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## Australia

### Stone Fruit Annual

**2013**

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**Report Highlights:**

Cherry production for 2013-14 is forecast at 14,000MT which is 12 percent higher than the revised forecast for 2012-13 of 12,400MT. The increase in production is driven by optimal seasonal conditions.

Production of peaches and nectarines is forecast to fall nearly 25 percent in 2013-14 to 100,000MT due to adverse market conditions which have forced a number of growers out of the industry.

Stone fruit from California and the Pacific Northwest of the United States was granted access to the Australian market in July 2013 with shipments beginning immediately. Industry estimates that total exports of stone fruit to Australia will reach \$50 million within five years.

**Commodities:**

Fresh Cherries,(Sweet&Sour)

Fresh Peaches & Nectarines

## Cherries

### Production

The 2013/14 MY for Australia cherries is expected to be the first good season in several years, barring adverse weather during harvest. Production is forecast at 14,000 MT, an increase of 12 percent over the revised forecast for 2012-13. Good harvest conditions increased total production for 2012-13 by three percent to 12,400 MT.

There is no current indication that significant new plantings are occurring; however the opening of trade to China may encourage expansion of the area planted to take advantage of greater export demand.

### Trade

Figures for the 2011-12 MY show that a total of 4,961 MT of cherries were imported into Australia, 1,361 MT more than previously forecast. Over 99 percent of cherries imported into Australia come from the United States.

Higher imports are expected to continue as the availability of cherries outside the Australian production season has increased domestic consumption. The majority of cherry imports arrive between July and September. For the 2012-13 MY cherry imports are forecast at 5,000 MT. Similar import levels are expected for 2013-14.

Total exports for 2011-12 were 40 percent lower than previously forecast, at 1,207MT. However export data for 2012-13 indicates a total of 2,888 MT, an increase of 888MT over previous estimates. This increase has been driven by higher production and greater market access. These trends are expected to continue, thus exports for 2013-14 are forecast at 3,500MT.

In January 2013 Australian cherries gained access to the Chinese market with an initial shipment of 66MT. Access to efficient and economic airfreight means that Australian cherries have a window of market advantage being able to reach the Chinese market sooner than cheaper imports from Chile. The quality of fruit exported from Australia to China is also very high. However this advantage applies only to fruit from Tasmania at this stage as fruit from the mainland must be cold-treated prior to export which means it cannot reach China ahead of the Chilean fruit.

In late June 2013 a delegation of six Australians travelled to Indonesia and the Philippines to meet with fruit importers, retailers and Austrade officials. The delegates indicated that there are very good opportunities for Australian cherries and stone fruit in these markets but that more work is needed in-market, including in-store tastings and promotion of Australian grown. Indonesia also provided clarification on the national allocation of imports and advised there is no impediment to the volume of Australian stone fruit that can be sent to Indonesia

The U.S exports cherries and stone fruit to both Indonesia and the Philippines but total shipments to both countries represent less than one percent of total exports.

## Production, supply and demand estimates

[illegible]

## **Fresh Peaches and Nectarines**

### **Production**

Official figures from 2011-12 indicate that production was nearly 12 percent lower than previously estimated at 100,462 MT. Growers across all regions experienced near perfect seasonal conditions in 2012-13 with production estimated at 130,000 MT however farm-gate prices fell significantly.

Despite good seasonal conditions the Australian stone fruit industry has been suffering a decline in confidence due to the high Australian dollar and reduced grower returns. The processing sector in particular has expressed concern over competition from cheaper imports. Since 2009 consumption by the processing sector has declined by approximately 8 percent per year and the largest canned fruit processor in Australia, SPC Ardmona, has indicated that they will take 50 percent less fruit in 2013-14 than in 2012-13. As a result of these conditions up to 750,000 trees are estimated to be have destroyed in the processed fruit sector.

This will result in a fall in forecast production back to 100,000 MT in 2013-14.

Historical data for the number of peach and nectarine trees has been updated to reflect updated official statistics.

### **Trade**

The concern over cheap imported canned fruit (and tomatoes) has led the Australian processed fruit industry to request that the Australian Productivity Commission conduct an investigation into whether a request to the World Trade Organization for temporary safeguard measures is warranted.

Australian market access for stone fruit from California and the Pacific Northwest of the United States was granted on July 18, 2013. Industry estimates that total exports of stone fruit to Australia will reach \$50 million within five years. U.S stone fruit is counter-seasonal to Australian production thus does not compete with Australian fruit.

Market access to China for Australian stone fruit has been under negotiation for a number of years and if achieved would increase export volumes substantially and also increase domestic prices.

## Production, supply and demand estimates

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