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THE OUTLOOK FOR FRUITS AND TREE NUTS IN 1966

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General Supply and Demand Prospects

Total supplies of fruit from this fall to mid-1966 may not vary greatly from the large volume in the same period of 1964-65. However, prospective supplies of some broad groups of fruit differ significantly from last year. Expected supplies of fresh and processed citrus are up moderately and those of processed deciduous fruits are down moderately. Remaining supplies of fresh deciduous fruits may be about as large as a year ago. Total supplies of edible tree nuts, including imports, may be up somewhat.

Over the next few years, deciduous fruit production is expected to trend upward about in line with population growth. But citrus output probably will more than match population growth, assuming favorable weather.

In the year ahead, consumer demand for fruit is expected to expand further, mainly because of population growth and income gain.

Export Outlook

In 1965-66, increased U. S. exports of fresh oranges, grapefruit, and lemons to Canada, and of grapefruit and lemons to Western Europe, are expected. Gains in exports of processed citrus juices to both areas also are expected in view of the prospective larger U. S. supplies at attractive prices. Prospects are good for increased exports of pears to Canada and Western Europe, where crops are lighter this year. Any gains in apple exports to Europe, where the crop is down, are likely to be partially offset by losses to Canada, where the crop is up.

Prospects are bright for increased exports of raisins because of heavier U. S. supplies, and of dried prunes because of below-average production in some of the foreign-producing countries. But decreased exports are expected for canned fruit because of the reduced supply and firm price position of U. S. canned peaches and fruit cocktail, the usual leaders in canned fruit exports.

Citrus Fruit

Early-season prospects for the 1965-66 U. S. citrus crop point to production moderately larger than in 1964-65 and substantially above 1963-64,

the low point following the freeze of nearly 3 years ago. Production can be expected to trend strongly upward over the next few years, assuming favorable weather. Within the next 2 years, it could reach--even exceed--the pre-freeze record volume of 1961-62.

For the next few years, the growth rate for citrus production is expected to be greater than that for population expansion. The many young citrus trees not yet bearing and the older trees still increasing in bearing capacity constitute the potential for further increases in production. Florida oranges are expected to account for most of the gains.

The 1965-66 U. S. crop of early, midseason, and Navel oranges is expected to be moderately above the 1964-65 crop. The first forecast for the new crop (made as of October 1) points to 66.9 million boxes, 6 percent above 1964-65 and 12 percent above the 1959-63 average. Production is expected to be up in all principal citrus States. Florida, with 47.3 million boxes, accounts for about 71 percent of the new crop. California, with 18 million boxes, accounts for 27 percent. Texas and Arizona make up the other 2 percent. These early-season forecasts assume average weather conditions for the rest of the season. So future weather conditions will have an important bearing on the final outturn of the crop.

Production prospects for Florida Valencia oranges appear more favorable than those for the early and midseason crop. That is, they point to a gain of more than a tenth over both last season and average. If the October 1 forecast for all Florida oranges materializes, the crop will total 91.3 million boxes, 6 percent above 1964-65 and 8 percent above average, but still 19 percent below the 1961-62 record of 113.4 million boxes. The first forecast of the California Valencia crop will be released December 10 in the crop report.

In Florida, prospective production of tangelos is up, that of tangerines down. The 1965-66 Florida lime crop was cut moderately below 1964-65 by Hurricane Betsy in early September.

The 1965-66 grapefruit crop (all U. S. except California late-season fruit) was estimated, as of October 1, at 42.5 million boxes, 8 percent above last season and 12 percent above average. Florida, the leader by far in grapefruit, accounts for most of the increase. In this State, expected production of pink and white seedless grapefruit (the kinds preferred for fresh use) is up moderately, while that of other (seeded) varieties is down. Prospective production also is up in Texas and Arizona, but down in California.

Harvest and fresh market shipment of 1965-66 crop Florida grapefruit and oranges started in September. Shipment of grapefruit increased rapidly in late September, became seasonally large by mid-October, and by early November was far ahead of the year-earlier movement, when harvest was delayed because of hurricane loss of early ripening fruit. Shipment of oranges has proceeded

more slowly to await better maturity of the fruit. Even so, weekly shipments by early November were fast approaching seasonally large volume.

Season-opening prices for Florida grapefruit and oranges at shipping points and on the principal auctions averaged somewhat below the fairly high year-earlier levels. In late October, prices averaged moderately to considerably lower than a year earlier.

Increased output of processed citrus fruits from the larger 1965-66 crop is expected. Most of the gain probably will occur in frozen orange concentrate. But increases also may be substantial in canned single-strength juices. Florida packers' stocks of principal frozen and canned items this fall are substantially larger than a year ago. So packers' supplies for the 1965-66 season also are expected to be up. But the lower current prices should stimulate movement into both domestic and export markets.

Deciduous Fruit

The 1966 crop of deciduous and other noncitrus fruits may not be greatly different from the large 1965 crop. But increases seem probable in some fruits, especially clingstone peaches, Bartlett pears, and cherries, which were down in 1965 because of unfavorable weather. On the other hand, decreases appear likely in other fruits, notably grapes, of which 1965 production was a record.

Over the next few years, total production of noncitrus fruits is expected to trend upward at about the same rate as population growth. Fruits expected to increase further include apples, peaches, and grapes, which together comprise the major part of the annual tonnage. A few other fruits also may increase noticeably. But several, especially pears and Pacific Northwest prunes, may not change greatly in level. Underlying the expectation of larger crops of some fruits are mainly increased plantings (generally of improved varieties) and better cultural methods.

The 1965 deciduous fruit crop was close to the 1964 record of 11.2 million tons and about a tenth above the 1959-63 average. Grape production was substantially above 1964; peaches, plums, cranberries, and apricots were about the same as last year; California dried prunes, apples and nectarines were down moderately; and strawberries, Pacific Northwest prunes, cherries, and pears were down substantially. The 1965 grape, fresh plum, and cranberry crops were record large, based on October 1 estimates. Grower prices for 1965 fruit crops varied around 1964 levels.

This year as always, substantial quantities of fresh apples, pears, and grapes have been placed in cold storage for sale during fall and after the turn of the year. At year end, stocks of apples in Eastern States may be larger than on January 1, 1965, while stocks in Western States may be smaller. Total stocks

of grapes probably will be up. Controlled atmosphere storage capacity is larger this year than last. In this type of cold storage, fruit, especially apples, may be held in good condition until late in the season, thus giving greater flexibility in marketing.

Because production of many of the fruits that are regularly processed in substantial volume was smaller this year than last, total output of processed deciduous fruits also is expected to be down. The 1965-66 U. S. Mainland pack (not yet completed) probably will be from 15 to 20 percent below the record 1964-65 pack. Reductions appear to be the heaviest for canned peaches, pears, fruit cocktail, and cherries. Probably about half of the decrease in the new pack will be offset by the sharp increase in packers' stocks at the start of the current season, to result in only a moderate drop in canned fruit supplies.

The 1965 U. S. pack of frozen deciduous fruits and berries (now nearing completion) also is expected to be down substantially from 1964, mainly due to lighter crops. Heavy reductions are indicated for red tart cherries and strawberries. But much of the reduction in total output will be offset by increased stocks at the start of the season last spring.

Dried fruit production in 1965-66 is expected to be moderately larger than in 1964-65 because of a substantial increase in raisins. Dried prune output is down a little.

Edible Tree Nuts

The 1965 crop of almonds, filberts, pecans, and walnuts was moderately larger than the above-average 1964 crop because of a sharp increase in pecans. The 1965 almond crop was a little below last year and the walnut and filbert crops were down moderately. Price prospects for the 1965 crops compared with 1964 are largely unchanged for almonds, up somewhat for walnuts and filberts, but down for pecans.

Some increase in U. S. exports of pecans appears likely in 1965-66. U. S. imports of cashews may not be greatly different from 1964-65, but those of Brazil nuts probably will be down.