this payment with up to an additional 109 euros/ha, but even the maximum payment (209 euros/ha) is lower than payments from the tree nut improvement program (a minimum of 242.6 euros/ha).

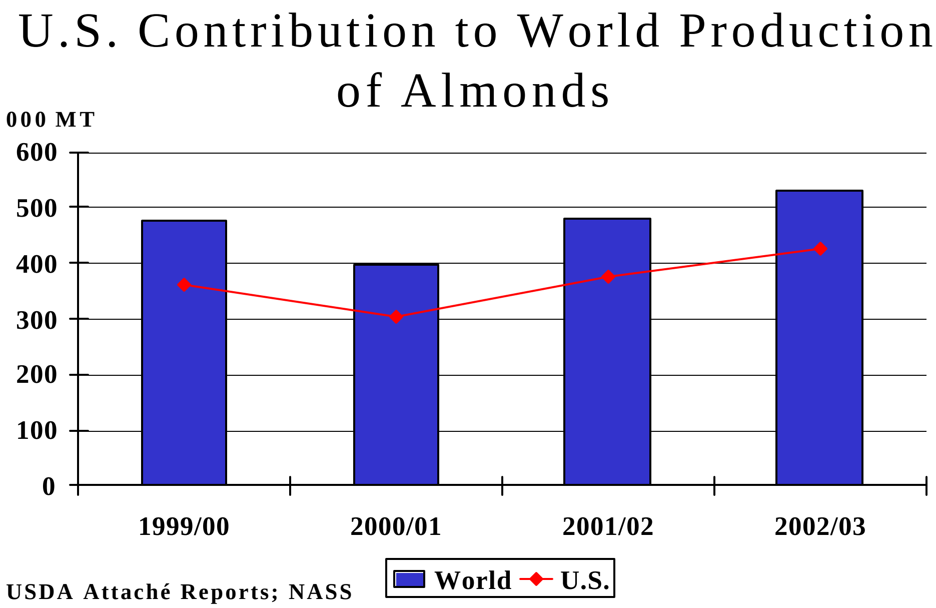



Source: USDA, Attaché Reports

## UNITED STATES

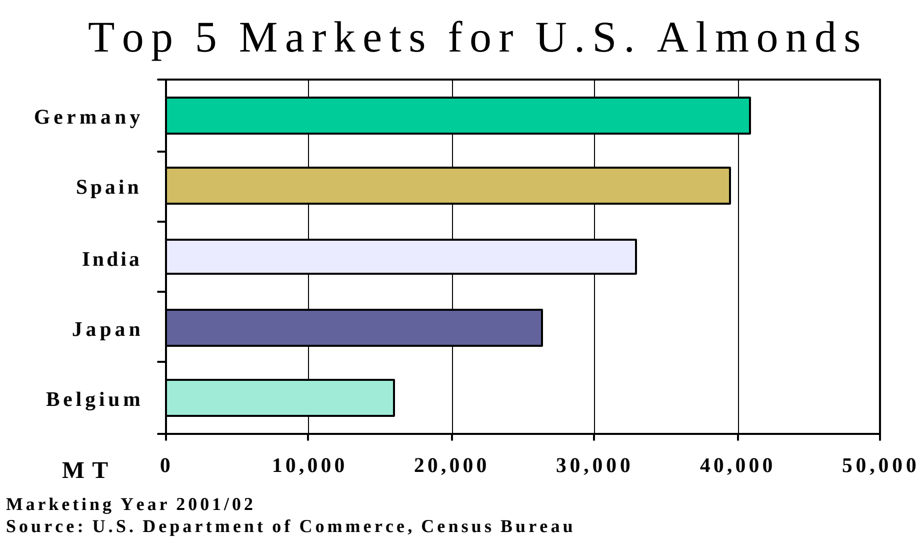
### *Production*

California's 2002/03 almond production is forecast at a record 530,884 tons, up 4 percent from the May forecast and up 18 percent from last year's crop. The forecast is based on 530,000 bearing acres. Production for the Nonpareil variety is forecast at 370 million meat pounds, up 18 percent from last season. The Nonpareil variety represents 38 percent of California's total almond production. The weather during the critical bloom and pollination period was nearly ideal this year. However, a freeze in the Sacramento Valley in early March caused major damage to the crop in Colusa, Glenn, and Yolo counties. The warm temperatures in May and June helped the crop develop near or slightly behind normal progress. The average nut set per tree is 8,100, up 21 percent from 2001. The Nonpareil average nut set of 8,043 represents a 25-percent increase from last year's set. The average kernel weight for all varieties sampled was 1.41 grams, down 12 percent from last year. A total 98.9 percent of all nuts sized were sound.




***Exports***

In 2002/03, U.S. almond exports are forecast at 287,000 tons, up 3 percent from the previous year. Low almond prices are expected to spur exports. In 2001/02, shelled almonds, including prepared and preserved, accounted for approximately 83 percent of total U.S. almond exports. Major buyers of U.S. shelled almonds were the EU (primarily Germany, Spain, and the Netherlands) accounting for 62 percent and Asia (primarily Japan, China, and Korea) purchasing 18 percent. Asia is the most significant importer of in-shell almonds, purchasing 80 percent of U.S. in-shell exports in 2001/02.



## SPAIN

### *Production*

Spain's 2002/03 almond production is forecast at 69,000 tons, up 21 percent from the previous season, due to the absence of frost coupled with rainy weather in most growing areas. Almond production takes place mainly in regions bordering the Mediterranean, primarily in Andalusia and Valencia. The regions of Murcia, Catalonia, Aragon, Balearic Islands and Castilla–La Mancha are also significant almond production areas. According to a recent survey, there were 792,000 bearing hectares, of which less than 6 percent were irrigated. Consequently, rainfall during the fall is crucial to almond productivity. Producer prices in 2001 for in-shell almonds averaged $.64 per kilo, a 3-percent decline from 2000.

### *Consumption*

Domestic almond consumption is projected to increase in 2002/03 due to a general upward tendency in nut consumption and the larger sizes of the last two domestic harvests. Tree nuts are a traditional component of the Mediterranean diet, which is being heavily promoted as a healthy diet. Due to increased health awareness, tree nut consumption has grown in Spain over the past several years with almonds leading the way. The confectionary industry accounts for about 75 percent of Spanish consumption of almonds, and most of the balance is consumed as snacks. The nougat industry is a major consumer of almonds as well. Nearly all of the industry's consumption occurs in the months before Christmas, with nougat being a traditional holiday treat.

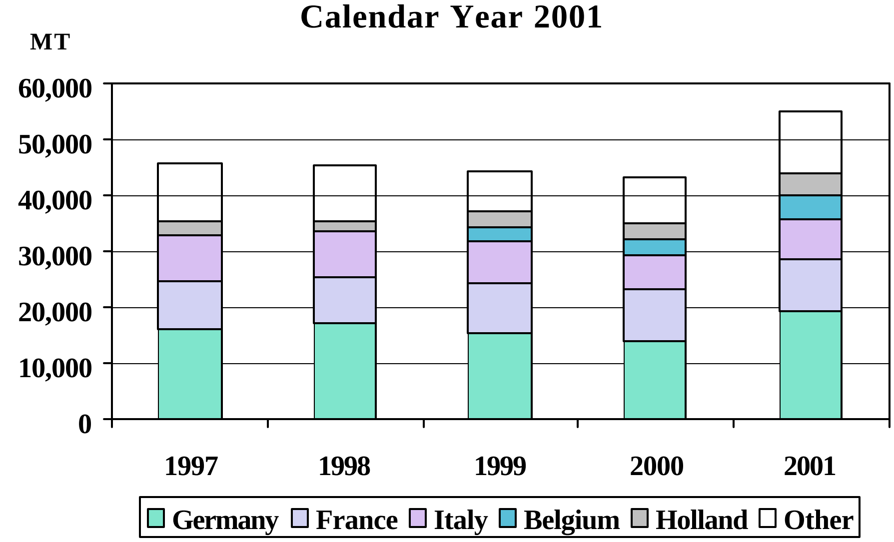
### *Exports*

Exports in 2002/03 are forecast at 56,500 tons, a 5-percent increase from the previous year, due to the larger crop. Other EU countries (Germany, France, and Italy) are the major destinations, representing approximately 93 percent of Spain's export markets. Almond imports in 2002/03 are forecast to decrease slightly. The United States continues to be the dominant foreign supplier of almonds to Spain, increasing its market share to around 97 percent of total imports in 2001/02. Due to the uniformity and low breakage of U.S. almonds, processors generally prefer them for food ingredients, including almond flour, dices and fillets. More than half of all U.S. almonds imported into Spain are subsequently re-exported in some form to other EU countries. Two tariff categories for non-bitter almonds are listed in the Integrated Tariff of the European Union (TARIC). The current import duty rates are as follows:

0802.11.90 In-shell almonds: 5.6 percent
0802.12.90 Shelled almonds: 3.5 percent

However, a WTO global EU annual tariff quota of 90,000 tons at a reduced import duty rate of 2 percent is applicable, and Spanish almond importers may benefit from this tariff quota for imports from outside the EU. As is the case with locally produced food products, a 7-percent Value Added Tax (VAT) is imposed on almond imports.

## Spanish Almond Exports to the World
### Calendar Year 2001




Source: Spain: Official Government Figures

## TURKEY

### *Production*
In 2002/03, almond production in Turkey is forecast at 15,000 tons, unchanged from the previous year. Almonds are a minor nut crop in Turkey. They are grown throughout the country with production concentrated in the Aegean, Marmara and Mediterranean regions. Most production is grown in orchards for commercial use. Almonds grow naturally in Turkey, but were not cultivated as a commercial crop until recently. Varietal selection during the past 25 years has resulted in improvement of local varieties that are now grafted to both improve quality and yield as well as to delay blooming, since early frosts are a major problem in Turkey. Other than variations due to weather conditions, almond production in Turkey is relatively stable.

### *Consumption*
In the past, almond consumption grew slowly in Turkey despite the availability of hazelnuts. Due to the recent economic crisis in Turkey, almond consumption has declined slightly. Almonds are generally consumed whole as a snack food and only limited amounts are used in confectionary products. The retail price for one kilogram of shelled sweet roasted almonds in Ankara is around Turkish Lira (TL) 18,000,000 for local and good quality imported almonds (such as U.S. almonds), compared to TL 12,000,000 a year ago.

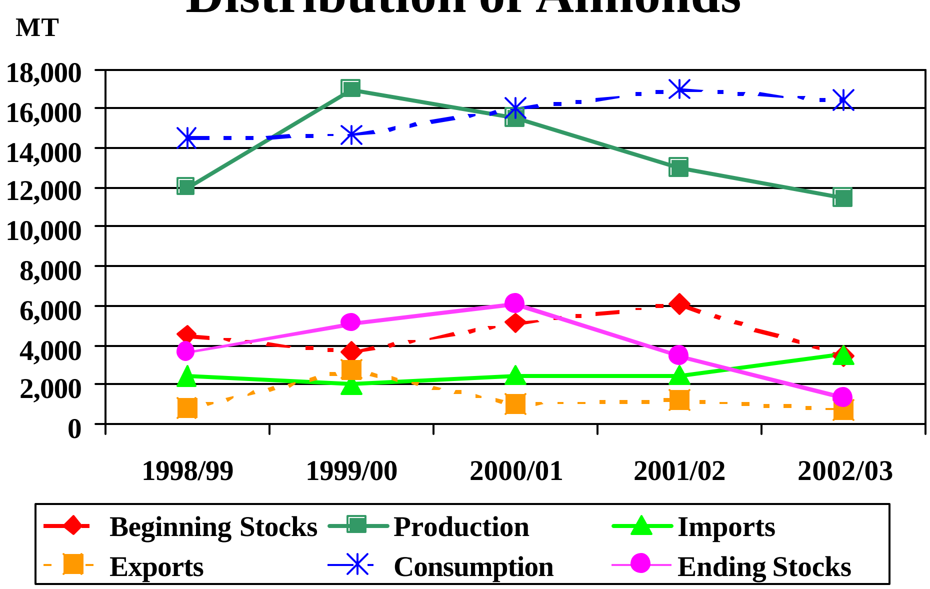
## GREECE

### *Production*
Greece's 2002/03 almond production is forecast at 11,500 tons (shelled basis), down 12 percent after a bad winter with snowstorms and extremely low temperatures that seriously affected tree production in most of the regions. Some of the tree population will recover and next year's output will probably return to

normal levels. The quality of the 2002/03 crop is expected to be very good. Due to the cyclical nature of tree yields and relatively stable tree numbers, with a slightly downward trend, the outlook for almond production over the next 3 to 5 years is estimated to average about 13,500-14,000 tons/annum (shelled basis), provided that weather conditions will be favorable and without extremes, unlike the weather experienced in 2002. The main areas for traditional almond production in Greece are in the prefectures of Magnesia, Larisa (Thessaly) and Serres and Kavala (E. Macedonia), where 70 percent of the national almond tree population is concentrated. Yields vary, with the best size and quality kernels being those of the late blossoming Feragnes variety, which are produced in central Greece and Macedonia. The actual planted area has decreased to approximately 39,000 hectares without a drop in yields, which is due to better growing methods and more trees per area unit. Old, non-yielding orchards and aged, scattered trees have been uprooted, or otherwise taken out of a harvesting program.

A non-uniform product characterizes Greek almond production and supply, due to the many varieties harvested, the variable effects of weather, and the different ages of trees. The cost of production, which is much higher than in other almond-producing countries, is another problem. Farmers prefer to focus on other crops whenever possible. This situation makes the Greek market a further potential market for U.S. almonds, taking into consideration that domestic demand is gradually increasing.

**Greece: Production, Supply & Distribution of Almonds**




**Source: USDA, Agricultural Attaché Reports**

### *Consumption*

Domestic annual consumption of almonds is roughly 16,000-17,000 tons and increasing slowly but steadily from year to year, with Greece being among the largest per capita tree nut consumers in the world. Consumption has risen almost 30 percent since 1991 and is expected to continue growing parallel to an annual increase in tourism and the use of nuts in confectionary, bakery and ice cream industries. Almond consumption represents 26 percent of total nut consumption in the country, which is estimated at 60,000 tons (including pistachios, peanuts, hazelnuts, walnuts, and various kinds of imported nuts). These consumption figures include snack, confectionary, ice cream, and bakery uses. Trade sources report that this tree nut consumption increase is taking place not only in Greece, but all over the world, estimated at 15-20 percent over the past 2 years. Trade sources also comment that this change is due to an aggressive U.S. market promotion activity, a better priced product and the fact that new markets were recently developed and became oriented to almond consumption.

***Exports***
Exports in 2002/03 are forecast at 700 tons, down 42 percent from the previous year. In Calendar Year (CY) 2000 (the most recent official trade data published) $7.4 million in almonds were imported; $8.1 million were imported in 1999; and $9.2 million were imported in 1998, mostly from the United States. (70-85 percent) and Spain (10-15 percent). Exports of Greek almonds in CY 2000 totaled 1,127 tons, valued at only $3.26 million, as compared to $2.86 million in 1999. Half of this was exported to other EU states and half to Bulgaria, Cyprus, Iran and other developing countries. Imported product was primarily used by the confectionary and chocolate industries. Imports tend to decrease when there is excess carry over. Pre-processed U.S. almonds (roasted and flavored in canned packages) are used in developing a snack food market, as consumers like their quality and uniformity. However, U.S. nuts are mainly used for further processing to meat halves, almond powder and slices, ultimately by the confectionary sector.

## ITALY

***Production***
Commercial almond production in 2002 is preliminarily forecast at 9,000 tons (shelled basis), half the good crop harvested last year. Weather conditions have been not been favorable in either Apulia or Sicily, the two key producing regions. However, while in Sicily the orchards have been affected by a continued drought, which compromised the yields per tree, in Apulia the main factor was frost reported in early April, which cut dramatically the crop perspectives. Furthermore, some observers tie the production decrease to the cyclical crop fluctuation, which is more pronounced in Italy's ageing almond trees. Since only a minimal number of new orchards have been planted recently, Italian almond production, in the medium to long term, is expected to decline.

***Consumption***
Domestic almond consumption is projected to increase in 2002/03 due to a general upward tendency in nut consumption. Tree nuts are a traditional component of the Mediterranean diet, which is being heavily promoted as a healthy diet. Due to increased health awareness, tree nut consumption has grown in Italy over the past several years with almonds leading the way. Relatively cheap almond prices are favoring domestic consumption, in partial substitution for other, more expensive nuts. Imported almonds are mostly consumed in northern Italy, while local almonds are more popular in the south, where Italian production is concentrated.

***Trade***
Total almond imports in 2001/02 decreased slightly from the previous year, due mainly to the relatively large

domestic crop.  Imports were favored by the low international prices, particularly from the United States. Shipments from California to Italy rose by 24 percent and accounted for 64 percent of total Italian imports. Total imports in 2002/03 are anticipated to increase substantially, following the expected major decline in domestic production.

The current EU ad valorem customs duty for shelled almonds is 2 percent for imports within the EU-wide quota of 90,000 tons, and 3.5 percent for imports over the quota.  The EU export subsidy for shelled almonds is currently set at 45 euros per metric ton.

***The FAS Attaché Report search engine contains reports on Tree Nut Competition or Market Intelligence for 16 countries including Spain, Italy, Greece and Turkey.  For more information on production and trade, contact Erik Hansen at 202-720-0875.  For information on marketing, contact Ingrid Mohn at 202-720-5330.  Also please visit the tree nuts web page at: http://www.fas.usda.gov/htp/horticulture/nuts.html for further information.***

## Almonds: Production, Supply and Distribution in Selected Countries

| Country<br>Marketing Year 1/ | Beginning<br>Stocks | Production | Imports | Total<br>Supply | Exports | Domestic<br>Consumption | Ending<br>Stocks |
|---|---|---|---|---|---|---|---|
| | | | Metric tons, in-shell basis | | | | |
| **Greece** | | | | | | | |
| 1999/2000 | 3,623 | 17,000 | 2,000 | 22,623 | 2,800 | 14,700 | 5,123 |
| 2000/2001 | 5,123 | 15,500 | 2,500 | 23,123 | 1,000 | 16,000 | 6,123 |
| 2001/2002 | 6,123 | 13,000 | 2,500 | 21,623 | 1,200 | 17,000 | 3,423 |
| 2002/2003 | 3,423 | 11,500 | 3,500 | 18,423 | 700 | 16,400 | 1,323 |
| 2003/2004 F | 1,323 | 13,000 | 3,650 | 17,973 | 800 | 16,250 | 923 |
| **Italy** | | | | | | | |
| 1999/2000 | 1,000 | 17,000 | 16,400 | 34,400 | 2,000 | 30,400 | 2,000 |
| 2000/2001 | 2,000 | 10,000 | 16,000 | 28,000 | 2,200 | 24,800 | 1,000 |
| 2001/2002 | 1,000 | 18,000 | 15,000 | 34,000 | 3,000 | 25,000 | 6,000 |
| 2002/2003 | 6,000 | 9,000 | 17,000 | 32,000 | 2,000 | 28,000 | 2,000 |
| 2003/2004 F | 2,000 | 15,000 | 15,000 | 32,000 | 2,000 | 28,000 | 2,000 |
| **Spain** | | | | | | | |
| 1999/2000 | 0 | 66,000 | 34,000 | 100,000 | 43,000 | 52,000 | 5,000 |
| 2000/2001 | 5,000 | 53,000 | 32,000 | 90,000 | 51,000 | 38,500 | 500 |
| 2001/2002 | 500 | 57,000 | 42,000 | 99,500 | 54,000 | 45,000 | 500 |
| 2002/2003 | 500 | 69,000 | 40,000 | 109,500 | 56,500 | 50,000 | 3,000 |
| 2003/2004 F | 3,000 | 58,000 | 43,000 | 104,000 | 54,000 | 49,000 | 1,000 |
| **Turkey** | | | | | | | |
| 1999/2000 | 1,000 | 14,000 | 2,000 | 17,000 | 200 | 14,800 | 2,000 |
| 2000/2001 | 2,000 | 15,500 | 2,500 | 20,000 | 500 | 16,500 | 3,000 |
| 2001/2002 | 3,000 | 14,000 | 1,500 | 18,500 | 500 | 16,000 | 2,000 |
| 2002/2003 | 2,000 | 15,000 | 1,500 | 18,500 | 500 | 16,000 | 2,000 |
| 2003/2004 F | 2,000 | 15,000 | 2,000 | 19,000 | 500 | 16,500 | 2,000 |
| **United States 2/ 3/** | | | | | | | |
| 1999/2000 | 41,656 | 361,362 | 103 | 403,121 | 228,171 | 95,185 | 79,765 |
| 2000/2001 | 79,765 | 303,700 | 28 | 383,493 | 239,802 | 95,020 | 48,671 |
| 2001/2002 | 48,671 | 376,488 | 80 | 425,239 | 279,463 | 113,076 | 32,700 |
| 2002/2003 | 32,700 | 426,384 | 59 | 459,143 | 286,932 | 116,132 | 56,079 |
| 2003/2004 F | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| **Total** | | | | | | | |
| 1999/2000 | 47,279 | 475,362 | 54,503 | 577,144 | 276,171 | 207,085 | 93,888 |
| 2000/2001 | 93,888 | 397,700 | 53,028 | 544,616 | 294,502 | 190,820 | 59,294 |
| 2001/2002 | 59,294 | 478,488 | 61,080 | 598,862 | 338,163 | 216,076 | 44,623 |
| 2002/2003 | 44,623 | 530,884 | 62,059 | 637,566 | 346,632 | 226,532 | 64,402 |
| 2003/2004 F | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

1/ Marketing years: United States - August to July; Greece – Oct. – Sept.; Spain, Italy & Turkey - Sep to Aug

2/ U.S. domestic shelling ratios for U.S. exports and imports from the California Walnut Commission.

3/ U.S. production forecast for 2002/03 by NASS.

Sources: USDA's Foreign Agricultural Service Attaché Reports, Bureau of Census and USDA/NASS

## U.S. Exports of Almonds to the World

| Destination | 1997/98 | 1998/99 | 1999/00 | 2000/01 | 2001/02 | Rank in 2001/02 |
|---|---|---|---|---|---|---|
| | metric tons, shelled, in-shell & processed total | | | | | |
| Germany | 45,643 | 38,870 | 38,516 | 43,169 | 40,931 | **1** |
| Spain | 19,019 | 22,502 | 25,416 | 28,425 | 39,392 | **2** |
| India | 20,017 | 14,665 | 22,182 | 26,516 | 32,921 | **3** |
| Japan | 22,485 | 16,505 | 18,905 | 21,432 | 26,309 | **4** |
| Belgium-Luxembourg | 5,190 | 4,900 | 6,298 | 11,019 | 16,004 | **5** |
| Netherlands | 12,694 | 11,677 | 11,172 | 14,071 | 15,243 | **6** |
| Canada | 9,328 | 9,780 | 11,248 | 11,199 | 12,295 | **7** |
| France | 11,303 | 9,946 | 9,980 | 11,276 | 12,206 | **8** |
| Hong Kong | 3,030 | 3,407 | 8,625 | 12,964 | 11,010 | **9** |
| United Arab Emirates | 4,693 | 4,504 | 4,950 | 9,938 | 10,902 | **10** |
| Italy | 7,596 | 8,921 | 6,355 | 7,595 | 9,496 | 11 |
| United Kingdom | 11,413 | 10,255 | 8,463 | 7,832 | 8,385 | 12 |
| Korea; Republic of | 2,633 | 2,666 | 3,192 | 4,898 | 5,463 | 13 |
| Mexico | 4,500 | 5,780 | 7,474 | 5,722 | 5,171 | 14 |
| Denmark | 3,671 | 3,201 | 3,495 | 4,041 | 4,374 | 15 |
| Greece | 2,383 | 2,438 | 1,915 | 2,731 | 3,732 | 16 |
| Russian Federation | 968 | 105 | 268 | 749 | 3,364 | 17 |
| Taiwan | 2,844 | 1,965 | 2,226 | 3,597 | 3,290 | 18 |
| Israel | 2,955 | 2,463 | 2,891 | 2,779 | 3,117 | 19 |
| Saudi Arabia | 2,350 | 2,055 | 2,138 | 3,277 | 3,031 | 20 |
| Sweden | 3,632 | 2,818 | 1,749 | 2,579 | 2,524 | 21 |
| China; Peoples Republic of | 312 | 231 | 1,342 | 1,931 | 2,404 | 22 |
| Egypt | 1,311 | 1,562 | 1,001 | 1,368 | 1,425 | 23 |
| Norway | 1,625 | 1,591 | 1,699 | 1,316 | 1,339 | 24 |
| Jordan | 820 | 353 | 547 | 1,284 | 1,273 | 25 |
| Turkey | 213 | 190 | 116 | 322 | 1,234 | 26 |
| Malaysia | 545 | 509 | 597 | 839 | 1,030 | 27 |
| Lebanon | 1,538 | 1,174 | 922 | 1,424 | 921 | 28 |
| Czech Republic | 568 | 33 | 549 | 762 | 898 | 29 |
| Singapore | 564 | 832 | 831 | 679 | 797 | 30 |
| Finland | 602 | 566 | 346 | 573 | 752 | 31 |
| Australia | 1,877 | 1,381 | 1,014 | 538 | 748 | 32 |
| Other Countries | 10,677 | 8,866 | 7,074 | 8,134 | 7,659 | |
| **Grand Total (MT)** | **218,999** | **196,911** | **213,496** | **254,979** | **289,640** | |

1/ Marketing years, August-July

Note: All data from Department of Commerce - Bureau of the Census

## U.S. Imports of Almonds from the World

| Destination | 1997/98 | 1998/99 | 1999/00 | 2000/01 | 2001/02 | Rank in 2001/02 |
|---|---|---|---|---|---|---|
| | Metric tons, shelled, in-shell & processed total | | | | | |
| Italy | 3 | 4 | 8 | 85 | 190 | **1** |
| Spain | 5 | 4 | 3 | 5 | 96 | **2** |
| Denmark | 0 | 0 | 29 | 54 | 56 | **3** |
| China; Peoples Republic of | 10 | 30 | 28 | 44 | 21 | **4** |
| Canada | 21 | 20 | 8 | 14 | 20 | **5** |
| Germany | 0 | 0 | 4 | 4 | 14 | **6** |
| Hong Kong | 10 | 14 | 17 | 15 | 14 | **7** |
| Sweden | 0 | 0 | 0 | 0 | 8 | **8** |
| Switzerland | 0 | 2 | 3 | 2 | 4 | **9** |
| France | 3 | 6 | 3 | 2 | 2 | **10** |
| Other Countries | 5 | 12 | 3 | 33 | 4 | |
| **Grand Total (MT)** | **58** | **93** | **107** | **258** | **428** | |

1/ Marketing years, August-July

Note: All data from Department of Commerce - Bureau of the Census

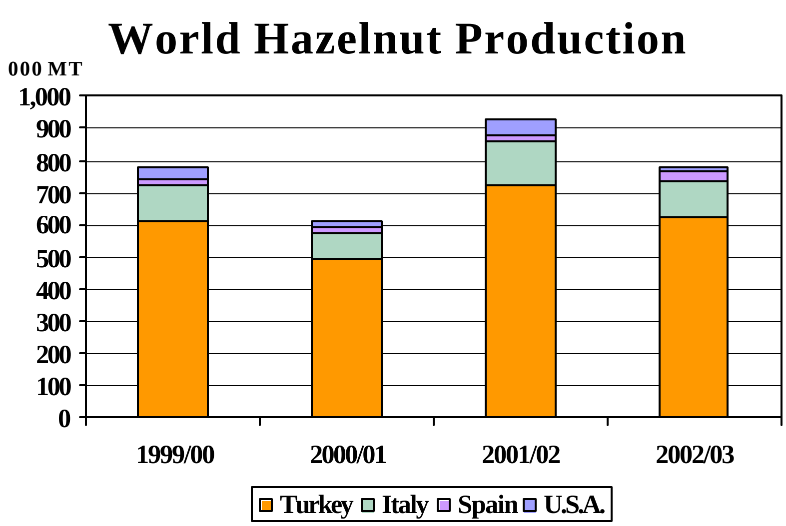
## Hazelnut Situation and Outlook in Selected Countries

**Production of hazelnuts in 4 major producing countries in 2002/03 is forecast at 779,330 tons, down 16 percent from 2001/02. The decrease was attributed mainly to a 14-percent decrease in Turkey's output as well as decreases in Italy (down 15 percent) and the United States (down 64 percent). Production of hazelnuts in the United States is expected to reach 16,330 tons, down 64 percent in 2002/03. As a result, U.S. hazelnut grower prices are expected to increase substantially from the previous year. Exports of hazelnuts from selected countries are forecast at 518,320 tons, down 12 percent from 2001/02, while domestic consumption is expected to reach 377,450 tons, up 4 percent from the previous year. U.S. hazelnut exports are forecast 11,320 tons, down 18 percent from last year, due to a much smaller crop. Future world production and supplies will be strongly influenced by the outcome of Turkey's implementation of reforms mandated by the International Monetary Fund's (IMF) to gradually phase out its hazelnut support price.**

### GLOBAL PRODUCTION & TRADE

World production of hazelnuts is expected to reach 779,330 tons in 2002/03, down 16 percent from the previous year. Turkey produces approximately 70 percent of all commercial hazelnuts worldwide and is responsible for almost 80 percent of world exports. Italy is the world's second-largest producer and exporter of hazelnuts. World exports are forecast in 518,320 tons in 2002/03, down approximately 70,000 tons from 2001/02.

The top four producers in 2002/03 are Turkey (625,000 tons), Italy (110,000 tons), Spain (28,000 tons) and the United States (16,330 tons).




Source: USDA Attaché Reports

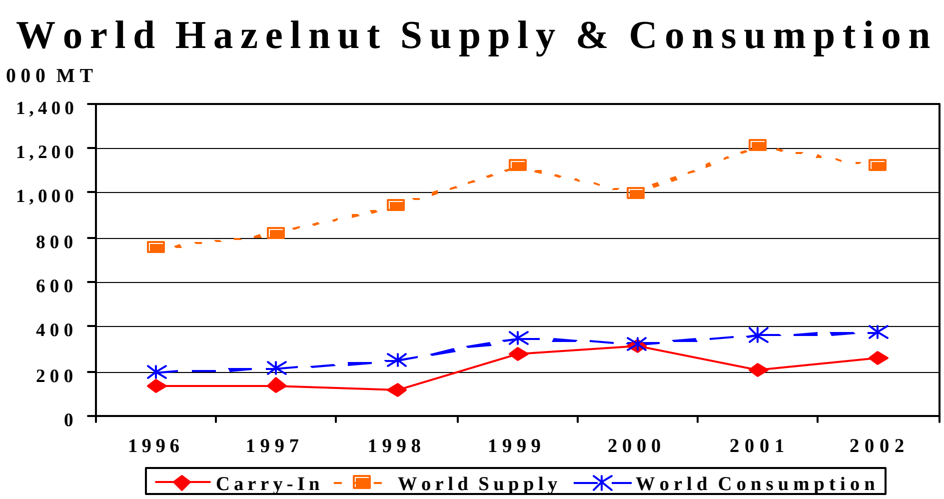
## GLOBAL POLICY

### Turkey

In 1999, the Turkish government reorganized the activities of State Economic Enterprises (SEE), including the Union of Hazelnut Sales Cooperatives (FISKOBIRLIK) by giving them autonomy and separating their procurement and processing functions. FISKOBIRLIK, which has 59 member cooperatives, is the most influential policy-making organization in the industry. In the past, the Government of Turkey appointed FISKOBIRLIK's General Director and board members. Now, however, FISKOBIRLIK's 216,000 members elect these officers. FISKOBIRLIK has historically served as a conduit for Turkey's government policy decisions. As a result of historically high support prices, hazelnut area and production expanded significantly, causing overproduction, large stocks, and depressed prices. However, in an effort to reduce inflation and in accordance to IMF commitments, the Turkish government may cease this program. FISKOBIRLIK has requested TL 300 trillion from the government in order to procure about 150,000 tons of hazelnuts at a price around TL 2,000,000 per kilogram (in shell). However, the government has not yet provided any funding. As a result, FISKOBIRLIK has not yet announced procurement prices for MarketingYear 2002. Turkey will hold early elections in November, which may prompt the government to provide funding. Producers are very concerned with the uncertain market situation. According to producers, this has been a particularly difficult year because of the uncertainty surrounding support prices and prices traders will be willing to pay.

### Europe

The EU has a fruit and vegetable (F&V) regime in place that is based on producer organizations (POs), which are formed voluntarily by groups of growers and cooperatives. Only the larger POs that are able to set-up operational funds are eligible to receive EU support. The Mid Term Review (MTR) of the Common Agricultural Policy (CAP), as currently proposed by the EU Commission, includes a new support scheme for tree nuts to replace the temporary tree nut improvement 10-year program, which ended in June 2002. This program calls for a specific aid of 150 euros per metric ton, to be requested by the recognized producers' associations submitting a quality improvement program.

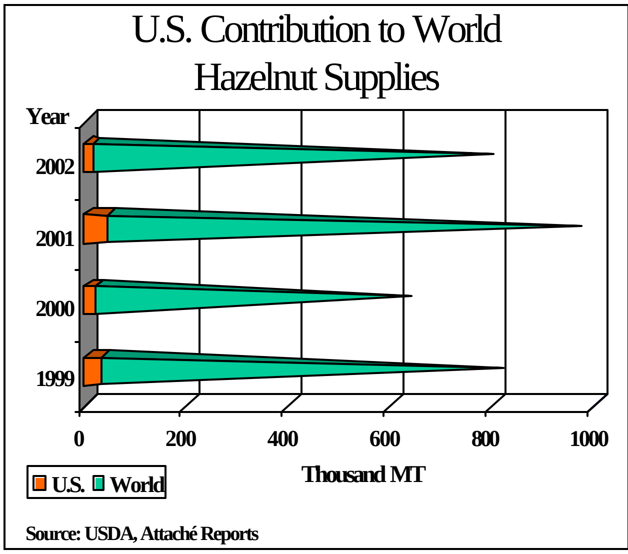


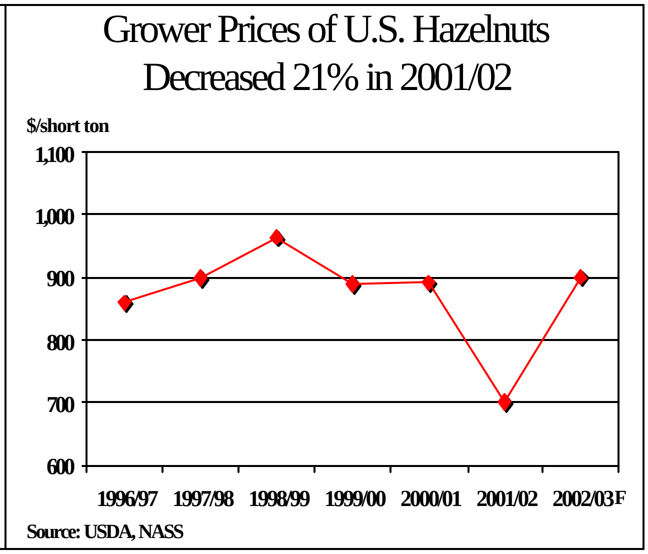

Source: USDA, Attaché Reports

## UNITED STATES

### *Production*

Oregon's hazelnut production in 2002/03 is forecast at 16,330 tons according to the Oregon Agricultural Statistics Service (OASS), which would be 64 percent below last year's revised record crop estimate, and 19 percent less than the 2000 production. Oregon's forecast production will be the lowest since the 1998 crop. Consequently, U.S. hazelnut grower prices are expected to rise substantially from the previous year. With an alternate-year bearing cycle, hazelnut production is projected to greatly decrease from last season's record-high crop. Mild weather since January has been favorable for crop development. Growers began harvest in mid-September. Eastern Filbert Blight continues to limit potential production in infected orchards. There was an average of 445 nuts picked per sample this year from the OASS Hazelnut Objective Yield Survey, compared with 1,148 in 2001, and 354 in 2000. The percentage of good nuts found in the OASS laboratory (84.4 percent) was down from 85.7 percent in 2001 and 84.8 percent in 2000.

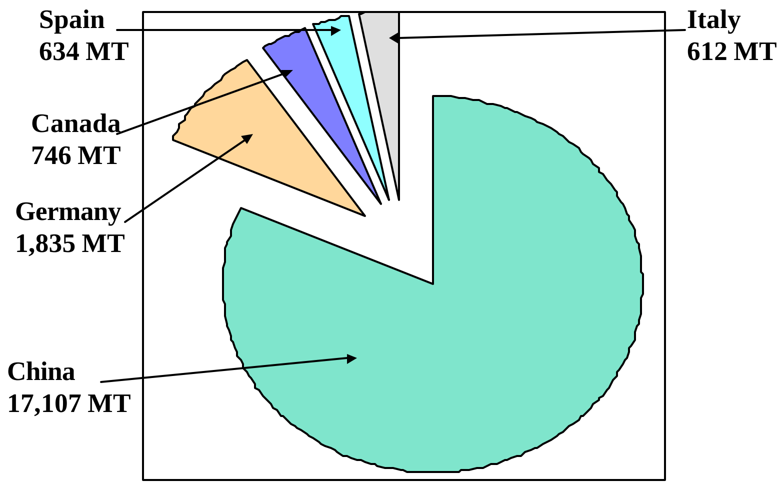



### *Trade*

In 2002/03, U.S. hazelnut exports are forecast at 11,320 tons, down 61 percent from the previous year. A decrease in U.S. hazelnut production and higher hazelnut prices are expected to hamper exports. In 2001/02, in-shell hazelnuts accounted for approximately 95 percent of total U.S. hazelnut exports. Major buyers of U.S. in-shell hazelnuts were Asia (primarily China and Korea) accounting for 75 percent, and the EU (primarily Germany, Spain, and Italy) accounting for 16 percent. Northern Africa is the most significant importer of U.S. shelled hazelnuts, purchasing 37 percent of total exports in 2001/02.

# Top 5 Markets for U.S. Hazelnuts




**Source: U.S. Department of Commerce: Census Bureau**
**Marketing Year 2001/02**

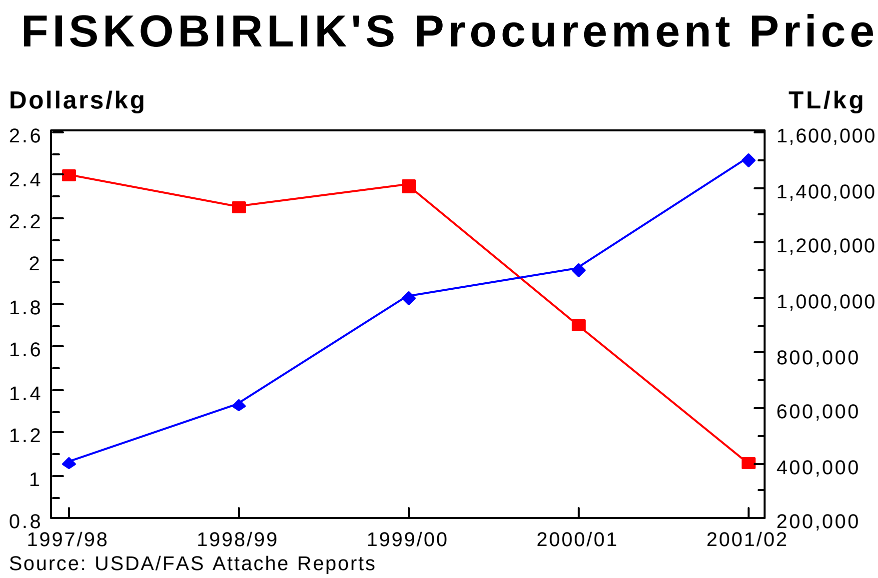
## TURKEY

### *Production*

Turkey is the world's leading producer of hazelnuts, accounting for about 70 percent of world supply. Hazelnut production is mainly concentrated along Turkey's Black Sea coast, extending about 25 kilometers inland. The region is divided into three distinct growing areas: (1) the hilly region east of Ordu to Trabzon, centered around Giresun, producing 60 percent of the crop, (2) the flatter, mixed-farming region west of Ordu to Samsun, producing 15 percent, and (3) the area west of Samsun, producing the remaining 25 percent. Hazelnuts require relatively little effort to cultivate and therefore inputs and labor costs are low. Harvesting, which occurs for several weeks in August, constitutes the bulk of the work required.

Hazelnut production is the single most important economic enterprise in the Black Sea region. The total number of growers, estimated at about 400,000, is difficult to determine since almost everyone grows at least some hazelnuts for their own consumption. In addition, early-season crop production and area forecasts are much debated, due to the lack of a systematic crop-survey system. Best estimates put total area at about 540,000 hectares. Growers generally have very small plots. Most eastern producers have an orchard size of only 1-2.5 hectares, using hazelnut sales proceeds to supplement other income. Only a few relatively large growers (10 tons or more annually) depend on hazelnut production for the bulk of their incomes. On the other hand, most central and western farmers have 10-15 hectare orchards. Because of the importance of the crop to such a large number of people, hazelnut production policy has important political implications in Turkey.

In the past, the Turkish government has supported prices for hazelnut production by providing funds to FISKOBIRLIK. However, in an effort to reduce inflation and in accordance to IMF commitments, the government may cease this program. FISKOBIRLIK has requested TL 300 trillion from the Turkish government in order to procure about 150,000 tons of hazelnuts at a price around TL 2,000,000 per kilogram (in shell).




At the request of the hazelnut industry, the Turkish Technical and Scientific Research Organization (TUBITAK) carried out long-term research on aflatoxin, a major industry concern. One development has been the setting of harvest dates for all producers in order to avoid problems with aflatoxin. The harvest started on August 5 in the lower valleys, on August 12 in the middle-producing areas, and on August 19 on the high-producing areas.

***Consumption***

Processors and/or traders are the first purchasers of hazelnuts. While there are about 350 processors/traders in Turkey, the five-largest processors account for an estimated 40 percent of production. For the most part, the industry is not vertically integrated; only a few firms participate at the various processing stages. For example, there are approximately 170 hazelnut crackers in Turkey, with a total capacity of 1,250,000 tons (in shell). Around 20 hazelnut processors have a total capacity of 300,000 tons (shelled).

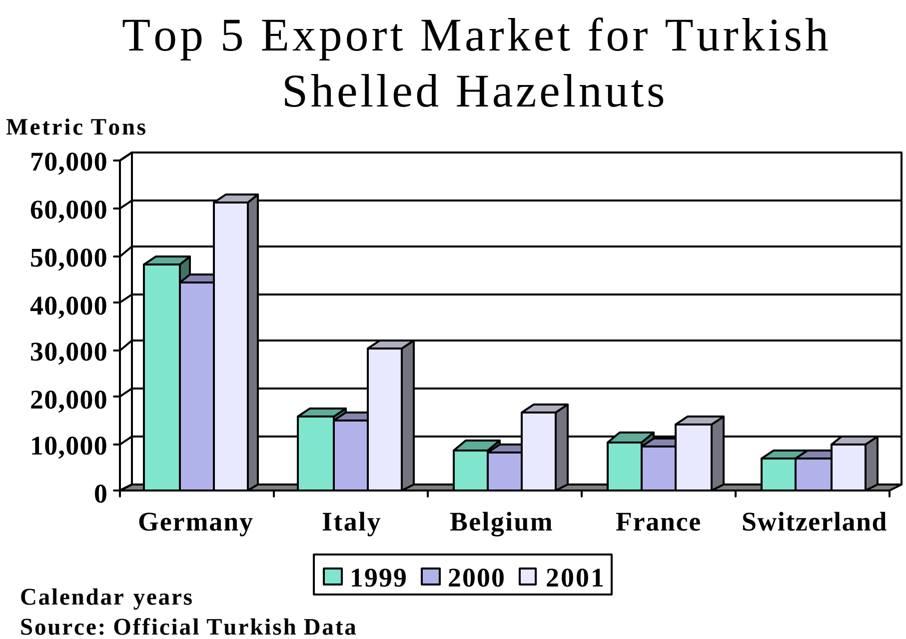
Hazelnuts continue to be a popular snack food in Turkey with the majority consumed as whole nuts. With the depreciation of the TL against the U.S. dollar and other foreign currencies over the last couple years, there was a decline (in real terms) in retail prices for hazelnuts, encouraging consumption. In addition to increased domestic consumption as a snack food, consumption of processed hazelnuts for confectionary items is gradually increasing. Production of a wide range of hazelnut products also increased. However, the recent economic slowdown adversely affected consumption. About 70,000 tons (in shell) hazelnuts are consumed domestically as snack foods and confectionary products. Consumption estimates also include the quantities crushed for oil. The current retail price for shelled roasted hazelnuts in Ankara is about TL 10,000,000 (about $6.00) per kilogram, unchanged from last year. This is significantly lower than the annual rate of inflation (around 60 percent). The rate of depreciation against the dollar in the same period was about 15 percent.

***Trade***

Turkey accounts for about eighty percent of world hazelnut trade. Indicative export prices in mid August were around $210 per 100 kilograms (bagged, FOB Black Sea) compared to $350 a year ago. Export prices dropped in the beginning of MY 2001 to $225 after FISKOBIRLIK announced procurement prices, which were lower than the market price at that time, and even dropped to $200 later in the marketing year when FISKOBIRLIK announced that it would end the procurement.

The EU is the major market for Turkish hazelnuts. In the past, most shipments were by sea on an FOB basis. Today, shipping by trucks on a CIF basis is becoming increasingly popular. Although some sales are made directly to end users, most are done through traders. Because of the abundance of the production, little advance contracting is done at present. The government inspects and certifies exports.

About seventy percent of Turkey's hazelnut exports consist of raw kernels, while the remaining thirty percent are processed kernels, including roasted, sliced, chopped, paste, meal, and flour. Very few hazelnuts are exported as finished consumer confectionary items. The trend, however, is to move from raw kernel exports to processed and finished products to capture the increased value added. One constraint to increasing exports of hazelnut confectionary items is the relatively low quality of Turkish chocolates (primary base for hazelnut products) compared to European chocolates. In addition to shifting the export product mix, Turkey is hoping to expand its market presence, mainly in the Far East, former Soviet Union and the United States. Industry representatives in Turkey closely monitor the hazelnut and almond industry in the United States.



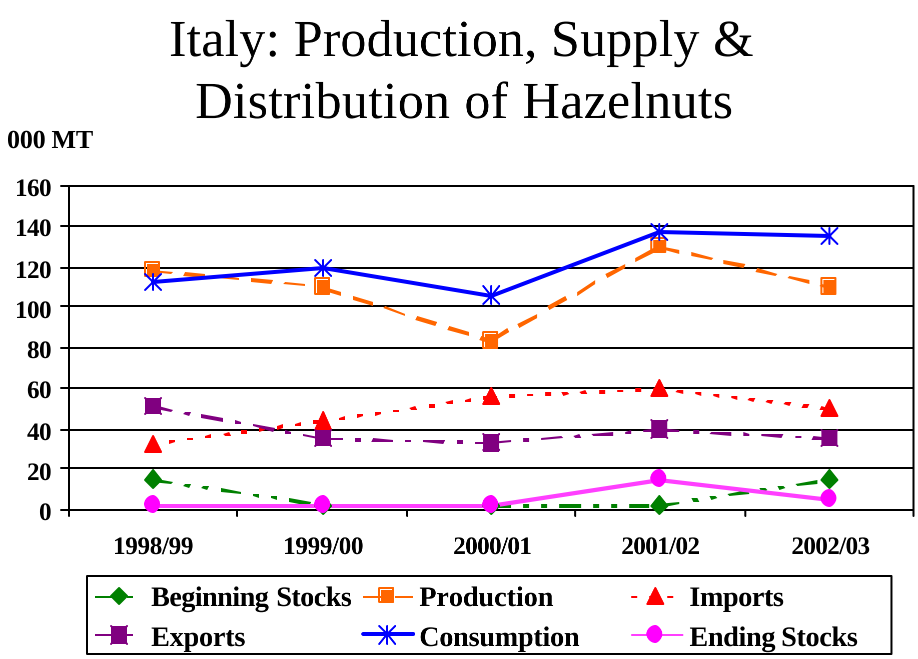

## ITALY

### *Production*

Domestic hazelnut production in 2002/03 is forecast at 110,000 tons (in-shell basis), or 15 percent lower than last year, mainly as a result of the cyclical crop fluctuation. Weather conditions have been generally favorable to the crop development, due in particular to the prolonged, unusual rains during most of July and the first part of August. This was particularly true in both Campania and Latium, where almost two thirds of the Italian hazelnut orchards are located. Domestic hazelnut production consists of long varieties such as Lunga San Giovanni (sold mainly in-shell at premium prices), and round varieties, such as Gentile, Giffoni and Romana, chiefly processed by the confectionary industry. Competition from Turkey remains the key factor, affecting both the domestic and export markets. Domestic hazelnut prices in 2001/02 averaged some 18 percent less than in the previous year. Prices are the lowest since 1996, and no recovery is anticipated in the near future, given the situation prevailing in Turkey (large production and low prices).

***Consumption***

Hazelnuts are mainly utilized by the domestic confectionary industry, being the main ingredient in many chocolate products. Domestic consumption recovered substantially in 2001/02 after the drop reported in 2000/01, in line with larger domestic and Turkish supplies, and is expected to remain on the high side during the 2002/03 marketing year, as well.




Source: USDA, Attaché Reports

***Trade***

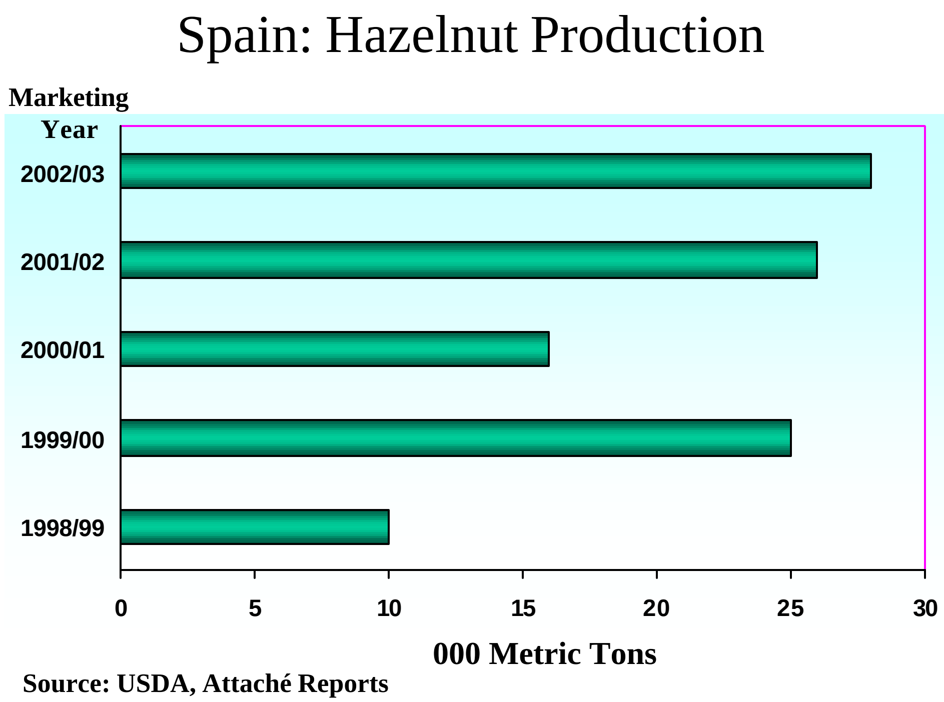
Despite the large domestic supplies, imports from Turkey of shelled hazelnuts keep growing, while exports into the main European outlet markets are dramatically affected by the strong competition of the Turkish hazelnuts. As a result, during the most recent years (1999/2000, 2000/01 and 2001/02) Italy has been a net importer of hazelnuts. This is not likely to change in the near future. The main outlet for Italy's hazelnuts remained EU countries (chiefly Germany) and Switzerland.

Imports of shelled hazelnuts, mainly from Turkey, during September 2001-March 2002 rose by 35 percent from the same period of 2000/2001, as a result of the cheap price policy adopted by Turkey. The EU ad valorem tariff rate is 3.2 percent for both in-shell and shelled hazelnuts. EU export restitutions for shipments to third countries are presently set at 53 euros per metric ton for in-shell hazelnuts and 103 euros per metric ton for shelled hazelnuts.

## SPAIN

### *Production*

The hazelnut harvest in MY 2001/02 (September-August) is expected to reach 28,000 tons, in-shell basis, 2,000 tons more than in the preceding year. About 60 percent of Spain's hazelnut orchard area is under irrigation. Catalonia is the leading hazelnut producing region, accounting for approximately 93 percent of the total area planted. Within this autonomous region, the province of Tarragona accounts for 88 percent of the total, with the rest in the provinces of Gerona and Barcelona. Negreta is the principal variety of hazelnut grown in Spain, comprising nearly 80 percent of total production.




Although the average producer price for the in-shell Negreta variety in 2001 was 1.25 euros per kilogram, practically unchanged from year-earlier levels, it has declined dramatically since the beginning of the current MY 2001/02 as a result of the large domestic harvest and increased Turkish hazelnut shipments to Europe. Current hazelnut prices (July 2002) have declined to 2.25 euros per kilogram (kg), shelled Negreta basis, from 3.67 euros/kg from the same month of a year earlier. This represents a nearly 40-percent decline, placing the Spanish hazelnut industry in a critical situation.

### *Consumption*

As is the case of almonds, hazelnut consumption is expected to grow in the current MY 2001/02, commensurate with the size of the crop. The confectionary and chocolate industries use about 60-70 percent of domestic supplies. Hazelnuts are also used for snacks and are often marketed in snack packs.

### *Trade*

Spanish hazelnut imports in MY 2001/02 (September-August) are running well above last year's pace. Thus, during the period September 2001-March 2002 (first seven months of the marketing year), imports increased 49 percent to 9,622 tons from the comparable period of a year earlier. For the entire 2001/02 marketing year, they are projected at 12,000 tons, 3,000 tons more than in the preceding year. Turkey is by far the major supplier (with a 65 percent import market share in MY 2000/01). U.S. hazelnut exports to Spain decreased to 446 tons in 2000/01 from the previous year's 647 tons.

Spain's hazelnut exports during the first seven months of the current MY 2001/02 were down 55 percent to 3,987 tons, in-shell basis, from the comparable period a year earlier. However, for the entire 2001/02 marketing year, exports are projected at 9,000 tons, some 3,000 tons less than in the previous year.

***The FAS Attaché Report search engine contains reports on Tree Nut Competition or Market Intelligence for 16 countries including Italy, Spain and Turkey. For more information on production and trade, contact Erik Hansen at 202-720-0875. For information on marketing, contact Ingrid Mohn at 202-720-5330. Also please visit the tree nuts web page at: http://www.fas.usda.gov/htp/horticulture/nuts.html for further information.***

## Hazelnuts: Production, Supply and Distribution in Selected Countries

| Country Marketing Year 1/ | Beginning Stocks | Production | Imports | Total Supply | Exports | Domestic Consumption | Ending Stocks |
|---|---|---|---|---|---|---|---|
| | | | | Metric tons, in-shell basis | | | |
| **Italy** | | | | | | | |
| 1999/2000 | 2,000 | 110,000 | 44,000 | 156,000 | 35,000 | 119,000 | 2,000 |
| 2000/2001 | 2,000 | 83,000 | 56,000 | 141,000 | 33,000 | 106,000 | 2,000 |
| 2001/2002 | 2,000 | 130,000 | 60,000 | 192,000 | 40,000 | 137,000 | 15,000 |
| 2002/2003 | 15,000 | 110,000 | 50,000 | 175,000 | 35,000 | 135,000 | 5,000 |
| 2003/2004 F | 5,000 | 130,000 | 50,000 | 185,000 | 35,000 | 135,000 | 15,000 |
| **Spain** | | | | | | | |
| 1999/2000 | 0 | 25,000 | 9,700 | 34,700 | 14,000 | 17,200 | 3,500 |
| 2000/2001 | 3,500 | 16,000 | 11,000 | 30,500 | 12,000 | 17,000 | 1,500 |
| 2001/2002 | 1,500 | 26,000 | 12,000 | 39,500 | 9,000 | 20,000 | 10,500 |
| 2002/2003 | 10,500 | 28,000 | 10,000 | 48,500 | 12,000 | 21,000 | 15,500 |
| 2003/2004 F | 15,500 | 20,000 | 11,000 | 46,500 | 12,000 | 21,000 | 13,500 |
| **Turkey** | | | | | | | |
| 1999/2000 | 275,000 | 610,000 | 3 | 885,003 | 397,613 | 187,390 | 300,000 |
| 2000/2001 | 300,000 | 490,000 | 0 | 790,000 | 406,343 | 183,657 | 200,000 |
| 2001/2002 | 200,000 | 725,000 | 3,000 | 928,000 | 510,000 | 183,000 | 235,000 |
| 2002/2003 | 235,000 | 625,000 | 3,000 | 863,000 | 460,000 | 203,000 | 200,000 |
| 2003/2004 F | 200,000 | 625,000 | 3,000 | 828,000 | 450,000 | 203,000 | 175,000 |
| **United States 2/ 3/** | | | | | | | |
| 1999/2000 | 103 | 34,500 | 6,260 | 40,863 | 13,093 | 23,667 | 4,103 |
| 2000/2001 | 4,103 | 22,680 | 9,885 | 36,668 | 15,999 | 18,669 | 2,000 |
| 2001/2002 | 2,000 | 44,816 | 5,411 | 52,227 | 28,750 | 22,477 | 1,000 |
| 2002/2003 | 1,000 | 16,330 | 12,550 | 29,880 | 11,320 | 18,450 | 110 |
| 2003/2004 F | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| **Total** | | | | | | | |
| 1999/2000 | 277,103 | 779,500 | 59,963 | 1,116,566 | 459,706 | 347,257 | 309,603 |
| 2000/2001 | 309,603 | 611,680 | 76,885 | 998,168 | 467,342 | 325,326 | 205,500 |
| 2001/2002 | 205,500 | 925,816 | 80,411 | 1,211,727 | 587,750 | 362,477 | 261,500 |
| 2002/2003 | 261,500 | 779,330 | 75,550 | 1,116,380 | 518,320 | 377,450 | 220,610 |
| 2003/2004 F | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

1/ Marketing years: United States - July to June; Spain, Italy & Turkey – Sept.-Aug.

2/ U.S. domestic shelling ratios for U.S. exports and imports from the California Walnut Commission.

3/ U.S. production forecast for 2002/03 by NASS.

Sources: USDA's Foreign Agricultural Service Attaché
Reports, Bureau of Census and USDA/NASS

## U.S. Exports of Hazelnuts to the World

| Destination | 1997/98 | 1998/99 | 1999/00 | 2000/01 | 2001/02 | Rank in 2001/02 |
|---|---|---|---|---|---|---|
| | metric tons, shelled, in-shell total | | | | | |
| Hong Kong | 3,210 | 1,272 | 4,185 | 7,091 | 16,294 | **1** |
| Germany | 5,445 | 2,520 | 1,263 | 1,879 | 1,788 | **2** |
| China; Peoples Republic of | 719 | 404 | 642 | 244 | 1,318 | **3** |
| Canada | 1,280 | 910 | 807 | 970 | 675 | **4** |
| Spain | 574 | 510 | 529 | 592 | 634 | **5** |
| Israel | 919 | 199 | 443 | 463 | 634 | **6** |
| Italy | 2,517 | 166 | 357 | 322 | 600 | **7** |
| Egypt | 407 | 297 | 427 | 194 | 423 | **8** |
| Venezuela | 196 | 309 | 451 | 425 | 369 | **9** |
| Mexico | 529 | 373 | 388 | 449 | 364 | **10** |
| United Kingdom | 936 | 701 | 441 | 293 | 273 | 11 |
| Brazil | 672 | 326 | 410 | 249 | 272 | 12 |
| France | 263 | 69 | 84 | 95 | 133 | 13 |
| Greece | 0 | 20 | 54 | 15 | 43 | 14 |
| Argentina | 138 | 31 | 0 | 0 | 40 | 15 |
| Other Countries | 1,394 | 526 | 657 | 576 | 175 | |
| **Grand Total (MT)** | **19,198** | **8,632** | **11,137** | **13,859** | **24,033** | |

## U.S. Imports of Hazelnuts from the World

| Destination | 1997/98 | 1998/99 | 1999/00 | 2000/01 | 2001/02 | Rank in 2001/02 |
|---|---|---|---|---|---|---|
| | metric tons: shelled & in-shell total | | | | | |
| Turkey | 3,839 | 5,203 | 5,356 | 4,791 | 6,630 | **1** |
| Canada | 342 | 282 | 347 | 326 | 347 | **2** |
| New Zealand | 0 | 20 | 0 | 0 | 40 | **3** |
| Italy | 0 | 22 | 10 | 62 | 28 | **4** |
| Bolivia | 0 | 31 | 0 | 0 | 16 | **5** |
| China; Peoples Republic of | 0 | 2 | 0 | 0 | 1 | **6** |
| India | 0 | 0 | 0 | 1 | 1 | **7** |
| Moldova; Republic of | 0 | 0 | 0 | 0 | 1 | **8** |
| Azerbaijan; Republic of | 0 | 29 | 74 | 0 | 0 | **9** |
| Germany | 0 | 0 | 0 | 0 | 0 | **10** |
| Netherlands | 0 | 0 | 60 | 0 | 0 | 11 |
| Peru | 0 | 0 | 0 | 0 | 0 | 12 |
| Spain | 0 | 0 | 0 | 0 | 0 | 13 |
| Ukraine | 0 | 0 | 0 | 0 | 0 | 14 |
| United Kingdom | 0 | 0 | 0 | 0 | 0 | 15 |
| **Grand Total in MT** | **4,181** | **5,590** | **5,847** | **5,180** | **7,063** | |

1/ Marketing years, August-July

Note: All data from Department of Commerce - Bureau of the Census

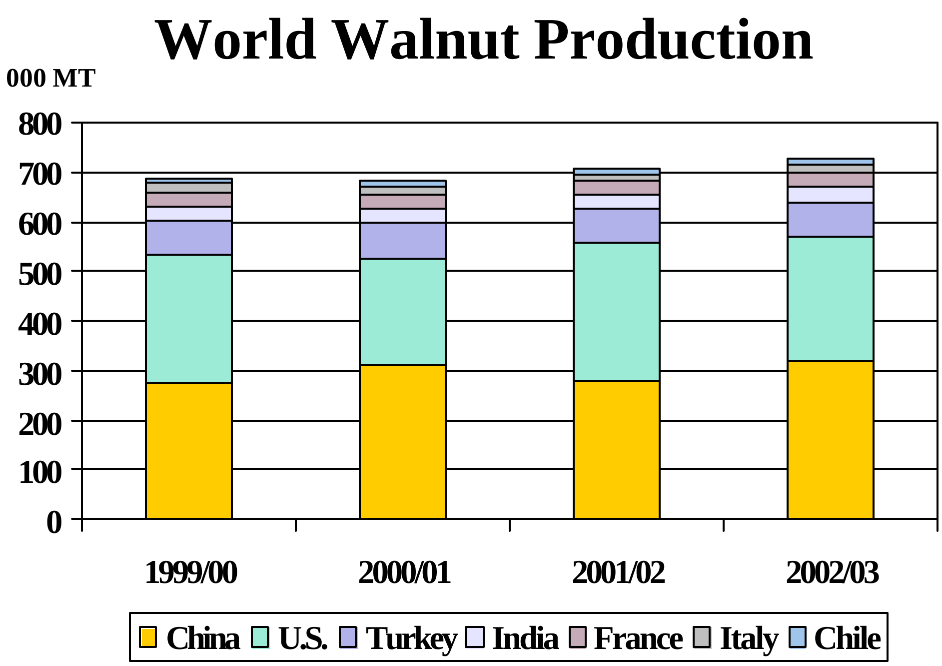
## Walnut Situation and Outlook in Selected Countries

**Production of walnuts in 6 major producing countries in 2002/03 is forecast at 726,980 tons, up 3 percent from 2001/02. The increase was attributed mainly to a 15-percent increase in China's output as well as increases in Italy (up 15 percent) and India (up 10 percent). Production of walnuts in the United States is expected to reach 249,480, down 10 percent in 2002/03. As a result, U.S. walnut grower prices are expected to increase substantially from the previous year. Exports of walnuts from selected countries are forecast at 183,059 tons, up 5 percent from 2001/02, while domestic consumption is expected to reach 587,735 tons, up 3 percent from the previous year.**

### GLOBAL PRODUCTION & TRADE

World production of walnuts is expected to reach almost 727,000 tons in 2002/03, up 3 percent from the previous year. China produces approximately 44 percent of all commercial walnuts worldwide, but is responsible for only 14 percent of world exports. The United States is the world's second-largest producer and the world's largest exporter of walnuts. World exports are forecast in 183,059 tons in 2002/03, up approximately 9,000 tons from 2001/02.

The top four producers in 2002/03 are China (320,000 tons), the United States (249,480 tons), Turkey (68,000 tons), and India (32,000 tons). Other key producers include Chile, France and Italy.



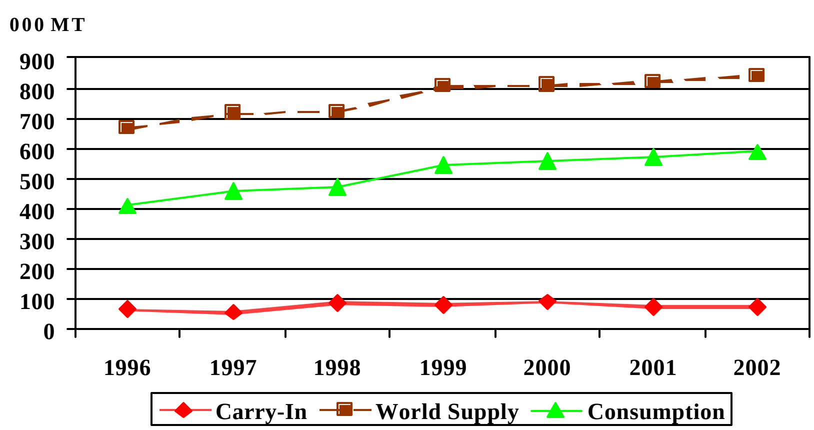

Source: USDA Attaché Reports

**GLOBAL POLICY**

As part of China's agricultural restructuring, China's State Forestry Administration introduced a pilot program called *Cropland Conversion to Forest and Grassland*. During 2000, the first year for the program, a total of 683,600 hectares were converted. The program provides cash, grain, and seedling subsidies and farmers cannot grow other crops. The program allows a maximum of 20 percent of the converted area to be for economic trees (e.g., walnuts, pecans, and other nut or fruit bearing trees). Several specialists in key production regions believe that walnuts will be the trees of choice in the conversion. In some areas, walnut seedlings could comprise 5 to 10 percent of the total converted area. Walnut and other nut bearing trees are considered a more attractive alternative because they require less management and nuts can be stored and distributed easily with little damage. Farmers, specialists, and government officials view walnut production as an ecological and economic alternative to cropland agriculture. In general, the program has been well received, but there have been a few operational difficulties, including management.

The EU has a fruit and vegetable (F&V) regime in place that is based on POs that are formed voluntarily by groups of growers and cooperatives. However, less than half of all Spanish fruit and vegetable production is under POs. Only the larger POs that are able to set-up operational funds are eligible to receive EU support. The Mid Term Review (MTR) of the Common Agricultural Policy (CAP), as currently proposed by the EU Commission, includes a new support scheme for tree nuts to replace the temporary tree nut improvement 10-year program, which ended in June 2002. However, growers claim that the subsidy rate of 100 euros/ha is insufficient, given current increased production costs and depressed market prices. Member countries would have the option of supplementing this payment with up to an additional 109 euros/ha, but even the maximum payment (209 euros/ha) is lower than what they were getting from the tree nut improvement program (a minimum of 242.6 euros/ha).

**World Walnut Supply & Consumption**

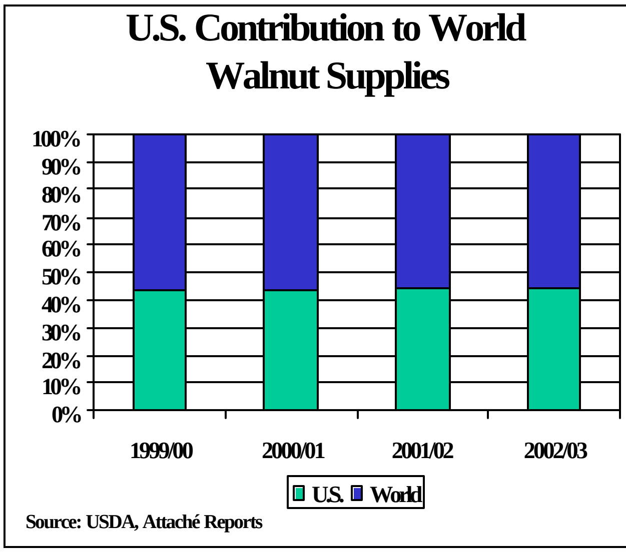


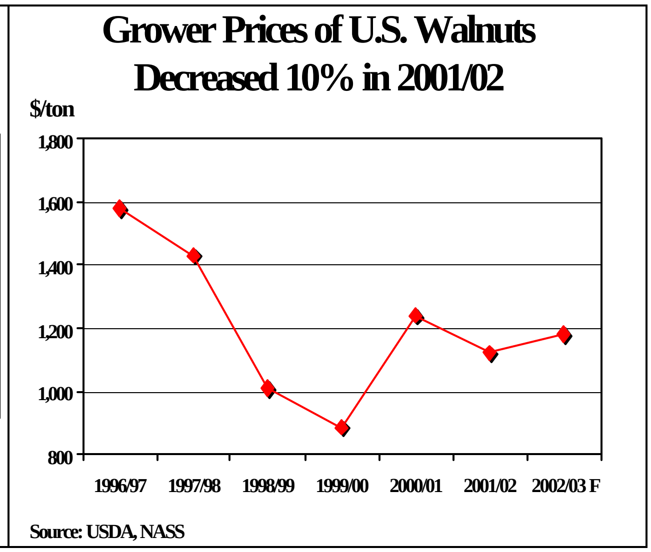

Source: USDA, Attaché Reports

## UNITED STATES

### *Production*

California's 2002/03 walnut production is forecast at 249,480 meat tons, down 10 percent from last year's record crop. The 2002 Walnut Survey utilized a total of 679 blocks with two sample trees per block. Survey data indicated an average nut set of 1,572, down 9 percent from the 2001 average of 1,719. The Hartley nut set was down 4 percent; Chandler, was down 24 percent; Serr, was down 6 percent; and Franquette was up 14 percent from 2001. The percent of sound kernels in-shell was 96.3 statewide. In-shell weight per nut was 22.0 grams, while the average in-shell suture measurement was 32.4 millimeters. The average length in-shell was 38.5 millimeters. The forecast is based on 196,000 bearing acres. The decrease in U.S. production of walnuts forecast for 2002/03 is not expected to increase grower prices. As a result, U.S. exports of walnuts to the world are expected to decrease slightly from the previous year. The walnut crop got off to a great start this year, as weather conditions were nearly ideal during the critical bloom and pollination period. However, an early-March freeze in the Sacramento Valley caused damage to trees in several counties.

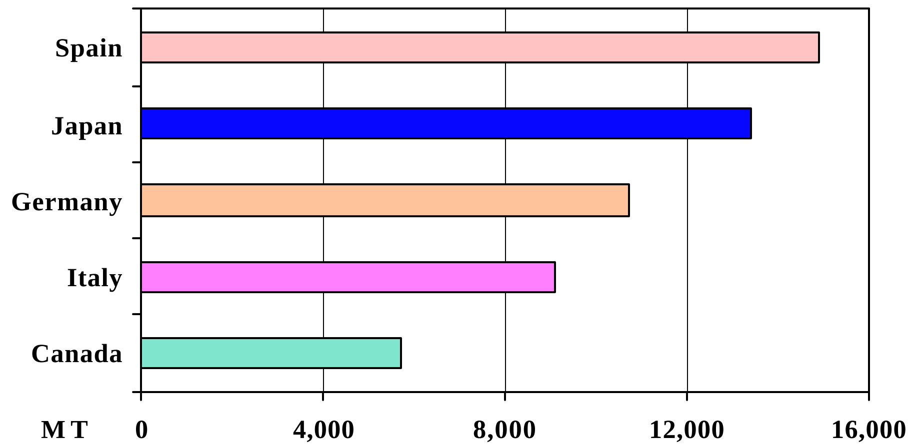



### *Trade*

In 2002/03, U.S. walnut exports are forecast at 105,559 tons, down slightly from the previous year. A decrease in U.S. walnut production and higher walnut prices are expected to hamper exports. In 2001/02, in-shell walnuts accounted for approximately 67 percent of total U.S. walnut exports. Major buyers of U.S. in-shell walnuts were the EU (primarily Spain, Italy, and Germany) accounting for 69 percent and Asia (primarily Japan and China) purchasing 17 percent. Asia is the most significant importer of shelled walnuts, purchasing 31 percent of total U.S. shelled exports in 2001/02.

# Top 5 Markets for U.S. Walnuts




Marketing Year 2001/02
Source: U.S. Department of Commerce, Census Bureau

## CHINA

### *Production*

In 2002/03, walnut production in China is expected to reach 320,000 tons, up 15 percent from the previous year. Early estimates are that 2002/03 production will surpass that of the previous two years as more bearing acreage planted in the 1990s becomes commercially viable. Improvements in tree nut management should also result in production increases. In addition, favorable weather during the 2002/03 blossom period for walnut trees is another indication that production should increase. Walnut production in 2001/02 was lower than expected due to complications brought on by late frosts during bloom in parts of western China and high elevation areas in southern China. It was reported that in 2001/02, some in-husk walnuts dropped prematurely and all walnut production in some key production bases was lost.

Older walnut producing areas are scattered throughout China and are mainly Persian variety walnuts. Walnut production should start growing because planting acreage is expanding and planting density is increasing. Over the last several years, black walnut varieties from the United States have been planted successfully in south China. Black walnut varieties in south China are often grafted to help the seedlings adapt better to the terrain and weather conditions. Specialists in western China have conducted trial planting and grafting of black walnuts, but they will not make any recommendations until they determine how the varieties will withstand harsh weather conditions.

### *Consumption*

Chinese consumers prefer in-shell nuts that can be cracked by hand. They are considered to be cleaner and they are cheaper than processed nuts. Walnut demand is often highest during the Chinese lunar New Year in late winter or early spring. Walnut demand is also high during China's mid-Autumn festival in late September. Walnut demand during the mid-Autumn festival is met with fresh walnuts supplied by domestic growers as opposed to imported nuts.

The Chinese consider walnuts to be a health food, which is good for the brain, hair, and kidneys. While walnuts are mostly consumed fresh or dried, they are also consumed as a processed snack food. Processed walnuts are coated in honey or sugar and sesame seeds. Use of dried walnuts in the baking and confectionary industry is growing; it is increasingly common to see walnuts baked into breads, rolls, cookies, and cakes. Walnuts are also ground into powders for porridge or processed into a milk-like product. In some rural places, walnuts are also crushed for oil.

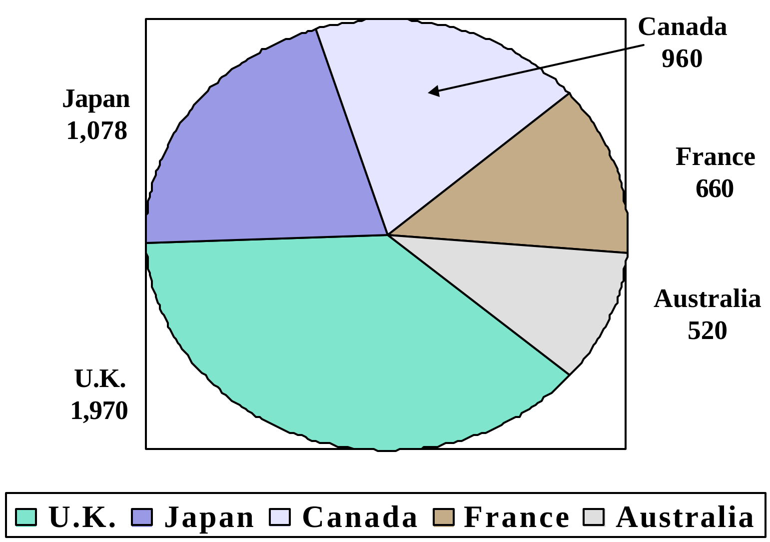
Packaged walnut consumption seems to be higher in large cities including Beijing, Shanghai and Guangzhou. Consumers in other large cities, such as provincial capitals and coastal cities, also tend to have a higher purchasing power for processed and packaged nuts. According to processors and traders, bulk bin walnut sales in large inland cities and provincial county seats surpass sales of packaged nuts.

***Trade***

China's walnut exports in 2002/03 are forecast at 25,000 tons, up forty-seven percent from the previous year. This increase is attributed to the large increase in walnut production and an increase in area harvested. Exports were down in 2001/02 for a number of reasons. Lower production and increased domestic demand eroded China's price competitiveness. Chinese industry sources believe that China's walnut exports will depend on its ability to produce highly processed and high value walnut products. These products will most likely be targeted at markets in Asia and Europe because the price will be too high for most domestic consumers. Chinese traders say that eastern European countries are supplying a greater share of nut exports to Europe. Meanwhile, India appears to be increasing its market share in Australia. The result is that China's tree nuts are losing ground on the international market. Some Chinese trading companies feel that international walnut consumption is growing by around 1 percent a year. These companies do not want to be excluded from what is considered a stable, growing market.

China's Top 5 Walnut Export Markets

Shelled Metric Tons




Source: Official Chinese Government Statistics

China's walnut imports are expected to drop from 900 tons in 2001/02 to 500 tons in 2002/03. Lower domestic production and rising domestic demand in 2001/02 helped increase imports over the last marketing year. In addition, rising international demand for shelled and processed walnuts helped increase China's imports for processing walnuts that were later re-exported to other countries. Demand for in-shell walnuts has grown over the last year, is in large part due to increased processing capacity by existing processors in south China that re-export packaged in-shell nuts, shelled nuts, and seasoned nuts to other countries. Processing operations prefer U.S. or third-country nuts for three reasons: 1) nut size is more uniform than most Chinese walnuts thereby making walnut cracking or shelling much easier; 2) the quality is often more uniform; and 3) in coastal cities it continues to be easier to order a shipment of U.S. or third-country walnuts for delivery than to coordinate delivery from several domestic growers and suppliers from inland China.

## TURKEY

### *Production*

According to official statistics, the number of bearing and nonbearing trees has been increasing slowly. Based on this trend and the shift to better varieties, sources forecast steadily increasing production as earlier planted trees reach bearing age and more trees are planted. Although official estimates place production at around 120,000 tons (in-shell basis at a conversion factor of 1:2.5), most private sources believe that production is only about 68,000 tons. Some international estimates report even lower figures. The lack of a systematic crop survey and widely divergent estimates make it difficult to accurately estimate the crop.

Walnuts grow throughout most of Turkey. In the past, they generally were not cultivated but simply harvested from natural forests. However, during the past two decades, increased demand (and prices) have made walnut cultivation more attractive encouraging greater investment in the sector. The Horticultural Research Institute (HRI) in Yalova is the leading walnut research facility in Turkey and has developed nine standard varieties with higher yields. Thus far, only a few of these improved varieties have been planted commercially. In addition to the HRI, several private companies have begun commercial propagation of improved walnut varieties.

### *Consumption*

Per capita consumption appears relatively stable, with long-term increases in aggregate consumption resulting from increases in population. About 50 percent of the crop is used for home consumption and the remainder is marketed commercially. Most of the commercially marketed walnuts are consumed directly with very little processed. The retail price for shelled walnuts in Ankara currently is about TL 15,000,000 per kilogram, compared to TL 8,000,000 a year ago. MY 2000/01 and MY 2001/02 consumption estimates were slightly decreased because of the economic crisis, which led to decreased imports and lower supplies.

## FRANCE

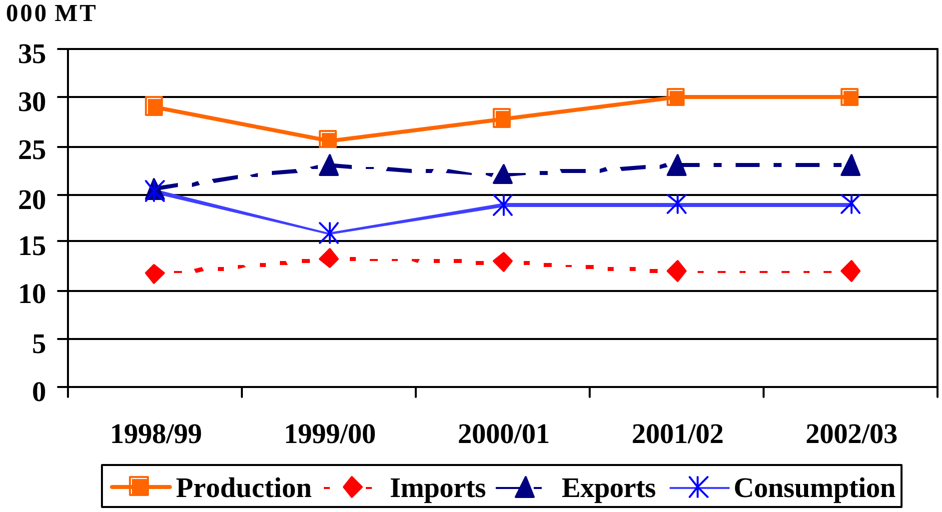
### *Production*

France is the leading European producer of walnuts, with roughly 25 percent of total European production.

In 2002/03, French walnut production is expected to be higher than in 2001/02 at 30,000 tons, although some hailstorms affected the walnut orchards in the Isère region in mid-July 2002.
French walnut production for 2000/01 and 2001/02 were respectively revised to 28,660 tons and 27,810 tons, in line with recent estimates by the Office of Statistics of the French Ministry of Agriculture and Fisheries.

Walnut production includes roughly 2,000 tons of in-shell fresh walnuts sold in September and October, 7,000-8,000 tons of in-shell dried walnuts, and 11,000-12,000 tons of shelled walnuts. Shelled walnuts are used either for industrial food processing (60 percent), craft food processing (30 percent), or sold as such (10 percent).

France: Production, Trade & Consumption of Walnuts




Source: USDA, Attaché Reports

### *Consumption*

Walnuts are consumed as such for snacking or home cooking, or in by-products, such as walnut oil, or shelled walnuts used as ingredients in the pastry, bakery and cheese industries. French households are estimated to purchase approximately 7,000-9,000 tons of in-shelled walnuts (including 2,000 tons of fresh walnuts and 7,000 tons of dried walnuts), and 6,000 tons shelled walnuts per year. Most of the French southeastern production (roughly 75 percent) is for the in-shell walnut market, while more than half of the southwestern production goes to the shelled walnut market segment. Overall, large grades are for the in-shell walnut market, while smaller grades are for the shelled walnut market. The French per capita consumption of walnuts is 150 grams of in-shell walnuts and 200 grams of shelled walnuts per year. In-shell walnuts are mainly consumed during the late fall and in winter. However, there is no seasonality for shelled walnut consumption.

### *Trade*

Exports in 2002/03 are forecast at 23,000 tons, up slightly from the previous year. France is a net exporter of walnuts, principally to EU member states and Switzerland. French and U.S. walnuts compete for these markets. During the first 8 months of MY 2001/02 (October-May), French exports of walnuts declined by 6 percent to 18,720 tons compared to the same period of MY 2000/01, due mainly to reduced shipments to Germany and Spain, which are France's leading export markets. However, French exports to Italy and Switzerland increased significantly during the same period. The decline in overall French exports resulted principally from the stiff price-competition with U.S. walnuts on European markets. In 2001/02, as U.S. walnuts were sold at significantly lower prices than French walnuts in Europe, prices for French walnuts declined and were lower than in 2000/01. In 2002/03, the currently low U.S. dollar relative to the euro is expected to be beneficial for U.S. products on the European market.

## INDIA

### *Production*

India's 2002/03 walnut production is forecast to increase by 10 percent to 32,000 tons, due to the higher yielding phase of the trees' alternating bearing pattern and favorable weather conditions during flowering and fruiting (March/April). However, production prospects have been tempered by dry conditions during June/July resulting in shrinkage in the nut size and shriveling. Market sources expect the nut size to be down by 5-10 percent compared to that from the previous year (nut size varies from 24-32 mm). There are no reports of any pest or disease attacks. Arrivals are expected to be timely from early September through December, peaking in late October. Assuming normal weather, the 2003/04 walnut crop is forecast lower at 30,000 tons due to the low yielding phase of the alternating bearing pattern. Indian walnuts are grown almost entirely (98 percent) in Jammu and Kashmir under rain fed conditions in rocky terrain. Stagnant grower prices and continued violence in the traditional producing areas of Kashmir have discouraged additional plantings. Yields are low due to the lack of irrigation and low fertility, ranging from 18-50 kilograms per tree per year. Indian walnuts are classified as hard, medium or thin shell (Kaghazi). The average shelling rate is 40 percent, but can go as high as 70 percent in the case of the thin-shelled Bakshi variety.

### *Consumption*

Strong export demand and tight supplies are expected to limit domestic consumption of walnuts to 16,000 tons in 2002/03. Comparatively low prices for almonds in the last few years have encouraged middle class consumers and some institutional users to shift from walnuts to almonds during the fall festival season. Walnut usage by the confectionary and ice cream industry is expected to continue to increase, however, as prices are still competitive with other nuts, such as cashew nuts and pistachios. Around 2 percent of walnuts (normally rancid nuts) are used for oil extraction to be utilized by soap and cosmetic manufacturers. Walnut consumption will remain stagnant in 2003/04 at 16,000 tons owing to lower domestic supplies.

Due to larger than anticipated exports, 2001/02 consumption has been lowered to 15,000 tons. Growers and wholesalers are currently holding a major portion of the 2001/02 ending stocks. Supported by a strong resurgence in export demand, domestic walnut prices were very firm in 2001/02. Due to comfortable domestic supplies, 2002/03 prices are expected to remain at last year's level.

### *Trade*

Although walnut exports depend largely on domestic prices and export demand, exports in 2002/03 are expected to increase to 17,000 tons on improved domestic supplies and drop to 15,000 tons in 2003/04 on forecast lower production. Exports during MY 2001/02 reached 16,000 tons on strong demand from the EU and improved export competitiveness due to the decline in the value of the Indian rupee. The value of the Indian rupee compared to the U.S. dollar declined by 9-10 percent during 2001/02. Major export destinations during the Indian fiscal years 2000 and 2001 were Spain, Germany, France, the United Kingdom, Greece, Egypt, the Netherlands, Denmark and Italy. Most walnuts are exported from October through March. More than 95 percent are exported as kernels (40 percent light halves; 20 percent amber halves/broken; and the balance as broken).

There are no restrictions on walnut exports, and no export subsidies are provided. Imports of walnuts, and most other dry fruits and nuts, are allowed without restriction under the Open General License (OGL), subject to an effective import duty of 40.4 percent. Given the high tariffs and strong domestic production, opportunities for imports are negligible.

## ITALY

### *Production*

Italy's walnut production in 2002/03 is forecast at 15,000 tons, or 15 percent more than last year's crop, relatively poor in terms of both volume and quality. Weather developments have been fairly good in Campania, the leading producing region of the local Sorrento variety. The quality of the 2002/03 crop is anticipated to be very good, particularly with reference to the average nut size. Planted area remains marginal and is not expected to expand in the near future, with the only limited exception of some newly-planted walnut orchards in northern Italy.

### *Consumption*

Walnut consumption (mainly in-shell) is traditionally concentrated during the Christmas season, but in the most recent years has expanded through the spring. On the other hand, sales of shelled walnuts, consumed either as snacks or as ingredients for the confectionary industry, have increased sharply in recent years.

### *Trade*

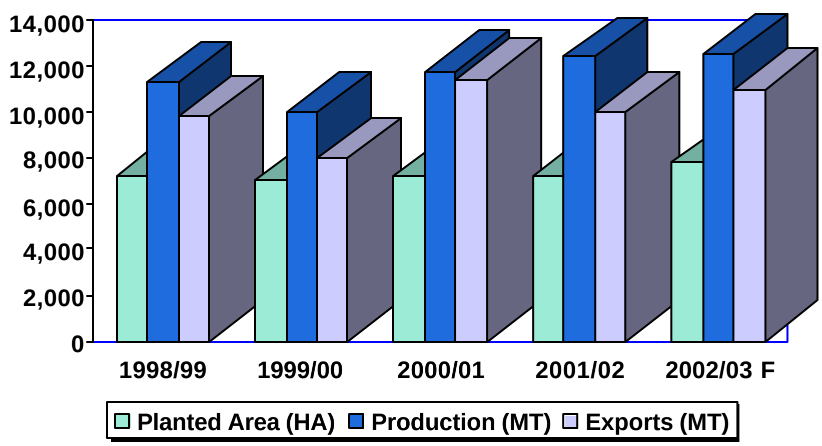
The relatively low domestic crop in 2001/02 favored large imports throughout the year, with an expected final volume of about 18,500 tons, 28 percent more than in the previous year. The major supplier was California (about 75 percent of total in-shell imports in 2001/02), followed by France (17 percent), and other minor suppliers. Total imports, however, are expected to decline marginally in 2002/03, consequent to the good domestic crop, but should remain on the high side, thanks to the excellent consumers' acceptance of California nuts. Imports of shelled walnuts are expanding, in line with increasing consumption; however in 20001/02, the United States was only a marginal supplier, mainly due to the high prices of the California product, combined with the strong U.S. dollar. The weakened U.S. dollar (currently it fluctuates around the parity with the euro) could of course favor California exports of both in-shell and shelled walnuts in 2002/03. The EU customs duty for in-shell walnuts is fixed at 4 percent, while that for shelled walnuts is set at 5.1 percent. The EU export refund for shipments to third countries is currently 66 euro/per ton for in-shell walnuts.

# CHILE

### *Production*

Chile's walnut production in 2002/03 is expected to reach 12,500 tons, up slightly from the year before. An expansion in production is expected as most producers will continue replacing aging orchards with improved varieties, increasing grafting of their lowest-yielding trees, and expanding planted areas. Although walnuts are planted from the Third Region (Copiapo) down to the Ninth Region (Temuco), 1,500 kilometers to the south, over 90 percent are planted in the central areas, specifically Region Five (San Felipe-Los Andes), the Metropolitan Region (Santiago) and the Region Six (Rancagua). Industry sources indicate that after many years of a steady decrease in total planted area due to the uprooting of orchards near urban areas for housing and commercial development, newly planted area is now exceeding the area being uprooted. The two main factors for the overall increase in planted area are a continuous deterioration of the profitability of alternative fruit crops, and relatively good prices obtained by walnut producers. As a result, production is expected to increase in six to seven years to over 15,000 metric tons.

**Chile: Walnut Planted Area, Export & Production**




Source: USDA, Attaché Reports

### *Consumption*

As with most Chilean produce, domestic walnut consumption is a residual of the export market. If international prices are low, exports fall off and domestic consumption increases as the larger supply drives domestic prices down. However, domestic demand does not drive consumption or determine market prices.

### *Trade*

In 2002/03, exports are forecast at 11,000 tons, up 500 tons from the previous year as a result of production changes. Increased exports are expected in the coming years, which will reflect the expansion in production and better quality once improved orchards begin to bear fruit. The industry expects exports to fall slightly in CY 2002 due to economic instability in Argentina, Chile's second largest export market. Chile has a small but slowly-growing import market as a result of increasing demand, mainly coming from the United States, for higher-quality fruit.

***The FAS Attaché Report search engine contains reports on Tree Nut Competition or Market Intelligence for 16 countries including Chile, China, France, India, Italy and Turkey. For more information on production and trade, contact Erik Hansen at 202-720-0875. For information on marketing, contact Ingrid Mohn at 202-720-5330. Also please visit the tree nuts web page at: http://www.fas.usda.gov/htp/horticulture/nuts.html for further information.***

## Walnuts: Production, Supply and Distribution in Selected Countries

| Country Marketing Year 1/ | Beginning Stocks | Production | Imports | Total Supply | Exports | Domestic Consumption | Ending Stocks |
|---|---|---|---|---|---|---|---|
| | | | Metric tons, in-shell basis | | | | |
| **Chile** | | | | | | | |
| 1999/2000 | 341 | 10,000 | 170 | 10,511 | 7,961 | 1,650 | 900 |
| 2000/2001 | 900 | 11,800 | 284 | 12,984 | 11,445 | 1,400 | 139 |
| 2001/2002 | 139 | 12,400 | 250 | 12,789 | 10,500 | 1,750 | 539 |
| 2002/2003 | 539 | 12,500 | 250 | 13,289 | 11,000 | 1,850 | 439 |
| 2003/2004 F | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| **China** | | | | | | | |
| 1999/2000 | 0 | 274,246 | 2,582 | 276,828 | 29,398 | 247,430 | 0 |
| 2000/2001 | 0 | 310,000 | 409 | 310,409 | 24,782 | 285,627 | 0 |
| 2001/2002 | 0 | 279,000 | 900 | 279,900 | 17,000 | 262,900 | 0 |
| 2002/2003 | 0 | 320,000 | 500 | 320,500 | 25,000 | 295,500 | 0 |
| 2003/2004 F | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| **France** | | | | | | | |
| 1999/2000 | 0 | 29,045 | 11,800 | 40,845 | 20,500 | 20,345 | 0 |
| 2000/2001 | 0 | 28,660 | 13,300 | 38,900 | 23,000 | 15,900 | 0 |
| 2001/2002 | 0 | 27,810 | 13,000 | 40,810 | 22,000 | 18,810 | 0 |
| 2002/2003 | 0 | 30,000 | 12,000 | 42,000 | 23,000 | 19,000 | 0 |
| 2003/2004 F | 0 | 30,000 | 12,000 | 42,000 | 23,000 | 19,000 | 0 |
| **India** | | | | | | | |
| 1999/2000 | 10,500 | 28,000 | 0 | 38,500 | 12,000 | 16,500 | 10,000 |
| 2000/2001 | 10,000 | 31,000 | 0 | 41,000 | 16,500 | 17,950 | 6,550 |
| 2001/2002 | 6,550 | 29,000 | 0 | 35,550 | 16,000 | 15,000 | 4,550 |
| 2002/2003 | 4,550 | 32,000 | 0 | 36,550 | 17,000 | 16,000 | 3,550 |
| 2003/2004 F | 3,550 | 30,000 | 0 | 33,550 | 15,000 | 16,000 | 2,550 |
| **Italy** | | | | | | | |
| 1999/2000 | 1,000 | 18,000 | 18,000 | 37,000 | 1,800 | 29,200 | 6,000 |
| 2000/2001 | 6,000 | 16,000 | 12,000 | 34,000 | 1,500 | 29,500 | 3,000 |
| 2001/2002 | 3,000 | 13,000 | 18,500 | 34,500 | 1,100 | 32,400 | 1,000 |
| 2002/2003 | 1,000 | 15,000 | 17,000 | 33,000 | 1,000 | 31,000 | 1,000 |
| 2003/2004 F | 1,000 | 13,000 | 19,000 | 33,000 | 1,000 | 31,000 | 1,000 |
| **Turkey** | | | | | | | |
| 1999/2000 | 7,000 | 70,000 | 5,000 | 82,000 | 500 | 72,500 | 9,000 |
| 2000/2001 | 9,000 | 69,000 | 8,000 | 86,000 | 500 | 75,500 | 10,000 |
| 2001/2002 | 10,000 | 68,000 | 6,000 | 84,000 | 500 | 74,500 | 9,000 |
| 2002/2003 | 9,000 | 68,000 | 6,000 | 83,000 | 500 | 74,500 | 8,000 |
| 2003/2004 F | 8,000 | 69,000 | 6,000 | 83,000 | 500 | 74,500 | 8,000 |
| **United States 2/ 3/** | | | | | | | |
| 1999/2000 | 63,965 | 256,734 | 100 | 320,799 | 98,105 | 155,765 | 66,929 |
| 2000/2001 | 66,929 | 216,817 | 235 | 283,981 | 97,035 | 129,693 | 57,253 |
| 2001/2002 | 57,253 | 276,696 | 150 | 334,099 | 87,225 | 164,724 | 82,150 |
| 2002/2003 | 82,150 | 249,480 | 150 | 331,780 | 104,595 | 149,885 | 77,300 |
| 2003/2004 F | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| **Total** | | | | | | | |
| 1999/2000 | 82,806 | 686,025 | 37,652 | 806,483 | 170,264 | 543,390 | 92,829 |
| 2000/2001 | 92,829 | 680,217 | 34,228 | 807,274 | 174,762 | 555,570 | 76,942 |
| 2001/2002 | 76,942 | 705,906 | 38,800 | 821,648 | 154,325 | 570,084 | 97,239 |
| 2002/2003 | 97,239 | 726,980 | 35,900 | 860,119 | 182,095 | 587,735 | 90,289 |
| 2003/2004 F | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

1/ Marketing year: Chile – March-February; United States Aug.-July; Italy & Turkey – Sept.-Aug.; China, France & India – Oct.-Sept.

2/ U.S. domestic shelling ratios for U.S. exports and imports from the California Walnut Commission.

3/ U.S. production forecast for 2002/03 by NASS.

Sources: USDA's Foreign Agricultural Service Attaché Reports, Bureau of Census and USDA/NASS

## U.S. Exports of Walnuts to the World

| Destination | 1997/98 | 1998/99 | 1999/00 | 2000/01 | 2001/02 | Rank in 2001/02 |
|---|---|---|---|---|---|---|
| | metric tons: shelled, in-shell & processed total | | | | | |
| Spain | 15,794 | 14,112 | 15,297 | 15,143 | 14,882 | **1** |
| Japan | 7,979 | 7,157 | 9,262 | 12,703 | 13,423 | **2** |
| Germany | 9,397 | 7,909 | 8,981 | 12,492 | 10,717 | **3** |
| Italy | 6,237 | 7,172 | 6,757 | 7,297 | 9,114 | **4** |
| Canada | 4,148 | 3,984 | 4,834 | 5,361 | 5,711 | **5** |
| Israel | 3,439 | 2,629 | 3,045 | 3,174 | 4,022 | **6** |
| Netherlands | 5,068 | 3,357 | 1,259 | 3,277 | 3,691 | **7** |
| Mexico | 3,568 | 7,210 | 2,590 | 2,422 | 2,036 | **8** |
| Australia | 2,129 | 1,749 | 1,582 | 1,398 | 1,886 | **9** |
| Belgium-Luxembourg | 397 | 3,148 | 597 | 630 | 1,649 | **10** |
| United Kingdom | 2,328 | 1,822 | 883 | 1,439 | 1,354 | 11 |
| Korea; Republic of | 1,568 | 272 | 632 | 1,306 | 1,327 | 12 |
| Venezuela | 1,062 | 565 | 699 | 1,092 | 978 | 13 |
| Hong Kong | 196 | 127 | 671 | 68 | 738 | 14 |
| Norway | 523 | 341 | 255 | 502 | 662 | 15 |
| Taiwan | 1,062 | 1,111 | 1,021 | 1,094 | 628 | 16 |
| Egypt | 730 | 136 | 498 | 382 | 463 | 17 |
| Sweden | 338 | 345 | 84 | 386 | 446 | 18 |
| Brazil | 1,248 | 1,740 | 1,070 | 889 | 394 | 19 |
| France | 241 | 155 | 345 | 135 | 316 | 20 |
| Chile | 0 | 0 | 0 | 202 | 308 | 21 |
| Argentina | 209 | 237 | 287 | 138 | 267 | 22 |
| Switzerland | 272 | 348 | 34 | 74 | 254 | 23 |
| Ecuador | 149 | 181 | 96 | 108 | 223 | 24 |
| Saudi Arabia | 1 | 1 | 48 | 26 | 151 | 25 |
| Philippines | 20 | 49 | 90 | 156 | 128 | 26 |
| Malta & Gozo | 207 | 93 | 60 | 132 | 126 | 27 |
| Greece | 159 | 73 | 113 | 72 | 105 | 28 |
| Vietnam | 0 | 0 | 72 | 40 | 100 | 29 |
| China; Peoples Republic of | 0 | 0 | 152 | 0 | 89 | 30 |
| Panama | 22 | 190 | 73 | 65 | 71 | 31 |
| Singapore | 163 | 54 | 65 | 37 | 71 | 32 |
| Iceland | 0 | 13 | 0 | 0 | 58 | 33 |
| New Zealand | 98 | 64 | 55 | 48 | 53 | 34 |
| Austria | 846 | 400 | 137 | 29 | 52 | 35 |
| United Arab Emirates | 0 | 70 | 0 | 27 | 50 | 36 |
| Denmark | 232 | 114 | 0 | 90 | 48 | 37 |
| Portugal | 163 | 276 | 197 | 98 | 39 | 38 |
| Other Countries | 276 | 249 | 1,123 | 463 | 272 | |
| **Grand Total (MT)** | **70,269** | **67,458** | **62,967** | **72,994** | **76,902** | |

1/ Marketing years, Aug.-July

Note: All data from Department of Commerce - Bureau of the Census

## U.S. Imports of Walnuts from the World

| Destinatio | 1997/9 | 1998/9 | 1999/0 | 2000/0 | 2001/0 | Rank in |
|---|---|---|---|---|---|---|
| | metric tons: shelled, in-shell & | | | | | |
| Moldova; | 0 | 35 | 15 | 40 | 41 | **1** |
| Turke | 0 | 0 | 2 | 7 | 40 | **2** |
| China; Peoples | 45 | 15 | 48 | 139 | 18 | **3** |
| Kyrgyzstan; | 0 | 0 | 0 | 0 | 9 | **4** |
| Mexic | 7 | 0 | 0 | 0 | 4 | **5** |
| Ukrain | 8 | 3 | 0 | 0 | 3 | **6** |
| Uzbekistan; | 0 | 0 | 0 | 0 | 2 | **7** |
| Iran | 0 | 0 | 0 | 0 | 0 | **8** |
| Australi | 0 | 2 | 0 | 0 | 0 | **9** |
| Belgium- | 0 | 0 | 0 | 0 | 0 | **10** |
| Bulgari | 3 | 0 | 0 | 0 | 0 | 11 |
| Denmar | 0 | 0 | 0 | 0 | 0 | 12 |
| Franc | 0 | 0 | 0 | 0 | 0 | 13 |
| German | 0 | 15 | 17 | 90 | 0 | 14 |
| Greec | 0 | 0 | 0 | 10 | 0 | 15 |
| Hong | 1 | 0 | 0 | 1 | 0 | 16 |
| Indi | 84 | 0 | 0 | 228 | 0 | 17 |
| Korea; | 0 | 0 | 0 | 1 | 0 | 18 |
| Pakista | 4 | 0 | 0 | 0 | 0 | 19 |
| United | 0 | 0 | 0 | 0 | 0 | 20 |
| **Grand Total in** | **151** | **71** | **82** | **514** | **117** | |

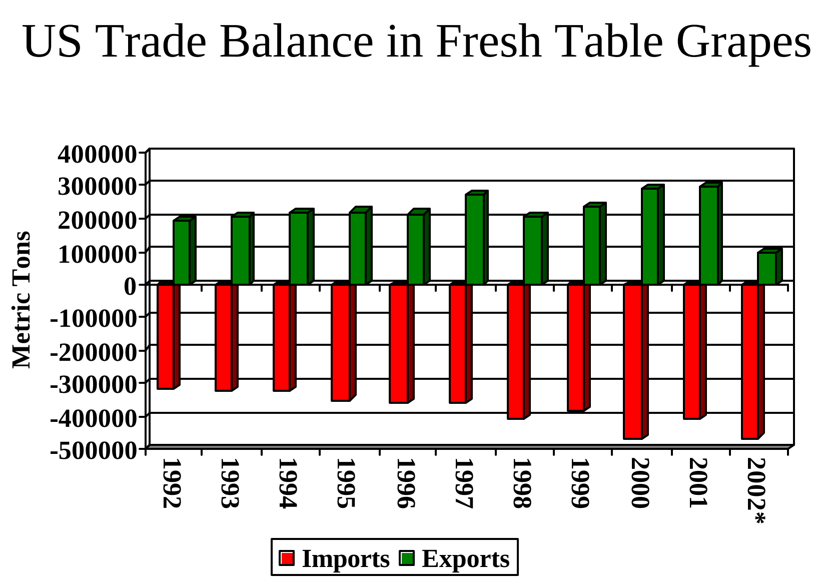
1/ Marketing years,  Aug.-July
Note: All data from Department of Commerce - Bureau of

**U.S. total fresh market grape production in 2002 is expected to increase about 8 percent from last year to approximately 850,000 metric tons compared to 784,000 tons during 2001. Total California fresh market grape production is expected to be about 700,000 tons. Total production during the 2002 season for selected Northern Hemisphere table grape producing countries is expected to increase about 5 percent.**

## United States

Through August of this year, U.S. grape imports have increased 24 percent in volume compared to the same period a year ago. More product coming from Chile, Mexico, and South Africa accounts for most of the increase.

U.S. Table grape exports during the first eight months of 2002 are about even with the amount exported through the same time a year ago. Weaker markets in Asia, including Hong Kong and the Philippines, more than offset increases to the United Kingdom and Canada. Our largest market for grapes continues to be Canada with the United Kingdom ranking fifth. The height of the U.S. shipping season has not yet been captured in the data represented in the graph. In 2001, the United States ranked second behind Italy in export market share. The United States holds about 20 percent of the world export market. However, we are the top import market taking in about 22 percent of all imported grapes.




*January - August
Source: U.S. Department of Commerce, Bureau of the Census

The Market Access Program (MAP) is an important market development tool used to stimulate demand and fuel table grape exports. During MY 2002, the USDA/FAS and the California Table Grape Commission will share the cost of undertaking promotional activities in Asia, Latin America, and the United Kingdom.

## New Zealand

New Zealand imports of Californian table grapes have resumed after a suspension of trade in November 2001 when black widow and other exotic spiders were found in U.S. shipments at New Zealand supermarkets. A revised Import Health Standard (IHS) was completed in early September. Under the new IHS, biosecurity procedures require a 100-percent visual inspection of grapes during harvest in the United States to ensure that grapes are free of any regulated pests such as spiders and glassy wing sharp shooters. The first consignments since the new IHS was issued arrived in New Zealand on October 12. For more information please refer to GAIN Report #NZ2032.

## Canada

Canada's imports of table grapes from the United States are up 9 percent through August of this year. Last year, the United States supplied about 62 percent of the total grapes imported into Canada, Chile supplied about 24 percent, and Mexico only about 9 percent. The remaining 5 percent was shipped from Italy, South Africa, and Argentina. In recent years, Peru has begun to ship grapes to Canada, shipping about 350 tons in 2001, nearly seven times the amount shipped during 2000.

## Mexico

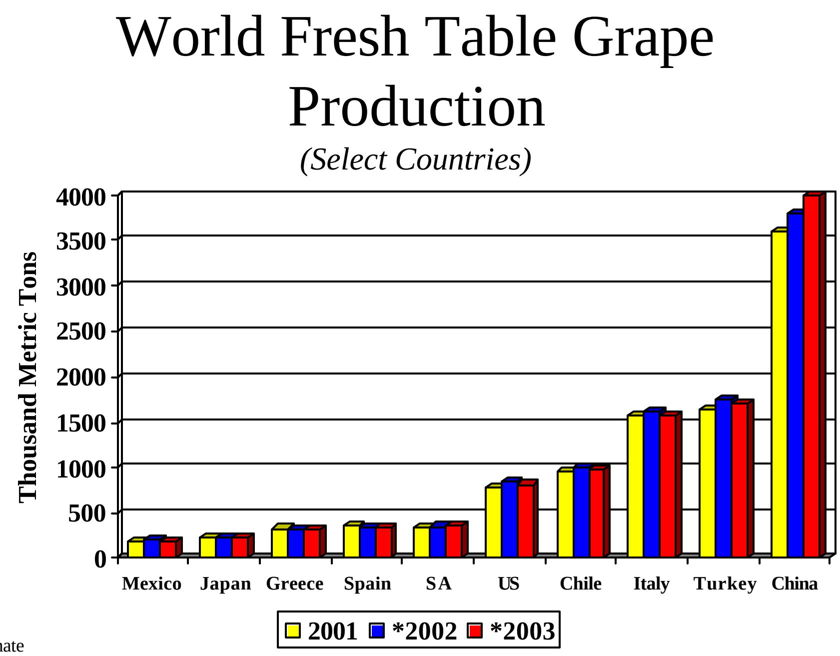
Mexico's grape production this year is expected to be up 6 percent from last year. Despite larger production levels and lower prices, better quality grapes from the United States may push total grape volume imported from the United States up about 6 percent from a year ago. On the down side, if the value of the Mexican peso continues to fall against the dollar, near term Mexican imports of grapes could be hindered.

Chile is expected to supply about 40 percent of Mexico's total imported grapes, while the United States is expected to supply the remainder. Chilean shipments do not compete directly with those from the United States; Chile typically exports to Mexico in June and July, while the United States exports primarily during August through December.

## Chile

Table grape production is expected to increase 4 percent in 2002 to 997,000 tons, mainly due to the abnormally favorable weather in the northern growing areas. Next year's production is forecast to be down about 2 percent with potential for El Nino related weather patterns bringing more rain to the region. Exports this calendar year are expected to be up 9 percent from the previous year in part due to strong increases for Chilean product in China. The United States continues to be Chile's largest market. The recent Free Trade Agreement with the EU will provide Chile with a duty-free quota of 37,000 tons beginning in January 2003. Chile produces over 36 varieties of table grapes for export. Thompson Seedless, Flame Seedless and Ribier are the bulk of production. Production of the Red Globe variety has increased significantly in the last few years, as most replanting has been with this variety. Chile ranks third, after the United States, in terms of market share and held 19 percent in 2001.

## China




* Estimate

China's production in CY 2002 is expected to be 3.8 million tons, up about 6 percent from the previous year's lowered estimate. Production next year could reach 4 million tons. The five largest grape producing provinces are Xinjiang, Hebei, Shandong, Liaoning, and Henan. As distribution and cold storage improves, it is expected that more domestic green seedless grapes will be available for domestic consumption. Table and wine grapes are more frequently being grown inside Chinese-style greenhouses throughout much of central and eastern China. This successful innovation is likely to change the grape industry in China as the greenhouses reduce pests, mitigate weather damage, and result in an earlier harvest and delivery to retail stores ahead of normal production schedules. Imports of grapes from the United States in 2001 declined from 27,000 tons to 22,000 tons, while imports from Chile increased from 25,000 to 27,000 tons. China's largest export market in 2002 was Russia, with 425 tons shipped; double the amount tons shipped just 2 years before. China is also shipping more grapes to countries such as Singapore, India and the United States. However, China continues to be very much a net importer of table grapes.

## Greece

Greek production of table grapes this year posted a 6-percent decline, as heavy rainstorms in early August adversely affected the quantity and quality. Exports declined as a result of the lower production with less going to their top markets such as the United Kingdom, Germany, and the Netherlands. Production levels next year are expected to be up slightly. Grapes imported into Greece are minimal and occur either during the off-season or to fill demand of grape varieties not typically grown in country. Most imported product comes from Argentina and Chile. For detailed information on EU subsidies for the grape industry in Greece please refer to GAIN Report #GR2016.

### Italy

During 2002, Italy's table grape output is expected to be about 1.58 million tons, down from the previous year due to a drought that affected both quantity and quality. Italy is a major net exporter of grapes and shipped approximately 667,000 tons during 2001, valued at approximately $535 million. Italy is the top world exporter and holds about 30 percent of world export trade. Top destination countries include Germany, France, Poland, Belgium, and Switzerland. During the off-season, Italy imported about 12,000 tons from foreign sources. Chile supplies about one fourth of the import market, shipping about 3,000 tons during 2001.

### Spain

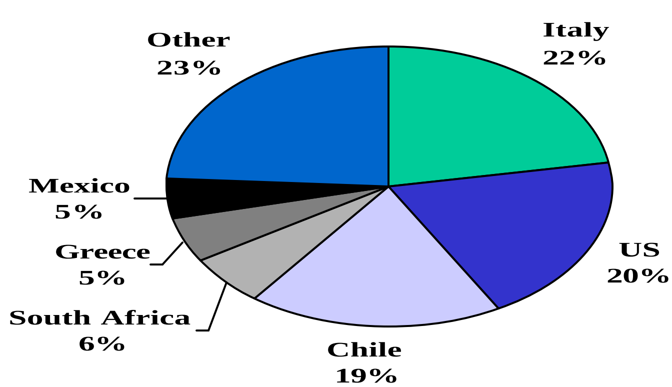
Spain's table grape production is expected to post another year of decline due to unusually heavy rain in the spring. Spain has been importing more grapes the last few years mainly from Italy, Chile, and South Africa. In 2001, the Spanish imported a total of 25,000 tons, up about 25 percent from the previous year.

Table grapes are exported mainly to Germany, Portugal, the United Kingdom, and France. The top market, Germany, bought 25,000 tons of grapes from Spain at a value of $21 million in 2001. The United Kingdom imported about 22,000 tons but at a much higher value totaling $23 million. Spain's long-growing season runs concurrent with that of the United States and brings about strong competition for market share.

### Turkey

Turkey's grape acreage has been decreasing in recent years, although table grape production saw a slight increase during 2002 due to very favorable weather conditions. Next year's production is expected to show at least a 3-percent decline. About 45 percent of total Turkish grape production is consumed as fresh market table grapes. Turkey exported 79,000 tons of fresh grapes onto the world market during 2001. Russia imported about 35 percent of this while Germany imported 23 percent.

**Table Grape Export Market Share 2001**



## TABLE GRAPES: PRODUCTION, SUPPLY, AND DISTRIBUTION

| Country/ Year 1/2/ | Production 2/ | Imports 3/ | Total Supply | Exports Fresh Only | Domestic Fresh Consumption | For Processing | Withdrawal from Market |
|---|---|---|---|---|---|---|---|
| **NORTHERN HEMISPHERE** | | | | | | | |
| **Greece** | | | | | | | |
| 2001 | 328,412 | 1,500 | 329,912 | 117,000 | 167,912 | 45,000 | 0 |
| 2002 | 310,000 | 7,957 | 317,957 | 115,000 | 162,957 | 40,000 | 0 |
| 2003 | 314,000 | 3,000 | 317,000 | 115,000 | 152,000 | 50,000 | 0 |
| **Italy** | | | | | | | |
| 2001 | 1,628,000 | 12,000 | 1,640,000 | 667,000 | 693,000 | 280,000 | 0 |
| 2002 | 1,580,000 | 12,000 | 1,592,000 | 650,000 | 672,000 | 270,000 | 0 |
| 2003 | 1,600,000 | 12,000 | 1,612,000 | 665,000 | 677,000 | 270,000 | 0 |
| **Japan** | | | | | | | |
| 2001 | 225,400 | 11,510 | 236,910 | 36 | 209,574 | 27,300 | 0 |
| 2002 | 235,200 | 13,000 | 248,200 | 30 | 219,670 | 28,500 | 0 |
| 2003 | 235,800 | 17,324 | 253,124 | 24 | 224,600 | 28,500 | 0 |
| **China: Peoples Republic of** | | | | | | | |
| 2001 | 3,600,000 | 48,587 | 3,648,587 | 667 | 3,015,720 | 632,200 | 0 |
| 2002 | 3,800,000 | 55,000 | 3,855,000 | 660 | 3,054,340 | 800,000 | 0 |
| 2003 | 4,000,000 | 57,000 | 4,057,000 | 660 | 3,056,340 | 1,000,000 | 0 |
| **Mexico** | | | | | | | |
| 2001 | 188,175 | 75,060 | 263,235 | 97,739 | 165,496 | 0 | 0 |
| 2002 | 200,200 | 83,000 | 283,200 | 124,000 | 159,200 | 0 | 0 |
| 2003 | 189,800 | 87,000 | 276,800 | 110,000 | 166,800 | 0 | 0 |
| **Spain** | | | | | | | |
| 2001 | 351,000 | 19,700 | 370,700 | 113,400 | 235,800 | 19,000 | 2,500 |
| 2002 | 342,400 | 24,800 | 367,200 | 96,400 | 242,800 | 20,000 | 8,000 |
| 2003 | 332,000 | 28,000 | 360,000 | 90,000 | 242,000 | 20,000 | 8,000 |
| **Turkey** | | | | | | | |
| 2001 | 1,650,000 | 120 | 1,650,120 | 79,294 | 1,490,826 | 80,000 | 0 |
| 2002 | 1,750,000 | 100 | 1,750,100 | 80,000 | 1,585,100 | 85,000 | 0 |
| 2003 | 1,700,000 | 100 | 1,700,100 | 80,000 | 1,535,100 | 85,000 | 0 |
| **United States** | | | | | | | |
| 2001 | 784,184 | 408,937 | 1,193,121 | 298,666 | 894,455 | 0 | 0 |
| 2002 | 850,000 | 490,000 | 1,340,000 | 268,800 | 1,071,200 | 0 | 0 |
| 2003 | 810,000 | 475,000 | 1,285,000 | 280,000 | 1,005,000 | 0 | 0 |
| **Subtotal** | | | | | | | |
| 2001 | 8,755,171 | 577,414 | 9,332,585 | 1,373,802 | 6,872,783 | 1,083,500 | 2,500 |
| 2002 | 9,067,800 | 685,857 | 9,753,657 | 1,334,890 | 7,167,267 | 1,243,500 | 8,000 |
| 2003 | 9,181,600 | 679,424 | 9,861,024 | 1,340,684 | 7,058,840 | 1,453,500 | 8,000 |

| Country/ Year 1/2/ | Production 2/ | Import 3/ | Total Supply | Exports Fresh Only | Domestic Fresh Consumption | For Processing | Withdrawal from Market |
|---|---|---|---|---|---|---|---|
| **SOUTHERN HEMISPHERE** | | | | | | | |
| **Chile** | | | | | | | |
| 2001 | 955,000 | 12 | 955,012 | 545,000 | 100,000 | 310,012 | 0 |
| 2002 | 997,000 | 15 | 997,012 | 595,000 | 99,000 | 303,012 | 0 |
| 2003 | 975,000 | 12 | 975,012 | 596,000 | 99,000 | 280,012 | 0 |
| **South Africa; Republic of** | | | | | | | |
| 2001 | 346,060 | 0 | 346,060 | 181,834 | 24,555 | 139,671 | 0 |
| 2002 | 350,000 | 0 | 350,000 | 185,000 | 25,000 | 140,000 | 0 |
| 2003 | 370,000 | 0 | 370,000 | 190,000 | 28,000 | 152,000 | 0 |
| **Subtotal** | | | | | | | |
| 2001 | 1,301,060 | 12 | 1,301,072 | 726,834 | 124,555 | 449,683 | 0 |
| 2002 | 1,347,000 | 15 | 1,347,012 | 780,000 | 124,000 | 443,012 | 0 |
| 2003 | 1,345,000 | 12 | 1,345,012 | 786,000 | 127,000 | 432,012 | 0 |
| **Total Selected Countries** | | | | | | | |
| 2001 | 10,056,231 | 577,426 | 10,633,657 | 2,100,636 | 6,997,338 | 1,533,183 | 2,500 |
| 2002 | 10,414,800 | 685,872 | 11,100,669 | 2,114,890 | 7,291,267 | 1,686,512 | 8,000 |
| 2003 | 10,526,600 | 679,436 | 11,206,036 | 2,126,684 | 7,185,840 | 1,885,512 | 8,000 |

1/ 2002 = Estimate, 2003 = Forecast

2/ Calendar year for all countries.

3/ U.S. production data represent fresh market utilization.

4/ U.S. exports and imports are from the Bureau of the Census with forecasts by the USDA/Foreign Agricultural Service.

SOURCES: FAS Agricultural Attaché Reports, Bureau of the Census, NASS/USDA.

# Asparagus Production and Trade in Selected Countries

**Fresh asparagus production in 2001/02 in 9 selected countries is estimated at 499,651 tons, up 4 percent from the previous year. Peru, the world's largest producer accounted for 39 percent of the total, followed by the United States, Mexico, Spain, Germany, Greece, and Japan. During the same period, asparagus exports from these selected countries are estimated at 153,090 tons, up 12 percent from the year earlier. During the first 8 months of 2002, U.S. exports of fresh-market asparagus totaled 12,224 tons valued at $35 million, down 9 percent in volume and 6 percent in value, from the same time last year. Despite the decline in overall U.S. exports, shipments to Canada and Switzerland were up 6 and 40 percent, respectively, from the previous year. Reduced international prices and oversupply, caused mainly by increased competition, especially from China, are expected to force U.S. producers to cut costs and improve efficiencies in an effort to compete internationally.**

**United States**

In 2001/02, the United States remained the world=s second largest producer of fresh asparagus, after Peru. During this period, U.S. production of fresh asparagus is estimated at 65,771 tons, up slightly from the previous year. The states of California, Washington, and Michigan continue to account for over 95 percent of the fresh-market output in the United States, with the peak harvest occurring in the spring. During the first 8 months of 2002, U.S. exports of fresh green asparagus totaled 12,224 tons valued at $35 million, down 9 percent in volume and 6 percent in value from the same period in 2001. This decline marks the second drop in exports in as many years, due mostly to a 30-percent reduction in export sales to Japan, a sluggish Asian economy, and competition from other key world suppliers.

**Mexico**

Asparagus production in Mexico in 2001/02 is forecast at 65,000 tons, up 1 percent from the previous year, due to good weather conditions and more efficient irrigation systems. More than 95 percent of the area devoted to asparagus production in Mexico uses pressurized irrigation systems. Sonora, the main producing state, and Baja California, account for the bulk of total production. Asparagus harvesting in these regions begins in late December and continues through early April. A second, but smaller crop is harvested from late June through September in Guanajuato. Green asparagus remains the predominant variety grown in Mexico.

Fresh asparagus exports from Mexico in 2001/02 are estimated at 55,000 tons, up 36 percent from the revised level in the previous year, due to increased international demand and a larger harvest. The United States and Japan remain Mexico=s most important export markets. Reportedly, third-country competition has forced Mexican exporters to stagger shipping their product at the same time as the Peruvian and Californian producers to avoid market saturation. Mexican exporters are optimistic that international demand will improve while they continue to search for alternative markets. Memories of low asparagus prices in prior years, resulting from market saturation, still remain a top concern for Mexican producers and exporters. Sources confirm that Japanese consumers readily accept Mexican asparagus and continue to demand high-quality Mexican product. Mexican producers and exporters hope to develop a new niche market in the European Union.

**Peru**

Asparagus is Peru's second most important agricultural export after coffee, accounting for about 25 percent of total agricultural exports. Asparagus producers are concerned that international demand for asparagus has reached maturation, and that growth in the near term will not be as sharp as it was in the 1990's. Peru produces asparagus for two different markets; green asparagus for the United States, and white asparagus for the European market. Green asparagus, accounting for about 40 percent of total output, is packed and exported in 5-kilogram boxes, while white asparagus is processed and exported in cans or jars.

Processed asparagus exports in 2002 are estimated at about 51,360 tons, up 6 percent from last year. During the same period, Peru's fresh asparagus exports totaled 42,000 tons, unchanged from the previous year. Peru's most important processed asparagus buyers are Spain, the Netherlands, France, Germany and Denmark. The United States continues to be Peru's best customer for fresh asparagus, accounting for over 80 percent of the total exports in 2001. Peruvian asparagus producers continue to worry about oversupply, weakened world demand, and falling prices. In addition, they continue to be concerned about competition from low-price Chinese asparagus, especially in the EU. Ninety percent of Peruvian agricultural exports, including asparagus, enter the EU duty free. Despite the 16-percent import duty assessed on Chinese asparagus, it still enters the EU cheaper than Peruvian product.

**Greece**

Production of fresh asparagus in Greece in 2001/02 is estimated at 31,000 tons, up 3 percent from the previous year. Greece produces both white and green asparagus, which are harvested from early February to mid-May and marketed earlier than product grown elsewhere in Europe. In Greece, the production cycle for asparagus runs about 12 years before replanting. Harvesting asparagus in Greece is labor intensive, with migrant worker costs running about U.S.$18.00 per day. All other field practices are mechanized. Domestic consumption of asparagus in Greece is limited, fluctuating between 6 and 7 percent of the annual output.

Over 70 percent of Greek asparagus production is exported to Germany, with smaller amounts going to France, Spain, and the Netherlands. Spain also buys second quality product, mainly for canning. Greece's main competitors in the European markets are France, Spain, and the Netherlands.

**United Kingdom**

Asparagus production in the United Kingdom (UK) in 2001/02 is estimated at 1,980 tons, up 27 percent from the year earlier. The principle growing areas are Scotland, Norfolk, Suffolk, Cambridgeshire, Lincolnshire, Cornwall, and Kent. In recent years, UK consumers have moved away from the traditional bundles of non-trimmed spears to trimmed spears and tips, both in bundles and pre-packs. Pre-packs of baby varietals are supplied predominantly by Peru, Thailand and Chile. Fresh asparagus imports into the UK in 2001/02 totaled 4,400 tons, down 10 percent from the previous year. UK=s exports of fresh asparagus are small, generally less than 100 tons.

**Spain**

Production of asparagus in Spain in 2001/02 totaled 63,200 tons, up slightly from the previous year. Asparagus harvesting in Spain begins in mid-January for the extra-early varieties in Andalucia, and ends in August in the northern regions.

Consumption of asparagus in Spain increased substantially during the early 1990s, but has stabilized over the past few years. Fresh consumption in 2001/02 totaled 34,000 tons, unchanged from the previous year. Most Spanish consumers prefer fresh green asparagus for daily cooking and canned white asparagus for special occasions and for salads. In MY 2001/02, Spanish exports of fresh asparagus are estimated at 20,550 tons, up slightly from the previous year. Other EU countries are the primary markets for fresh green asparagus exports from Spain. Imports of fresh asparagus into Spain remain small, taking place mostly during the off-season months between October and January. Peru, Greece, and Morocco are the primary suppliers of fresh asparagus to Spain.

**Japan**

Production of fresh asparagus in Japan in 2001/02 totaled 31,500 tons, up 10 percent from the previous year, due mainly to warmer temperatures in early spring and newly planted high-yielding varieties (shift from Washington to a new variety called Welcome) that boosted this year's crop output. Japan produces asparagus from February through November, with the peak season in April through June. Hokkaido, Nagano and Nagasaki prefectures are the major regions for asparagus production. Japanese producer co-ops have been encouraging farmers to switch their production, especially from rice, to more profitable crops such as asparagus and leaf vegetables.

Japanese consumption of fresh asparagus in recent years has been fairly stable at around 50,000 tons annually. Fresh asparagus is marketed year-round in Japan with a number of foreign suppliers participating in the market. Mexican asparagus dominates the market from January to March; U.S. volume peaks from March through May; while volumes of domestic asparagus are heaviest in May and June. Asparagus from Australia is available in the fall and winter, while the Philippines ships asparagus to Japan almost year-round.

Japan's imports of U.S. asparagus from January to April 2002 totaled almost 2,100 tons, up 18 percent from the previous year. During the same period, Japanese imports of Mexican asparagus declined to 2,200 tons, down 44 percent from the year earlier. Japan's bumper crop and a weakened Japanese yen were the primary reasons for these declines.

**Switzerland**

In 2001/02, production of asparagus in Switzerland continues to be estimated at 200 tons, unchanged from the previous year. This output accounts for about 2 percent of domestic consumption. Switzerland is a very good market for U.S. fresh asparagus because of the Swiss preference for large-stalked asparagus. U.S. exports of fresh green asparagus to Switzerland from January to August 2002 totaled 1,011 tons, up dramatically from 720 tons shipped during the same time in 2001. The decline in 2001 was due to a strong U.S. dollar, stiff competition from EU producers, and a tariff-rate quota system. Under the latter system, imports from May 1 to June 15, the U.S. primary export season to Switzerland, are subject to a maximum duty of SF 734 (US$440) per 100 kilograms. In 2002, Swiss imports of fresh green asparagus are estimated at 5,500 tons.

**Germany**

Germany is a major producer and consumer of fresh asparagus. Production of fresh asparagus in 2001/02 is estimated at 46,000 tons, up 2 percent from the previous year. German imports of fresh asparagus during this same period are estimated at 39,000 tons, up 8 percent from the previous year. Greece continues to be Germany's primary supplier of fresh asparagus. U.S. exports of fresh green asparagus to Germany remain small, with only marginal potential for growth due to strong competition from other EU suppliers.

(***The FAS Attache Report search engine contains reports on the Asparagus industries for Mexico, Peru, United Kingdom, and Japan. For information on production and trade, contact Emanuel McNeil at 202-720-2083. For information on marketing contact Elizabeth Mello at 202-720-9903.***)

**Table 1: Fresh Asparagus Production, Supply, and Distribution in Selected Countries, Metric Tons**

| Country/ Year | Production | Imports | Total Supply | Exports | Domestic Consumption | For Processing |
|---|---|---|---|---|---|---|
| Germany | | | | | | |
| 1999/2000 | 44,000 | 30,964 | 74,964 | 500 | 74,464 | 0 |
| 2000/2001 | 45,000 | 36,003 | 81,003 | 500 | 80,503 | 0 |
| 2001/2002 | 46,000 | 39,000 | 85,000 | 500 | 84,500 | 0 |
| Greece | | | | | | |
| 1999/2000 | 29,666 | 50 | 29,716 | 15,902 | 2,200 | 11,614 |
| 2000/2001 | 30,000 | 50 | 30,050 | 19,327 | 2,100 | 8,623 |
| 2001/2002 | 31,000 | 50 | 31,050 | 22,000 | 2,200 | 6,850 |
| Japan | | | | | | |
| 1999/2000 | 26,701 | 24,766 | 51,467 | 0 | 50,197 | 1,270 |
| 2000/2001 | 28,700 | 22,054 | 50,754 | 0 | 49,474 | 1,280 |
| 2001/2002 | 31,500 | 20,000 | 51,500 | 0 | 50,000 | 1,500 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Mexico | | | | | | |
| 1999/2000 | 50,425 | 523 | 50,948 | 43,856 | 7,092 | 0 |
| 2000/2001 | 64,348 | 452 | 64,800 | 40,521 | 24,279 | 0 |
| 2001/2002 | 65,000 | 400 | 65,400 | 55,000 | 10,400 | 0 |
| Peru | | | | | | |
| 1999/2000 | 190,000 | 0 | 190,000 | 35,000 | 6,000 | 149,000 |
| 2000/2001 | 184,000 | 0 | 184,000 | 42,000 | 6,000 | 136,000 |
| 2001/2002 | 195,000 | 0 | 195,000 | 42,000 | 6,000 | 147,000 |
| Spain | | | | | | |
| 1999/2000 | 63,500 | 3,676 | 67,176 | 19,189 | 35,987 | 12,000 |
| 2000/2001 | 63,000 | 3,500 | 66,500 | 20,500 | 34,000 | 12,000 |
| 2001/2002 | 63,200 | 3,550 | 66,750 | 20,550 | 34,000 | 12,200 |
| Switzerland | | | | | | |
| 1999/2000 | 200 | 5,600 | 5,800 | 0 | 5,800 | 0 |
| 2000/2001 | 200 | 5,550 | 5,750 | 0 | 5,750 | 0 |
| 2001/2002 | 200 | 5,600 | 5,800 | 0 | 5,800 | 0 |
| United Kingdom | | | | | | |
| 1999/2000 | 1,791 | 3,977 | 5,768 | 32 | 5,736 | 0 |
| 2000/2001 | 1,555 | 4,913 | 6,468 | 36 | 6,432 | 0 |
| 2001/2002 | 1,980 | 4,400 | 6,380 | 40 | 6,340 | 0 |
| United States | | | | | | |
| 1999/2000 | 68,220 | 72,293 | 140,513 | 17,978 | 87,695 | 34,840 |
| 2000/2001 | 62,505 | 71,140 | 133,645 | 14,334 | 87,301 | 32,010 |
| 2001/2002 | 65,771 | 71,000 | 136,771 | 13,000 | 89,000 | 34,771 |
| Total | | | | | | |
| 1999/2000 | 474,503 | 141,849 | 616,352 | 132,457 | 275,171 | 208,724 |
| 2000/2001 | 479,308 | 143,662 | 622,970 | 137,218 | 295,839 | 189,913 |
| 2001/2002 | 499,651 | 144,000 | 643,651 | 153,090 | 288,240 | 202,321 |

Source: U.S. Attaché Reports, NASS/USDA, and Eurostat.

United States Exports of Fresh and Chilled Asparagus 1/

| Destinations | 1997 | 1998 | 1999 | 2000 | 2001 | Jan-Aug 2001 | Jan-Aug 2002 |
|---|---|---|---|---|---|---|---|
| | | | Metric tons | | | | |
| Canada | 6,331 | 6,578 | 6,946 | 7,493 | 6,946 | 6,190 | 6,571 |
| Japan | 6,478 | 5,179 | 7,108 | 7,452 | 5,482 | 5,480 | 3,856 |
| Switzerland | 1,423 | 2,549 | 2,111 | 1,582 | 720 | 720 | 1,011 |
| Taiwan | 11 | 3 | 18 | 527 | 333 | 333 | 178 |
| United Kingdom | 341 | 506 | 653 | 139 | 95 | 95 | 83 |
| Mexico | 40 | 104 | 11 | 448 | 376 | 286 | 240 |
| Other | 641 | 675 | 418 | 337 | 382 | 352 | 285 |
| Grand Total | 15,265 | 15,594 | 17,265 | 17,978 | 14,334 | 13,456 | 12,224 |

Source:  U.S. Department of Commerce, Bureau of the Census.  1/  Calendar years.

United States Imports of Fresh and Chilled Asparagus 1/

| Origins | 1997 | 1998 | 1999 | 2000 | 2001 | Jan-Aug 2001 | Jan-Aug 2002 |
|---|---|---|---|---|---|---|---|
| | | | Metric tons | | | | |
| Mexico | 21,166 | 29,907 | 36,719 | 38,134 | 33,947 | 29,396 | 31,916 |
| Peru | 12,707 | 14,152 | 22,225 | 29,874 | 33,539 | 10,537 | 13,332 |
| Chile | 2,817 | 2,521 | 3,190 | 2,479 | 1,606 | 23 | 25 |
| Colombia | 1,940 | 1,768 | 1,311 | 1,062 | 1,042 | 642 | 498 |
| Guatemala | 475 | 439 | 347 | 321 | 323 | 319 | 243 |
| Argentina | 761 | 844 | 631 | 235 | 179 | 0 | 0 |
| Other | 342 | 194 | 116 | 188 | 504 | 399 | 193 |
| Grand Total | 40,208 | 49,825 | 64,539 | 72,293 | 71,140 | 41,316 | 46,207 |

Source:  U.S. Department of Commerce, Bureau of the Census.  1/  Calendar years.

# Apple Situation in Selected Northern Hemisphere Countries

**Apple production in selected countries of the Northern Hemisphere in 2002/03 is forecast to decrease for the second consecutive season. At 40.9 million tons, the 2002/03 Northern Hemisphere apple production forecast is 4 percent below the 2001/02 crop. The decrease mainly reflects reduced production in China and the United States, the leading world apple producers, as planted area in both countries continues to decline. In China, apple-bearing acreage is decreasing as growers replace old apple trees with newly-introduced varieties. Overproduction, stagnant domestic demand, and increased imports of lowered-price apple juice from China have put downward pressure on U.S. apple prices and have created difficult economic challenges to the national industry. This situation has contributed to the reduction in apple acreage in the United States. This trend is expected to continue.**

## The United States

### *U.S. Apple Production Expected to Decline for the Third Consecutive Season*

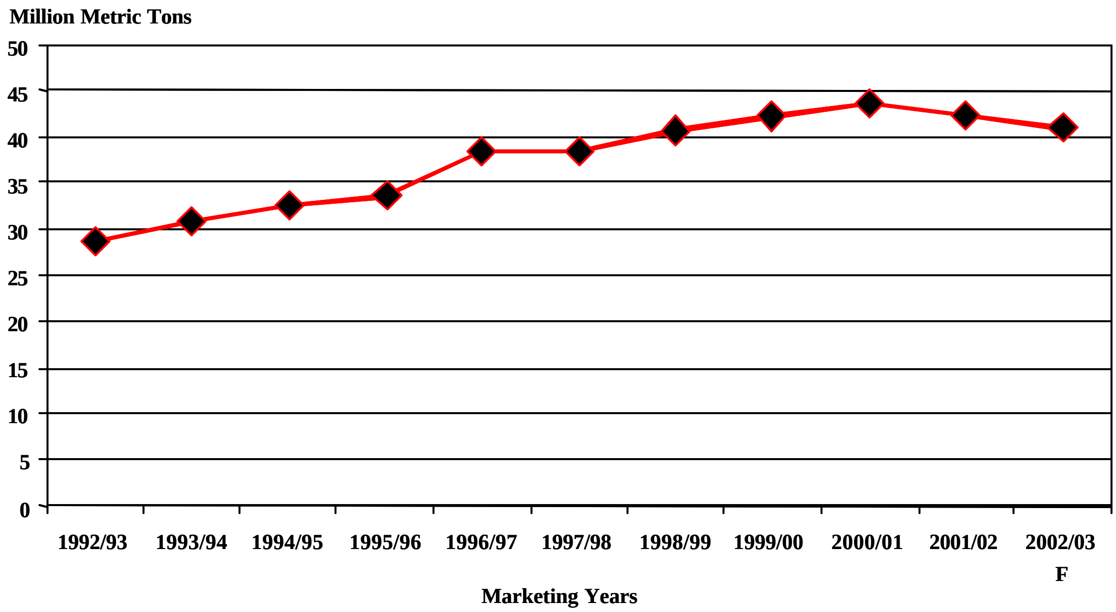
U.S. apple production in 2002/03 is forecast to decrease for the third consecutive season to 4.1 million tons, the smallest volume since 1988/89. Smaller apple crops are anticipated in most major U.S. producing states, including in New York (down 35 percent), Michigan (down more than 40 percent), and California (down 15 percent), due to unfavorable weather during the spring and to a reduction on bearing acreage. Apple production in Washington, on the other hand, is forecast at 2.4 million tons, up 6 percent from last season. Although apple acreage in Washington has been reduced as well, favorable weather during the spring is expected to boost the volume of the state's apple crop in 2002/03.

The 2002/03 U.S. apple production forecast reflects in part the difficult economic challenges the domestic apple industry has faced. Overproduction, stagnant domestic demand, and increased imports of lowered-price apple juice from China have put downward pressure on U.S. apple prices and, as such, have contributed to the reduction on apple acreage. In 2001/02, U. S. total apple bearing acreage is estimated at 430,000 acres, compared to about 470,000 acres in 1998/99, just 4 seasons ago. The state with the most significant decrease, Michigan, has slashed apple acreage by nearly 20 percent since 1998/99. The Michigan apple industry, as well as that in most U.S. states, is facing difficult economic challenges. Last year alone, two of Michigan's largest fruit companies filed for bankruptcy.

### *Ending a 40-Year Absence, U.S. Apples Arrived in Cuba*

On July 11, a shipment of 20 tons of Washington state apples, valued at approximately $15,000, arrived in Cuba. The inaugural shipment, the first cargo of U.S. apples since 1960, followed on the heels of an agreement between the U.S. Animal and Plant Health Inspection Service, APHIS, and Cuba's Centro Nacional Sanidad Vegetal (CNSV). The accord established the phytosanitary requirements for the exportation of apples from Washington and New York. Originally, Cuba's government-operated Empresa Cubana Importadora Alimentos (Alimport) was expected to contract for 1,000 tons of U.S. apples, but high prices reportedly prevented this from occurring.

## Apple Production in Selected Northern Hemisphere Countries Forecast to Decrease Again in 2002/03




*Source:NASS and Reports from the U.S. Ag Attachés*

**China**

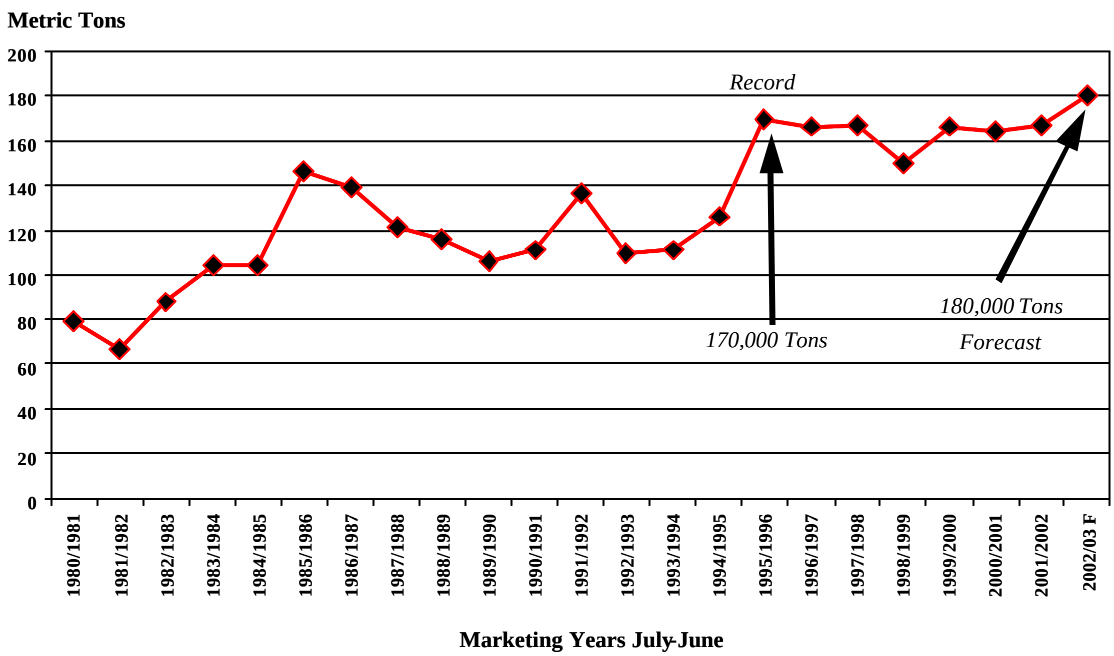
*Although Slowly, Apple Exports from China Continue to Expand*

Apple exports from China in 2002/03 are forecast to continue to increase and reach 400,000 tons. In recent years, China's exports of fresh apples have increased dramatically. For example, China's apple shipments in 2001/02, at 360,052 tons, are 28 percent more than shipments in 2000/01. Southeast Asia and Russia continue to be the largest export market for China's apples. Since the cost of production in China is relatively low, Chinese apple prices are likely to be more attractive in most world markets. It is estimated that China's average apple prices are about 40 percent lower than the world average price. The low price of China's fruits is not expected to change dramatically in the near future.

But China's efforts to market fruit in overseas markets have met a great deal of difficulty. Reportedly, the inability to form grower cooperatives beyond the county level, the lack of organized market promotion programs, and phytosanitary related issues are the major obstacles

China’s apple exports face. The problem regarding the creation of organize cooperatives at the state level may soon be resolved. It has been reported that China’s Ministry of Agriculture introduced this year a legislative proposal that would allow for the creation of larger-scale grower cooperatives. The aim of such cooperatives would be to find export markets and conduct promotional campaigns for China’s agricultural products. But even if large-scale cooperatives become a reality, obtaining funds for promotional purposes will remain a problem in China. Industry representatives are still not certain how that problem will be addressed.

## U.S. Apple Imports Also Likely to Increased in MY 2002/03




***Source:U.S. Bureau of the Census***

### Mexico

*Mexico Allows U.S. Apples from Michigan and Virginia*

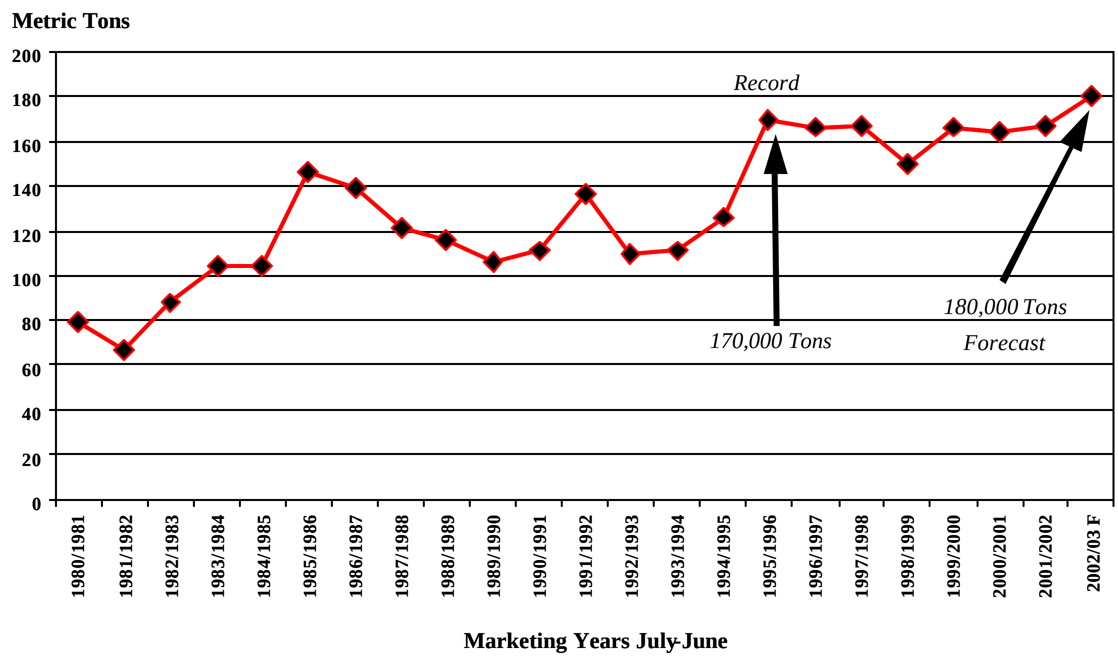
In April, Virginia and Michigan reached an agreement to participate in the U.S./Mexico apple export program. While apples from Virginia and Michigan were technically allowed access to Mexico under the existing work plan for U.S. apples, both industries needed to negotiate with the Mexican Plant Health office (DGSV) the financial agreement to have Mexican inspectors overseeing the exporting activities. In September, Mexico's DGSV sent an inspector to start the Michigan apple export program. The Mexican inspector is overseeing the activities of the program, which includes observing the fruit treatment and verification of shipments. This is the first season that the Michigan industry is going to export apples to Mexico.

Mexico requires an on-sight inspection program for U.S. apples. In the past, Washington, Oregon, and Idaho participated in the oversight export program. Now, APHIS is responsible for managing and supervising the export program for these 3 states.

*U.S.-Mexico Periodic Disagreements on Apple Trade Hamper U.S. Apple Sales in Mexico*

Mexico is now the top destination for U.S. apple exports. Nearly 5 percent of the volume of the U.S. apple crop is exported to Mexico. However, problems and disputes have plagued apple trade between the United States and Mexico for many years (e.g., onerous oversight inspection program, antidumping case). In August 2002, Mexico's Secretariat of Economy (SE) announced its decision to cancel the 1998 U.S./Mexico apple dumping suspension agreement. With this action, SE resumed the antidumping investigation that started in 1997 on imports of U.S. Red and Golden delicious apples. In September, SE established a final antidumping duty of nearly 47 percent. The reestablishment of the antidumping duty is expected to severely disrupt U.S. apple shipments to this vitally important market.

## U.S. Apple Imports Also Likely to Increased in MY 2002/03




***Source:U.S. Bureau of the Census***

### Japan

*WTO Dispute Settlement Panel Reviewing Japan's Import Restrictions on U.S. Apples*

In May 2002, the United States formally requested the WTO's Dispute Settlement Body to establish a panel to consider Japan's fire blight import restrictions on U.S. apples. Under the

WTO dispute settlement process, the United States requested the formation of a panel to review evidence and, ultimately, issue a final report on the consistency of Japan's restrictions with its WTO obligations.

The first substantive meetings of the WTO dispute settlement panel were held in October in Geneva. At the meetings, the United States asserted that there is no scientific evidence that mature apples transmit the fire blight disease, and that Japan has failed to assess the associated risk (i.e., presence, transmission, establishment, spread) in a manner that would justify the maintenance of their current measures. The next panel meeting in Geneva is scheduled to take place in January 2003.

The United States has been seeking modifications to the U.S./Japan apple export program relative to fire blight since 1994. Joint U.S./Japanese scientific research demonstrated that mature, symptomless apples are not carriers of fire blight. Japan insists on a restrictive and costly work plan for fire blight that is hampering U.S. apple sales to this country. In MY 2001/02, U.S. apple exports to Japan totaled just 115 tons, valued at close to $80,000. These figures contrast with the 10,450 tons, valued at nearly $11 million, sold to Japan when the market first opened in MY 1994/95.

(***For information on production and trade, contact Samuel Rosa at 202-720-6086. For information on marketing, contact Steve Shnitzler at 202-720-8495. The FAS Attache Report search engine contains reports on deciduous fruit for more than 20 countries. Also, visit our apple web page at: http://www.fas.usda.gov/htp/horticulture/apples/html***)

## APPLES: PRODUCTION, SUPPLY, AND DISTRIBUTION IN SELECTED (METRIC TONS)

| Country Mktg. Year 1/ | Production | Imports | Supply Utilization | Exports | Domestic Consumption | Processed | Withdrawals |
|---|---|---|---|---|---|---|---|
| ***NORTHERN HEMISPHERE COUNTRIES*** | | | | | | | |
| **SELECTED EUROPEAN UNION (EU) COUNTRIES** | | | | | | | |
| **Belgium-Luxembourg** | | | | | | | |
| 1999/00 | 562,385 | 215,408 | 777,793 | 432,476 | 199,386 | 140,000 | 5,931 |
| 2000/01 | 511,640 | 229,941 | 741,581 | 354,285 | 206,551 | 140,000 | 40,745 |
| 2001/02 | 343,564 | 235,000 | 578,564 | 331,500 | 184,478 | 62,500 | 86 |
| 2002/03 F | 313,960 | 250,000 | 563,960 | 320,000 | 183,860 | 60,000 | 100 |
| **France** | | | | | | | |
| 1999/00 | 2,165,800 | 80,300 | 2,246,100 | 795,500 | 990,600 | 310,000 | 150,000 |
| 2000/01 | 2,300,000 | 95,000 | 2,395,000 | 863,000 | 1,141,900 | 310,000 | 80,100 |
| 2001/02 | 2,055,000 | 105,000 | 2,160,000 | 750,000 | 1,045,000 | 310,000 | 55,000 |
| 2002/03 F | 2,140,000 | 100,000 | 2,240,000 | 800,000 | 1,050,000 | 310,000 | 80,000 |
| **Germany** | | | | | | | |
| 1999/00 | 1,936,000 | 787,692 | 2,723,692 | 67,954 | 1,815,149 | 838,000 | 2,589 |
| 2000/01 | 2,630,802 | 642,038 | 3,272,840 | 72,720 | 2,080,571 | 1,108,000 | 11,549 |
| 2001/02 | 1,522,433 | 680,604 | 2,203,037 | 66,555 | 1,599,892 | 536,000 | 590 |
| 2002/03 F | 1,612,000 | 720,000 | 2,332,000 | 63,000 | 1,618,800 | 650,000 | 200 |
| **Greece** | | | | | | | |
| 1999/00 | 310,000 | 14,000 | 324,000 | 16,000 | 271,000 | 2,000 | 35,000 |
| 2000/01 | 315,000 | 14,000 | 329,000 | 28,500 | 249,300 | 5,500 | 45,700 |
| 2001/02 | 260,000 | 18,000 | 278,000 | 20,000 | 237,000 | 1,000 | 20,000 |
| 2002/03 F | 230,000 | 14,000 | 244,000 | 17,000 | 208,000 | 1,000 | 18,000 |
| **Italy** | | | | | | | |
| 1999/00 | 2,196,000 | 33,000 | 2,229,000 | 580,000 | 1,267,000 | 350,000 | 32,000 |
| 2000/01 | 2,267,000 | 33,000 | 2,300,000 | 527,000 | 1,363,000 | 390,000 | 20,000 |
| 2001/02 | 2,220,000 | 27,500 | 2,247,500 | 574,000 | 1,280,000 | 383,000 | 10,500 |
| 2002/03 F | 2,370,000 | 20,000 | 2,390,000 | 610,000 | 1,350,000 | 400,000 | 30,000 |
| **Netherlands** | | | | | | | |
| 1999/00 | 575,000 | 338,891 | 913,891 | 434,050 | 317,717 | 147,599 | 14,525 |
| 2000/01 | 500,000 | 300,528 | 800,528 | 360,000 | 325,528 | 85,000 | 30,000 |
| 2001/02 | 475,000 | 323,818 | 798,818 | 320,000 | 362,818 | 96,000 | 20,000 |
| 2002/03 F | 355,000 | 330,000 | 685,000 | 293,000 | 285,000 | 87,000 | 20,000 |
| **Spain** | | | | | | | |
| 1999/00 | 887,000 | 193,800 | 1,080,800 | 57,300 | 795,000 | 196,000 | 32,500 |
| 2000/01 | 698,500 | 273,800 | 972,300 | 65,000 | 721,000 | 165,800 | 20,500 |
| 2001/02 | 884,000 | 170,000 | 1,054,000 | 105,000 | 751,000 | 168,000 | 30,000 |
| 2002/03 F | 723,000 | 250,000 | 973,000 | 60,000 | 728,000 | 165,000 | 20,000 |
| **Sweden** | | | | | | | |
| 1999/00 | 66,000 | 86,655 | 152,655 | 4,501 | 143,154 | 5,000 | 0 |
| 2000/01 | 68,000 | 86,398 | 154,398 | 1,328 | 148,070 | 5,000 | 0 |
| 2001/02 | 63,103 | 79,349 | 142,452 | 1,258 | 136,194 | 5,000 | 0 |
| 2002/03 F | 54,000 | 80,000 | 134,000 | 1,100 | 127,900 | 5,000 | 0 |
| **United Kingdom** | | | | | | | |
| 1999/00 | 208,900 | 460,000 | 668,900 | 17,000 | 615,000 | 30,041 | 6,859 |
| 2000/01 | 162,200 | 455,850 | 618,050 | 13,400 | 582,450 | 22,000 | 200 |
| 2001/02 | 169,140 | 429,500 | 598,640 | 13,000 | 541,640 | 44,000 | 0 |
| 2002/03 F | 134,200 | 470,000 | 604,200 | 13,000 | 559,200 | 32,000 | 0 |
| **SUBTOTAL SELECTED EU COUNTRIES** | | | | | | | |
| 1999/00 | 8,907,085 | 2,209,746 | 11,116,831 | 2,404,781 | 6,414,006 | 2,018,640 | 279,404 |
| 2000/01 | 9,453,142 | 2,130,555 | 11,583,697 | 2,285,233 | 6,818,370 | 2,231,300 | 248,794 |
| 2001/02 | 7,992,240 | 2,068,771 | 10,061,011 | 2,181,313 | 6,138,022 | 1,605,500 | 136,176 |
| 2002/03 F | 7,932,160 | 2,234,000 | 10,166,160 | 2,177,100 | 6,110,760 | 1,710,000 | 168,300 |

**continued--**

## APPLES: PRODUCTION, SUPPLY, AND DISTRIBUTION IN SELECTED (METRIC TONS)

| Country Mktg. Year 1/ | Production | Imports | Supply Utilization | Exports | Domestic Consumption | Processed | Withdrawals |
|---|---|---|---|---|---|---|---|
| **OTHER NORTHERN HEMISPHERE COUNTRIES** | | | | | | | |
| **Canada** | | | | | | | |
| 1999/00 | 582,270 | 111,428 | 693,698 | 66,992 | 401,706 | 225,000 | 0 |
| 2000/01 | 532,218 | 120,692 | 652,910 | 62,914 | 404,996 | 185,000 | 0 |
| 2001/02 | 495,000 | 125,000 | 620,000 | 60,000 | 370,000 | 190,000 | 0 |
| 2002/03 F | 510,000 | 130,000 | 640,000 | 58,000 | 382,000 | 200,000 | 0 |
| **China; Peoples Republic of** | | | | | | | |
| 1999/00 | 20,801,641 | 21,532 | 20,823,173 | 180,939 | 19,394,136 | 1,248,098 | 0 |
| 2000/01 | 20,431,230 | 34,856 | 20,466,086 | 281,851 | 19,159,235 | 1,025,000 | 0 |
| 2001/02 | 21,000,000 | 49,880 | 21,049,880 | 360,052 | 19,639,828 | 1,050,000 | 0 |
| 2002/03 F | 20,500,000 | 60,000 | 20,560,000 | 400,000 | 19,050,000 | 1,110,000 | 0 |
| **Hungary** | | | | | | | |
| 1999/00 | 420,000 | 6,000 | 426,000 | 6,000 | 160,000 | 260,000 | 0 |
| 2000/01 | 700,000 | 6,000 | 706,000 | 7,000 | 140,000 | 559,000 | 0 |
| 2001/02 | 605,000 | 4,100 | 609,100 | 24,500 | 135,000 | 449,600 | 0 |
| 2002/03 F | 470,000 | 4,500 | 474,500 | 20,000 | 140,000 | 314,500 | 0 |
| **Japan** | | | | | | | |
| 1999/00 | 927,700 | 464 | 928,164 | 2,445 | 777,719 | 148,000 | 0 |
| 2000/01 | 799,600 | 2,405 | 802,005 | 2,246 | 672,359 | 127,400 | 0 |
| 2001/02 | 930,700 | 349 | 931,049 | 6,546 | 776,203 | 148,300 | 0 |
| 2002/03 F | 911,900 | 1,000 | 912,900 | 5,000 | 762,900 | 145,000 | 0 |
| **Mexico** | | | | | | | |
| 1999/00 | 449,866 | 155,590 | 605,456 | 0 | 514,456 | 91,000 | 0 |
| 2000/01 | 338,245 | 228,063 | 566,308 | 0 | 496,308 | 70,000 | 0 |
| 2001/02 | 457,889 | 160,000 | 617,889 | 0 | 527,889 | 90,000 | 0 |
| 2002/03 F | 465,000 | 112,000 | 577,000 | 0 | 487,000 | 90,000 | 0 |
| **Poland** | | | | | | | |
| 1999/00 | 1,704,000 | 22,500 | 1,726,500 | 187,300 | 619,200 | 920,000 | 0 |
| 2000/01 | 2,400,800 | 19,100 | 2,419,900 | 205,900 | 764,000 | 1,450,000 | 0 |
| 2001/02 | 2,806,000 | 20,000 | 2,826,000 | 290,000 | 736,000 | 1,800,000 | 0 |
| 2002/03 F | 2,107,000 | 23,000 | 2,130,000 | 200,000 | 680,000 | 1,250,000 | 0 |
| **Russian Federation** | | | | | | | |
| 1999/00 | 964,500 | 148,435 | 1,112,935 | 1,220 | 493,700 | 590,000 | 28,015 |
| 2000/01 | 1,589,600 | 334,800 | 1,924,400 | 1,555 | 1,073,505 | 770,000 | 79,340 |
| 2001/02 | 1,227,600 | 330,950 | 1,558,550 | 1,455 | 770,000 | 770,000 | 17,095 |
| 2002/03 F | 1,400,000 | 335,000 | 1,735,000 | 2,000 | 880,000 | 800,000 | 53,000 |
| **Slovakia** | | | | | | | |
| 1999/00 | 68,300 | 34,200 | 102,500 | 2,900 | 76,000 | 23,600 | 0 |
| 2000/01 | 80,000 | 27,000 | 107,000 | 4,000 | 78,000 | 25,000 | 0 |
| 2001/02 | 87,600 | 23,000 | 110,600 | 5,600 | 80,000 | 25,000 | 0 |
| 2002/03 F | 84,500 | 25,000 | 109,500 | 4,500 | 80,000 | 25,000 | 0 |
| **Taiwan** | | | | | | | |
| 1999/00 | 7,970 | 126,934 | 134,904 | 0 | 134,834 | 0 | 70 |
| 2000/01 | 7,670 | 135,163 | 142,833 | 0 | 142,763 | 0 | 70 |
| 2001/02 | 8,075 | 121,912 | 129,987 | 0 | 129,917 | 0 | 70 |
| 2002/03 F | 9,570 | 117,000 | 126,570 | 0 | 126,500 | 0 | 70 |
| **Turkey** | | | | | | | |
| 1999/00 | 2,500,000 | 3,559 | 2,503,559 | 13,883 | 2,364,676 | 125,000 | 0 |
| 2000/01 | 2,400,000 | 1,795 | 2,401,795 | 16,504 | 2,265,291 | 120,000 | 0 |
| 2001/02 | 2,450,000 | 800 | 2,450,800 | 20,000 | 2,310,800 | 120,000 | 0 |
| 2002/03 F | 2,500,000 | 800 | 2,500,800 | 25,000 | 2,350,800 | 125,000 | 0 |
| **United States 2/** | | | | | | | |
| 1999/00 | 4,822,010 | 165,503 | 4,987,513 | 540,725 | 2,427,528 | 2,019,260 | 0 |
| 2000/01 | 4,836,979 | 163,610 | 5,000,589 | 749,142 | 2,371,123 | 1,880,324 | 0 |
| 2001/02 | 4,367,691 | 166,539 | 4,534,230 | 619,813 | 2,157,833 | 1,756,584 | 0 |
| 2002/03 F | 4,050,000 | 180,000 | 4,230,000 | 500,000 | 2,130,000 | 1,600,000 | 0 |

**continued--**

## APPLES: PRODUCTION, SUPPLY, AND DISTRIBUTION IN SELECTED COUNTRIES
## (METRIC TONS)

| Country Mktg. Year 1/ | Production | Imports | Supply Utilization | Exports | Domestic Consumption | Processed | Withdrawals |
|---|---|---|---|---|---|---|---|
| **SUBTOTAL OTHER NORTHERN HEMISPHERE COUNTRIES** | | | | | | | |
| 1999/00 | 33,248,257 | 796,145 | 34,044,402 | 1,002,404 | 27,363,955 | 5,649,958 | 28,085 |
| 2000/01 | 34,116,342 | 1,073,484 | 35,189,826 | 1,331,112 | 27,567,580 | 6,211,724 | 79,410 |
| 2001/02 | 34,435,555 | 1,002,530 | 35,438,085 | 1,387,966 | 27,633,470 | 6,399,484 | 17,165 |
| 2002/03 F | 33,007,970 | 988,300 | 33,996,270 | 1,214,500 | 27,069,200 | 5,659,500 | 53,070 |
| ***TOTAL NORTHERN HEMISPHERE COUNTRIES*** | | | | | | | |
| 1999/00 | 42,155,342 | 3,005,891 | 45,161,233 | 3,407,185 | 33,777,961 | 7,668,598 | 307,489 |
| 2000/01 | 43,569,484 | 3,204,039 | 46,773,523 | 3,616,345 | 34,385,950 | 8,443,024 | 328,204 |
| 2001/02 | 42,427,795 | 3,071,301 | 45,499,096 | 3,569,279 | 33,771,492 | 8,004,984 | 153,341 |
| 2002/03 F | 40,940,130 | 3,222,300 | 44,162,430 | 3,391,600 | 33,179,960 | 7,369,500 | 221,370 |
| ***SOUTHERN HEMISPHERE COUNTRIES*** | | | | | | | |
| **Argentina** | | | | | | | |
| 1999/00 | 847,084 | 13,280 | 860,364 | 95,895 | 324,670 | 439,799 | 0 |
| 2000/01 | 1,330,800 | 4,397 | 1,335,197 | 194,490 | 357,907 | 782,800 | 0 |
| 2001/02 | 900,000 | 1,000 | 901,000 | 200,000 | 311,000 | 390,000 | 0 |
| 2002/03 F | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| **Australia** | | | | | | | |
| 1999/00 | 319,606 | 0 | 319,606 | 36,279 | 160,000 | 123,327 | 0 |
| 2000/01 | 285,000 | 0 | 285,000 | 33,857 | 130,000 | 121,143 | 0 |
| 2001/02 | 295,000 | 0 | 295,000 | 26,000 | 128,000 | 141,000 | 0 |
| 2002/03 F | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| **Brazil** | | | | | | | |
| 1999/00 | 969,090 | 43,651 | 1,012,741 | 64,480 | 948,261 | 0 | 0 |
| 2000/01 | 630,750 | 65,920 | 696,670 | 35,786 | 660,884 | 0 | 0 |
| 2001/02 | 757,000 | 59,328 | 816,328 | 75,000 | 741,328 | 0 | 0 |
| 2002/03 F | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| **Chile** | | | | | | | |
| 1999/00 | 760,000 | 60 | 760,060 | 387,700 | 98,360 | 274,000 | 0 |
| 2000/01 | 1,000,000 | 60 | 1,000,060 | 541,000 | 115,000 | 344,060 | 0 |
| 2001/02 | 960,000 | 60 | 960,060 | 500,000 | 120,000 | 340,060 | 0 |
| 2002/03 F | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| **New Zealand** | | | | | | | |
| 1999/00 | 553,705 | 95 | 553,800 | 333,000 | 70,000 | 150,800 | 0 |
| 2000/01 | 405,000 | 23 | 405,023 | 252,000 | 60,000 | 93,023 | 0 |
| 2001/02 | 462,000 | 80 | 462,080 | 288,000 | 54,000 | 120,080 | 0 |
| 2002/03 F | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| **South Africa; Republic of** | | | | | | | |
| 1999/00 | 581,200 | 0 | 581,200 | 221,770 | 140,330 | 219,100 | 0 |
| 2000/01 | 667,730 | 0 | 667,730 | 244,819 | 248,466 | 174,445 | 0 |
| 2001/02 | 690,000 | 0 | 690,000 | 250,000 | 250,000 | 190,000 | 0 |
| 2002/03 F | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| ***TOTAL SOUTHERN HEMISPHERE COUNTRIES*** | | | | | | | |
| 1999/00 | 4,030,685 | 57,086 | 4,087,771 | 1,139,124 | 1,741,621 | 1,207,026 | 0 |
| 2000/01 | 4,319,280 | 70,400 | 4,389,680 | 1,301,952 | 1,572,257 | 1,515,471 | 0 |
| 2001/02 | 4,064,000 | 60,468 | 4,124,468 | 1,339,000 | 1,604,328 | 1,181,140 | 0 |
| 2002/03 F | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| ***WORLD TOTAL*** | | | | | | | |
| 1999/00 | 46,186,027 | 3,062,977 | 49,249,004 | 4,546,309 | 35,519,582 | 8,875,624 | 307,489 |
| 2000/01 | 47,888,764 | 3,274,439 | 51,163,203 | 4,918,297 | 35,958,207 | 9,958,495 | 328,204 |
| 2001/02 | 46,491,795 | 3,131,769 | 49,623,564 | 4,908,279 | 35,375,820 | 9,186,124 | 153,341 |
| 2002/03 F | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

1/ Data for Northern Hemisphere countries are for a July/June marketing year, except for Mexico and France which are August /July.
In the Southern Hemisphere the marketing year begins on January 1 of the second year indicated, except for Chile, where the year starts on February 1 of the second year indicated, and New Zealand, where the year starts in October 1 of the first year indicated.
2/ U.S. import/export forecasts are based on trends during recent years, trade contacts, and shipments from July to August 2002.
F= Forecast

## U.S. APPLE EXPORTS

## COMPLETE MARKETING YEARS 1997/98-2001/02

### (JULY-JUNE)
### METRIC TONS

| | Country of Destination<br>Destination | 1997/98 | 1998/99 | 1999/00 | 2000/01 | 2001/02 | Percent<br>Changed |
|---|---|---|---|---|---|---|---|
| 1 | Mexico | 63,115 | 119,442 | 155,067 | 223,471 | 167,173 | -25% |
| 2 | Canada | 96,868 | 92,172 | 83,954 | 95,362 | 93,126 | -2% |
| 3 | Taiwan | 113,044 | 113,139 | 84,474 | 110,483 | 74,095 | -33% |
| 4 | Indonesia | 30,508 | 18,533 | 28,411 | 42,472 | 41,904 | -1% |
| 5 | Hong Kong | 47,372 | 44,200 | 24,590 | 47,978 | 40,180 | -16% |
| 6 | United Kingdom | 21,000 | 30,042 | 23,699 | 29,462 | 32,500 | 10% |
| 7 | Malaysia | 13,896 | 14,346 | 7,425 | 19,266 | 22,795 | 18% |
| 8 | United Arab Emirates | 21,783 | 26,309 | 15,704 | 24,565 | 16,920 | -31% |
| 9 | Thailand | 14,160 | 12,469 | 10,668 | 13,693 | 12,378 | -10% |
| 10 | Saudi Arabia | 23,169 | 41,437 | 15,929 | 17,213 | 10,867 | -37% |
| 11 | Venezuela | 17,289 | 19,009 | 12,443 | 16,227 | 10,846 | -33% |
| 12 | India | 21 | 543 | 436 | 5,976 | 10,321 | 73% |
| 13 | Dominican Republic | 4,679 | 5,830 | 5,315 | 8,269 | 9,366 | 13% |
| 14 | China | 262 | 343 | 2,203 | 5,020 | 6,784 | 35% |
| 15 | Philippines | 15,839 | 19,612 | 10,378 | 11,346 | 6,584 | -42% |
| 16 | Costa Rica | 6,931 | 6,502 | 6,001 | 8,854 | 6,546 | -26% |
| 17 | El Salvador | 1,462 | 3,097 | 3,925 | 4,445 | 4,469 | 1% |
| 18 | Singapore | 6,432 | 10,610 | 4,314 | 5,626 | 4,429 | -21% |
| 19 | Egypt | 4,630 | 5,408 | 8,596 | 7,566 | 4,404 | -42% |
| 20 | Guatemala | 6,854 | 7,001 | 6,089 | 8,440 | 4,294 | -49% |
| 21 | Trinidad and Tobago | 1,085 | 900 | 1,737 | 2,718 | 4,277 | 57% |
| 22 | Honduras | 1,809 | 3,240 | 1,956 | 2,720 | 3,955 | 45% |
| 23 | Russian Federation | 11,417 | 2,471 | 932 | 1,297 | 3,552 | 174% |
| 24 | Israel | 1,465 | 8,168 | 969 | 3,229 | 2,796 | -13% |
| 25 | Panama | 3,569 | 2,952 | 2,462 | 4,474 | 2,719 | -39% |
| 26 | Kuwait | 3,024 | 2,553 | 2,340 | 2,501 | 2,602 | 4% |
| 27 | Colombia | 8,073 | 7,828 | 5,238 | 4,417 | 2,442 | -45% |
| 28 | Vietnam | 956 | 1,153 | 804 | 2,682 | 2,309 | -14% |
| 29 | Iceland | 1,769 | 1,794 | 1,441 | 1,139 | 1,586 | 39% |
| 30 | Netherlands | 641 | 1,948 | 1,287 | 597 | 1,425 | 139% |
| 31 | Bangladesh | 1,152 | 2,070 | 531 | 2,924 | 1,237 | -58% |
| 32 | Greece | 400 | 2,730 | 0 | 504 | 1,176 | 133% |
| 33 | Norway | 779 | 1,060 | 169 | 361 | 916 | 154% |
| 34 | Sweden | 2,155 | 4,761 | 525 | 1,540 | 908 | -41% |
| 35 | Finland | 2,866 | 2,189 | 307 | 867 | 797 | -8% |
| 36 | Sri Lanka | 1,611 | 2,750 | 710 | 775 | 632 | -18% |
| 37 | Yemen | 0 | 17 | 238 | 972 | 609 | -37% |
| 38 | Spain | 45 | 7,205 | 198 | 507 | 540 | 7% |
| 39 | Bahrain | 948 | 818 | 1,187 | 1,370 | 517 | -62% |
| 40 | Cambodia | 567 | 226 | 326 | 601 | 420 | -30% |

continued

## U.S. APPLE EXPORTS
## COMPLETE MARKETING YEARS 1995/96-2001/02
## (JULY-JUNE)
## METRIC TONS

| | Country of Destination<br>Destination | 1997/98 | 1998/99 | 1999/00 | 2000/01 | 2001/02 | Percent Changed |
|---|---|---|---|---|---|---|---|
| **41** | Barbados | 450 | 734 | 348 | 505 | 406 | -20% |
| **42** | Ireland | 964 | 511 | 725 | 360 | 401 | 11% |
| **43** | Ecuador | 3,464 | 1,278 | 101 | 1,266 | 394 | -69% |
| **44** | The Bahamas | 394 | 153 | 32 | 106 | 379 | 258% |
| **45** | Haiti | 1,076 | 973 | 919 | 136 | 376 | 176% |
| **46** | Guyana | 417 | 274 | 97 | 153 | 249 | 63% |
| **47** | Oman | 40 | 479 | 271 | 271 | 202 | -25% |
| **48** | Jamaica | 106 | 236 | 8 | 204 | 197 | -3% |
| **49** | Nicaragua | 552 | 550 | 895 | 525 | 168 | -68% |
| **50** | Brazil | 4,315 | 4,722 | 608 | 511 | 152 | -70% |
| | Others | 4,807 | 9,667 | 3,743 | 3,176 | 1,493 | -53% |
| | **Grand Total** | **570,230** | **666,454** | **540,725** | **749,142** | **619,813** | -17% |

**Source: U.S. Bureau of the Census**

## U.S. APPLE IMPORTS
## COMPLETE MARKETING YEARS 1997/98-2001/02
## (JULY-JUNE)
## METRIC TONS

| | Country of Destination<br>Destination | 1997/98 | 1998/99 | 1999/00 | 2000/01 | 2001/02 | Percent Changed |
|---|---|---|---|---|---|---|---|
| **1** | Chile | 35,077 | 43,878 | 42,269 | 52,812 | 61,554 | 17% |
| **2** | New Zealand | 51,577 | 49,122 | 62,617 | 61,262 | 57,783 | -6% |
| **3** | Canada | 57,278 | 38,730 | 46,111 | 37,875 | 39,048 | 3% |
| **4** | South Africa | 21,727 | 12,538 | 11,209 | 8,122 | 6,167 | -24% |
| **5** | Argentina | 1,105 | 2,660 | 1,937 | 3,334 | 1,720 | -48% |
| **6** | Australia | 0 | 0 | 0 | 117 | 174 | 49% |
| **7** | China | 0 | 0 | 0 | 0 | 47 | N/A |
| **8** | Japan | 42 | 35 | 43 | 46 | 46 | 0% |
| **9** | Brazil | 0 | 345 | 430 | 42 | 0 | -100% |
| **10** | Colombia | 0 | 0 | 21 | 0 | 0 | N/A |
| **11** | Guatemala | 0 | 0 | 19 | 0 | 0 | N/A |
| **12** | Hong Kong | 0 | 0 | 0 | 0 | 0 | N/A |
| **13** | Leeward-Windward Islands | 9 | 0 | 2 | 0 | 0 | N/A |
| **14** | Namibia | 0 | 2,039 | 0 | 0 | 0 | N/A |
| **15** | Singapore | 3 | 0 | 0 | 0 | 0 | N/A |
| **16** | Switzerland | 0 | 0 | 46 | 0 | 0 | N/A |
| **17** | Taiwan | 0 | 0 | 0 | 0 | 0 | N/A |
| **18** | Thailand | 0 | 0 | 5 | 0 | 0 | N/A |
| **19** | Uruguay | 396 | 306 | 795 | 0 | 0 | N/A |
| | | | | | | | N/A |
| | **Grand Total** | **167,214** | **149,654** | **165,503** | **163,610** | **166,539** | **2%** |

**Source: U.S. Bureau of the Census**

# Pear Situation in Selected Northern Hemisphere Countries

**Pear production in selected countries of the Northern Hemisphere in 2002/03 is expected to continue its upward trend. Forecast at a record 13 million tons, production of pears in 2002/03 in selected Northern Hemisphere countries is up slightly from last season and represents the 8th consecutive season of increasing production. The growth in the Northern Hemisphere mirrors the continued expansion of pear acreage in China, the top producer. China's pear crop this season is forecast at nearly 9 million tons, about 70 percent of the 2002/03 Northern Hemisphere pear crop forecast. On the other hand, the 2002/03 U.S. pear crop is forecast to fall to 860,000 tons, the lowest level in the last six seasons.**

## The United States

*U.S. Pear Production Forecast to Decrease in 2002/03*

U.S. total pear production in 2002/03 is forecast at 860,000 tons, down 6 percent from last season's large crop and the smallest volume since 1996/97, when production totaled nearly 745,000 tons. The smaller 2002/03 U.S. pear crop forecast is mainly the result of unfavorable weather in California and Washington, where 75 percent of the U.S. pear crop is produced. In California, hail damage is expected to hold the pear crop down for the third-consecutive season. Freezing temperatures during the spring will more than likely hamper pear production in Washington in 2002/03.

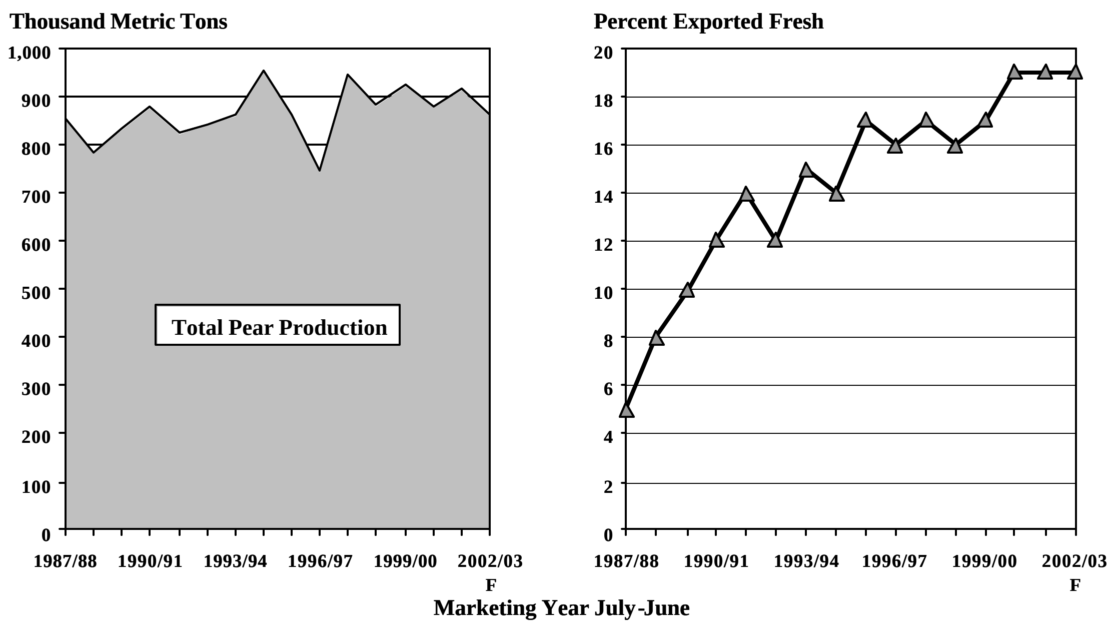
U.S. production of Bartlett pears in 2002/03 is forecast to decrease 5 percent in California and 10 percent in Washington. Bartlett pears, which are used mostly for canning, account for more than half of the pears produced in the United States. The economic difficulties of some U.S. processing industries are expected to encourage more diversion of Bartlett pears to the fresh domestic and export markets.

*Pear Exports from the United States Reached Record Volume and Value in the 2001/02 Marketing Season*

Exports have become vital for the success of the pear industry, generating a significant and growing share of the income of U.S. pear farmers. During the 2001/02 marketing season (July-June), the United States exported more than 170,000 tons of pears, valued just about $100 million, both records. Mexico, with nearly half of the export volume and value, remained the top destination for U.S. pears in 2001/02. U.S. exports to Mexico, however, declined 4 percent in volume to 81,450 tons and 2 percent in value to $44 million. Shipments to Canada, the second largest buyer of U.S. pears, totaled 50,000 tons, about a third of the export volume, and $34 million or 35 percent of the value exported. Mexico and Canada combined accounted for three quarters of the volume and 80 percent of the value. The Netherlands (5 percent), Venezuela (4 percent), and Sweden (2 percent) completed the top five largest markets.

Exports of U.S. pears continue to expand in some non-traditional markets, such as those in the Caribbean region. Last season, the volume U.S. pear shipments to the Caribbean increased 60 percent to more than 700 tons, valued at $500 million. The Dominican Republic, accounting for most of the shipments, has become the top buyer of U.S. pears in the region. During the last five seasons, the volume of U.S. pear sales to the Dominican Republic has increased more than 500 percent and the value 40 percent.

## Exports Have Become Increasingly Important to the U.S. Pear Industry




***Source: USDA National Agricultural Statistics Service and U.S. Census of the Bureau***

Overall last season, ample supplies of good quality fresh-marketed pears, the continued diversion of more processing pears into the fresh market, and continued promotion efforts kept U.S. pear exports strong.

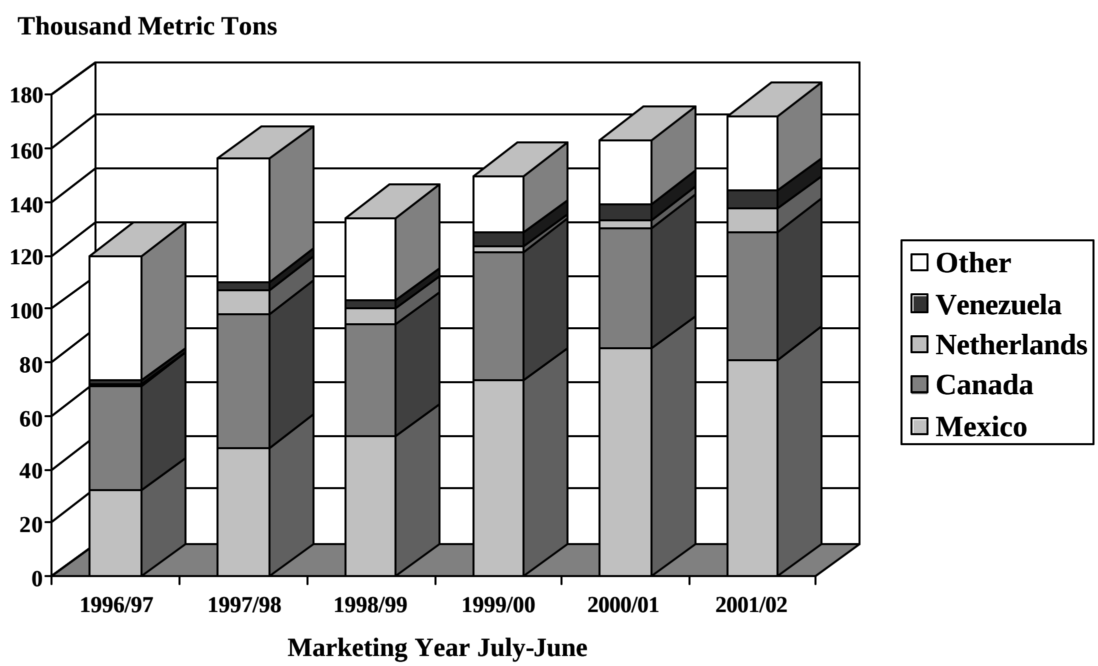
### Mexico

*Mexico's Pear Imports to Continue to Increase in 2002/03*

Mexico continues to rely on imports to meet increased fresh pear domestic demand, because domestic production is minimal and not expanding. In 2002/03, Mexico's pear imports are forecast to increase again, surpassing the 100,000-ton level. The United States accounts for about 95 percent of Mexican imports. Mexico's market for U.S. pears has grown steadily and now accounts for half of U.S. pear shipments and 10 percent of the U.S. production. Promotion activities under MAP have been a key element in the success of U.S. pears in Mexico.

Pear consumption in Mexico in 2002/03 is forecast to increase to nearly 135,000 tons. Mexicans prefer the Anjou variety followed by the Bartlett, which is rapidly gaining acceptance. However, other varieties of pears are not yet as popular. Great efforts continue to be made to promote the Bosc variety, which was, until recently, unknown to Mexican consumers.

# Mexico Has Become U.S. Pears #1 Export Market




***Source: U.S. Department of Commerce, Bureau of the Census***

## China

*Exports Becoming an Increasingly Important Outlet for Chinese Pears*

Pear shipments from China continue to increase and are becoming more and more important to Chinese pear growers. China pear shipments have increased steadily and dramatically in recent years, mostly driven by improved fruit quality. Last season, for example, China exported a record of nearly 195,000 tons of pears, more than twice the volume shipped in 1995/96. Fruit quality in China continues to improve, and, as such, pear exports are forecast to increase to 200,000 tons in 2002/03. Russia and countries in Southeast Asia are the main export destinations for most of China's pear exports.

*The United States Resumes Imports of Chinese Ya Pear*

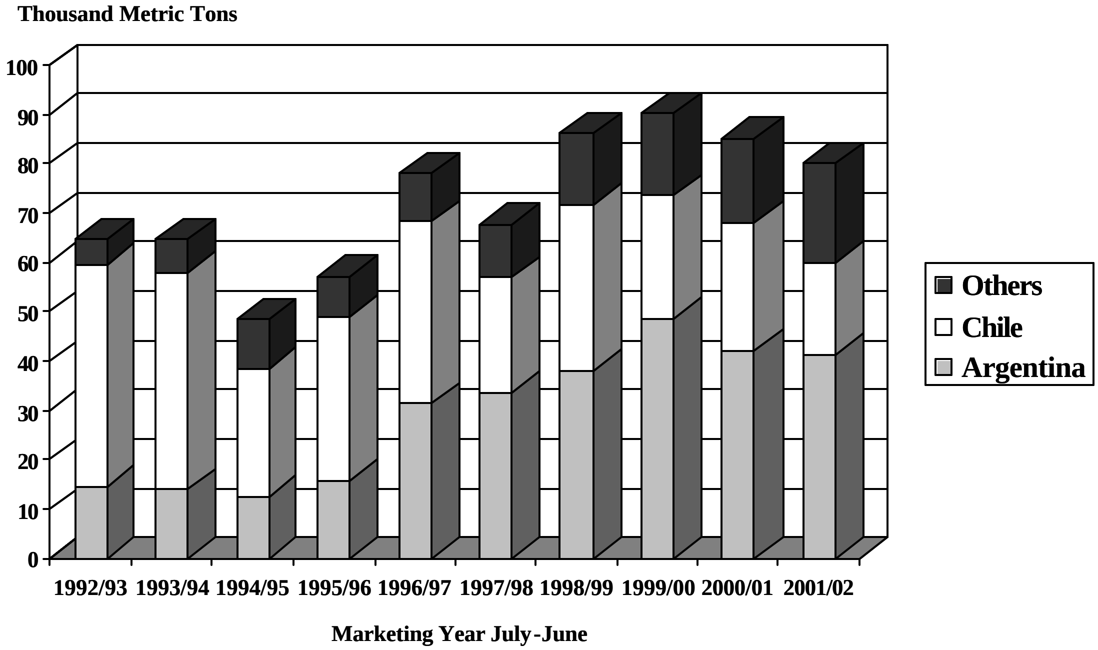
In October 2002, the United States approved the resumption of imports of Chinese Ya pears. The development followed a site visit by a technical team from APHIS to Ya pear production orchards in Hebei Province and Shandong Provinces. During the visit, the APHIS team assessed post-harvest mitigation measures associated with black spot (*Alternaria sp.* and *Venturia nashicola)* in the two Ya pear production areas. After satisfactorily assessing the post-harvest mitigation measure for both diseases, the resumption of the Hebei Ya pear export program and the initiation of a new Ya pear export program for the Shandong Province were approved.

China's exports of Ya pears to the United States started in 1997 and were one of the commodities for which China was seeking access to the United States under the U.S.-China bilateral agreement. Chinese Ya pear shipments to the United States were valued at about $3 million in 2001 and represented China's only significant exports of fresh fruit to the United States. The United States banned entry of Ya Pears from China in March 2001 after numerous shipments were found with symptoms of black spot and other diseases.

# Selected Countries Import Tariff on Fresh Pears

| Country | Tariff Import |
|---|---|
| | |
| **Argentina** | 25% |
| **Brazil** | 12.5% |
| **Chile** | 8% |
| **Venezuela** | 15% |
| **Saudi Arabia** | 5% |
| **Turkey** | 62.3% |
| **Egypt** | 50% |
| **India** | 40% |
| **Japan** | 5% |
| **Korea** | 50% |
| **Philippines** | 10% |
| **Taiwan** | 30% |
| **Thailand** | 39% |
| **United States** | April-June: 0, July-March:.3 cents/kg |

# Argentina and Chile Continue to Supply Most of the U.S. Pear Import Market




*Source: U.S. Department of Commerce, Bureau of the Census*

(***For information on production and trade, contact Samuel Rosa at 202-720-6086. For information on marketing, contact Steve Shnitzler at 202-720-8495. The FAS Attache Report search engine contains reports on deciduous fruit for more than 20 countries. Also, visit our pear web page at: [http://www.fas.usda.gov/htp/horticulture/pears/html](http://www.fas.usda.gov/htp/horticulture/pears/html)***)

**TABLE 1**
**PEARS: PRODUCTION, SUPPLY, AND DISTRIBUTION IN SELECTED COUNTRIES**
**(METRIC TONS)**

| Country Mktg. Year 1/ | Production | Imports | Supply Utilization | Exports | Domestic Consumption | Processed | Withdrawals |
|---|---|---|---|---|---|---|---|
| ***NORTHERN HEMISPHERE COUNTRIES*** | | | | | | | |
| **SELECTED EUROPEAN UNION (EU) COUNTRIES** | | | | | | | |
| **Belgium-Luxembourg** | | | | | | | |
| 1999/00 | 165,220 | 66,425 | 231,645 | 171,205 | 45,610 | 14,000 | 830 |
| 2000/01 | 183,059 | 63,957 | 247,016 | 195,194 | 45,471 | 2,500 | 3,851 |
| 2001/02 | 89,676 | 90,000 | 179,676 | 132,500 | 45,408 | 1,500 | 268 |
| 2002/03 F | 147,390 | 70,000 | 217,390 | 168,000 | 45,500 | 2,000 | 1,890 |
| **France** | | | | | | | |
| 1999/00 | 267,000 | 101,000 | 368,000 | 39,000 | 279,000 | 45,000 | 5,000 |
| 2000/01 | 258,000 | 105,000 | 363,000 | 35,000 | 278,000 | 45,000 | 5,000 |
| 2001/02 | 247,000 | 91,600 | 338,600 | 45,400 | 245,600 | 45,000 | 2,600 |
| 2002/03 F | 257,000 | 98,000 | 355,000 | 50,000 | 255,000 | 45,000 | 5,000 |
| **Germany** | | | | | | | |
| 1999/00 | 54,042 | 167,770 | 221,812 | 8,754 | 211,892 | 1,163 | 3 |
| 2000/01 | 65,162 | 150,754 | 215,916 | 10,654 | 203,036 | 2,184 | 42 |
| 2001/02 | 46,823 | 159,758 | 206,581 | 10,164 | 195,155 | 1,262 | 0 |
| 2002/03 F | 44,000 | 161,000 | 205,000 | 8,750 | 195,250 | 1,000 | 0 |
| **Greece** | | | | | | | |
| 1999/00 | 66,000 | 17,000 | 83,000 | 1,400 | 72,950 | 8,400 | 250 |
| 2000/01 | 60,000 | 14,000 | 74,000 | 1,000 | 64,750 | 8,000 | 250 |
| 2001/02 | 55,000 | 15,000 | 70,000 | 1,000 | 60,800 | 8,000 | 200 |
| 2002/03 F | 24,500 | 28,000 | 52,500 | 600 | 44,685 | 7,000 | 215 |
| **Italy** | | | | | | | |
| 1999/00 | 784,000 | 115,000 | 899,000 | 123,000 | 688,000 | 80,000 | 8,000 |
| 2000/01 | 940,000 | 94,000 | 1,034,000 | 138,000 | 776,000 | 110,000 | 10,000 |
| 2001/02 | 840,000 | 119,000 | 959,000 | 126,000 | 743,000 | 90,000 | 0 |
| 2002/03 F | 910,000 | 100,000 | 1,010,000 | 135,000 | 765,000 | 110,000 | 0 |
| **Netherlands** | | | | | | | |
| 1999/00 | 135,000 | 126,428 | 261,428 | 174,855 | 76,941 | 9,632 | 0 |
| 2000/01 | 195,000 | 130,642 | 325,642 | 190,000 | 130,142 | 5,500 | 0 |
| 2001/02 | 70,000 | 132,899 | 202,899 | 90,000 | 108,899 | 4,000 | 0 |
| 2002/03 F | 175,000 | 130,000 | 305,000 | 185,000 | 115,000 | 5,000 | 0 |
| **Spain** | | | | | | | |
| 1999/00 | 682,500 | 24,500 | 707,000 | 138,000 | 499,000 | 40,000 | 30,000 |
| 2000/01 | 595,000 | 43,000 | 638,000 | 103,000 | 470,000 | 43,800 | 21,200 |
| 2001/02 | 661,000 | 25,000 | 686,000 | 171,000 | 460,000 | 40,000 | 15,000 |
| 2002/03 F | 626,100 | 30,000 | 656,100 | 115,000 | 481,100 | 40,000 | 20,000 |
| **Sweden** | | | | | | | |
| 1999/00 | 12,771 | 31,684 | 44,455 | 129 | 44,326 | 0 | 0 |
| 2000/01 | 13,375 | 27,449 | 40,824 | 256 | 40,568 | 0 | 0 |
| 2001/02 | 12,098 | 28,317 | 40,415 | 404 | 40,011 | 0 | 0 |
| 2002/03 F | 15,700 | 30,000 | 45,700 | 300 | 45,400 | 0 | 0 |
| **United Kingdom** | | | | | | | |
| 1999/00 | 18,052 | 133,000 | 151,052 | 2,500 | 148,052 | 400 | 100 |
| 2000/01 | 34,031 | 119,624 | 153,655 | 3,280 | 149,875 | 400 | 100 |
| 2001/02 | 34,970 | 99,100 | 134,070 | 3,800 | 129,870 | 400 | 0 |
| 2002/03 F | 34,500 | 120,000 | 154,500 | 3,000 | 151,000 | 500 | 0 |

continued--

**TABLE 1**
**PEARS: PRODUCTION, SUPPLY, AND DISTRIBUTION IN SELECTED COUNTRIES**
**(METRIC TONS)**

| Country Mktg. Year 1/ | Production | Imports | Supply Utilization | Exports | Domestic Consumption | Processed | Withdrawals |
|---|---|---|---|---|---|---|---|
| **SUBTOTAL SELECTED EU COUNTRIES** | | | | | | | |
| 1999/00 | 2,184,585 | 782,807 | 2,967,392 | 658,843 | 2,065,771 | 198,595 | 44,183 |
| 2000/01 | 2,343,627 | 748,426 | 3,092,053 | 676,384 | 2,157,842 | 217,384 | 40,443 |
| 2001/02 | 2,056,567 | 760,674 | 2,817,241 | 580,268 | 2,028,743 | 190,162 | 18,068 |
| 2002/03 F | 2,234,190 | 767,000 | 3,001,190 | 665,650 | 2,097,935 | 210,500 | 27,105 |
| **OTHER NORTHERN HEMISPHERE COUNTRIES** | | | | | | | |
| **Canada** | | | | | | | |
| 1999/00 | 17,419 | 70,670 | 88,089 | 779 | 82,610 | 4,700 | 0 |
| 2000/01 | 15,072 | 72,009 | 87,081 | 465 | 82,116 | 4,500 | 0 |
| 2001/02 | 17,000 | 75,000 | 92,000 | 500 | 86,900 | 4,600 | 0 |
| 2002/03 F | 17,500 | 77,000 | 94,500 | 500 | 89,000 | 5,000 | 0 |
| **China; Peoples Republic of** | | | | | | | |
| 1999/00 | 7,742,331 | 9,750 | 7,752,081 | 109,004 | 7,186,277 | 456,800 | 0 |
| 2000/01 | 8,400,000 | 620 | 8,400,620 | 167,527 | 7,813,093 | 420,000 | 0 |
| 2001/02 | 8,820,000 | 664 | 8,820,664 | 193,903 | 8,185,761 | 441,000 | 0 |
| 2002/03 F | 8,800,000 | 655 | 8,800,655 | 200,000 | 8,159,655 | 441,000 | 0 |
| **Japan** | | | | | | | |
| 1999/00 | 415,700 | 309 | 416,009 | 4,169 | 411,340 | 500 | 0 |
| 2000/01 | 423,800 | 576 | 424,376 | 3,191 | 420,685 | 500 | 0 |
| 2001/02 | 397,000 | 907 | 397,907 | 2,821 | 394,586 | 500 | 0 |
| 2002/03 F | 426,300 | 700 | 427,000 | 3,000 | 423,500 | 500 | 0 |
| **Mexico** | | | | | | | |
| 1999/00 | 33,352 | 74,158 | 107,510 | 0 | 105,510 | 2,000 | 0 |
| 2000/01 | 31,280 | 95,513 | 126,793 | 0 | 124,793 | 2,000 | 0 |
| 2001/02 | 32,968 | 98,000 | 130,968 | 0 | 128,968 | 2,000 | 0 |
| 2002/03 F | 33,500 | 102,000 | 135,500 | 0 | 133,500 | 2,000 | 0 |
| **Russian Federation** | | | | | | | |
| 1999/00 | 136,600 | 77,430 | 214,030 | 80 | 162,000 | 51,000 | 950 |
| 2000/01 | 190,400 | 104,985 | 295,385 | 155 | 229,665 | 60,400 | 5,165 |
| 2001/02 | 226,000 | 141,060 | 367,060 | 110 | 287,650 | 72,100 | 7,200 |
| 2002/03 F | 226,000 | 142,000 | 368,000 | 200 | 290,000 | 73,000 | 4,800 |
| **Turkey** | | | | | | | |
| 1999/00 | 360,000 | 151 | 360,151 | 12,204 | 329,947 | 18,000 | 0 |
| 2000/01 | 380,000 | 118 | 380,118 | 11,707 | 349,411 | 19,000 | 0 |
| 2001/02 | 360,000 | 10 | 360,010 | 17,000 | 325,010 | 18,000 | 0 |
| 2002/03 F | 375,000 | 0 | 375,000 | 20,000 | 336,500 | 18,500 | 0 |
| **United States** | | | | | | | |
| 1999/00 | 921,202 | 90,263 | 1,011,465 | 153,270 | 425,231 | 432,964 | 0 |
| 2000/01 | 877,385 | 85,094 | 962,479 | 167,547 | 430,207 | 364,725 | 0 |
| 2001/02 | 912,457 | 79,743 | 992,200 | 172,314 | 437,861 | 382,025 | 0 |
| 2002/03 F | 860,000 | 85,000 | 945,000 | 165,000 | 420,000 | 360,000 | 0 |
| **SUBTOTAL OTHER NORTHERN HEMISPHERE COUNTRIES** | | | | | | | |
| 1999/00 | 9,626,604 | 322,731 | 9,949,335 | 279,506 | 8,702,915 | 965,964 | 950 |
| 2000/01 | 10,317,937 | 358,915 | 10,676,852 | 350,592 | 9,449,970 | 871,125 | 5,165 |
| 2001/02 | 10,765,425 | 395,384 | 11,160,809 | 386,648 | 9,846,736 | 920,225 | 7,200 |
| 2002/03 F | 10,738,300 | 407,355 | 11,145,655 | 388,700 | 9,852,155 | 900,000 | 4,800 |

continued--

TABLE 1
PEARS: PRODUCTION, SUPPLY, AND DISTRIBUTION IN SELECTED COUNTRIES
(METRIC TONS)

| Country Mktg. Year 1/ | Production | Imports | Supply Utilization | Exports | Domestic Consumption | Processed | Withdrawals |
|---|---|---|---|---|---|---|---|
| ***TOTAL NORTHERN HEMISPHERE COUNTRIES*** | | | | | | | |
| 1999/00 | 11,811,189 | 1,105,538 | 12,916,727 | 938,349 | 10,768,686 | 1,164,559 | 45,133 |
| 2000/01 | 12,661,564 | 1,107,341 | 13,768,905 | 1,026,976 | 11,607,812 | 1,088,509 | 45,608 |
| 2001/02 | 12,821,992 | 1,156,058 | 13,978,050 | 966,916 | 11,875,479 | 1,110,387 | 25,268 |
| 2002/03 F | 12,972,490 | 1,174,355 | 14,146,845 | 1,054,350 | 11,950,090 | 1,110,500 | 31,905 |
| ***SOUTHERN HEMISPHERE COUNTRIES*** | | | | | | | |
| **Argentina** | | | | | | | |
| 1999/00 | 478,078 | 786 | 478,864 | 279,462 | 119,867 | 79,535 | 0 |
| 2000/01 | 610,110 | 468 | 610,578 | 315,631 | 111,537 | 183,410 | 0 |
| 2001/02 | 550,000 | 300 | 550,300 | 350,000 | 100,300 | 100,000 | 0 |
| 2002/03 F | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| **Australia** | | | | | | | |
| 1999/00 | 156,000 | 1,116 | 157,116 | 20,562 | 73,000 | 63,554 | 0 |
| 2000/01 | 160,000 | 1,027 | 161,027 | 16,877 | 74,728 | 69,422 | 0 |
| 2001/02 | 165,000 | 1,000 | 166,000 | 16,700 | 84,000 | 65,300 | 0 |
| 2002/03 F | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| **Chile** | | | | | | | |
| 1999/00 | 237,000 | 0 | 237,000 | 124,700 | 65,300 | 47,000 | 0 |
| 2000/01 | 249,000 | 0 | 249,000 | 128,900 | 69,100 | 51,000 | 0 |
| 2001/02 | 232,000 | 0 | 232,000 | 124,000 | 68,000 | 40,000 | 0 |
| 2002/03 F | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| **New Zealand** | | | | | | | |
| 1999/00 | 32,555 | 1,400 | 33,955 | 6,500 | 20,905 | 6,550 | 0 |
| 2000/01 | 23,256 | 1,400 | 24,656 | 4,500 | 15,606 | 4,550 | 0 |
| 2001/02 | 23,800 | 1,400 | 25,200 | 5,500 | 15,150 | 4,550 | 0 |
| 2002/03 F | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| **South Africa; Republic of** | | | | | | | |
| 1999/00 | 277,336 | 0 | 277,336 | 98,330 | 53,510 | 121,816 | 3,680 |
| 2000/01 | 246,320 | 0 | 246,320 | 90,406 | 60,860 | 93,054 | 2,000 |
| 2001/02 | 250,000 | 0 | 250,000 | 92,000 | 62,000 | 94,800 | 1,200 |
| 2002/03 F | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| ***TOTAL SOUTHERN HEMISPHERE COUNTRIES*** | | | | | | | |
| 1999/00 | 1,180,969 | 3,302 | 1,184,271 | 529,554 | 332,582 | 318,455 | 3,680 |
| 2000/01 | 1,288,686 | 2,895 | 1,291,581 | 556,314 | 331,831 | 401,436 | 2,000 |
| 2001/02 | 1,220,800 | 2,700 | 1,223,500 | 588,200 | 329,450 | 304,650 | 1,200 |
| 2002/03 F | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| ***WORLD GRAND TOTAL*** | | | | | | | |
| 1999/00 | 12,992,158 | 1,108,840 | 14,100,998 | 1,467,903 | 11,101,268 | 1,483,014 | 48,813 |
| 2000/01 | 13,950,250 | 1,110,236 | 15,060,486 | 1,583,290 | 11,939,643 | 1,489,945 | 47,608 |
| 2001/02 | 14,042,792 | 1,158,758 | 15,201,550 | 1,555,116 | 12,204,929 | 1,415,037 | 26,468 |
| 2002/03 F | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

1/ Data for Northern Hemisphere countries are for a July/June marketing year, except for Mexico and France which are August /July.
In the Southern Hemisphere the marketing year begins on January 1 of the second year indicated, except for Chile, where the year starts on February 1 of the second year indicated, and New Zealand, where the year starts in October 1 of the first year indicated.
2/ U.S. import/export forecasts are based on trends during recent years, trade contacts, and shipments from July to August 2002.
F= Forecast

**TABLE 2**
**U.S. PEAR EXPORTS**
**COMPLETE MARKETING YEARS 1997/98-2001/02**
**(JULY-JUNE)**
**METRIC TONS**

| | Country of Destination<br>Destination | 1997/98 | 1998/99 | 1999/00 | 2000/01 | 2001/02 | Percent Changed |
|---|---|---|---|---|---|---|---|
| 1 | Mexico | 48,220 | 52,321 | 73,173 | 85,095 | 81,448 | -4% |
| 2 | Canada | 50,150 | 41,668 | 48,073 | 45,367 | 48,997 | 8% |
| 3 | Netherlands | 9,340 | 6,466 | 2,132 | 2,724 | 8,317 | 205% |
| 4 | Venezuela | 3,439 | 2,824 | 5,283 | 5,982 | 7,125 | 19% |
| 5 | Sweden | 7,796 | 4,283 | 3,040 | 3,747 | 3,723 | -1% |
| 6 | Taiwan | 4,323 | 4,039 | 3,799 | 3,572 | 3,486 | -2% |
| 7 | United Arab Emirates | 1,868 | 887 | 1,562 | 2,281 | 1,991 | -13% |
| 8 | Colombia | 1,506 | 1,321 | 2,079 | 1,109 | 1,936 | 75% |
| 9 | Brazil | 17,506 | 10,381 | 4,058 | 7,120 | 1,726 | -76% |
| 10 | Hong Kong | 2,191 | 1,559 | 820 | 851 | 1,545 | 82% |
| 11 | Saudi Arabia | 3,494 | 2,980 | 2,700 | 2,220 | 1,338 | -40% |
| 12 | United Kingdom | 1,271 | 1,095 | 423 | 422 | 1,307 | 210% |
| 13 | Israel | 2,529 | 2,343 | 349 | 785 | 1,153 | 47% |
| 14 | Germany | 476 | 298 | 391 | 326 | 970 | 198% |
| 15 | Singapore | 1,186 | 751 | 513 | 695 | 970 | 40% |
| 16 | Costa Rica | 713 | 549 | 416 | 878 | 892 | 2% |
| 17 | Panama | 610 | 536 | 1,355 | 922 | 641 | -30% |
| 18 | Guatemala | 514 | 227 | 312 | 587 | 562 | -4% |
| 19 | Dominican Republic | 77 | 257 | 303 | 353 | 489 | 39% |
| 20 | Yemen | 0 | 0 | 0 | 353 | 458 | 30% |
| 21 | Indonesia | 292 | 51 | 158 | 128 | 414 | 223% |
| 22 | New Zealand | 50 | 0 | 26 | 35 | 368 | 951% |
| 23 | Russian Federation | 4,393 | 440 | 165 | 174 | 311 | 79% |
| 24 | El Salvador | 33 | 52 | 88 | 194 | 294 | 52% |
| 25 | Ireland | 185 | 160 | 62 | 172 | 294 | 71% |
| 26 | Bahrain | 192 | 112 | 82 | 214 | 267 | 25% |
| 27 | Ecuador | 165 | 92 | 63 | 18 | 246 | 1267% |
| 28 | Korea; Republic of | 0 | 0 | 6 | 0 | 161 | 100% |
| 29 | Trinidad and Tobago | 60 | 84 | 120 | 71 | 147 | 107% |
| 30 | Kuwait | 151 | 198 | 170 | 124 | 103 | -17% |
| 31 | China | 0 | 19 | 0 | 0 | 90 | 100% |
| 32 | Malaysia | 141 | 38 | 0 | 37 | 89 | 141% |
| 33 | Peru | 99 | 174 | 42 | 14 | 74 | 429% |
| 34 | Iceland | 262 | 254 | 194 | 0 | 67 | 100% |
| 35 | Bahamas; The | 125 | 31 | 3 | 4 | 67 | 1575% |
| 36 | Japan | 200 | 292 | 91 | 92 | 64 | -30% |
| 37 | Honduras | 93 | 120 | 166 | 29 | 40 | 38% |
| 38 | Thailand | 44 | 0 | 0 | 0 | 35 | 100% |
| 39 | Philippines | 0 | 108 | 73 | 11 | 25 | 127% |
| 40 | Niger | 0 | 0 | 0 | 0 | 22 | 100% |
| | Others | 1,177 | 1,272 | 980 | 841 | 62 | -93% |
| | **Grand Total** | **164,871** | **138,282** | **153,270** | **167,547** | **172,314** | **3%** |

**Source: U.S. Bureau of the Census**

**TABLE 3**
**U.S. PEAR IMPORTS**
**COMPLETE MARKETING YEARS 1997/98-2001/02**
**(JULY-JUNE)**
**METRIC TONS**

| | Country of Destination<br>Destination | 1997/98 | 1998/99 | 1999/00 | 2000/01 | 2001/02 | Percent<br>Changed |
|---|---|---|---|---|---|---|---|
| 1 | Argentina | 33,591 | 38,129 | 48,619 | 42,244 | 41,384 | -2% |
| 2 | Chile | 23,321 | 33,552 | 25,031 | 25,774 | 18,804 | -27% |
| 3 | China | 20 | 1,147 | 2,789 | 6,506 | 7,448 | 14% |
| 4 | South Korea | 920 | 1,586 | 2,996 | 5,827 | 6,283 | 8% |
| 5 | New Zealand | 3,881 | 4,462 | 5,282 | 2,417 | 4,834 | 100% |
| 6 | South Africa | 5,020 | 6,271 | 4,456 | 1,499 | 466 | -69% |
| 7 | Japan | 303 | 491 | 539 | 352 | 378 | 7% |
| 8 | Canada | 771 | 559 | 546 | 400 | 141 | -65% |
| 9 | Bolivia | 0 | 0 | 0 | 0 | 5 | 100% |
| 11 | Dominican Republic | 0 | 0 | 4 | 0 | 0 | 0% |
| 12 | Italy | 0 | 195 | 0 | 0 | 0 | 0% |
| 13 | Mexico | 37 | 32 | 0 | 0 | 0 | 0% |
| 14 | Netherlands | 0 | 0 | 1 | 0 | 0 | 0% |
| 16 | Spain | 0 | 0 | 0 | 75 | 0 | -100% |
| | Grand Total | 67,864 | 86,424 | 90,263 | 85,094 | 79,743 | -6% |

**Source: U.S. Bureau of the Census**

## Canned Deciduous Fruit Situation
## In Selected Countries

**Production of canned peaches in selected countries for 2001/02 is estimated at 1.06 million tons, down 7 percent from the revised estimate of 1.14 million tons produced in 2000/01. World exports for the selected countries for 2001/02 are estimated at 677,000 tons, up 15 percent from the preceding year. Forecast canned peaches production for 2002/03 is placed at 1.09 million tons, up less than 1 percent from this year's level. Exports are forecast at 560,900 tons, down 17 percent from the 2001/02 estimate. Canned pear production for 2001/02 is estimated at 155,728 tons, up 26 percent from the previous year due to extraordinary Spanish output. Forecast production for 2002/03 is 138,000 tons, down 17 percent from 2000/01. Exports of canned pears for 2002/03 are forecast 93,000 tons, down 1 percent from last year's level.**

### Regional and Country Highlights

Market fundamentals, which for the past two years have worked to the benefit of Greek producers, have turned and now offer hope to other world producers. For the last two years, world prices have been depressed due to the enormous production and export of Greek product. Although 2002/03 world production is forecast to be up slightly from last year's level, exports for the 2002/03 year are forecast to be down by 17 percent or by 90,000 tons. This is due principally to the 32-percent drop in Greek production, and concomitant reduction in Greek exports. The reduced export availability is the principal factor helping to bring prices back to normal levels. In addition, Greek canners will be receiving smaller subsidy payments. At the same time, the euro is gaining strength against the U.S. dollar and other currencies, which will raise the price of Greek product.

#### Greece

Canned peach output for the 2002/03 marketing year is forecast at 276,000 tons, down 32 percent from the previous year and 24 percent from the May forecast. The total supply available for export in the coming year is the smallest since 1998/99 marketing year. Exports last year set a new record, reaching 458,000 tons, up 68,000 tons over the previous record set in 1995/96. Exports for 2002/03 are forecasted to be 300,900 tons.

Last year withdrawals totaled 50,000 tons compared to 204,000 tons the year before. This year withdrawals totaled only 3,000 tons, due to the reduced production. The EU's policy is to phase out withdrawal payments by marketing year 2003/04. Last year, the EU paid growers about 10.4 U.S. cents/kg for withdrawn fruit. The maximum quantity available for this payment equaled 20 percent of the total fruit marketed. This included both for fresh and processed markets and for both freestone and cling peaches. This coming marketing year, the EU will reduce this quantity to 10 percent of the total quantity marketed.

Support to growers is paid directly to producers' organizations for distribution to producers. This support is estimated to comprise about 4.3 cents of the price or about 20 percent of the price (21.8 cents/kg) received by growers. Thus, growers' income is a function of a weighted-average price consisting of the withdrawal price, market price, and EU subsidy.

Under the EU's previous canned fruit regime, the growers subsidy or guaranteed price was passed through the processors. The EU paid the processors a "processing aid" which theoretically was to be included in the price processors paid to the growers. However, there was always a suspicion that a portion of this aid was kept by processors and used to maintain inefficient operations, by acting as an indirect export subsidy. Essentially the EU forced international competitors to the wall to maintain their industry. As a result of the reform of the canned fruit regime -- principally the payment of subsidies to producer organizations and the gradual elimination of the withdrawal aid -- the number of processing plants declined from about 27 during the heydays of the mid 1990's to 15 in MY 2001/02. However, the decline in the number of processing plants did not translate into a decline in the capacity of fruit processing, which has always exceeded the demand for fruit.

Greek exports set a record 458,300 tons last year due to an unprecedented supply of low-priced, subsidized product and an appreciating U.S. dollar. However, several Latin American countries, whose currency depreciated against the euro, took protective action against imports of Greek shipments. Argentina initiated a countervailing duty of 12 percent on top of a 35-percent tariff and a $0.5/kg safeguard measure. Brazil initiated an antidumping duty of 100 percent on top of a 16.5-percent tariff and an additional tariff of 55 percent for a special listing of the product on an exception list. The loss of these two markets contributed to expanded shipments into the United States.

As Greece solidifies its dominance in the canned peach sector, production of fruit mixtures will increase. Peaches are the fundamental ingredients in a traditional fruit cocktail mixture. Excess production of fresh peaches accompanied by surplus processing capacity should, with proper management, provide a solid base for a larger output of canned fruit mixtures. Since 1997, Greek production of fruit mixtures has increased from 1,800 tons to over 28,000 tons last year. Production for the coming year is forecast at 33,600 tons.

**Italy**

Italian canned peach, pear, and mixed fruit output levels for 2001/02 are estimated at 17,000 tons, 46,500 tons, and 66,000 tons, respectively. Forecast production levels for 2002/03 are 21,000 tons, 46,000 tons, and 66,000 tons, respectively.

The appreciating dollar helped boost canned peach exports by 2,000 tons from their normal level of 32,000 tons. To a large extent, Italy was exporting a more expensive, higher-quality domestic product, while importing a lower-valued Greek product for domestic consumption. Production for 2002/03 is estimated at 21,000 tons and exports are estimated at 37,000 tons. This export figure is a bit higher than normal due to reduced Greek supplies.

Canned pear output for 2001/02 is estimated at 46,500 tons, up 500 tons from the previous forecast. Production for 2002/03 is estimated at 46,000 tons.

Italian exports of canned pears and mixtures are forecast to increase in marketing year 2002/03 to 39,000 tons and 65,000 tons, respectively. In fact, Italian canned pears and mixtures remain competitive on the international market, due to the quality of Italian pears and their relatively low prices.

From the marketing standpoint, canned peaches and pears are generally considered to be a mature food product with little room for growth due to competition from fresh fruit imports, which are increasingly available throughout the year. Fruit cocktail, however, is considered to be a convenience food that still offers market opportunities, especially in export markets. Canned pears and peaches are destined almost exclusively for the catering industry in Italy, while canned mixtures are still consumed by families.

## South Africa

Forecast 2002/03 production of fruit for processing (peaches, pears, and apricots,) is placed at 250,800 tons, an increase of 16 percent from a year earlier. Fresh fruit expected to be delivered for processing comprises about 43,800 tons of apricots, 117,000 tons of peaches, and 90,000 tons of pears. This increase is expected to result in a 34-percent rise in canned fruit production (canned peaches, canned pears, canned apricots and canned fruit mixtures).

Exports of canned fruit in 2002/03 are expected to grow by 24 percent. The principal export is canned peaches, which will increase from 50,000 tons exported in 2001/02 to a forecast 70,000-tons in 2002/03.

South Africa's fruit canning industry is the fourth largest in the world. The domestic industry is made up of four main canners, Langerberg foods, Sapco of Delmonte Brand, Ashton, and Rhodes Fruit Farm Foods. Exports account for 90 percent of canned fruit production, 50 percent of which goes to Europe. According to the Canning Fruit Producers' Association (CFPA), the canning fruit market is growing only slightly each year. Except for peaches, not all of South Africa's deliveries for processing are used for canning. Depending on the quality, fruits are also processed for juice, or pureed as pulp and baby food.

South Africa's canned fruit exports to Europe are still important, although sales to the Far East and the rest of the world are constantly rising as a result of South Africa's shift in marketing strategy from Europe to other regions. Under the SA/EU Trade Agreement, which became effective in January 2000, the South African canners have closely monitored their EU shipments to get the maximum possible benefit from their allocated tariff quota. There has also been close liaison with government departments and the South African Revenue Service (SARS) regarding the management of the quotas. The quotas for marketing year 2000 were shared among the canners based on their historical average share of exports to the EU during the period 1996 to 1998. Although this procedure complies with the SA/EU Free Trade Agreement Protocol, it does not take into account shifts in individual canner export patterns.

***The FAS Attaché Report search engine contains reports on the Canned Deciduous Fruit. For information on production and trade, contact Robert Knapp at 202-720-4620. For information on marketing contact Kristin Kezar at 202-609-0556.***)

**CANNED PEACHES: PRODUCTION, SUPPLY AND DISTRIBUTION**

| Country | Beginning Stocks | Production | Imports | Total Supply | Exports | Domestic Consumption | Ending Stocks |
|---|---|---|---|---|---|---|---|
| | | | --Metric Tons Net Weight 1/-- | | | | |
| **Greece** | | | | | | | |
| 2000/2001 | 102,000 | 397,000 | 1,300 | 500,300 | 366,000 | 13,000 | 121,300 |
| 2001/2002 | 121,300 | 407,000 | 1,000 | 529,300 | 458,300 | 14,000 | 57,000 |
| 2002/2003 | 57,000 | 276,000 | 1,300 | 334,300 | 300,900 | 13,000 | 20,400 |
| **Italy** | | | | | | | |
| 2000/2001 | 11,500 | 26,500 | 25,000 | 63,000 | 32,000 | 11,000 | 20,000 |
| 2001/2002 | 20,000 | 17,000 | 20,000 | 57,000 | 34,000 | 10,000 | 13,000 |
| 2002/2003 | 13,000 | 21,000 | 15,000 | 49,000 | 37,000 | 9,500 | 2,500 |
| **Spain** | | | | | | | |
| 2000/2001 | 22,000 | 143,000 | 4,400 | 169,400 | 72,000 | 75,400 | 22,000 |
| 2001/2002 | 22,000 | 125,000 | 3,200 | 150,200 | 74,100 | 71,100 | 5,000 |
| 2002/2003 | 5,000 | 154,000 | 2,500 | 161,500 | 75,000 | 76,500 | 10,000 |
| **United States** | | | | | | | |
| 2000/2001 | 57,359 | 350,888 | 47,859 | 456,106 | 14,171 | 401,110 | 40,825 |
| 2001/2002 | 40,825 | 325,577 | 62,555 | 428,957 | 8,447 | 389,892 | 30,618 |
| 2002/2003 | 30,618 | 401,919 | 50,000 | 482,537 | 10,000 | 405,000 | 67,537 |
| **Australia** | | | | | | | |
| 2000/2001 | 9,300 | 44,820 | 145 | 54,265 | 8,380 | 36,285 | 9,600 |
| 2001/2002 | 9,600 | 40,670 | 500 | 50,770 | 9,386 | 35,582 | 5,802 |
| 2002/2003 | 5,802 | 43,990 | 500 | 50,292 | 9,000 | 35,000 | 6,292 |
| **Chile** | | | | | | | |
| 2000/2001 | 319 | 46,000 | 168 | 46,487 | 36,268 | 7,000 | 3,219 |
| 2001/2002 | 3,219 | 39,000 | 186 | 42,405 | 36,000 | 5,600 | 805 |
| 2002/2003 | 805 | 45,500 | 500 | 46,805 | 39,000 | 7,000 | 805 |
| **Argentina** | | | | | | | |
| 2000/2001 | 1,605 | 70,520 | 499 | 72,624 | 2,268 | 70,000 | 356 |
| 2001/2002 | 356 | 47,000 | 0 | 47,356 | 6,800 | 40,500 | 56 |
| 2002/2003 | 56 | 67,000 | 0 | 67,056 | 20,000 | 46,500 | 556 |
| **South Africa; Republic of** | | | | | | | |
| 2000/2001 | 20,640 | 64,692 | 250 | 85,582 | 55,042 | 12,000 | 18,540 |
| 2001/2002 | 18,540 | 60,810 | 250 | 79,600 | 50,000 | 12,200 | 17,400 |
| 2002/2003 | 17,400 | 85,000 | 250 | 102,650 | 70,000 | 12,250 | 20,400 |
| **Total** | | | | | | | |
| 2000/01 | 224,723 | 1,143,420 | 79,621 | 1,447,764 | 586,129 | 625,795 | 235,840 |
| 2001/02 | 235,840 | 1,062,057 | 87,691 | 1,385,588 | 677,033 | 578,874 | 129,681 |
| 2002/03 | 129,681 | 1,094,409 | 70,050 | 1,294,140 | 560,900 | 604,750 | 128,490 |

Note: For Calendar year reference, MY 2002/03 would become Cy 2002
1/ One metric ton equals 48,99 standard 45-lb. cases net of 24x2 1/2 cans
Source U.S. Agricultural Attaché Reports

## CANNED PEARS: PRODUCTION, SUPPLY AND DISTRIBUTION

| Country | Beginning Stocks | Production | Imports | Total Supply | Exports | Domestic Consumption | Ending Stocks |
|---|---|---|---|---|---|---|---|
| | | | --Metric Tons Net Weight 1/-- | | | | |
| **Australia** | | | | | | | |
| 2000/2001 | 5,200 | 44,405 | 10 | 49,615 | 15,615 | 29,800 | 4,200 |
| 2001/2002 | 4,200 | 43,160 | 100 | 47,460 | 15,500 | 29,000 | 2,960 |
| 2002/2003 | 2,960 | 42,330 | 100 | 45,390 | 14,000 | 29,000 | 2,390 |
| **Spain** | | | | | | | |
| 2000/2001 | 900 | 28,500 | 400 | 29,800 | 13,100 | 13,700 | 3,000 |
| 2001/2002 | 3,000 | 48,300 | 300 | 51,600 | 20,500 | 18,500 | 12,600 |
| 2002/2003 | 12,600 | 27,000 | 500 | 40,100 | 18,000 | 14,000 | 8,100 |
| **Italy** | | | | | | | |
| 2000/2001 | 16,000 | 30,000 | 2,000 | 48,000 | 39,000 | 9,000 | 0 |
| 2001/2002 | 0 | 46,500 | 1,000 | 47,500 | 38,000 | 8,000 | 1,500 |
| 2002/2003 | 1,500 | 46,000 | 1,000 | 48,500 | 39,000 | 7,000 | 2,500 |
| **South Africa; Republic of** | | | | | | | |
| 2000/2001 | 10,024 | 20,660 | 0 | 30,684 | 20,648 | 2,050 | 7,986 |
| 2001/2002 | 7,986 | 17,768 | 0 | 25,754 | 19,000 | 2,250 | 4,504 |
| 2002/2003 | 4,504 | 22,700 | 0 | 27,204 | 21,000 | 2,270 | 3,934 |
| **Total** | | | | | | | |
| 2000/01 | 32,124 | 123,565 | 2,410 | 158,099 | 88,363 | 54,550 | 15,186 |
| 2001/02 | 15,186 | 155,728 | 1,400 | 172,314 | 93,000 | 57,750 | 21,564 |
| 2002/03 | 21,564 | 138,030 | 1,600 | 161,194 | 92,000 | 52,270 | 16,924 |

Note: For Calendar year reference, MY 2002/03 would become CY 2002
1/ One metric ton equals 48,99 standard 45-lb. cases net of 24x2 1/2 cans
Source U.S. Agricultural Attaché Reports

**U.S. IMPORTS OF CANNED PEACHES**
**Marketing Year June/May**

| Origin | 1996/97 | 1997/98 | 1998/99 | 1999/2000 | 2000/01 | 2001/02 |
|---|---|---|---|---|---|---|
| | --Metric Tons Net Weight 1/ -- | | | | | |
| Greece | 19,475 | 4,586 | 6,715 | 20,077 | 35,437 | 39,751 |
| Spain | 4,324 | 11,424 | 1,971 | 1,993 | 3,122 | 8,985 |
| South Africa | 2,717 | 3,863 | 1,531 | 474 | 4,390 | 6,943 |
| Chile | 1,166 | 447 | 69 | 2,388 | 1,654 | 653 |
| China | 244 | 728 | 1,064 | 369 | 881 | 2,342 |
| Japan | 69 | 7 | 0 | 0 | 0 | 0 |
| France | 56 | 102 | 46 | 95 | 133 | 112 |
| Italy | 19 | 13 | 25 | 0 | 59 | 30 |
| Other | 17 | 814 | 2,487 | 833 | 2,183 | 3,739 |
| **Grand Total** | 28,087 | 21,984 | 13,908 | 26,229 | 47,859 | 62,555 |

1/ One metric ton equals 48.99 cases standard cases of 24 x 2 1/2 cans
Source: U.S. Census Bureau

**U.S. EXPORTS OF CANNED PEACHES**
**Marketing Year June/May**

| Destination | 1996/97 | 1997/98 | 1998/99 | 1999/2000 | 2000/01 | 2001/02 |
|---|---|---|---|---|---|---|
| | --Metric Tons Net Weight 1/ -- | | | | | |
| Canada | 4,192 | 7,452 | 6,248 | 8,043 | 5,979 | 4,763 |
| Mexico | 451 | 950 | 4,154 | 5,395 | 220 | 740 |
| Japan | 2,559 | 2,917 | 2,475 | 2,248 | 1,083 | 261 |
| Korea | 1,593 | 569 | 1,220 | 1,142 | 1,541 | 496 |
| Taiwan | 1,295 | 912 | 1,036 | 346 | 392 | 47 |
| Singapore | 900 | 228 | 110 | 141 | 63 | 19 |
| Hong Kong | 809 | 287 | 197 | 47 | 56 | 0 |
| Philippines | 442 | 119 | 650 | 91 | 828 | 508 |
| Costa Rica | 494 | 581 | 619 | 450 | 343 | 336 |
| Germany | 233 | 346 | 265 | 101 | 0 | 0 |
| Guatemala | 217 | 188 | 226 | 383 | 216 | 142 |
| El Salvador | 214 | 218 | 245 | 273 | 243 | 71 |
| Saudi Arabia | 201 | 467 | 151 | 154 | 221 | 123 |
| Russia | 1,077 | 579 | 5 | 0 | 0 | 0 |
| Other | 1,329 | 3,184 | 10,133 | 1,383 | 2,986 | 941 |
| **Grand Total** | 16,006 | 18,997 | 27,734 | 20,197 | 14,171 | 8,447 |

1/ One metric ton equals 48.99 cases standard cases of 24 x 2 1/2 cans
Source: U.S. Census Bureau

## U.S. EXPORTS OF CANNED PEARS
### Marketing Year June/May

| Destination | 1996/97 | 1997/98 | 1998/99 | 1999/2000 | 2000/01 | 2001/02 |
|---|---|---|---|---|---|---|
| | --Metric Tons Net Weight 1/ -- | | | | | |
| Canada | 2,703 | 3,261 | 3,293 | 3,501 | 2,917 | 2,311 |
| Mexico | 77 | 14 | 0 | 23 | 0 | 103 |
| Germany | 115 | 95 | 96 | 0 | 0 | 0 |
| United Kingdom | 85 | 219 | 0 | 0 | 20 | 137 |
| Japan | 311 | 290 | 528 | 279 | 410 | 141 |
| Hong Kong | 49 | 6 | 128 | 87 | 0 | 120 |
| Singapore | 41 | 10 | 3 | 2 | 94 | 0 |
| Thailand | 39 | 22 | 17 | 8 | 1,260 | 1703 |
| Malaysia | 31 | 19 | 18 | 6 | 0 | 3 |
| Russia | 43 | 0 | 0 | 0 | 108 | 26 |
| Saudi Arabia | 15 | 58 | 29 | 3 | 0 | 7 |
| United Arab Emirates | 0 | 390 | 662 | 426 | 0 | 0 |
| Other | 197 | 323 | 214 | 254 | 1,032 | 1,814 |
| **Grand Total** | 3,706 | 4,707 | 4,988 | 4,589 | 5,841 | 6,365 |

1/ One metric ton equals 48.99 cases standard cases of 24 x 2 1/2 cans
Source: U.S. Census Bureau

## U.S. EXPORTS OF CANNED FRUIT MIXTURES
### Marketing Year June/May

| Destination | 1996/97 | 1997/98 | 1998/99 | 1999/2000 | 2000/01 | 2001/02 |
|---|---|---|---|---|---|---|
| | --Metric Tons Net Weight 1/ -- | | | | | |
| Canada | 7,422 | 8,512 | 10,432 | 10,273 | 4,653 | 3,154 |
| Mexico | 185 | 520 | 362 | 374 | 876 | 678 |
| Japan | 3,555 | 2,928 | 3,681 | 3,876 | 2,081 | 1,342 |
| Philippines | 3,804 | 700 | 633 | 640 | 628 | 386 |
| Hong Kong | 1,970 | 606 | 506 | 414 | 212 | 75 |
| Singapore | 1,826 | 999 | 817 | 567 | 455 | 388 |
| Taiwan | 416 | 626 | 814 | 355 | 104 | 36 |
| Korea | 421 | 689 | 500 | 547 | 158 | 75 |
| Panama | 597 | 1,148 | 802 | 844 | 593 | 364 |
| El Salvador | 337 | 379 | 486 | 447 | 479 | 248 |
| Costa Rica | 834 | 1,230 | 1,063 | 868 | 763 | 569 |
| Saudi Arabia | 820 | 1,182 | 1,022 | 186 | 659 | 690 |
| Other | 2,762 | 2,841 | 4,207 | 3,109 | 1,756 | 1,519 |
| **Grand Total** | 24,949 | 22,360 | 25,325 | 22,500 | 13,417 | 9,524 |

1/ One metric ton equals 48.99 cases standard cases of 24 x 2 1/2 cans
Source: U.S. Census Bureau

# World Trade Situation and Policy Updates

### National Survey for Potato Mop Top Virus

The Animal and Plant Health Inspection Service (APHIS) announced plans on October 9, to conduct a national survey for potato mop top virus (PMTV), the results of which will represent every certified seed lot in the United States. USDA is funding this survey under the Technical Assistance for Specialty Crops (TASC) program. PMTV was confirmed for the first time in the United States in Maine in August 2002. In order to determine the distribution of PMTV in seed-producing states, APHIS will test approximately 3,000 tubers per state. The samples will include tubers from all certified seed lots grown in the 17 states that produce certified seed potatoes. The results of the PMTV survey, which will be available in late 2002, will form the basis for any future regulatory action by APHIS. If PMTV is determined to have limited distribution, APHIS will consider regulatory steps to prevent the interstate movement of infected seed. PMTV, which does not affect humans, is a soil borne virus transmitted by the fungus that causes potato powdery scab disease. PMTV may cause discoloration, or necrotic rings in infected tubers, as well as various types of mottling and stunting in above ground portions of infected plants. Losses of up to 20 percent have been reported as a result of reduced tuber production and loss of tuber quality.

### Lower U.S. Orange and Grapefruit Production for 2002/03

On October 11, 2002, NASS released preliminary estimates for the 2002/03 citrus crops in the United States. The initial forecast for 2002/03 orange production is 10.3 million tons, down 10 percent from last year. All of the reduction is the result of a lower crop in Florida. Florida's orange crop is forecast at 8.0 million tons, 14 percent below last year's level. Somewhat offsetting the decline in Florida's production is a nearly 13-percent rise in California's orange crop. Most of Florida's orange crop is utilized for juice production, whereas the majority of California's crop goes for fresh use. In addition, the majority of the oranges that the United States exports are navel oranges from California. During the current marketing year, November-July 2001/02, U.S. exports of oranges totaled 465,738 metric tons, down 12 percent from the previous year. Canada, Korea, Japan, Hong Kong, and China are the United States largest markets for oranges accounting for 86 percent of the November-July 2001/02 total. With the larger supplies of navel oranges forecast from California, U.S. exports of oranges in 2002/03 should post a recovery. U.S. production of grapefruit is forecast to decline again in 2002/03 to 2.0 million tons, down 8 percent from 2001/02. This will be the lowest production level since the freeze reduced 1989/90 level. U.S. exports of grapefruit during the current marketing year, September-July 2001/02 totaled 392,603 metric tons, an increase of nearly 3 percent from 2000/01. With the forecast drop in production for 2002/03, supplies available for export are estimated to be down as well. Japan is by far the largest market for U.S. grapefruit, accounting for 50 percent of the total this marketing year.

**Final Rule for Importation of Clementines from Spain Effective 10/15/2002**

The much-anticipated final rule to renew the importation of Spanish clementines was signed by Deputy Under Secretary Butler on Tuesday, October 15, 2002, and was effective immediately. The new requirements include provisions that the clementines be grown in accordance with a Mediterranean fruit fly management program established by the government of Spain, that the clementines be subject to an inspection regimen that includes fruit cutting before and after cold treatment, and that the clementines meet other conditions designed to protect against the introduction of the Mediterranean fruit fly.

**U.S. Pistachio Production in 2002 is Expected to Reach Record Level**

According to the latest estimate from the California Agricultural Statistics Service (CASS), the state is set to produce a bumper crop of 127,008 tons of pistachios in 2002. Growers claim that the crop is the best quality they have ever seen at this stage of the harvest. The outlook for marketing the record volume is bright due to continued strong global demand, a lack of carryover into 2002 and possibly into 2003, and because of the crop's overall high quality. In calendar year 2001, the United States exported 33,211 tons of pistachios, with an associated value of approximately $109 million. China, Belgium, and Germany were the top three export destinations in 2001, purchasing around 50 percent of the total export quantity with a value of $46.5 million. Markets in Europe, China, Japan, and Canada continue to grow at a rapid rate.

**Commerce Department Seeks Public Comment On Chinese Apple Juice Antidumping Duties**

The U.S. Department of Commerce's International Trade Administration (ITA) has requested public comments for its first annual review of the antidumping order against apple juice concentrate from China. The request follows a July 2002 preliminary determination by the department, which proposed to eliminate the 51.74 percent antidumping duties on imported apple juice for 10 Chinese producers. During the first administrative review of the antidumping decision, the ITA changed the method of calculating the cost of production of apple juice concentrate in India, which was used as a surrogate market economy for China. ITA has invited comments by October 31, 2002, on whether the Indian juice apple price used was correct or if another country should be use as a surrogate. In May 2000, the United States began applying antidumping duties of up to 51.74 percent on Chinese concentrate apple juice, following a finding that Chinese concentrate was sold in the U.S. market at prices below production costs, causing economic harm to U.S. concentrate producers. Following the initiation of the dumping investigation, imports from China dipped, but they have rebounded to levels exceeding the pre-dumping case levels. In fact, apple juice from China remains among the lowest-priced options for U.S. importers, with that country supplying over 16 percent of the total volume imported in calendar year 2001. Other leading suppliers to the United States include Argentina, Chile, and Germany. In 2001, the volume of U.S. imports of Chinese apple juice increased 13 percent to 215 million liters, while the associated value fell 12 percent to $33 million.

## Export News and Opportunities

Every U.S. exporter wants to get paid. However, credit can make or break a deal. It can shift the advantage to you or to your competitor. That's why many exporters turn to the U.S. Department of Agriculture's (USDA) Export Credit Guarantee Programs. With USDA's guarantee behind the credit, you can arrange competitive financing with less risk. Your buyers may benefit too, from longer terms and lower rates. In FY 2003, USDA will make available billions of dollars in credit guarantees to facilitate agricultural, fish, and forestry sales to selected countries. Invest the time to learn more about the Export Credit Guarantee Programs, (GSM-102) and Supplier Credit Guarantee Program (SCGP), to increase your sales and lower your risks. Use GSM and SCGP to avoid possible importer and foreign bank defaults on payments and ensure that American farm and food products continue to move to markets around the world. While USDA does not provide financing, it guarantees payments due to US. exporters in case the foreign banks or importers default. FY 2003 GSM and SCGP is effective October 1, 2002 through September 30, 2003.

You may learn more about GSM-102 and SCGP regulations, country specific press releases and program announcements, and a Monthly Summary of Export Credit Guarantee Program Activity on the Internet at:

**http://www.fas.usda.gov/export.html**

### GSM-102

The GSM-102 program makes available credit guarantees for sales of U.S. agricultural commodities overseas. USDA does not provide financing, but guarantees payments due from foreign banks. USDA typically guarantees 98 percent of the principal and a portion of the interest. The GSM-102 program covers credit terms from 90 days to 3 years.

Under the program, once a firm sale exists, the qualified U.S. exporter applies for a payment guarantee before the date of export. The U.S. exporter pays a fee calculated on the dollar amount guaranteed, based on a schedule of rates applicable to different lengths of credit periods. The CCC-approved foreign bank issues a dollar-denominated, irrevocable letter of credit in favor of the U.S. exporter, ordinarily advised or confirmed by the financial institution in the United States agreeing to extend credit to the foreign bank. The U.S. exporter may negotiate an arrangement to be paid as exports occur by assigning the U.S. financial institution the right to proceeds that may become payable under the guarantee, and later presenting required documents to that financial institution. Such documents normally include a copy of the export report. If a foreign bank fails to make any payment as agreed, the exporter or the assignee may file a claim with USDA for the amount due and covered by the guarantee. USDA will pay the U.S. bank and will take on the responsibility of collecting the overdue amount from the foreign bank.

### Supplier Credit Guarantee Program

The SCGP is unique because it covers short-term financing extended directly by U.S. exporters to foreign buyers and requires that the importers sign a promissory note in case of default on the

CCC-backed payment guarantee. The SCGP emphasizes high-value and value-added products, but may include commodities or products that also have been programmed under the GSM-102 program.

The SCGP encourages exports to buyers in countries where credit is necessary to maintain or increase U.S. sales but where financing may not be available without CCC guarantees. Under the SCGP, CCC guarantees a portion of payments due from importers under short-term financing (up to 180 days) that exporters have extended directly to the importers for the purchase of U.S. agricultural commodities and products. These direct credits must be secured by promissory notes signed by the importers. CCC does not provide financing but guarantees payment due from the importer.

**GSM-102 and SCGP**

For most countries and regions announced under the FY 2003 GSM-102 and SCGP, exporters may apply for credit guarantees on a first-come-first-served basis to cover sales of any of the eligible commodities published in FAS program announcement PR 0346-02, issued September 24, 2001 or as superseded. The following horticultural products are eligible under the export credit guarantee programs: dried fruit; fresh fruit; frozen fruit; canned fruit; 100-percent fruit juices; fruit and vegetable concentrates, pastes, pulps and purees; honey; hops or hops extract; beer; tree nuts; fresh vegetables; canned vegetables; dried vegetables; wine; and brandy. The General Sales Manager will consider requests to establish an SCGP and/or GSM Program for a country or region or amend an authorized program to include horticultural commodities and products that are currently not eligible.

***(For further information on the SCGP or GSM-102 Program for horticultural commodities, contact Yvette Wedderburn Bomersheim on 202-720-0911).***

**Top United States Horticultural Product Exports By Value**

Ranked In Terms of Highest Value (includes only products with specific commodity definitions)

| Commodity | FY 1997 | FY 1998 | FY 1999 | FY 2000 | FY 2001 | Oct. - Aug. FY 2001 | Oct. - Aug. FY 2002 |
|---|---|---|---|---|---|---|---|
| | | | | --- 1,000 Dollars --- | | | |
| Almonds | 879,032 | 772,891 | 696,818 | 580,815 | 686,081 | 604,396 | 635,709 |
| Essential Oils | 622,219 | 532,623 | 507,651 | 591,583 | 674,581 | 627,535 | 702,966 |
| Wine & Wine Prdts. | 390,376 | 510,923 | 545,287 | 538,143 | 549,045 | 508,457 | 479,915 |
| Fresh Apples | 412,855 | 328,068 | 375,869 | 336,444 | 414,808 | 393,011 | 341,556 |
| Fresh Grapes | 313,836 | 274,953 | 283,865 | 332,162 | 390,008 | 311,582 | 318,228 |
| Frz. Potato Fries | 294,417 | 313,209 | 343,216 | 339,553 | 359,847 | 332,433 | 319,305 |
| Oranges | 308,055 | 339,114 | 159,585 | 268,808 | 304,577 | 296,711 | 263,154 |
| Orange Juice All | 305,172 | 295,564 | 307,165 | 290,395 | 251,098 | 234,560 | 271,662 |
| Proc. Tomatoes | 229,526 | 233,209 | 220,380 | 221,306 | 227,450 | 209,817 | 207,969 |
| Nursery Products | 185,316 | 220,055 | 229,737 | 216,722 | 215,288 | 204,811 | 186,326 |
| Fresh Lettuce | 146,640 | 173,746 | 157,262 | 180,099 | 201,454 | 187,147 | 206,676 |
| Beer | 341,784 | 280,088 | 211,861 | 177,241 | 200,866 | 177,007 | 157,158 |
| Grapefruit | 240,408 | 189,744 | 221,443 | 208,329 | 199,813 | 196,910 | 198,703 |
| Potato Chips | 145,468 | 226,987 | 257,355 | 243,824 | 184,044 | 169,982 | 151,087 |
| Walnuts | 195,209 | 153,863 | 154,449 | 149,315 | 175,735 | 166,783 | 175,689 |
| Fresh Cherries | 140,650 | 113,556 | 154,793 | 169,516 | 159,852 | 159,700 | 149,610 |
| Prunes | 138,398 | 133,732 | 133,885 | 131,697 | 152,507 | 140,184 | 122,146 |
| Raisins | 204,388 | 199,733 | 198,817 | 145,861 | 151,155 | 135,997 | 137,450 |
| Fresh Tomatoes | 123,789 | 122,345 | 127,153 | 148,312 | 150,890 | 141,860 | 128,890 |
| Proc. Sweet Corn | 167,490 | 139,068 | 148,050 | 146,591 | 120,736 | 112,479 | 115,179 |
| Total Other | 4,838,913 | 4,765,679 | 4,864,543 | 5,121,136 | 5,292,064 | 4,876,371 | 4,949,024 |
| GRAND TOTAL | 10,623,941 | 10,319,150 | 10,299,184 | 10,537,852 | 11,061,899 | 10,187,733 | 10,218,402 |

**Top United States Horticultural Product Exports By Volume**

Ranked In Terms of Highest Value (includes only products with specific commodity definitions)

| Commodity | FY 1997 | FY 1998 | FY 1999 | FY 2000 | FY 2001 | Oct. - Aug. FY 2001 | Oct. - Aug. FY 2002 |
|---|---|---|---|---|---|---|---|
| Fresh Apples | 690,595 | 539,685 | 664,969 | 571,860 | 743,644 | 709,371 | 565,775 |
| Oranges | 569,739 | 609,433 | 247,419 | 490,867 | 541,444 | 527,427 | 442,252 |
| Frz. Potato Fries | 396,738 | 438,425 | 468,826 | 469,287 | 505,549 | 466,727 | 449,869 |
| Orange Juice All | 565,332 | 553,175 | 554,951 | 550,888 | 464,026 | 433,304 | 654,211 |
| Grapefruit | 484,417 | 387,216 | 428,784 | 390,958 | 389,629 | 384,402 | 391,877 |
| Fresh Onions | 265,859 | 292,328 | 257,089 | 333,775 | 357,446 | 324,599 | 277,692 |
| Fresh Lettuce | 294,571 | 303,816 | 312,563 | 328,600 | 350,079 | 327,389 | 361,073 |
| Wine & Wine Prdts. | 208,786 | 266,294 | 274,696 | 281,475 | 311,953 | 289,102 | 248,642 |
| Fresh Grapes | 236,400 | 214,569 | 221,158 | 272,901 | 303,396 | 233,768 | 228,663 |
| Beer | 536,362 | 425,523 | 330,158 | 278,522 | 301,947 | 263,268 | 229,251 |
| Proc. Tomatoes | 293,112 | 300,327 | 264,369 | 277,277 | 297,041 | 273,425 | 269,718 |
| Almonds | 187,953 | 202,968 | 200,847 | 220,099 | 259,716 | 224,855 | 252,346 |
| Fresh Melons | 219,695 | 211,310 | 247,448 | 250,860 | 234,690 | 214,979 | 251,801 |
| Fresh Tomatoes | 153,657 | 133,687 | 148,271 | 181,892 | 173,336 | 158,769 | 150,444 |
| Pears | 126,603 | 156,807 | 145,816 | 162,629 | 158,333 | 143,332 | 160,176 |
| Fresh Broccoli | 130,999 | 126,791 | 154,514 | 182,848 | 157,406 | 143,825 | 142,348 |
| Proc. Sweet Corn | 203,613 | 171,294 | 186,153 | 187,818 | 150,693 | 141,665 | 131,786 |
| Peaches | 103,442 | 80,023 | 97,974 | 113,098 | 129,292 | 108,042 | 108,779 |
| Lemons | 120,330 | 113,392 | 113,931 | 106,249 | 110,373 | 107,342 | 97,704 |
| Raisins | 115,215 | 120,741 | 104,225 | 83,832 | 110,035 | 98,429 | 104,193 |

1/ Wine and beer is reported in 1,000 liters, orange juice in 1,000 single strength liters, and all other groups in 1,000 kilograms.

Source: U.S. Department of Commerce, Bureau of the Census.

**Top United States Horticultural Product Imports By Value**

Ranked In Terms of Highest Value (includes only products with specific commodity definitions)

| Commodity 1/ | FY 1997 | FY 1998 | FY 1999 | FY 2000 | FY 2001 | Oct. - Aug. FY 2001 | Oct. - Aug. FY 2002 |
|---|---|---|---|---|---|---|---|
| | | | | --- 1,000 Dollars --- | | | |
| Beer | 1,443,326 | 1,677,002 | 1,865,038 | 2,126,018 | 2,296,189 | 2,120,017 | 2,322,587 |
| Wine & Wine Prdts. | 1,629,254 | 1,829,709 | 2,150,057 | 2,271,185 | 2,284,016 | 2,107,520 | 2,396,185 |
| Bananas & Plantns | 1,194,458 | 1,188,442 | 1,180,227 | 1,098,409 | 1,125,986 | 1,031,845 | 1,058,416 |
| Nursery Products | 565,267 | 632,672 | 673,194 | 745,977 | 789,187 | 724,734 | 733,999 |
| Fresh Tomatoes | 611,612 | 735,180 | 713,121 | 608,428 | 755,074 | 722,672 | 604,889 |
| Fresh Grapes | 386,183 | 440,659 | 545,409 | 518,260 | 580,879 | 579,833 | 668,073 |
| Cut Flowers | 572,926 | 630,067 | 578,766 | 623,213 | 577,480 | 542,200 | 509,634 |
| Fresh Peppers | 251,908 | 343,606 | 324,880 | 451,848 | 507,973 | 484,711 | 358,185 |
| Cashews | 292,315 | 339,490 | 390,111 | 487,687 | 366,770 | 335,402 | 333,120 |
| Frz. Potato Fries | 156,831 | 216,576 | 252,437 | 321,914 | 338,228 | 306,083 | 335,698 |
| Essential Oils | 322,447 | 350,086 | 315,861 | 309,570 | 300,148 | 277,906 | 305,174 |
| Fresh Melons | 226,502 | 250,921 | 277,880 | 259,797 | 285,714 | 285,475 | 264,303 |
| All Apple Juices | 354,632 | 228,735 | 210,263 | 278,975 | 230,401 | 214,447 | 213,607 |
| Olives | 184,217 | 181,730 | 200,293 | 184,928 | 204,762 | 186,610 | 193,140 |
| Fresh Cucumbers | 100,823 | 154,634 | 138,241 | 168,771 | 200,539 | 193,063 | 161,058 |
| All Orange Juices | 240,072 | 211,353 | 285,947 | 243,298 | 185,182 | 167,289 | 139,879 |
| Fresh Onions | 127,447 | 151,990 | 135,574 | 131,705 | 168,119 | 159,767 | 141,770 |
| Fresh Mangos | 123,009 | 125,047 | 138,823 | 142,010 | 152,097 | 141,891 | 137,430 |
| Fresh Pineapple | 74,441 | 83,676 | 121,679 | 117,539 | 151,773 | 139,676 | 160,547 |
| Total Other | 4,222,577 | 4,604,941 | 5,368,446 | 5,315,151 | 5,521,799 | 5,073,759 | 5,820,708 |
| GRAND TOTAL | 13,080,247 | 14,376,516 | 15,866,247 | 16,404,683 | 17,022,316 | 15,794,900 | 16,858,402 |

1/ Nursery Products excludes cut flowers.

**United States Top Horticultural Product Imports By Volume**

Ranked In Terms of Highest Value (includes only products with specific commodity definitions)

| Commodity 1/ 2/ | FY 1997 | FY 1998 | FY 1999 | FY 2000 | FY 2001 | Oct. - Aug. FY 2001 | Oct. - Aug. FY 2002 |
|---|---|---|---|---|---|---|---|
| Beer | 1,612,379 | 1,869,577 | 2,072,394 | 2,290,532 | 2,490,362 | 2,302,573 | 2,462,880 |
| Wine & Wine Prdts. | 432,192 | 428,664 | 420,152 | 481,164 | 510,722 | 472,344 | 547,975 |
| Bananas & Plantns | 3,911,294 | 4,135,832 | 4,369,283 | 4,350,838 | 4,046,727 | 3,719,378 | 3,778,732 |
| Nursery Products | 2,206,085 | 2,460,306 | 2,765,772 | 2,860,569 | 2,926,930 | 2,571,385 | 2,735,591 |
| Fresh Tomatoes | 743,205 | 856,852 | 722,591 | 708,690 | 868,191 | 834,392 | 642,613 |
| Fresh Grapes | 857 | 1,039 | 978 | 1,185 | 1,060 | 1,057 | 1,276 |
| Cut Flowers | 2,770,092 | 2,770,186 | 2,707,948 | 2,804,568 | 2,642,815 | 2,474,975 | 2,446,614 |
| Fresh Peppers | 284,221 | 319,671 | 345,444 | 352,169 | 346,582 | 320,171 | 313,371 |
| Frz. Potato Fries | 269,794 | 353,931 | 397,455 | 470,605 | 519,789 | 470,349 | 555,169 |
| Fresh Melons | 779,005 | 860,437 | 873,032 | 898,995 | 878,305 | 877,824 | 898,625 |
| All Apple Juices | 1,084,986 | 1,016,823 | 1,140,355 | 1,171,502 | 1,231,801 | 1,132,904 | 1,229,834 |
| Fresh Cucumbers | 302,306 | 327,745 | 336,045 | 346,863 | 373,629 | 363,500 | 334,673 |
| All Orange Juices | 1,116,798 | 1,063,239 | 1,326,231 | 1,284,749 | 976,357 | 873,213 | 634,337 |
| Fresh Onions | 261,088 | 259,188 | 246,532 | 224,080 | 269,179 | 251,696 | 250,146 |
| Fresh Mangos | 191,115 | 188,767 | 212,992 | 231,078 | 229,473 | 216,142 | 244,263 |
| Fresh Pineapple | 171,253 | 255,533 | 272,601 | 304,207 | 333,479 | 311,862 | 341,619 |
| Fresh Squash | 141,192 | 157,537 | 151,916 | 156,520 | 168,099 | 165,649 | 169,709 |
| Frozen Broccoli | 169,458 | 153,962 | 186,187 | 164,090 | 168,988 | 155,571 | 169,902 |
| Fresh Apples | 168,564 | 156,700 | 158,550 | 170,490 | 156,593 | 153,031 | 161,512 |

1/ Wine and beer is reported in 1,000 liters, orange juice in 1,000 single strength liters, and all other groups in 1,000 kilograms.

2/ Nursery Products excludes cut flowers.

Source: U.S. Department of Commerce, Bureau of the Census.

**Selected Horticultural Crop Prices Received By U.S. Growers**

| Commodity | Domestic units | 2001 Sep | 2002 Aug | 2002 Sep\1 | % Change Last Month | % Change Last Year |
|---|---|---|---|---|---|---|
| | | | Dollars/unit | | | |
| Grapefruit 2/ | Box | 6.88 | 5.6 | 5.81 | 3.8% | -15.6% |
| Lemons 2/ | Box | 15.28 | 16.52 | 15.97 | -3.3% | 4.5% |
| Limes 2/ | Box | 0 | 0 | 0 | n/a | n/a |
| Oranges 2/ | Box | 6.2 | 6.61 | 6.31 | -4.5% | 1.8% |
| Tangelos 2/ | Box | 0 | 0 | 0 | n/a | n/a |
| Tangerines 2/ | Box | 0 | 0 | 0 | n/a | n/a |
| Temples 2/ | Box | 0 | 0 | 0 | n/a | n/a |
| Apples, fresh 3/ | Lb. | 0.212 | 0.245 | 0.3 | 22.4% | 41.5% |
| Grapes | Ton | 670 | 730 | 650 | -11.0% | -3.0% |
| Peaches | Lb. | 0.318 | 0.278 | 0.278 | 0.0% | -12.6% |
| Pears, fresh 3/ | Ton | 415 | 460 | 474 | 3.0% | 14.2% |
| Strawberries, fresh | Lb. | 0.781 | 0.826 | 0.617 | -25.3% | -21.0% |
| Asparagus 4/ | Cwt. | 0 | 160 | 0 | -100.0% | n/a |
| Broccoli 4/ | Cwt. | 22.9 | 26.9 | 52.1 | 93.7% | 127.5% |
| Cantaloupes | Cwt. | 13.4 | 10.8 | 11.8 | 9.3% | -11.9% |
| Carrots 4/ | Cwt. | 15.7 | 20.1 | 17.8 | -11.4% | 13.4% |
| Cauliflower 4/ | Cwt. | 24.8 | 22.7 | 27.6 | 21.6% | 11.3% |
| Celery 4/ | Cwt. | 9.43 | 11 | 13.2 | 20.0% | 40.0% |
| Sweet Corn 4/ | Cwt. | 19 | 18.7 | 18.1 | -3.2% | -4.7% |
| Cucumbers 4/ | Cwt. | 25.6 | 23.6 | 19.9 | -15.7% | -22.3% |
| Lettuce 4/ | Cwt. | 26.2 | 14.6 | 13 | -11.0% | -50.4% |
| Onions 4/ | Cwt. | 10.7 | 13.7 | 11.7 | -14.6% | 9.3% |
| Snap Beans 4/ | Cwt. | 62.9 | 58.8 | 78.6 | 33.7% | 25.0% |
| Tomatoes 4/ | Cwt. | 23.5 | 23.7 | 21.3 | -10.1% | -9.4% |

1/ Preliminary
2/ Equivalent on-tree returns.
3/ Equivalent packinghouse-door returns for CA and NY (apples only), OR (pears only), and WA (apples, peaches, and pears). Prices as sold for other states.
4/ Fresh-market, FOB shipping point.

Weight per box of citrus.
Grapefruit : AZ, CA = 67 Lbs., Florida = 85 Lbs., and Texas = 80 Lbs. per box.
Lemons: AZ, CA = 76 Lbs. per box.
Limes: Florida = 88 Lbs. per box.
Oranges: AZ, CA = 75 Lbs., Florida = 90 Lbs., and Texas = 85 Lbs. per box.
Tangelos and Temples: Florida 90 Lbs. per box.

Note: Zeroes indicate insufficient information or insufficient sales to establish a price.
Source: National Agricultural Statistics Service (NASS), USDA.