Chapter 9. Fruit

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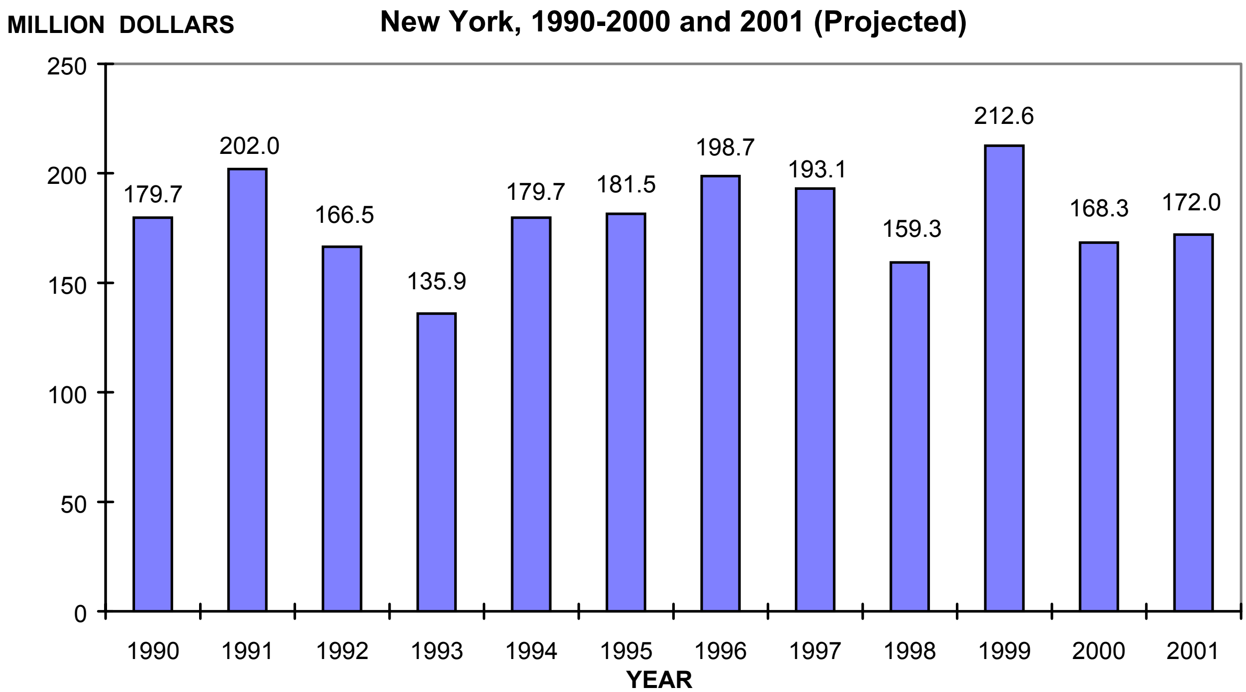
The total production of the six tree and vine crops which are important to New York's agricultural economy was projected to decrease by 11 per cent nationally. The national production of sweet cherries and tart cherries were forecast to increase compared with last year's production, while decreased production was indicated for apples, grapes, pears and peaches. The national production of apples was forecast at 228 million bushels, down ten percent from 2001, and the shortest crop since 1988. Grape production was expected to total 6.5 million tons, a decrease of 15 percent from last year's record crop.

In New York, apple production is indicated to be 23.8 million bushels, fractionally above last year's crop, but 21 per cent below the huge crop of '99. Indicated production is nine percent below the average production of the last 5 years. Grape production of 141 thousand tons was estimated, 8 percent below last year's near average crop. Total production of the six major fruit and vine crops of 666 thousand tons is projected for the State, down 2 percent from the previous year. Total production is the lowest since the extremely short crop year in 1993.

The utilized value of the major fruit tree and vine crops in New York for the last ten years and the projected value for 2001 is shown below. With much smaller than average apple and grape crops and only slightly higher prices, the value of the state's major fruit tree and vine crop is projected at $172 million, slightly above last year, but well below the record $213 million realized in '99.

FIGURE 9-1. VALUE OF PRODUCTION OF MAJOR TREE FRUIT & VINE CROPS
New York, 1990-2000 and 2001 (Projected)



Source: New York Agricultural Statistics, 2000-2001

TABLE 9-1. COMMERCIAL NONCITRUS FRUIT PRODUCTION
New York and United States

	New York				United States			
Fruit	1998	1999	2000	2001*	1998	1999	2000	2001*
	thousand tons							
Apples	535	630	498	500	5,823	5,315	5,324	4,780
Grapes	128	205	154	141	5,820	6,236	7,658	6,472
Tart Cherries	7	9	8	7	174	128	144	178
Pears	12	13	15	10	970	1,015	967	916
Peaches	5	7	6	7	1,200	1,263	1,300	1,269
Sweet Cherries	1	1	1	1	197	216	207	236
Total New York's Major Fruit Crops	688	865	682	666	14,184	14,173	15,600	13,851

*indicated

TABLE 9-2. AVERAGE FARM PRICES OF NONCITRUS FRUITS
New York and United States

	New York				United States			
Fruit	1997	1998	1999	2000	1997	1998	1999	2000
	dollars per ton							
Apples								
Fresh	352	316	330	340	442	346	426	358
Processed	166	160	134	130	130	95	128	103
All Sales*	252	228	228	234	308	244	300	258
Grapes	292	311	286	298	429	454	469	405
Tart Cherries	346	360	314	360	318	290	436	374
Pears	384	375	388	353	276	291	294	264
Peaches	922	832	908	800	354	384	380	390
Sweet Cherries	1,720	2,070	1,490	1,370	1,250	1,100	1,100	1,340

TABLE 9-3. VALUE OF UTILIZED PRODUCTION, NONCITRUS FRUITS
New York and United States

	New York				United States			
Fruit	1997	1998	1999	2000	1997	1998	1999	2000
	million dollars							
Apples								
Fresh	91.5	66.4	97.4	78.2	1,288	1,111	1,278	1,123
Processed	49.8	43.2	42.9	30.9	288	206	286	213
All Sales*	141.3	109.6	140.2	109.1	1,575	1,316	1,564	1,336
Grapes	40.0	38.9	58.4	45.9	3,126	2,640	2,927	3,104
Tart Cherries	2.3	2.2	2.7	3.0	45	44	56	53
Pears	3.1	3.8	4.4	4.6	288	282	298	250
Peaches	5.3	3.5	5.5	4.5	444	447	463	489
Sweet Cherries	1.1	1.3	1.5	1.2	279	213	235	274
Total New York's Major Fruit Crops*	193.1	159.3	212.8	168.3	5,758	4,943	5,543	5,506

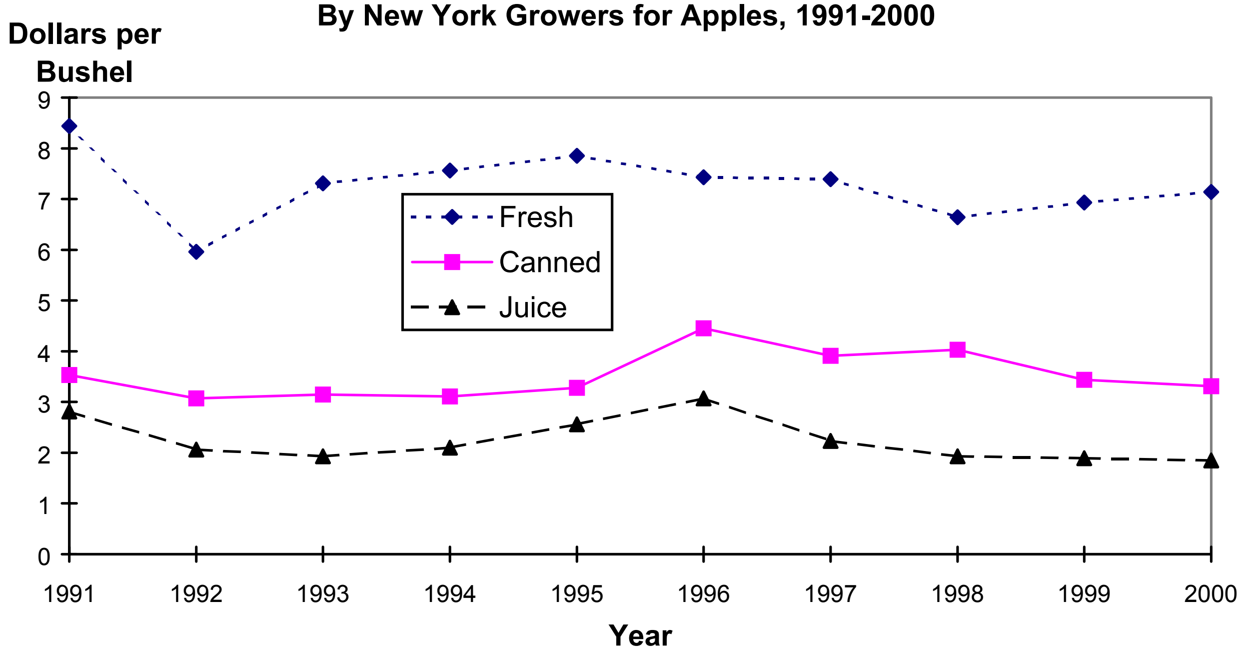
*May not add from total of fresh and processed due to rounding errors.
Source: NASS, USDA, Noncitrus Fruits and Nuts 2000 Summary, July 2001.

TABLE 9-4. APPLE PRODUCTION, UNITED STATES, 1996-2000, Five-Year Average Production, and 2001 Forecast 1,000 42-Pound Bushels

States/Regions	5-Year Average 1996-2000*	2000*	2001 USDA Estimate**	2001 Compared to USDA 5-Year Average % Change	2001 vs. 2000 % Change
Maine	1,355	929	1,024	-24.4	10.3
New Hampshire	838	810	619	-26.1	-23.5
Vermont	1,088	988	857	-21.2	-13.3
Massachusetts	1,245	1,190	1,071	-14.0	-10.0
Rhode Island	74	55	31	-58.1	-43.5
Connecticut	500	488	429	-14.3	-12.2
New York	26,071	23,690	23,810	-8.7	0.5
New Jersey	1,286	1,190	1,310	1.9	10.0
Pennsylvania	10,957	11,310	10,952	0.0	-3.2
Maryland	863	802	952	10.3	18.7
Virginia	7,310	8,333	8,095	10.7	-2.9
West Virginia	2,667	2,143	2,738	2.7	27.8
North Carolina	4,367	4,524	2,381	-45.5	-47.4
South Carolina	890	476	131	-85.3	-72.5
Georgia	319	333	214	-32.8	-35.7
Total East	**59,901**	**57,262**	**54,614**	**-8.8**	**-4.6**
Ohio	2,062	2,452	2,429	17.8	-1.0
Indiana	1,225	1,071	1,262	3.0	17.8
Illinois	1,298	1,000	1,357	4.6	35.7
Michigan	22,619	20,238	22,619	0.0	11.8
Wisconsin	1,524	1,690	1,690	10.9	0.0
Minnesota	532	524	524	-1.6	0.0
Iowa	244	179	181	-25.9	1.3
Missouri	981	905	976	-0.5	7.9
Kansas	101	71	107	5.6	50.0
Kentucky	208	155	190	-8.3	23.1
Tennessee	250	226	226	-9.5	0.0
Arkansas	146	171	214	47.1	25.0
Total Central	**31,190**	**28,683**	**31,776**	**1.9**	**10.8**
Total East & Central	**91,091**	**85,945**	**86,390**	**-5.2**	**0.5**
Colorado	776	714	619	-20.2	-13.3
New Mexico	143	190	NA	NA	NA
Utah	919	1,167	548	-40.4	-53.1
Idaho	3,167	3,333	2,857	-9.8	-14.3
Washington	133,333	140,476	116,667	-12.5	-16.9
Oregon	3,871	3,976	3,571	-7.7	-10.2
California	20,562	15,476	16,571	-19.4	7.1
Arizona	1,525	2,262	405	-73.5	-82.1
Total West	**164,297**	**167,595**	**141,238**	**-14.0**	**-15.7**
TOTAL U.S.	**255,388**	**253,540**	**227,629**	**-10.9**	**-10.2**
TOTAL NORTHEAST	**47,016**	**43,595**	**43,793**	**-6.9**	**0.5**

*2000 and 5-year average production from NASS, USDA, Non-Citrus Fruits and Nuts Summary July 2001.
**NASS, USDA, Crop Production, October 10, 2001.

FIGURE 9-2. AVERAGE ANNUAL PRICES RECEIVED
By New York Growers for Apples, 1991-2000



Source: New York Agricultural Statistics, 2000-2001.

Over the past decade until 1996, prices for processed apples were fairly constant, while fresh apple prices had more pronounced fluctuations due to particular supply and demand conditions in a given year. In 1996, prices for canned and juice apples increased dramatically while the price for fresh apples decreased. The value of the 1996 apple crop was 138.9 million dollars, buoyed by record prices for processed fruit. Since 1996, processing prices have steadily declined; however, in 1999, the largest crop since 1926 pushed up the crop value to $140.2 million, despite soft prices. Lower production, lower processing prices, and hail damage in the Hudson Valley pushed down the crop value in 2000 to $109.1 million.

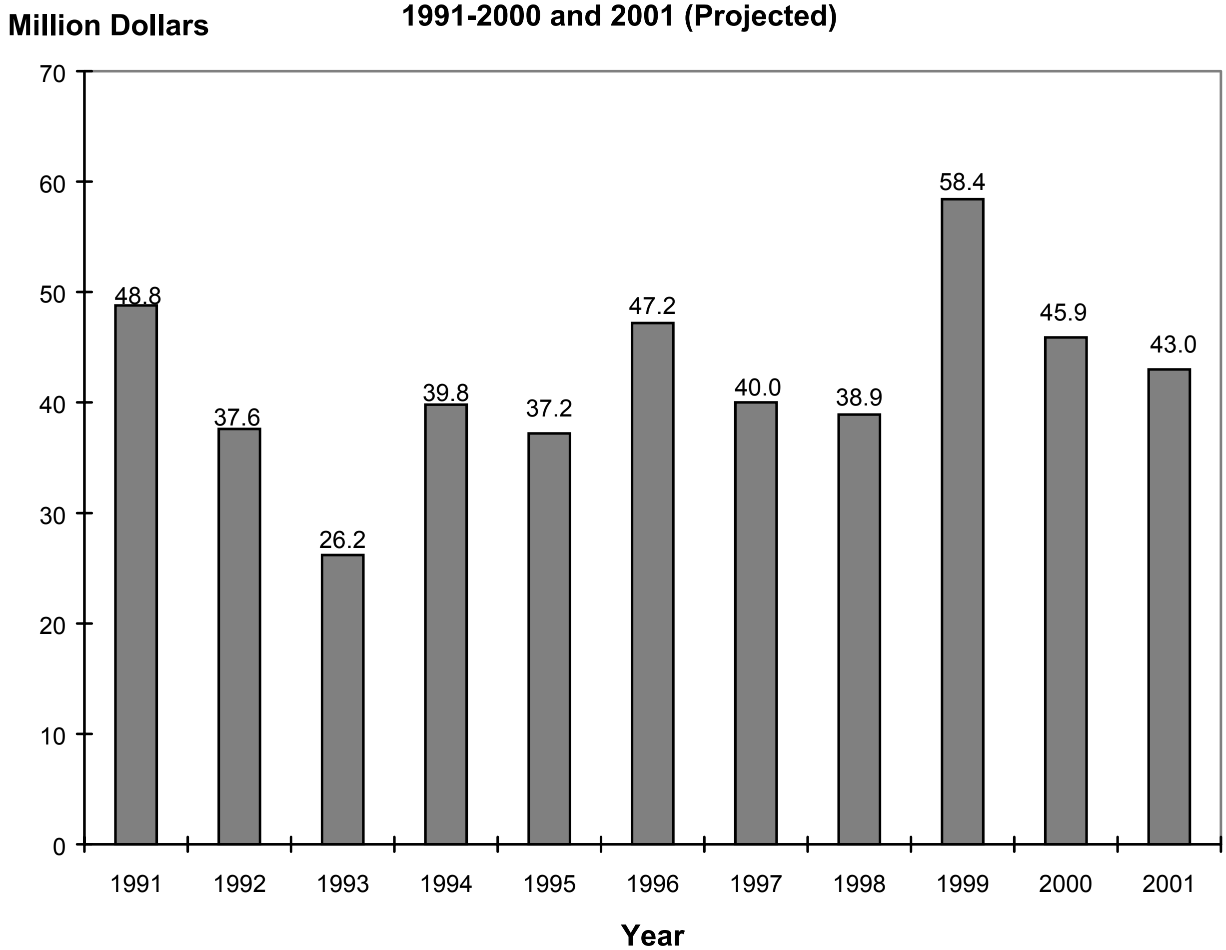
In October 2001, the average price for fresh apples in New York State was 19.7 cents per pound, three per cent below last year. Apple production in the Northern Hemisphere is down about seven percent from last year's record output, down notably in EU countries such as Germany, Italy, and France. EU production is down 18 percent from last year's record. Washington state's short crop of large sized apples and the strong value of the dollar in relation to the British pound are factors that will affect export potential. Exports from New York were running well above a year ago, with very strong movement in October to the UK and Ireland. Exports may increase slightly above last year's shipments of 760 thousand cartons. For the entire season, New York's average price for fresh apples will probably average about the same as last year at 17 cents per pound.

Announced processing apple prices in 2001 were up about 2.5 percent for peelers above 2 and 1/2 inches (but down for smaller peelers). Juice apples in the fall were being sold mostly for 4 to 4.5 cents, slightly above last year. Juice prices are unlikely to average more than the 4.4 cents per pound for the '01 crop. Overall apple growers can expect increased revenue. Net income will be much improved for growers in the Hudson Valley as their receipts recover from the hail-damaged crop value last year. Net income will be similar to last year for Champlain Valley and Western New York growers. The total value of the crop is projected at $116 million, about six percent above last year's crop value. (The assistance of Alison DeMarree, Area Specialist, Cornell Cooperative Extension, is acknowledged for this section of the handbook.)

Grapes

The New York grape crop this year is projected to be 141,000 tons, about 14 percent below the average of the last five years. Market conditions were generally favorable for both juice and wine grape growers. When the final crop value estimate is available, it will likely show a crop value of $43 million, down slightly below last year due to lower production, and well below the record value of $58.4 million realized in 1999.

FIGURE 9-3. VALUE OF UTILIZED PRODUCTION OF GRAPES
1991-2000 and 2001 (Projected)

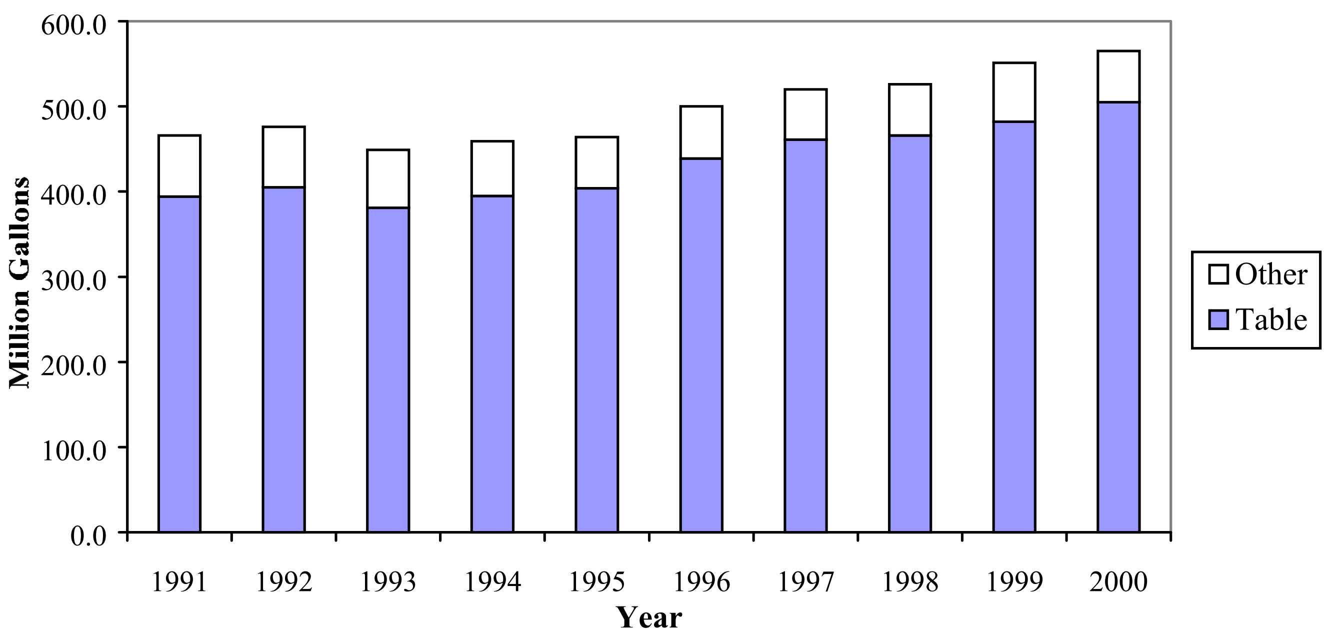


Source: New York Agricultural Statistics, 2000-2001.

Total wine consumption in 2000 increased 2.5 percent. Increased consumption was driven by the seventh consecutive gain in the table wine category, which now accounts for 89 percent of US consumption. The "other wine" category registered a decrease in 2000 due to more normal consumption of sparkling wine and champagne which had been unusually high in '99 due to end of the millennium celebrations. Favorable publicity given to research showing positive health benefits from regular, moderate wine consumption has undoubtedly increased consumption. Final consumption figures for 2001 will likely show a growth in U.S. wine consumption of about 3 percent.

The US economy is now probably in a recession. The likely impacts are the following: (1) consumers will increase consumption of alcohol, and wine will share in the increased consumption; (2) consumers will trade down from higher priced products to lower priced products; (3) consumers will entertain more at home, resulting in less purchases for on-premise consumption, but more purchases for off-premise consumption; and (4) baby-boomers (who comprise the most important drivers of increased wine consumption) will continue to reward themselves in times of adversity as well as in the good times. The results: a continued increase in US consumption (by volume), but a relatively unchanged level of retail sales. We can expect to see increased resistance to higher priced products ($25 and up) as consumers become more price conscious due to the slowing economy. We can also expect to see price-cutting and more bargains, especially for wine priced below $7 per bottle at retail.

FIGURE 9-4. TOTAL WINE CONSUMPTION, U.S.
1991-2000



Source: Wine Institute/Department of Commerce/Gomberg, Fredrickson and Associates

Concords are the predominant variety grown and processed in New York. There were 113,300 tons of Concords from New York processed in 2000, 27 percent below the record crop of ’99. Over the past five years, Concords have comprised 75 percent of total tonnage utilized. The second leading variety is Niagara with 8.1 percent of tonnage followed by Catawba with 4.7 percent. *Vinifera*, with an average of just 4,013 tons utilized, accounted for just 2.5 percent of the NY crush over the last five years.

The average price for French-American hybrids such as Aurore, de Chaunac, and Seyval has been flat to declining in recent years until the short crop of 2000 when most prices increased. The prices of other major French American varieties, such as Baco Noir, Cayuga White, and Rougeon, had been increasing due to the strong growth in the small winery sector. Native American varieties used for juice (i.e. Concord and Niagara) are in a cycle of relatively high prices.

Vitis Vinifera prices are heavily influenced by Riesling and Chardonnay, which are harvested in larger quantities than other *vinifera* varieties. Most Riesling and Chardonnay sold in the $1,000 - 1,400 per ton range in 2000, while red *vinifera* generally brought $1,300 - 1,700 per ton. Hence, the average *vinifera* price in 2000 was $1,310, a 1.6 percent increase from '99 prices.

TABLE 9-5. GRAPES: NEW YORK GROWN
Received By Wineries and Processing Plants, 1996-2000

Variety	1996	1997	1998	1999	2000	5-Year Avg.
			tons			
Concord	139,000	96,600	89,400	154,500	113,300	118,560
Niagara	10,700	12,800	10,000	17,200	13,900	12,920
Catawba	7,900	7,335	6,090	9,600	6,400	7,465
Elvira	5,100	4,110	3,080	4,540	3,660	4,098
Delaware	1,650	1,010	550	1.180	630	1,004
Dutchess	120	***	***	***	***	***
Ives	***	130	115	210	140	***
Aurora	4,900	3,295	4,080	4,240	4,060	4,115
de Chaunac	910	575	710	940	670	760
Baco Noir	1,200	670	890	730	720	842
Seyval Blanc	900	600	650	850	550	710
Cayuga White	1,000	630	840	860	740	814
Rougeon	720	585	420	660	540	585
Vitis Vin.(all)	3,700	3,650	4,015	4,030	4,670	4,013
Other varieties	2,200	2,010	2,160	2,460	2,020	2,170
Total, all varieties	180,000	134,000	123,000	202,000	152,000	158,200

SOURCE: New York Agricultural Statistics, 2000-2001.

TABLE 9-6. GRAPES: PRICES PAID FOR NEW YORK GROWN GRAPES PROCESSED 1996-2000

Variety	1996	1997	1998	1999	2000	5-Year Avg.
American Varieties						
Catawba	215	220	245	243	246	234
Concord	207	257	276	261*	263*	253
Delaware	210	230	270	279	272	252
Dutchess	200	***	***	***	***	***
Elvira	215	215	240	238	244	230
Ives	***	300	370	384	385	***
Niagara	220	233	265	271*	248*	247
French American Hybrid						
Aurore	230	220	245	248	240	237
Baco Noir	280	330	395	409	405	364
Cayuga White	270	335	390	401	412	362
de Chaunac	280	315	375	285	391	329
Rougeon	280	320	380	404	384	354
Seyval Blanc	290	335	360	346	392	345
Vitis Vinifera						
All varieties	1,130	1,240	1,230	1,290	1,310	1,240
TOTAL	249	281	308	283	295	283

*Preliminary estimates of future payments by cooperatives have been included based upon historical data.
SOURCE: Fruit, 975-2-01 NY Agricultural Statistics Service.

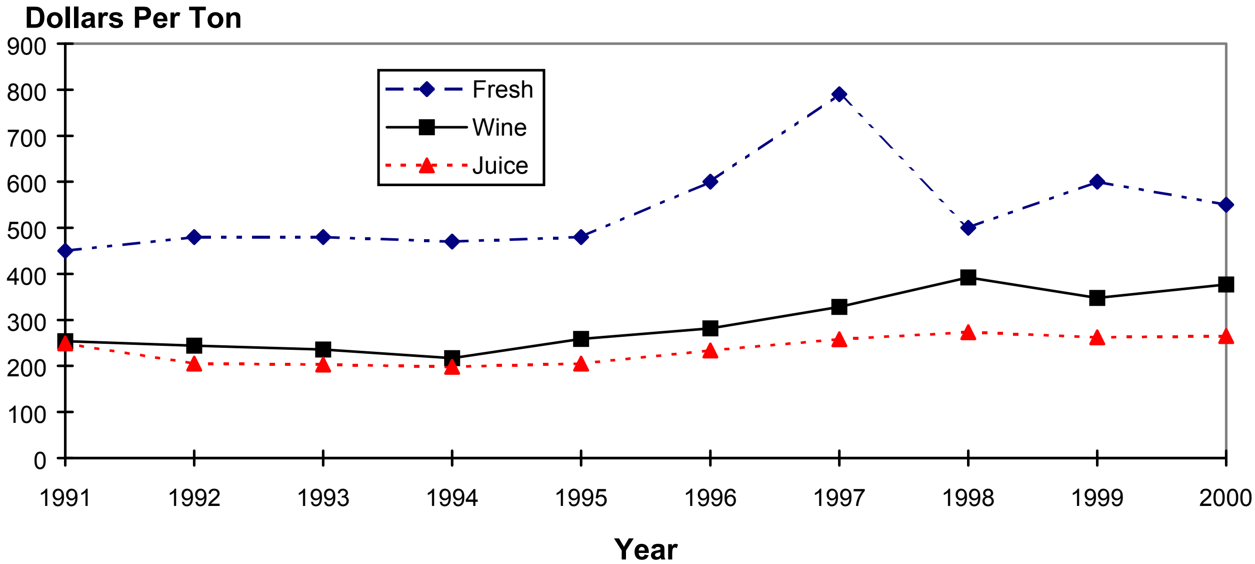
The national crop of Concords and Niagara grapes decreased in 2001 for the second year in a row after the huge'99 crop. The outlook for this sector is influenced mainly by the extremely short national crop of Concords. Smaller than normal crops in Michigan (down about 70 per cent), and reduced crops in Pennsylvania and New York, as well as the third consecutive short Concord crop in Washington, contributed to the shortfall. The reduced crop in New York resulted from lower yields in the Lake Erie Grape Belt due to a below average set and smaller cluster size. Some vineyards averaged less than 2 tons per acre. Juice grape varieties in the Finger Lakes, however, had near normal yields. The utilized production from this year's crop is likely to be the lowest for Concords since 1990. In view of the short national crop, most processors offered higher cash prices, averaging about \$265 per ton, about \$15 higher than a year ago.

National Grape, which processes about 30 per cent of the total NY grape crop and about two thirds of the US Concord crop, paid a harvest cash advance of \$100 per ton for the fourth consecutive year. Favorable publicity about the health benefits of grape juice has enhanced demand for Concords grapes. The Cooperative's international operations are strong, contributing about \$100 million to net sales, out of a total of nearly \$650 million. A major challenge will be to manage the small crop in a market in which the Cooperative has achieved demand momentum through new product development, international operations, and new research findings on the health benefits of grape juice.

For growers selling to large wineries, prices were similar to last year. Canandaigua Wine Company (the major purchaser of the State's wine grapes) listed \$5 per ton increases for Aurore, early Catawba, and white hybrids. Delaware and red hybrids were unchanged. The major difference was for Concords, for which the price was up by about 10 percent.

The small winery sector continued its strong performance. The average price for *vinifera* grapes will probably increase about two percent to a record \$1340 per ton. The recession may somewhat dampen the performance of small wineries in the second half of 2001 as well as the first few months of 2002; nevertheless, sales of small wineries with high quality wine and good marketing programs may still grow in 2002. (The assistance of Barry Shaffer and Tim Martinson, area Extension Educators in the Lake Erie region and the Finger Lakes region, is acknowledged for this section of the handbook.)

FIGURE 9-5. AVERAGE PRICE FOR GRAPES IN NEW YORK 1991-2000



Source: New York Agricultural Statistics, 2000-2001.