USDA Foreign Agricultural Service
GAIN Report
Global Agriculture Information Network

Template Version 2.08

Required Report - public distribution

Date: 10/3/2003

GAIN Report Number: AS3036

Australia

Dried Fruit

Annual

2003

Approved by:
Andrew C. Burst, Agricultural Counselor
U.S. Embassy

Prepared by:
Mike Darby, Agricultural Specialist

Report Highlights:
Production of dried grapes in 2003/04 is estimated at 16,118 MT, down dramatically on the figure for the previous year. Poor weather reduced production to about half of potential. Dried grape production is forecast to increase in 2004/05 in line with the long-term average. Post projects exports for 2003/04 to fall. Exports of dried grapes are forecast to increase for 2004/05 with a forecast return to normal production levels. Post expects imports to increase slightly for 2003/04. Post forecasts imports to decrease sharply in 2004/05 with a return to more normal domestic production levels.

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

Table of Contents

SECTION ONE: SITUATION AND OUTLOOK

General

Dried Vine Fruits (DVF) make up the majority of Australia's dried fruit production. This report defines DVF as fruit produced from dried grapes including sultanas and raisins, but not currants.

The marketing year used in this report runs from March to February. The Australia DVF crop is harvested in March and April and is marketed through to the following February. This means that for the 2003/04 year, harvest occurs in March 2003 and the crop is marketed from then through to February 2004. However, the crop is grown over the previous year, with bud burst beginning the growing season in September 2002.

The overwhelming majority of the DVF industry is located in the Sunraysia district, with the township of Mildura at its center, in far northwestern Victoria. The crop is grown under irrigation, typically receiving only minimal rainfall.

Weather Conditions

Weather conditions for the 2003/2004 crop (harvested March 2003) was dominated by widespread drought conditions across much of the Australian continent, including the Sunraysia area. Furthermore, poorly timed rainfall and prolonged periods of humidity together with high temperatures dramatically reduced yields

More normal precipitation has been received leading into the 2004/05 crop (harvested March 2004), and drought conditions appear to be breaking down. Industry sources report that irrigation water availability should not constrain production. However, some growers have already experienced frost (post "bud burst") and this has trimmed estimates for the 2004/05 crop from above average to around average.

Production

DVF production for 2003/04 is estimated by Post at 16,118 MT, down dramatically on the adjusted figure of 29,956 MT for the previous year. This is the second lowest production year on record; with the disastrous harvest of 2001/2002 the only smaller harvest (13,676 MT). Industry reports state that poor weather including extreme heat, poorly timed rainfall, followed by long periods of humidity, depleted production to about half of potential. According to reports, the climatic conditions had a devastating impact on some growers.

DVF production is forecast to increase to 30,000 MT in 2004/05. This figure is more in line with the long-term average and is indicative of forecasts being made by industry sources. Above average "bud burst" raised hopes for unusually high fruitfulness and yield. However, parts of the Sunraysia district have since suffered from a frost event, which has adversely affected some producers. Post now anticipates an average-sized crop.

Exports

Post estimates exports for 2003/04 to fall to 5,500 MT, despite an increase in year-to-date export figures provided by the Australian Bureau of Statistics (ABS). A significant fall in production due to the crop failure in 2003/04 is expected to see exports falling dramatically in the second half of the year as exportable stocks begin to dry up, according to industry sources.

Exports of DVF are forecast to increase to 7,900 MT in 2004/05, with a forecast return to normal production levels. The forecast increase in exports is slightly constrained by the expected rise in stocks to a level more reflective of the long-term average.

Australia's largest export market for DVF is Germany, taking around 37 percent of total exports in CY 2002. The UK and Canada are the next largest markets taking around 19 and 12 percent respectively.

Imports

Post estimates imports to increase slightly to 19,000 MT in 2003/04, despite a slight decrease in ABS year-to-date data. This figure is historically high and driven by dramatically reduced domestic production. Post notes that import levels prior to this year had not subsided from the inflated levels caused by the disastrous crop of 2001/02.

Post forecasts imports to decrease sharply in 2004/05 to 13,900 MT, with a return to more normal domestic production levels.

Turkey supplies the majority of Australia's imported DVF, accounting for around 58 percent of total imports in CY 2002. Greece and the U.S. accounted for a further 10 percent each, with Greece supplying slightly more than the U.S.

Domestic Consumption

Domestic consumption figures for DVF are unavailable. Figures provided by Post are derived from production and trade figures.

Policy

The DVF crop failure experienced in 2003/04 combined with the crop failure of 2001/02 has placed considerable pressure on the viability of the Australian DVF industry. The Australian Dried Fruits Association (ADFA) is the peak body representing the views of Australian DVF growers.

In May 2003, ADFA engaged consultants to draft proposals for industry assistance measures. The consultants are expected to provide a range of suggestions relating to how DVF growers can better access existing government programs. The consultants will also identify and review programs available to other industries and support arguments for specific government funding assistance. ADFA is expected to make representation to the government upon the conclusion of this process.

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 was established under corporations law as a not-for-personal-profit company in accordance with the Memorandum of Understanding (MOU) signed by 26 industry organizations. The focus of the new company is the continued marketing and promotion of horticultural products in both domestic and export markets, as well as to exploit the opportunities for uptake and commercialization of new technology.

HAL provides cooperative assistance to the DVF industry through research and development and marketing programs. The Australian dried grape marketing program continues to provide support for the processing and marketing sectors within the Australian DVF industry. Recent industry reports state that spending on this program has been reduced by a third to A$100,000 due to a smaller 2003/04 crop. However, the promotional campaign will continue to support sales into New Zealand, the U.K., Germany, Japan and Canada. Industry aims to maintain its presence in these key markets.

SECTION TWO: STATISTICAL TABLES

PS&D Table

Australia Raisins							
	2001	Revised	2002	Estimate	2003	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		03/2002		03/2003		03/2004	MM/YYYY
Area Planted	25	25	25	25	0	25	(HA)
Area Harvested	22	22	23	23	0	23	(HA)
Beginning Stocks	1000	1000	4710	4109	1910	1935	(MT)
Production	30492	29956	20000	16118	0	30000	(MT)
Imports	17002	17002	18000	19000	0	13900	(MT)
TOTAL SUPPLY	48494	47958	42710	39227	1910	45835	(MT)
Exports	7784	7849	6000	5500	0	7900	(MT)
Domestic Consumption	36000	36000	34800	31792	0	34000	(MT)
Ending Stocks	4710	4109	1910	1935	0	3935	(MT)
TOTAL DISTRIBUTION	48494	47958	42710	39227	0	45835	(MT)

Export Trade Matrix

Australia Raisins			
Time Period	**Jan - Dec**	**Units:**	**MT**
Exports for:	**2002**		**2003**
U.S.	0	U.S.	0
Others		Others	
Germany	2477	Germany	2254
United Kingdom	1306	United Kingdom	1020
Canada	812	Canada	534
New Zealand	556	New Zealand	392
Japan	467	Italy	392
Italy	370	Japan	321
The Netherlands	166	The Netherlands	310
Malaysia	139	Belgium	62
Belgium	124	Greece	62
Taiwan	83	Malaysia	62
Total for Others	6500		5409
Others not Listed	249		315
Grand Total	**6749**		**5724**
Figures for 2003 are partial year Jan - Aug			

Import Trade Matrix

Australia Raisins			
Time Period	**Jan - Dec**	**Units:**	**MT**
Imports for:	**2002**		**2003**
U.S.	1828	U.S.	729
Others		Others	
Turkey	10263	Turkey	6825
Greece	1835	Iran	1046
Iran	1693	Chile	365
South Africa	995	South Africa	268
Chile	916	Greece	179
Argentina	132	Argentina	38
		China	36
Total for Others	15834		8757
Others not Listed	7		0
Grand Total	**17669**		**9486**
Figures for 2003 are partial year Jan - Aug			