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Australia

Stone Fruit Annual

2010

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Report Highlights:

Post has forecast an increase in production and exports for plums, cherries, peaches and nectarines in CY 2011. Improved seasonal conditions in CY 2010, following years of prolonged and severe drought, are expected to see production in CY 2011 increase across all stone fruit crops. The anticipated reopening of Taiwan as an export market in CY 2011 is also expected to see more confidence among producers and improved trade flows following years of poor prices.

Executive Summary:

Post has forecast an increase in production and exports for plums, cherries, peaches and nectarines in CY 2011. Improved seasonal conditions in CY 2010, following years of prolonged and severe drought, are expected to see production in CY 2011 increase across all stone fruit crops.

The anticipated reopening of Taiwan as an export market in CY 2011 is also expected to see more confidence among producers and improved trade flows following years of poor prices. A slower rate of recovery is expected for the plum industry as access of this fruit to Taiwan will probably have to wait another year.

The CY 2010 stone fruit crop was severely affected by heat waves, drought and frost early in the growing season. However, heavy falls of rain were received in the lead up to, and during, harvest. While this boosted production prospects for some producers, others experienced poorer fruit quality. Splitting due to heavy rains, particularly in cherries, has seen serious decline in fruit quality which, in the worst cases, resulted in crops being abandoned rather than harvested and graded.

The lack of national data for Australian stone fruit production is ongoing. For this report, production estimates have been sought from consultation with industry representatives and historical Australian Bureau of Statistics (ABS) data (which is no longer updated). Neither the Australian government nor the stone fruit industry maintains a set of national production figures.

Australian horticultural industries, like other agricultural industries, are continuing to make the transition from small area family operated farms to larger more sophisticated enterprises. Post believes that the stone fruit industry, like other Australian horticultural industries, has established long term trends in terms of industry restructure. Falling grower numbers and production area are being countered by increasing tree density and improving yield per tree. Improved techniques in pre and post harvest treatment have also assisted to bolster production against falling area and grower numbers.

Perhaps the only crop to grow both in area and tree numbers is cherries. By all reports, cherry production is increasing year-on-year driven by investment in the state of Tasmania where new plantings of cherries have been highest.

Commodities:
Fresh Plums & Prunes
Fresh Cherries,(Sweet&Sour)
Fresh Peaches & Nectarines

Plums

Production

Plum production is forecast to increase to 19,000 MT in CY 2011 as improved seasonal conditions and increased supplies of irrigation water in CY 2010 are expected to boost production by around 1,000 MT.

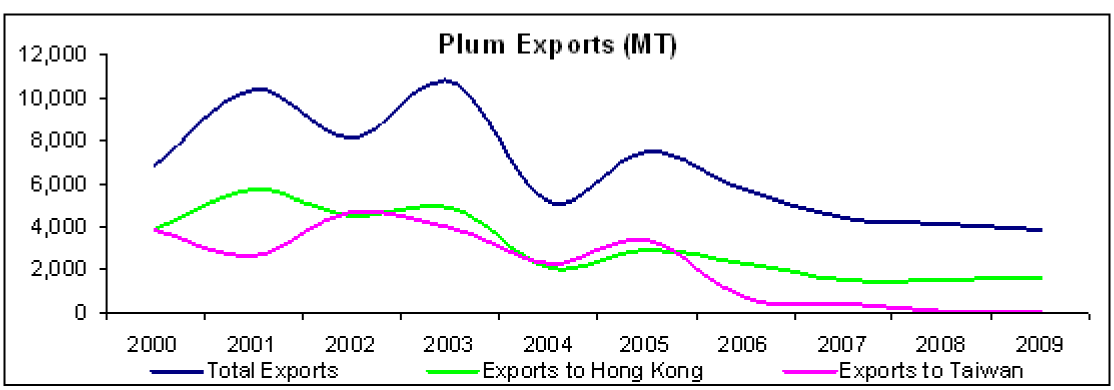
Plum production for CY 2010 is forecast at 18,000 MT, down 1,000 MT on production for the previous year. Heat waves, frosts and drought in the first half of the growing season impacted yield potential. Heavy rain in the lead up to, and during, harvest saw quality and final production fall. These conditions combined to trim around 1,000 MT from production.

Plum production has been revised downwards across the series following consultation with local industry sources. Historic ABS reports, which show the industry producing only 19,000 MT in 2005/06, indicate that the industry is unlikely to be producing more than this given the severe drought and lack of market access that followed. The ABS survey likely represents the lower limit of production at the time as smaller production tonnages were unlikely included in the survey. Considering the contraction that followed; production is now likely to be in line with the levels reported in 2005/06.

Exports

Total plum exports are forecast to increase to 5,000 MT in CY 2011. Despite not gaining access to the Taiwanese market in CY 2011, increased production and improved quality, on the previous year, are expected to see an increase in availability of fruit suitable for export.

Industry sources suggest that Australian plums will likely not receive access to the Taiwanese market in 2011 due to the time required to determine trade protocols following exclusion from the market in CY 2006.



Source: WTA data

Cherries

Production

Cherry production for CY 2011 is forecast to increase significantly to 13,750 MT due to improved seasonal conditions and a good export market outlook. Increased rainfall in CY 2010 and improved irrigation water as well as soil moisture availability are expected to see production increase in CY 2011, following prolonged and severe drought. Industry sources remain skeptical of larger production increases as previous climatic conditions were so severe that it may take two seasons for production to completely recover.

Despite the significant increase in production in CY 2011 the potential remains for production to surpass Post estimates. Industry sources suggest the productive capacity of the Australian cherry industry is around 15,900 MT but Post advises that this number excludes any potential negative climatic or market conditions. Average conditions are anticipated when making this forecast allowing for some constraints to production potential.

Cherry Industry Productive Potential by State

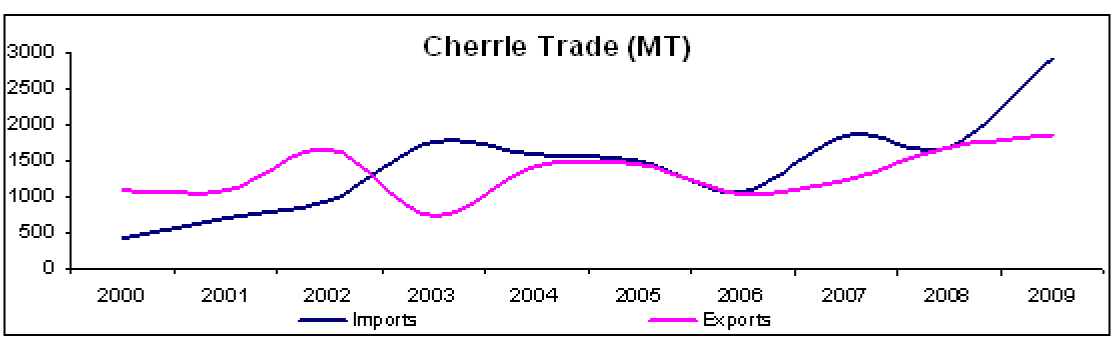
	NSW	Victoria	Tas.	SA	WA	Total
Potential Production (MT)	5,000	5,200	3,400	1,800	500	15,900

Source: Post estimate from industry sources

Cherry production for CY 2010 has been revised downwards to 10,750 MT. Heat waves, frost and drought in the earlier part of the growing season diminished yield potential while heavy rainfall in the lead up to and during harvest created quality problems. In the worst cases, some crops were so badly affected by splitting that they were abandoned rather than harvested and graded. These unfavorable conditions are believed to have caused the production estimate for CY 2010 to be revised downwards by around 3,000 MT.

Exports

Total cherry exports for CY 2011 are forecast at 2,200 MT, up on the 1,900 estimated for the previous year (unchanged from Post's previous report). Average seasonal conditions should see increased production and improved quality in CY 2011 and this is likely to see the quantity of fruit available for exports increase.



Source: WTA data

Imports

Cherry imports for CY 2011 are forecast at 2,500 MT, up slightly on the revised estimate for the previous year. Import demand is expected to continue building steadily for the foreseeable future.

Import estimates for CY 2010 have been revised upwards to 2,636 MT in line with industry sources. The United States is the principle supplier of imported cherries, a trade estimated at US$14.5 million per year.

Peaches

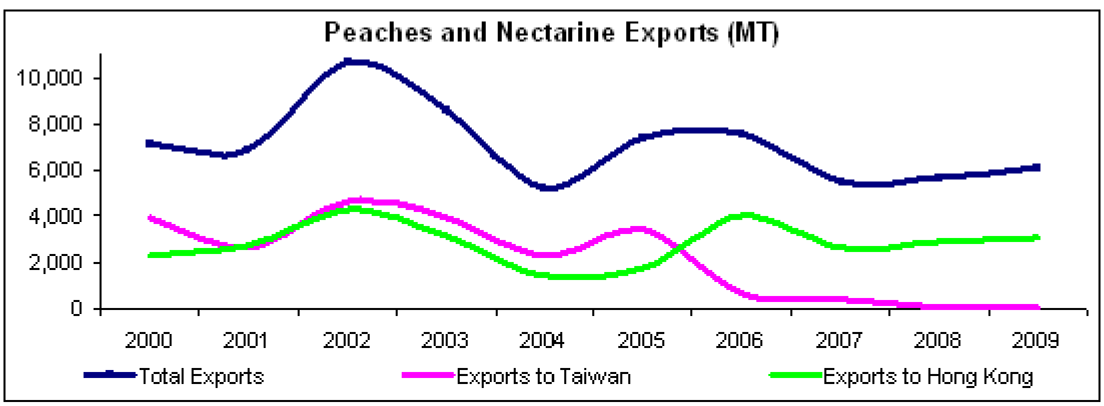
Production

Peach production for CY 2011 is forecast at 105,500 MT, up on the revised estimate for the previous year. Improved seasonal conditions and expected improvements in export access are likely to see production increase in CY 2011.

Peach production for CY 2010 has been revised downwards to 98,000 MT in line with industry estimates. Difficult production conditions which included a heat wave, frost events and heavy rain during harvest combined to see final production fall below post's previous estimate.

Exports

Total peach and nectarine exports for CY 2011 are forecast to increase to 8,000 MT in CY 2011. Increased production and the resumption of exports to Taiwan are expected to see total exports boosted by around 2,000 MT in CY 2011. Historical trade data shows exports to Taiwan peaking at 4,677 MT in CY 2002, however the export tonnage to this market will likely be closer to 2,000 MT in CY 2011.



Source: WTA data

Production, Supply and Demand Statistics

PSD Table Fresh Plums & Prunes										
	2009	Revised		2010	Estimate		2011	Forecast		UOM
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
Market Year Begin		01/2009	01/2009		01/2010	01/2010		01/2011	01/2011	MM/YYYY
Area Planted	1,235	1,235	1,235		1,100	1,150			1,100	(HA)
Area Harvested	1,200	1,200	1,000		1,200	1,000			1,000	(HA)
Bearing Trees	1,550	1,550	1,550		1,500	1,500			1,450	(1000 TREES)
Non-Bearing Trees	1,700	1,700	700		1,500	500			450	(1000 TREES)
Total Trees	3,250	3,250	2,250		3,000	2,000			1,900	(1000 TREES)
Commercial Production	32,000	29,000	19,000		31,000	18,000			19,000	(MT)
Non-Comm. Production	0	0	0		0	0			0	(MT)
Production	32,000	29,000	19,000		31,000	18,000			19,000	(MT)
Imports	0	0	0		0	0			0	(MT)
Total Supply	32,000	29,000	19,000		31,000	18,000			19,000	(MT)
Fresh Dom. Consumption	22,500	20,000	10,161		21,500	8,950			9,000	(MT)
Exports, Fresh	4,500	4,000	3,839		4,500	4,050			5,000	(MT)
For Processing	5,000	5,000	5,000		5,000	5,000			5,000	(MT)
Withdrawal From Market	0	0	0		0	0			0	(MT)
Total Distribution	32,000	29,000	19,000		31,000	18,000			19,000	(MT)

PSD Table Fresh Cherries,(Sweet&Sour)										
	2009	Revised		2010	Estimate		2011	Forecast		UOM
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
Market Year Begin		01/2009	01/2009		01/2010	01/2010		01/2011	01/2011	MM/YYYY
Area Planted	1,190	1,190	1,190	1,240	1,240	1,240			1,300	(HA)
Area Harvested	1,050	1,050	1,000	1,050	1,050	1,050			1,100	(HA)
Bearing Trees	2,100	2,100	2,000	2,200	2,200	2,100			2,200	(1000 TREES)
Non-Bearing Trees	0	0	400	0	0	350			300	(1000 TREES)
Total Trees	2,100	2,100	2,400	2,200	2,200	2,450			2,500	(1000 TREES)
Commercial Production	11,250	11,250	11,250	13,750	13,750	10,750			13,750	(MT)
Non-Comm. Production	0	0	0	0	0	0			0	(MT)
Production	11,250	11,250	11,250	13,750	13,750	10,750			13,750	(MT)
Imports	1,800	1,800	2,921	1,900	1,900	2,636			2,500	(MT)
Total Supply	13,050	13,050	14,171	15,650	15,650	13,386			16,250	(MT)
Fresh Dom. Consumption	11,250	11,250	12,305	13,750	13,750	11,486			14,050	(MT)
Exports, Fresh	1,800	1,800	1,866	1,900	1,900	1,900			2,200	(MT)
For Processing	0	0	0	0	0	0			0	(MT)
Withdrawal From Market	0	0	0	0	0	0			0	(MT)
Total Distribution	13,050	13,050	14,171	15,650	15,650	13,386			16,250	(MT)

PSD Table Fresh Peaches & Nectarines										
	2009	Revised		2010	Estimate		2011	Forecast		UOM
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
Market Year Begin		01/2009	01/2009		01/2010	01/2010		01/2011	01/2011	MM/YYYY
Area Planted	1,965	1,965	1,965	1,955	1,955	1,955			1,955	(HA)
Area Harvested	0	0	0	0	0	0			0	(HA)
Bearing Trees	2,650	2,650	2,650	2,450	2,450	2,450			2,450	(1000 TREES)
Non-Bearing Trees	350	350	350	350	350	350			350	(1000 TREES)
Total Trees	3,000	3,000	3,000	2,800	2,800	2,800			2,800	(1000 TREES)
Commercial Production	105,500	105,500	105,500	105,000	105,000	98,000			105,500	(MT)
Non-Comm. Production	0	0	0	0	0	0			0	(MT)
Production	105,500	105,500	105,500	105,000	105,000	98,000			105,500	(MT)
Imports	0	0	0	0	0	0			0	(MT)
Total Supply	105,500	105,500	105,500	105,000	105,000	98,000			105,500	(MT)
Fresh Dom. Consumption	50,000	50,000	50,000	50,000	50,000	45,000			50,000	(MT)
Exports, Fresh	6,500	6,500	6,138	6,000	6,000	5,900			8,000	(MT)
For Processing	49,000	49,000	49,362	49,000	49,000	47,100			47,500	(MT)
Withdrawal From Market	0	0	0	0	0	0			0	(MT)
Total Distribution	105,500	105,500	105,500	105,000	105,000	98,000			105,500	(MT)

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