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THE OUTLOOK FOR FRUITS AND TREE NUTS IN 1968

Talk by Charles R. Brader
Economic and Statistical Analysis Division
at the Annual Agricultural Outlook Conference
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General Supply and Demand Prospects

Deciduous fruit production is expected to trend upward about in line with population growth over the next few years. And citrus output may exceed population gains, barring weather disaster. In the near term, however, the outlook is much different.

Prospective supplies of fruits for marketing from now until next year's harvests are much smaller than at this time last season. Seldom can such a categorical statement be made in the perishable agricultural commodity business, with its variety of items produced in many places. But supply reductions this year range through citrus and noncitrus items--both fresh and processed.

Citrus Fruit

Early-season prospects for the 1967/68 U.S. citrus crop point to a production sharply below the record output of 1966/67. Most of the reduction is likely to take place in Florida where a February frost was followed by spring drought, and fruit sets are much smaller than last year. However, California also expects a substantially smaller crop. The Texas crop, showing massive damage from Hurricane Beulah's winds and floodwaters, will be down sharply. Only in Arizona are prospects brighter than a year ago.

Florida's orange crop is expected to total only 100 million boxes, compared to the 144 million output of last season. This unprecedented reduction is expected to take place in spite of a 10 percent increase in the number of bearing trees and larger average fruit sizes than a year ago. Fruit count per tree was estimated to be more than 40 percent below last year. And drop is expected to exceed last season's light fruit loss.

In California, the set of Navels is lighter than last year and the part of the orange crop estimated to date is expected to be down 17 percent from 1966/67. California's Valencia crop, which will not be estimated until December 1, also has a poor set.

Arizona's relatively small orange crop is expected to be slightly larger than last season. But the Texas output will probably be less than half of 1966/67.

The 1967/68 grapefruit crop (excluding the small summer crop in California) is expected to be 28 percent smaller than last season. As with oranges, the fruit count per tree in Florida is down sharply from last season. Reductions are about the same in both seedless and seeded varieties. In Texas, which produced more than 10 percent of U.S. grapefruit last season, the crop is expected to be down 70 percent. Large quantities were blown from the trees by Hurricane Beulah, and the fruit was too immature for salvage.

Among other citrus fruits, some production increases may materialize. Florida's tangelo and lime crops are expected to be larger than in 1966/67. And Arizona expects an increase in lemon output. But Florida's tangerine crop may be down more than a third from last season.

Last season, about 7.7 million tons of citrus were processed. This amounted to 2/3's of total sales and was almost 40 percent larger than the previous record quantity processed in 1961/62. About three-fourths of the oranges sold were processed, as was 55 percent of the grapefruit and nearly half the lemon crop.

The 1966/67 Florida pack of frozen orange concentrate was 80 percent larger than in the preceding season. So, in spite of reduced carryin stocks, supplies were heavy. Movement increased markedly last season, but packers' stocks remain sharply above a year ago. Inventories of frozen grapefruit concentrate are also greatly larger than a year ago. And carryover stocks of all major canned citrus items were up sharply. Thus, the general inventory situation can be expected to moderate the effects of the anticipated reduction in 1967/68 processed citrus output.

Fresh market shipments of the 1967/68 Florida citrus crop started in September, a little earlier than last year. Volume is still increasing, and it is too early to project season-average price levels with any accuracy. However, price prospects are considerably more favorable than a year ago, in view of the dramatic crop reduction.

Deciduous Fruit

Deciduous fruit production in 1967, was estimated on October 1 to be 14 percent below both last year and average. This resulted principally from cold, wet weather which affected the West, Midwest and East last spring. Plums and prunes were the only major deciduous fruits for which 1967 production exceeded previous-year levels. All other crops were smaller. Perhaps most prominent was the reduction for pears--this year's crop was 40 percent smaller than in 1966. But the peach crop was down a fifth. Tart cherry output was less than half of average and grape production was a sixth smaller than last year.

The fresh marketing season is over for most deciduous fruit crops. But such items as apples, pears, grapes and cranberries are stored fresh for later marketing. Output of all these items is smaller than last year, and markets during the next few months are likely to reflect the reduction.

Perhaps more evident will be the reduction in supplies of canned noncitrus fruits. At the start of the packing season, canners' stocks of most noncitrus items were much below year-earlier levels. And the 1967/68 pack of these items is expected to be substantially smaller than last season's output. Most commodities will share the reduction and the supply situation will be generally tight. FOB prices for most canned fruits have already moved well ahead of year-earlier levels, and this relationship is likely to continue into mid-1968.

Output of frozen deciduous fruits in 1967 may be up about the same as last year, but it will be well below 1964's record pack. On the basis of movement to processors, it appears that the pack of strawberries, the leading frozen fruit, may be less than last year. Furthermore, inventories of frozen fruits on October 1 were moderately below a year earlier, and will offer little relief in the general fruit supply picture.

Production of dried fruits in 1967/68 is expected to be considerably smaller than in 1966/67. This results from an anticipated 40 percent reduction in the output of raisins. Production of dried prunes is expected to be up substantially from last season, and raisin carryover was large. Nevertheless, dried fruit supplies will be down.

Edible Tree Nuts

The 1967 production of four major edible tree nuts--almonds, pecans, walnuts and filberts--is expected to about equal last year's output. A nearly one-third increase in pecan tonnage is expected to offset anticipated smaller crops of almonds, walnuts, and filberts.

Export Outlook

Export prospects for 1967/68 vary among major fruits, but total movement to foreign markets is likely to be somewhat smaller than in 1966/67.

Foreign demand continues to expand, but this year's broad reduction in domestic supplies of both fresh and processed fruits will likely contribute to curtailed export volume. Also, increased supplies of Mediterranean citrus are expected during the coming season, and will offer greater market competition, particularly in Western European markets. Record-large apple crops in France and Canada are likely to blunt any efforts for significant export gains for that commodity.