

Highlight: Fresh-Market Fruit Production

Fresh Market Generates More Than Half The Value of U.S. Fruit Production

Fruit is regarded as a versatile product because it offers consumers healthy benefits both in its fresh and many processed forms. Many of the fruits grown commercially serve both the fresh and processing markets. Some fruit industries once found the need for processing because perishability made it difficult and more costly to transport certain fruit to distant markets. With the advancement in technology over the last few decades, especially with regards to plant breeding and cold storage facilities, fresh-market fruit can now reach markets across the United States and the world and still maintain its “fresh from the farm” qualities.

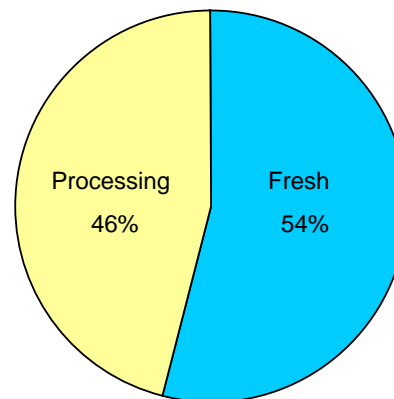
The introduction of many new processed products that cater to the changing lifestyle and preferences of consumers both here and abroad as well as the growing competition in the domestic and global fruit market continue to challenge U.S. producers of fresh market fruit. However, amidst a wide variety of processed fruit products made available to consumers each year, the U.S. fresh-market fruit sector remains a vital component of the Nation’s fruit industry. Currently, over one-third of the quantity of commercially produced fruit in the United States is marketed for fresh-market consumption. Furthermore, the high value generally associated with fresh-market fruit makes it account for slightly more than half the value of U.S. fruit production (fig. 7).

Fresh-Market Output Growth Lags Processing

U.S. fresh-market fruit production increased 2 percent to a total of 10.7 million tons between the period 1992 and 2001. While the fresh-market fruit output remained fairly flat over this 9-year period, much of the gain in U.S. fruit production was absorbed by the processing sector where production was up 17 percent, to a total of 22.4 million tons (fig. 8).

Although the actual quantity of fruit marketed as fresh increased during the period 1992 to 2001, the overall fresh-market share of utilized fruit production declined slightly from 35 percent in 1992 to 32 percent in 2001 (the most recent year with complete data on fresh-market output). This decline could be

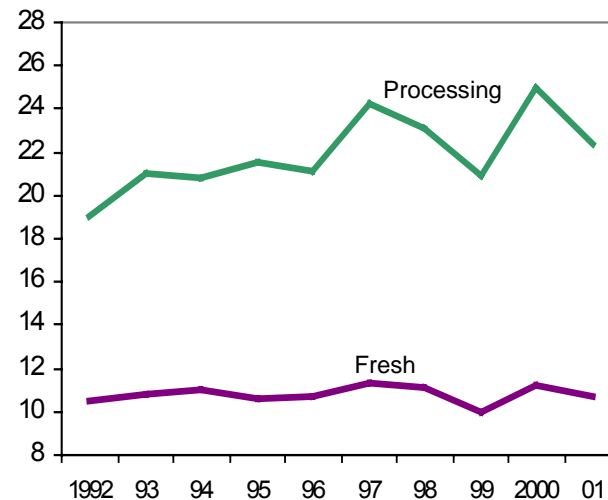
Figure 7
Fresh-market share of U.S. fruit production value, 2001



Source: National Agricultural Statistics Service and Economic Research Service, USDA.

attributed to the smaller proportion of citrus output that got channeled to the fresh market, the magnitude of which far outweighed the increase in share of fresh-market noncitrus fruit production. The processing sector grew in importance over this 9-year period, with its share of utilized production increasing 3 percentage points, to 68 percent. Much of the growth in the processing fruit sector was in the citrus juice category, with significant increases in the

Figure 8
U.S. fruit production: Fresh and processing
Mil. tons

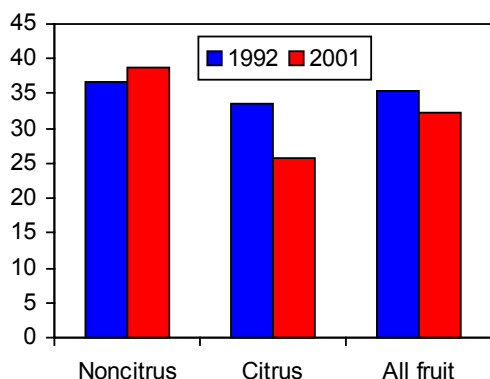


Source: National Agricultural Statistics Service, USDA.

Figure 9

Volume comparison of fresh-market U.S. fruit production, 1992 and 2001

Percent of volume



Source: National Agricultural Statistics Service and Economic Research Service, USDA.

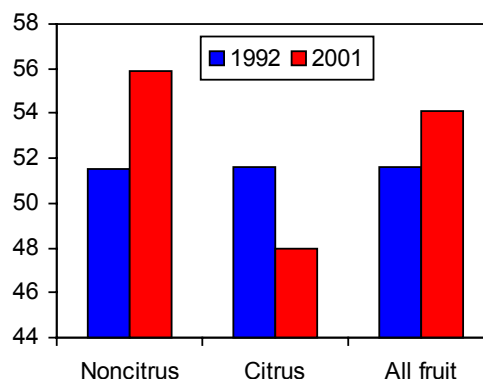
quantity of oranges and grapefruit that were sold to juice processors. Meanwhile, noncitrus fruit production channeled to juice processors declined by about 15 percent.

While not readily transparent, the growing importance of imports in the domestic fresh fruit market over the last several years may have also contributed to the diminished share of fresh-market fruit production in the United States. Fresh imports as a share of U.S. fresh-market fruit consumption increased from 36 percent in 1992 to 43 percent in 2001. Imports of most fresh-market tropical fruit, for

Figure 10

Value comparison of fresh-market U.S. fruit production, 1992 and 2001

Percent of value



Source: National Agricultural Statistics Service and Economic Research Service, USDA.

example, have increased rapidly over the last decade. Increased demand for tropical fruit was spurred by the growing ethnic diversity in the U.S. population, especially Hispanics, and the more open disposition of American consumers to try new food. Domestic supplies of most tropical fruit rely heavily on imports because climatic adaptability of these crops has limited production in the United States.

In value terms, the fresh-market share of utilized production rose slightly from 52 percent in 1992 to 54 percent in 2001. Most fresh-market fruit are priced higher at the farm level than fruit for processing because of the higher cost associated in producing them (table 7). Growers generally find it more difficult to produce for the fresh market because their aim is to produce fruit that not only tastes good but also looks good. Fresh-market fruit most often require more intensive production practices than those fruit for processing, and harvesting for the fresh market is almost entirely done by hand to ensure careful handling of the fruit. During the period 1992 to 2001, the value of fresh-market fruit increased 27 percent, to a total amount of \$5.5 billion.

Noncitrus Fruit Leads the Fresh Fruit Market

More noncitrus fruit are produced for the fresh market than citrus fruit (figs. 9 and 10). During 2001, noncitrus fruit represented over 60 percent of the volume and 80 percent of the value of U.S. fresh-market fruit production. The top five noncitrus fruit

Table 7--U.S. grower prices of selected fresh and processing fruit, 2001

Commodity	Fresh	Processing
--- \$ per ton ---		
Noncitrus:		
Grapes	689.0	409.0
Apples	458.0	106.0
Strawberries	1,514.0	590.0
Peaches	620.0	231.0
Avocados	1,400.0	--
Pears	364.0	175.0
Sweet cherries	1,590.0	527.0
--- \$ per box 1/ ---		
Citrus:		
Oranges	9.97	4.96
Grapefruit	7.07	2.79
Lemons	17.25	0.48

1/ Equivalent packinghouse-door returns.

Source: National Agricultural Statistics Service, USDA.

sold in the fresh market were grapes, apples, strawberries, peaches, and avocados. With a combined value of \$3.5 billion during 2001, production of these five fruit crops accounted for 79 percent of the value of fresh-market noncitrus production.

Top Five Fruit Dominate the Fresh Market

Individual fruit industries may differ in their representation of the U.S. fresh-market fruit sector. Some fruit are grown solely for fresh-market consumption while others serve mainly the processing markets. From among all the reported fruit crops produced commercially in the United States during 2001, apples, strawberries, grapes, oranges, and peaches made up 69 percent of the value of U.S. fresh-market production. While rankings are different, these five fruit crops also led in terms of volume produced that year (except that grapefruit was included and ranked third largest).

Among the top five fruit, processing captures a larger proportion of U.S. grape and orange production. Not counting the other minor processing categories, more than half of U.S. grape production gets utilized in the manufacture of wine and over one fourth is used to make raisins. Over 80 percent of U.S. orange production gets processed into juice. The fresh-market share of production (in value terms) for grapes and oranges ranged only from 20 to 35 percent of utilized production (table 8). Meanwhile, the fresh-market share of utilized production for apples, strawberries, and peaches ranged between 70 to 90 percent.

Other minor crops had a larger concentration of production going to the fresh market. For example, virtually all domestically produced bananas (Hawaiian) and avocados as well as over 90 percent of U.S. nectarines, papayas, and limes were for the fresh market. Data for some of these crops are not divided into fresh and processing and so fresh use is estimated.

California Produces More Than Half the Nation's Fresh-Market Fruit

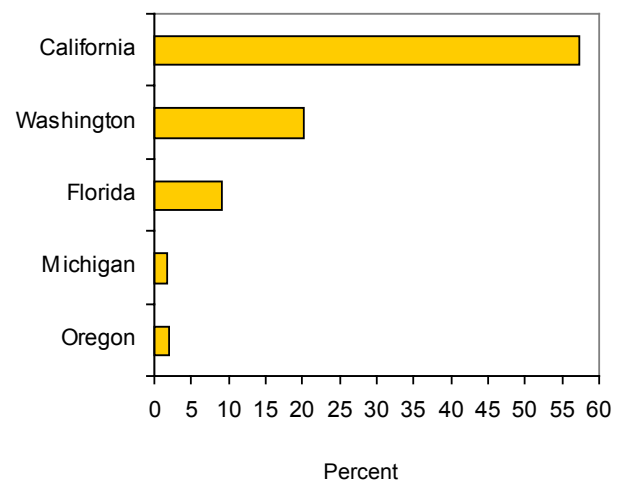
Based on 2001 fruit bearing acreage, the Nation's five largest fruit-producing States are California, Florida, Washington, Michigan, and Oregon.

California far exceeds all other States in fruit production, accounting for more than half of fruit bearing acreage, followed by Florida, with 19 percent, and Washington, with 7 percent. Acreage in Michigan and Oregon ranged between 2 to 3 percent.

Similar in proportion to bearing acreage, California accounts for more than half the value of U.S. fresh-market fruit production. California is the largest producer of grapes, strawberries, peaches, nectarines, and kiwifruit. The State is also a major producer of a variety of other noncitrus fruit like apples, pears, plums, and sweet cherries. All these crops have significant volumes produced for the fresh market. California is also the second largest producer of citrus fruit, with specialization on the fresh marketing of the crop.

Citrus processing, on the other hand, is highly concentrated in Florida, the largest citrus-producing State. Florida accounted for approximately 9 percent of the value of U.S. fresh-market fruit production during 2001, with more than half the value associated with citrus production. Washington's fresh-market share was approximately 20 percent, all of which were from noncitrus fruit production. As the Nation's largest producer of apples, over 75 percent of the value of fresh-market fruit production in Washington during 2001 were attributed to apple production. Michigan and Oregon each accounted for nearly 2 percent of U.S. fresh-market output value.

Figure 11
Share of U.S. fresh-market fruit output: Top five States



Source: National Agricultural Statistics Service, USDA.

Table 8--U.S. fresh-market fruit production, by commodity, 2001

Commodity	Volume 1,000 tons	Share of utilized	Value 1,000 dollars	Share of utilized
		production Percent		production Percent
Noncitrus:				
Apples	2,771.1	58.9	1,271,593	86.1
Apricots	18.2	24.1	11,768	44.3
Avocados	211.3	100.0	296,010	100.0
CA dates	19.7	100.0	27,777	100.0
CA figs	2.0	5.0	1,017	7.0
Kiwifruit	22.2	96.5	14,266	93.0
Nectarines	265.4	96.5	127,392	99.8
Olives	0.5	0.4	250	0.3
CA plums 1/	197.0	100.0	66,443	100.0
Prunes & plums	11.0	55.0	3,790	69.4
CA Prunes	2/	0.0	2/	0.0
Strawberries	642.2	77.1	972,568	89.6
Cultivated blueberries	44.5	45.4	109,088	66.0
Wild blueberries	0.2	0.5	490	2.1
Boysenberries 1/	0.1	4.0	165	4.0
Loganberries	0.0	5.0	15	30.0
Black raspberries	0.0	0.3	14	0.8
Red raspberries	2.4	5.3	7,195	15.7
CA raspberries 1/	0.6	5.0	2,058	5.0
Cultivated blackberries	0.7	3.4	1,545	8.9
Sweet cherries	145.7	66.4	231,187	85.6
Tart cherries	1.0	0.6	1,022	1.8
Cranberries 3/	21.3	8.9	8,861	8.9
Grapes	864.4	13.2	595,823	20.4
Peaches	581.1	49.6	359,812	72.5
Pears	547.1	56.5	199,294	73.1
Bananas	14.0	100.0	10,640	100.0
Guavas	2/	0.0	2/	0.0
Papayas	26.0	94.5	14,508	99.4
Pineapples	110.0	34.1	68,860	71.5
Noncitrus total	6,519.6	38.8	4,403,452	55.9
Citrus:				
Oranges	2,244.0	18.4	583,239	34.7
Grapefruit	1,093.0	44.4	195,047	68.4
K-early	1.0	50.0	149	79.7
Lemons	510.0	51.2	231,272	97.4
Limes	10.0	90.9	4,180	98.4
Tangelos	34.0	35.8	4,526	55.2
Tangerines	260.0	69.7	93,091	96.2
Temps	15.0	26.8	2,470	46.8
Citrus total	4,167.0	25.7	1,113,974	48.0
Total fruit	10,686.6	32.3	5,517,426	54.1

1/ Estimated. 2/ All processed. 3/ General reported grower price per barrel used to estimate fresh-market value.

Source: National Agricultural Statistics Service and Economic Research Service, USDA.