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Fresh and Frozen Markets Take More NY Apples

by

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The 1989 apple crop in New York was up 5.5 percent from 1988, but the gain was entirely from the western part of the state. Western New York production was up 19.3 percent while eastern New York production was down 17.6 percent. The distribution of market destination during the past three years for the New York and the entire U.S. apple crops were:

	MARKET DESTINATION				
	FRESH MARKET	CANNED	JUICE	FROZEN	OTHER
	%				
1989—N.Y.	45.8	30.6	12.9	7.3	3.4
1989—U.S.	59.0	13.2	20.7	3.2	3.9
1988—N.Y.	44.5	31.9	14.8	5.5	3.3
1988—U.S.	57.4	15.3	20.0	2.3	5.0
1987—N.Y.	43.2	30.1	19.3	4.5	2.9
1987—U.S.	52.2	12.2	27.3	2.3	6.0

During the three years, a 1 percent change represents approximately 995 million and 9.2 million pounds of apples for the U.S. and New York markets, respectively. Therefore, about 24 million more pounds of apples have gone to the fresh market each year since 1987 in New York, while the comparable figure in the entire market is 6.7 billion pounds. It is also evident that over 20 million more pounds have gone to the frozen market each year in New York. The increased sales to the fresh and frozen markets in New York have decreased sales to the juice market.

The same market reallocation is true in the national market. The national market has shifted relatively more to the fresh market, whereas the New York market has shifted more to the frozen market. Significant differences between the U.S. and New York apple markets are evident in the juice and canned markets. New York relies on the canned market at twice the rate of the national market, whereas the national market is almost twice as dependent as New York is on the juice market.

The above outcomes can be partly explained by prices received in the markets. New York canned and juice market prices have been consistently higher than the national market prices. However, fresh and frozen prices in the New York market have not been consistently higher than in the national market. Fresh market prices in New York have averaged 315 percent of juice prices, 205 percent of canned prices, and 194 percent of frozen market prices. In the national market, fresh market prices averaged 380 percent of the juice market, 211 percent of canned prices, and 191 percent of frozen market prices.

In the national market, price differentials in the markets are consistent with relatively higher shares allocated to the fresh market, but inconsistent with the higher allocation to the juice market. In the New York market, the price differentials are inconsistent with the relatively low share allocated to the juice market.