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## **Australia**

**Post:**  
Canberra

## **Fresh Deciduous Fruit Report 2009**

**Report Categories:**  
Fresh Deciduous Fruit

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### **Report Highlights:**

Domestic and export market conditions for apples and pears have been described as difficult with a historically high Australian dollar reducing the competitiveness (and returns) of exports. Production of apples for CY 2010 is forecast to decline to 275,000 MT. Production of pears for CY 2010 is forecast at 105,000 MT, down significantly on the revised estimate of 125,000 MT for the previous year.

## General

At the time of writing this report, Australia continues to suffer drought conditions despite receiving rainfall in the second half of CY 2009. Irrigation water supplies continue to remain at historically low levels and this, along with difficult market conditions, has continued to place downward pressure on area planted to deciduous tree fruit and tree numbers.

Market conditions have been described by industry sources as “difficult”, with competition from other fruits placing downward pressure on prices. Stone fruit has been described as particularly competitive this year.

Export conditions have also been described as difficult with an historically high Australian dollar reducing the competitiveness (and returns) of apples and pears for export.

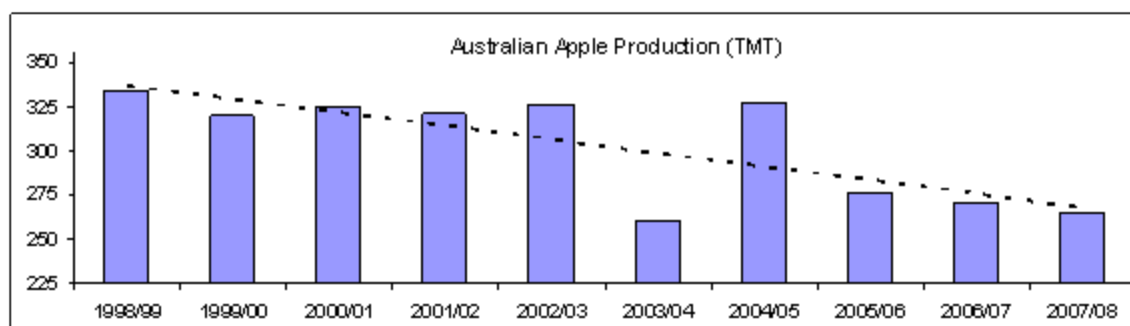
The Australian Bureau of Statistics (ABS) publication “Agricultural Survey, Apples and Pears” which previously served as post’s principle guide, has been discontinued due to a lack of funding. As a result, post is now unable to adjust back year data in line with an official Government of Australia (GOA) data series. Post will continue to review ABS data changes in the future.

Post has relied on Industry sources to estimate production across the S&D series.

## Apples

### Production

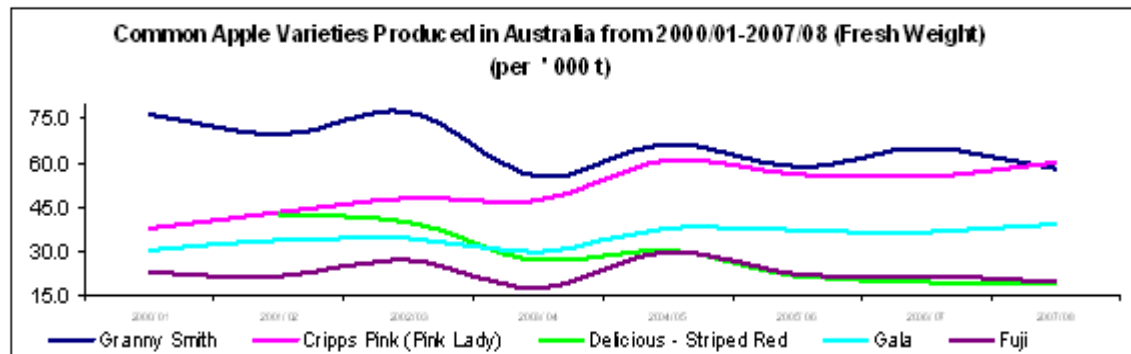
Production of apples for CY 2010 is forecast to decline to 275,000 MT. Poor pollination in some areas during the second half of CY 2009 is expected to result in lower production for CY 2010. If achieved, this level of production would be considered below the ten-year-average of 305,000 MT (established using historical statistics published by the ABS).



Source: ABARE/DAFF

The apple and pear crop is currently at early fruit set. Industry sources report that production conditions in Tasmania have been better than on the mainland. Some parts of Victoria have also received adequate rainfall.

Total tree numbers and total area are assumed to be falling steadily. Total area is also assumed to be falling. However, the average for trees per hectare is climbing steeply as the traditional low density plantings are lost to production while newer plantings are of much higher density. Post anticipates that the productive capacity of the Australian crop will likely remain relatively steady, possibly falling slightly over the longer term.



Source: ABS

Agriculture Survey, Apples and Pears Australia Source:

Common Apple Varieties Produced in Australia from 2000/01- 2007/08 (Fresh Weight) (' 000 t)								
	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
Granny Smith	76.6	70.1	77.0	55.5	66.3	58.9	65.1	58.6
Cripps Pink (Pink Lady)	38.3	43.1	48.2	47.4	61.1	56.5	55.9	60.5
Delicious - Striped Red		42.8	39.9	27.4	30.9	21.9	19.9	19.1
Gala	30.4	33.7	34.9	29.6	38.1	37.5	37.0	39.5
Fuji	22.8	21.9	26.9	17.9	30.1	22.6	21.6	19.9
Delicious - Block red		29.9	28.3	24.0	24.7	21.0	19.2	19.2
Delicious Golden	25.1	23.1	24.0	17.3	24.9	16.2	15.6	12.3
Cripps Red (Sundowner)	7.4	10.5	12.7	14.3	20.4	18.1	20.1	19.9
Lady Williams	7.6	6.7	6.9	4.9	6.9	5.6	2.2	2.1
Jonathan	8.5	7.4	6.1	4.3	5.6	4.0	3.0	3.4
Jonagold	3.9	5.7	5.5	5.3	5.9	5.1	3.7	3.3
Braeburn	4.2	5.8	5.2	3.4	3.8	2.7	2.6	2.1
Bonza	5.5	4.5	3.5	3.2	2.8	2.1	1.2	1.6
All Other Types	94.3	15.2	7.0	5.5	5.1	4.2	3.4	3.5
Total Production	324.6	320.4	326.1	260.0	326.6	276.4	270.5	265.0

Source: ABS Agriculture Survey, Apples and Pears Australia

<b>Quantity of Fruit produced per tree of bearing ages - (i.e. 4 years and over) from 2001/02 – 2007/08</b>								
	<b>2000/01</b>	<b>2001/02</b>	<b>2002/03</b>	<b>2003/04</b>	<b>2004/05</b>	<b>2005/06</b>	<b>2006/07</b>	<b>2007/08</b>
Yield (kg/tree)	50.3	39.7	38.9	28.9	35.6	31.0	31.5	30.6
Total number of Trees / ' 000	10,203.1	10,202.9	10,210.8	10,603.1	10,766.8	10,159.6	9,921.4	10,180.4

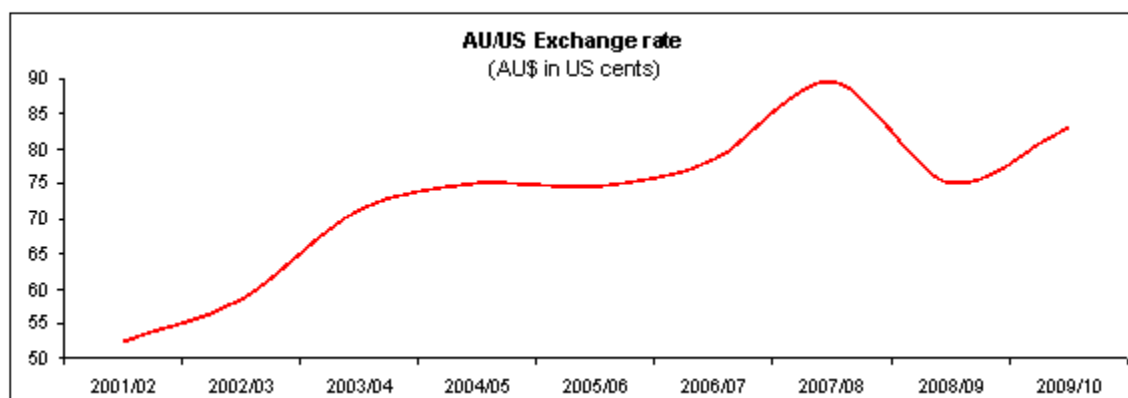
*Source: ABS Agriculture Survey, Apples and Pears Australia*

According to historic ABS data, the production of Granny Smith apples has fallen steadily over the past decade. However, the production of Pink Lady and Gala apples has increased steadily over the same period.

## Exports

Total exports of apples for CY 2010 are forecast at 3,200 MT. This forecast, if achieved, is down on the revised estimate of 4,200 MT for the previous year. Lower supply, due to poorer pollination in places, is expected to reduce the potential supply of apples for export.

The Australian dollar, which has appreciated steadily throughout the second half of CY 2009, is expected to greatly constrain the competitiveness of Australian exports in CY 2010.



*Source: ABARE (July-June)*

## Policy

### Biosecurity Australia

Australian quarantine regulation effectively prevents the importation of apples despite efforts by countries such as New Zealand to open the Australian market to imported apples.

On October 29, 2009, Biosecurity Australia released a draft Import Risk Analysis report for fresh apple fruit from the northwest states of the United States.

The draft report proposes that the importation of apple fruit be permitted, subject to quarantine measures for pests and diseases of quarantine concern. The draft report was put out for public consultation for a period of 60 days and concluded on December 21, 2009. Respondents to this consultation have included Australian State Government Departments as well as Australian Industry groups. The United States Department of Agriculture (Animal Plant Health Inspection Service Agency) is also listed as a respondent.

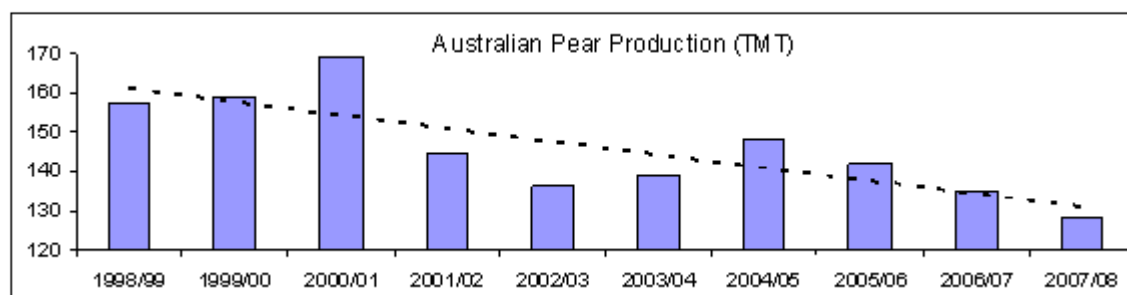
Biosecurity Australia is expected to review the comments received before revising the Draft IRA. For more information see Biosecurity Australia's website [www.biosecurityaustralia.gov.au](http://www.biosecurityaustralia.gov.au)

## Pears

### Production

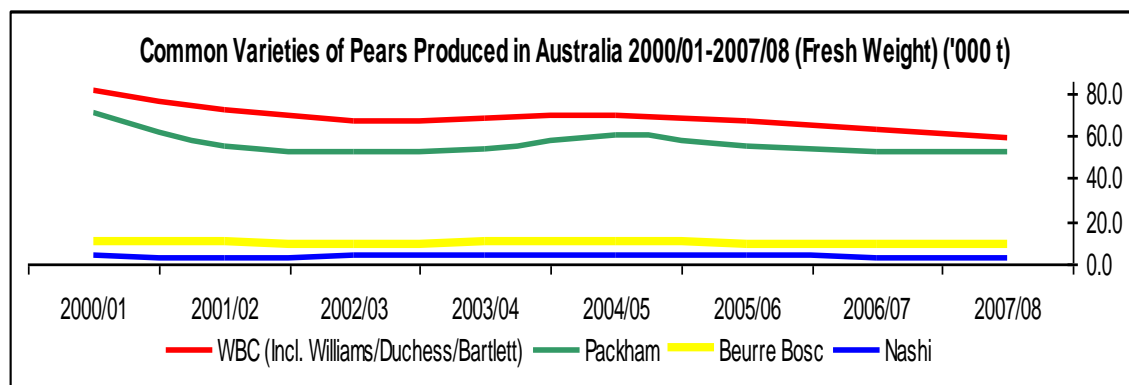
Production of pears for CY 2010 is forecast at 105,000 MT, down significantly on the revised estimate of 125,000 MT for the previous year. If achieved, this level of production would represent the lowest level in over a decade.

Poor pollination in the second half of CY 2009 accounts for a large part of the decline. However, the industry also remains under longer-term downward pressure from steadily falling tree numbers. Poor climatic conditions, a lack of irrigation water and poor prices have seen production contract steadily since 2000/01.



Source:

ABARE/DAFF



Source: ABS Agriculture Survey, Apples and Pears Australia

Common Pear Varieties Produced in Australia 2000/01-2007/08 (Fresh Weight) (' 000 t)								
	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
WBC (Incl. Williams/Duchess/Bartlett)	81.0	71.7	66.6	67.5	68.8	67.2	63.0	58.8
Packham	70.1	55.1	52.9	53.3	60.7	55.2	52.2	51.8
Beurre Bosc	10.4	10.6	9.6	10.5	10.3	9.4	9.7	8.9
Nashi	4.3	2.6	3.8	3.5	3.8	3.4	2.9	2.9
Josephine	3.2	3.1	2.8	3.3	3.4	3.1	2.6	3.3
Sensation	0.7	0.6	0.7	0.7	0.6	0.7	0.5	0.6
Corella	0.5	0.7	0.6	0.7	1.2	1.5	1.5	2.0
Red Anjou	0.2	0.3	0.3	0.4	0.4	0.4	0.3	0.4
All Other Pears	2.7	2.8	2.5	2.2	2.4	1.8	2.1	1.8
Total Production	173.1	147.5	139.8	142.1	151.6	142.7	134.8	130.5

Source: ABS Agriculture Survey, Apples and Pears Australia

Quantity of Fruit produced per tree of bearing ages (i.e. 6 years and over) from 2000/01-2007/08								
	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
Yield (kg/tree)	97.0	96.3	83.8	82.4	85.4	80.2	77.4	75.5
Total number of Trees ' 000	2,094.6	1,827.0	2,022.3	2,058.6	2,131.3	2,069.1	2,040.0	1,964.9

Source: ABS Agriculture Survey, Apples and Pears Australia

## Exports

Exports for CY 2010 are forecast to fall significantly to 5,000 MT from the revised estimate of 6,300 MT for the previous year. A higher Australian dollar combined with the lower supply of pears is expected to result in lower exports for CY 2010.

Some industry sources remain critical of Australian pear production and its orientation with the export market. A lack of suitable varieties is believed by some sources to be constraining exports of Australian pears.

## Imports

Total pear imports for CY 2010 are forecast to increase sharply to 2,300 MT. Lower production and a higher Australian dollar are expected to boost prospects for pear imports going forward.

### Trade

#### Trans Pacific Partnership Agreement

President Obama recently announced that the United States would enter into negotiations with Trans Pacific Partnership (TPP) countries with the goal of shaping a high standard broad based regional pact.

Currently, the TPP includes the countries of Brunei, Chile, New Zealand and Singapore. The first round of negotiations aimed at expanding the TPP are scheduled for March 2010.

At present, the TPP is considered a comprehensive agreement and includes disciplines common in Free Trade Agreements (FTA's) such as tariff reduction, rules of origin, trade remedies, sanitary and phytosanitary measures, technical barriers to trade, trade in services, intellectual property, government procurement and competition policy. In addition to these common areas, further disciplines (Environment and Labor) have also been included.

Australia announced that it would participate in TPP negotiations in November 2008 and has called for public submissions from interested stakeholders. The Australian Government's Department of Foreign Affairs and Trade (DFAT) describes the submissions as reflecting "widespread interest in and support for Australia's participation in the TPP". Agriculture was relatively well represented in the consultation process with submissions being received from ABB Grain Ltd, Australian Dairy Industry Council, Australian Pork Limited and Australian Sugar Industry Alliance Ltd.

The Australian pork industry submission, does not support Australia's participation in the TPP and instead suggests greater emphasis on FTA's with countries with growing pork consumption. However, its submission does leave open the possibility of supporting the TPP should it be expanded to include Hong Kong, Taiwan and Japan. For more information see the Department of Foreign Affairs and Trade website.

<http://www.dfat.gov.au/trade/fta/tpp/index.html>

#### Great fruit glut

Media reports suggest that 90,000 tonnes of apples were in storage last month after producing 10 per cent more than the year before. Apple growers were paid 30 per cent less this year, though shops did not pass on savings. Apples may need to be sold for juicing at 15 cents per kilogram compared to \$2 to fruit shops. Consumers bought imported table grapes and cherries in winter leaving more apples in stock.

A cherry glut has been predicted within the next few years if growers get a normal season and cannot tap new export markets. A normal crop would produce more than 12,000 tonnes of cherries but Australians eat less than three-quarters of that.

Vineyards in the Murray Valley face a glut as 50,000 tonnes of mostly chardonnay grapes have been left to rot or hoed in as compost as wine drinkers switch to sauvignon blanc from New Zealand. Not even drought or climate change would make a dent in the glut.

*Source: Farm Online - 13 Dec, 2009*

## Production, Supply and Demand Data Statistics:

Apples, Fresh									
	2007			2008			2009		
	2007/2008			2008/2009			2009/2010		
	Market Year Begin: Jan 2008			Market Year Begin: Jan 2009			Market Year Begin: Jan 2010		
	USDA Official Data	Post Estimate	New Post Estimate	USDA Official Data	Post Estimate	New Post Estimate	USDA Official Data	Post Estimate	Post Estimate New
Area Planted (HA)	20,000	20,000	20,000	20,000	20,000	10,050	2,000		20,000
Area Harvested (HA)	0	0	0	0	0	0	0		0
Bearing Trees (1000 Trees)	8,650	8,650	8,650	8,600	8,600	8,600	8,600		8,500
Non-Bearing Trees (1000 Trees)	1,150	1,150	1,150	1,100	1,100	1,100	0		0
Total Trees (1000 Trees)	9,800	9,800	9,800	9,700	9,700	9,700	8,600		8,500
Commercial Production (MT)	290,000	290,000	270,000	265,000	290,000	300,000	280,000		275,000
Non-Comm. Production (MT)	0	0	0	0	0	0	0		0
Production (MT)	290,000	290,000	270,000	265,000	290,000	300,000	280,000		275,000
Imports (MT)	0	0	0	0	0	0	0		0
Total Supply (MT)	290,000	290,000	270,000	265,000	290,000	300,000	280,000		275,000
Fresh Dom. Consumption (MT)	244,700	244,500	234,800	220,800	244,500	264,900	235,900		241,800
Exports (MT)	3,800	4,000	3,700	3,700	5,000	4,600	3,600		3,200
For Processing (MT)	41,500	41,500	31,500	40,500	40,500	30,500	40,500		30,000
Withdrawal From Market (MT)	0	0	0	0	0	0	0		0
Total Distribution (MT)	290,000	290,000	270,000	265,000	290,000	300,000	280,000		275,000



<b>Pears, Fresh</b>									
	<b>2007</b>			<b>2008</b>			<b>2009</b>		
	<b>2007/2008</b>			<b>2008/2009</b>			<b>2009/2010</b>		
	<b>Market Year Begin: Jan 2008</b>			<b>Market Year Begin: Jan 2009</b>			<b>Market Year Begin: Jan 2010</b>		
	<b>USDA Official Data</b>	<b>Post Estimate</b>	<b>New Post Estimate</b>	<b>USDA Official Data</b>	<b>Post Estimate</b>	<b>New Post Estimate</b>	<b>USDA Official Data</b>	<b>Post Estimate</b>	<b>New Post Estimate</b>
Area Planted (HA)	6,700	6,700	6,700	6,650	6,650	6,500	6,650		6,300
Area Harvested (HA)	1,000	1,000	1,000	1,000	1,000	1,000	1,000		1,000
Bearing Trees (1000 Trees)	1,600	1,600	1,600	1,550	1,550	1,550	1,550		1,550
Non-Bearing Trees (1000 Trees)	200	200	200	150	150	150	150		150
Total Trees (1000 Trees)	1,800	1,800	1,800	1,700	1,700	1,700	1,700		1,700
Commercial Production (MT)	150,000	150,000	127,557	135,000	135,000	125,000	134,000		105,000
Non-Comm. Production (MT)	0	0		0	0	0	0		
Production (MT)	150,000	150,000	127,557	135,000	135,000	125,000	134,000		105,000
Imports (MT)	3,500	3,717	2,305	2,000	3,500	2,020	1,500		2,300
Total Supply (MT)	153,500	153,717	129,862	137,000	138,500	127,020	135,500		107,300
Fresh Dom. Consumption (MT)	99,650	102,017	86,162	83,800	87,300	117,220	82,300		69,300
Exports (MT)	5,650	3,500	5,700	5,000	3,000	6,300	5,000		5,000
For Processing (MT)	48,200	48,200	38,000	48,200	48,200	3,500	48,200		33,000
Withdrawal From Market (MT)	0	0		0	0	0	0		0
Total Distribution (MT)	153,500	153,717	129,862	137,000	138,500	127,020	135,500		107,300

### Recent Reports from FAS/Canberra

The reports listed below can all be downloaded from the FAS website at:

<http://www.fas.usda.gov/scriptsw/AttacheRep/default.asp>.

<b>Report Number</b>	<b>Title of Report</b>	<b>Date</b>
AS9041	Australian Emissions Trading Scheme Excludes Agriculture	11/19/09
AS9039	Citrus Annual 2009	11/09/09
AS9038	Grain & Feed Lock-Up – November 2009	10/29/09
AS9037	Dairy and Products Annual 2009	10/20/09
AS9036	Ord River Irrigation Offers Huge Potential and Ongoing Challenges	10/13/09
AS9035	Sugar Semi-Annual 2009	09/30/09
AS9033	FAIRS Export Certificate Report	09/02/09