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UNITED STATES DEPARTMENT OF AGRICULTURE
Economic Research Service

SITUATION AND OUTLOOK FOR FRUIT IN 1972

Talk by Ralph A. Freund, Jr.
Economic and Statistical Analysis Division
at the 1972 National Agricultural Outlook Conference
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The Current Outlook

Citrus production is forecast about the same as last season. The orange crop, estimated at 190 million boxes, also is little different. Florida production is 136 million boxes, 4 percent less, but California's is 44 million boxes, 14 percent more. Orange shipments to fresh markets through February 5 were down 14 percent from a year ago; processing use has also been less. Late maturity and a smaller early and midseason crop in Florida were mainly responsible for light early-season utilization.

Orange prices have averaged well above those of last season. In January the U.S. on-tree return for all-use oranges was \$1.95 per box compared with 67 cents a year ago. Florida oranges are bringing higher returns while returns in California are close to a year ago. Last season the very large supplies in Florida before the late January freeze caused depressed prices.

Grapefruit production is forecast at 62 million boxes, about 2 percent over last season. Florida's crop is estimated at 44 million boxes, up 3 percent. The Texas crop at 10 million boxes is down 1 percent. Shipments of grapefruit to fresh markets through early February were 6 percent under a year ago. Florida sales of grapefruit for fresh use through mid-February were 10 percent under a year ago while deliveries for processing were down 16 percent. Late maturity has restricted grapefruit utilization.

The average on-tree return for all grapefruit in January was \$2.17 per box, 79 percent above a year ago. In Florida the average f.o.b. price for fresh grapefruit in January was up a third and will probably stay near the present level. Grapefruit going into processing was returning 80 percent more than a year ago, on-tree. With more grapefruit remaining for use than last season and canned stocks not greatly below last season, returns for processing may decline.

Lemon production is forecast at 17 million boxes, 6 percent over last season. Shipments of lemons to fresh markets through early February were up 37 percent. Both fresh and processing uses have been greater. In January the f.o.b. price of fresh lemons was nearly the same as a year ago.

Late maturity and a smaller early and midseason crop of Florida citrus caused light early-season processing utilization. Through mid-January, 34 million boxes of citrus had been processed compared with 50 million a year ago. One-third less oranges had been processed and a fourth less grapefruit. More citrus remained for utilization than a year ago. By early February, Florida stocks of frozen concentrated orange juice were down 29 percent, but stocks of frozen concentrated grapefruit juice were up 57 percent. The f.o.b. price of frozen concentrated orange juice has held about steady since July 1971. The Florida pack of canned citrus was about a fourth under a year ago and stocks were 18 percent less. Stocks of canned grapefruit juice were slightly larger.

The 1971 apple crop, at 6.1 billion pounds, was 3 percent less than in 1970 and 9 percent less than the large 1969 crop. A smaller crop in Washington and California accounted for most of the decrease from last season. On February 1, apples in cold storage totaled 1.6 billion pounds, 2 percent more than a year ago. Unloads of apples in 41 cities through mid-February were about a tenth less than a year ago and producer prices in January averaged moderately higher. Producer prices will probably remain slightly above year-ago levels.

Pear production in 1971 was estimated 28 percent above 1970 but 3 percent below the large crop of 1969. On February 1, pears in cold storage were twice the level of a year ago and the average producer price in January was 28 percent less. The grape crop increased 27 percent but strong demand for grapes for crushing kept producer prices near year-ago levels. Shipments of grapes to fresh markets have been near year-ago quantities but f.o.b. prices have been higher. At the end of 1971, only about half as many grapes were in cold storage as a year ago.

Combined production of deciduous fruits was larger in 1971; pears and cherries had greater output, as did prunes and plums outside California. Excluding items still being canned, the pack is down, and the supply for the 1971/72 season is about 4 percent less than the previous season. Pears are the only big canned item in significantly larger supply. Total shipments to January 1, excluding pineapple, were a fourth less, leaving stocks a third smaller. Stocks of apples, applesauce, apricots, fruit cocktail, and Clingstone peaches were all smaller. Wholesale prices are generally higher than a year ago but pears and apricots are cheaper.

Recent Trends in Production and Prices

Production of all citrus has increased greatly in recent years but comparing oranges with grapefruit, the effect on prices has been very

different. For analysis, average production and producer prices for the 1961 through 1965 seasons will be compared with those for the 1966 through 1970 seasons.

Total orange production increased 52 percent between these two periods and was accompanied with a 28 percent reduction in producer prices. In California production increased 22 percent while prices fell 20 percent. Navel production increased more than Valencia but prices fell about the same percentage for both. In Florida production increased 57 percent while producer prices fell a third. Early and midseason orange production increased more than Valencia, and prices fell more for the former; Texas and Arizona production has both increased greatly and prices have fallen.

Grapefruit production also increased between the two periods, with the total 35 percent greater. In contrast with oranges, however, average producer prices increased by a tenth. In Florida production was a fourth more and prices averaged 13 percent higher. In Texas, production more than doubled, causing prices to fall. In California and Arizona, production and prices were both higher. Lemon production increased 5 percent and prices went up nearly 40 percent.

Production of deciduous fruit has not shown the upward trend recently that we have for citrus, and price trends are mixed. For analysis, average production and producer prices for the 1962 through 1966 seasons will be compared with those for 1967 through 1971.

Apple production between the two periods increased only 2 percent and producer prices averaged a fifth higher. Peach production went down by 5 percent and prices were a third higher. California clingstone production was 5 percent greater and prices were a fourth higher. Other peaches had 13 percent less production and prices were about a third higher for all peaches consumed fresh.

Pear production between the two periods was 4 percent less, and producer prices averaged a fourth higher. Bartlett production on the West Coast stayed the same with prices increasing a fifth for those pears canned. Production of other pears decreased 13 percent and prices of all pears consumed fresh increased almost a third. Production of all cherries stayed nearly the same but sweet cherry output went up a fifth and tart cherry output went down about a tenth. Sweet cherry prices were 12 percent higher and tart cherry prices half again higher.

Total grape production went down 5 percent between the two five year periods. Production of wine grape varieties increased slightly in California and outside California production was up a tenth. In California producer prices averaged over 40 percent higher with wine and table varieties showing the biggest increase.

In California, plum production stayed about the same between the two periods and prices were over a fifth higher. Prune production went up 3 percent and prices averaged 6 percent lower. Production of plums

and prunes outside California decreased 11 percent and prices were a fifth higher. Total apricot production went down 13 percent and prices were 15 percent higher. Strawberry production was one percent more and prices 7 percent higher.