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Australia

Dried Fruit

Annual

2004

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Report Highlights:
Dried vine fruit production is forecast to increase in 2005/06, assuming average weather conditions. Dried vine fruit exports in 2005/06 are forecast to increase, while imports are expected to decline, reflecting the favorable 2005/06 production forecast.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
Annual Report
Canberra [AS1]
[AS]

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SECTION ONE: SITUATION AND OUTLOOK

General

The overwhelming majority of the dried vine fruit (DVF) industry is located in the Sunraysia district, in far northwestern Victoria, with the township of Mildura at its center. The crop is grown under irrigation, with the growing region typically receiving only minimal rainfall. DVF makes up the majority of Australia's dried fruit production. DVF is defined as fruit produced from dried grapes, including sultanas and raisins, but not currants.

The marketing year for DVF is March to February. The Australian DVF crop is typically harvested in March and April and is marketed through to the following February.

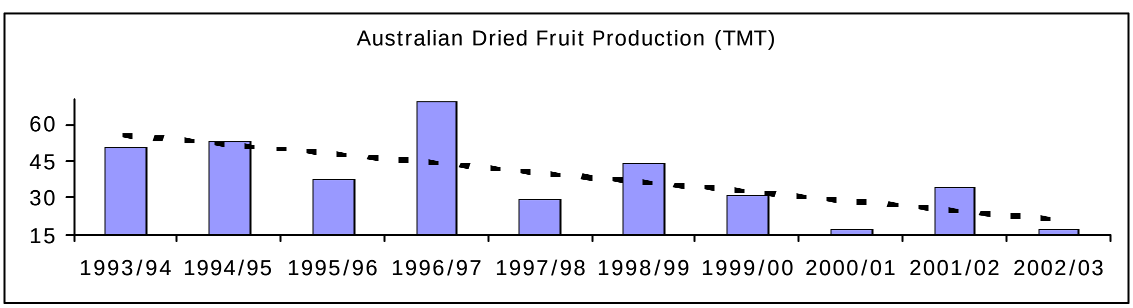
Supplies of grapes suitable for DVF production have been intensively sought after by domestic wineries for wine production. In the past, this has resulted in reduced deliveries of grapes for DVF production. More recently, however, greater supplies of specialty wine grapes have permitted some productive capacity to return to the DVF industry. However, competition for fruit from the wine industry remains keen and a constant threat to limit Australian DVF production.

Production

DVF production in 2005/06 is forecast at 30,000 MT, three percent higher than the revised figure for the previous year. Industry sources indicate "bud burst" as above average and anticipate a good flowering. Post assumes average weather conditions and adequate supplies of irrigation water in arriving at this forecast. Drier conditions or constrained irrigation water supplies would likely result in lower production.

DVF production for 2004/05 is estimated at 29,000 MT, down slightly on Post's previous figure (see GAIN report #AS3036). Industry sources describe growing season conditions as above average, with drying and harvesting conditions near perfect. Consistently warm and dry weather leading up to harvest allowed the crop to be harvested in excellent condition.

Historical data provided by the Australian Bureau of Agriculture and Resource Economics (ABARE) shows Australian DVF production in overall decline over the last ten years.



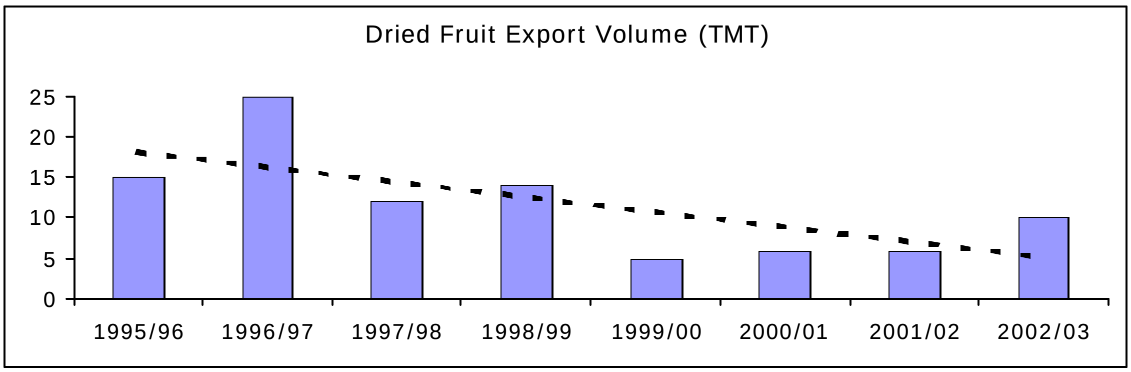
Source: ABARE

Exports

DVF exports in 2005/06 are forecast at 11,000 MT, up 10 percent from the estimate for the previous year. Increased production and higher stock levels are expected to boost the availability of fruit suitable for export.

DVF exports for 2004/05 are estimated at 10,000 MT, sharply higher than the previous estimate and 69 percent higher than the year-earlier figure. Year-to-date (March-August) export figures show a significant increase in exports, compared with the same period in the previous year. The bulk of Australia's DVF exports are destined for Europe.

Historic data obtained from ABARE indicates Australian DVF exports in general decline over the last 10 years, similar to the overall decline in production over this period.



Source: ABARE

Imports

DVF imports are forecast at 16,000 MT in 2005/06, down 19 percent from a year earlier. Higher domestic production and higher domestically held stocks are expected to trim import volumes. ABARE does not publish historical import figures.

Imports in 2004/05 are estimated at 19,700 MT, up from the previous figure and slightly higher than the previous year. Year-to-date (March-August) figures show a rise from the same period for the previous year. A diminished beginning stock level, caused by reduced production in the previous year, and a stronger Australian dollar contributed to higher DVF imports in 2004/05. Most of Australia's DVF imports are traditionally sourced from Turkey and Iran; the United States is also a significant supplier.

Domestic Consumption

Official domestic consumption figures are unavailable.

Policy

The DVF crop failure experienced in 2003/04 along with a similar failure in 2001/02 has placed considerable pressure on the viability of the Australian DVF industry.

In May 2003, the Australian Dried Fruits Association engaged consultants to draft proposals for industry assistance measures with an aim to identify ways to stimulate investment in new technologies and improved performance of the industry. In March 2004, the Federal

Government announced funding of A$60,000 to develop a new DVF grower training program. A pilot training program is expected to commence in 2004/05.

Australia-U.S. Free Trade Agreement: Australia and the United States completed free trade agreement (FTA) negotiations in February 2004. The FTA could be implemented as soon as January 1, 2005. Currently, Australia maintains an import tariff of five percent on raisins imported from the United States. Under the FTA, Australia's tariff on imports from the United States would be eliminated immediately, giving the United States preferential access into the market.

Marketing

Horticulture Australia Limited (HAL) is the horticulture industries' service provision organization, which replaced the Australian Horticultural Corporation (AHC) and the Horticultural Research and Development Corporation (HRDC). HAL provides cooperative assistance to the DVF industry through research and development and marketing programs.

The Australian Dried Fruits Association (ADFA) represents the DVF industry. Membership in this organization is voluntary and is open to both growers and processors.

SECTION TWO: STATISTICAL TABLES

PSD Table Raisins							
	2002	Revised	2003	Estimate	2004	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		03/2003		03/2004		03/2005	MM/YYYY
Area Planted	25	25	24	24	0	23	(HA)
Area Harvested	23	23	21	20	0	18	(HA)
Beginning Stocks	4109	4109	1773	1773	3173	4973	(MT)
Production	16118	16118	29500	29000	0	30000	(MT)
Imports	19478	19478	13900	19700	0	16000	(MT)
TOTAL SUPPLY	39705	39705	45173	50473	3173	50973	(MT)
Exports	5932	5932	7000	10000	0	11000	(MT)
Domestic Consumption	32000	32000	35000	35500	0	37000	(MT)
Ending Stocks	1773	1773	3173	4973	0	2973	(MT)
TOTAL DISTRIBUTION	39705	39705	45173	50473	0	50973	(MT)

Import Trade Matrix Raisins			
Time Period	Jan - Dec	Units:	MT
Imports for:	2002		2003
U.S.	1828	U.S.	1073
Others		Others	
Turkey	10263	Turkey	10037
Greece	1835	Iran	2568
Iran	1693	Chile	696
South Africa	995	South Africa	410
Chile	916	Greece	367
Argentina	132	China	106
		Argentina	77
		Lebanon	1
Total for Others	15834		14262
Others not Listed	7		1
Grand Total	17669		15336

Export Trade Matrix
Raisins

Time Period	Jan - Dec	Units:	MT
Exports for:	**2002**		**2003**
U.S.	0	U.S.	0
Others		**Others**	
Germany	2477	Germany	2378
United Kingdom	1306	United Kingdom	1554
Canada	812	Canada	700
New Zealand	556	Italy	662
Japan	467	New Zealand	585
Italy	370	Japan	412
Netherlands	166	Netherlands	331
Malaysia	139	Malaysia	166
Belgium-Luxembourg	124	Belgium	145
Taiwan	83	Belgium-Luxembourg	124
Total for Others	**6500**		**7057**
Others not Listed	249		342
Grand Total	**6749**		**7399**