

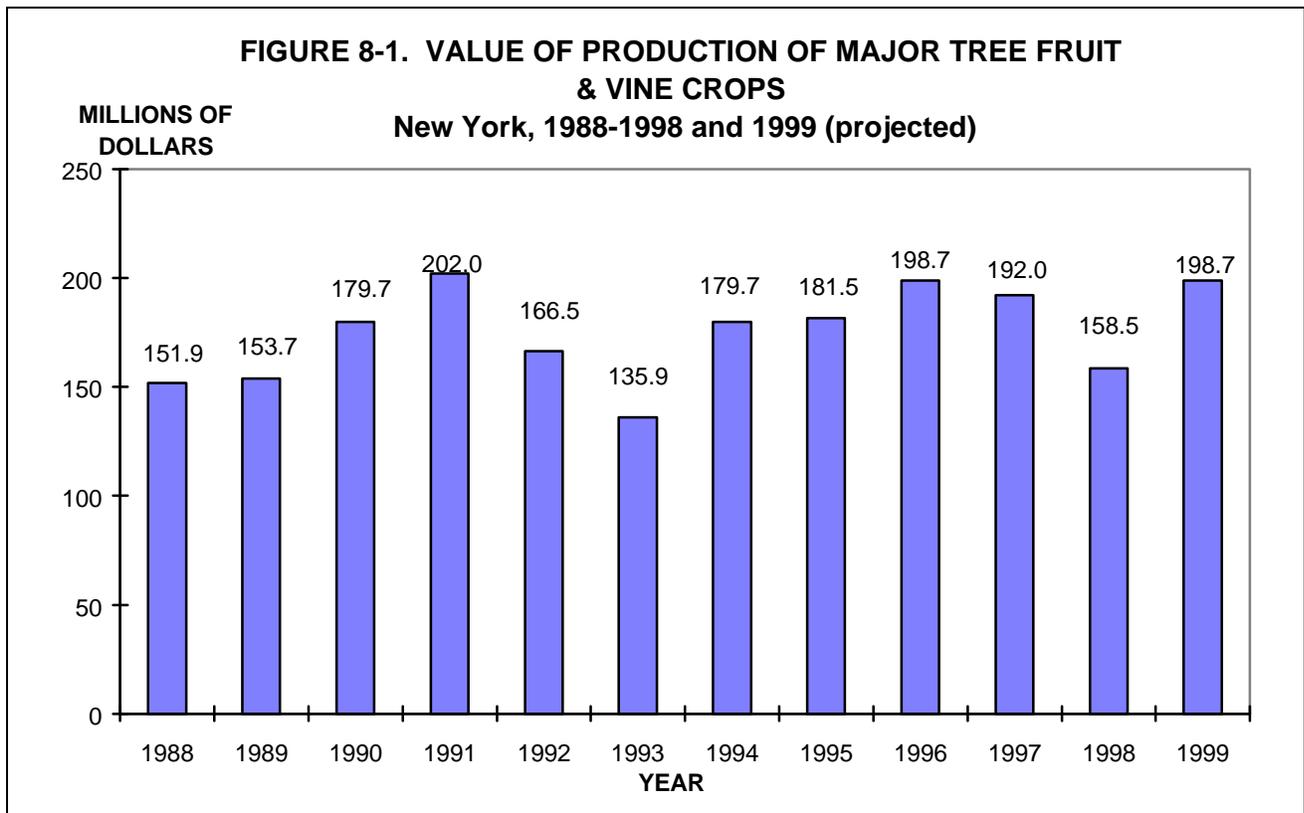
Chapter 8. Fruit

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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 increase by 2 per cent nationally. The national production of apples, tart cherries, and pears were forecast to decrease compared with last year's production, while increased production was indicated for grapes, peaches, and sweet cherries. The national production of apples was forecast at 252.7 million bushels, down 7 percent from 1998. Grape production was expected to total 6.6 million tons, an increase of 11 percent from last year's crop, but well below the record crop of 7.3 million ton in 1997.

In New York, apple production is indicated to be 29.3 million bushels, up 15 percent from last year; indicated production is 13 percent above the average production of the last 5 years and if realized, will be the largest crop since 1926. Grape production of 189 thousand tons was estimated, 48 percent above last year's short crop. Total production of the six major fruit and vine crops of 834 thousand tons is projected for the State, up 21 percent from the previous year. Total production is the highest in several decades.

The utilized value of the major fruit tree and vine crops in New York for the last ten years and the projected value for 1999 is shown below. With the huge apple crop promising a somewhat higher total crop value, a large grape crop at strong prices, and an improved tart cherry crop value, the value of the state's major fruit tree and vine crop is projected at \$199 million, well above the \$159 million realized in '98.



Source: New York Agricultural Statistics, 1998-1999.

**TABLE 8-1. COMMERCIAL NONCITRUS FRUIT PRODUCTION
New York and United States**

Fruit	New York				United States			
	1996	1997	1998	1999*	1996	1997	1998	1999*
----- thousand tons -----								
Apples	515	560	535	615	5,191	5,162	5,694	5,307
Grapes	189	139	128	189	5,553	7,291	5,903	6,555
Tart Cherries	10	7	7	10	136	146	174	128
Pears	15	8	12	13	821	1,043	955	942
Peaches	6	6	5	6	1,052	1,312	1,215	1,251
Sweet Cherries	1	1	1	1	154	226	210	217
Total New York's Major Fruit Crops	736	721	688	834	12,907	15,180	14,151	14,400

*indicated

**TABLE 8-2. AVERAGE FARM PRICES OF NONCITRUS FRUITS
New York and United States**

Fruit	New York				United States			
	1995	1996	1997	1998	1995	1996	1997	1998
----- dollars per ton -----								
Apples								
Fresh	374	354	352	316	480	416	442	342
Processed	141	190	166	160	159	171	130	98
All Sales*	242	270	252	228	340	318	308	246
Grapes	228	257	284	305	346	429	428	445
Tart Cherries	112	288	346	360	118	322	318	286
Pears	372	383	384	375	272	376	276	291
Peaches	414	696	922	832	370	382	354	378
Sweet Cherries	960	1,420	1,720	2,070	1,260	1,470	1,250	1,090

**TABLE 8-3. VALUE OF UTILIZED PRODUCTION, NONCITRUS FRUITS
New York and United States**

Fruit	New York				United States			
	1995	1996	1997	1998	1995	1996	1997	1998
----- million dollars -----								
Apples								
Fresh	89.8	88.5	91.5	66.4	1,404	1,289	1,288	1,087
Processed	44.7	50.4	49.8	43.2	361	353	288	204
All Sales*	134.5	138.9	141.3	109.6	1,766	1,641	1,575	1,291
Grapes	37.2	47.2	39.0	38.1	2,047	2,376	3,122	2,625
Tart Cherries	1.1	2.0	2.3	2.2	18	42	45	43
Pears	5.4	5.7	3.0	3.8	258	308	288	278
Peaches	2.3	4.0	5.3	3.5	405	389	444	444
Sweet Cherries	1.0	0.9	1.1	1.3	193	223	279	226
Total New York's Major Fruit Crops*	181.5	197.8	192.0	158.5	4,687	4,979	5,753	4,907

*May not add from total of fresh and processed due to rounding errors.

Source: NASS, USDA, *Noncitrus Fruits and Nuts 1998 Summary*, July 1999.

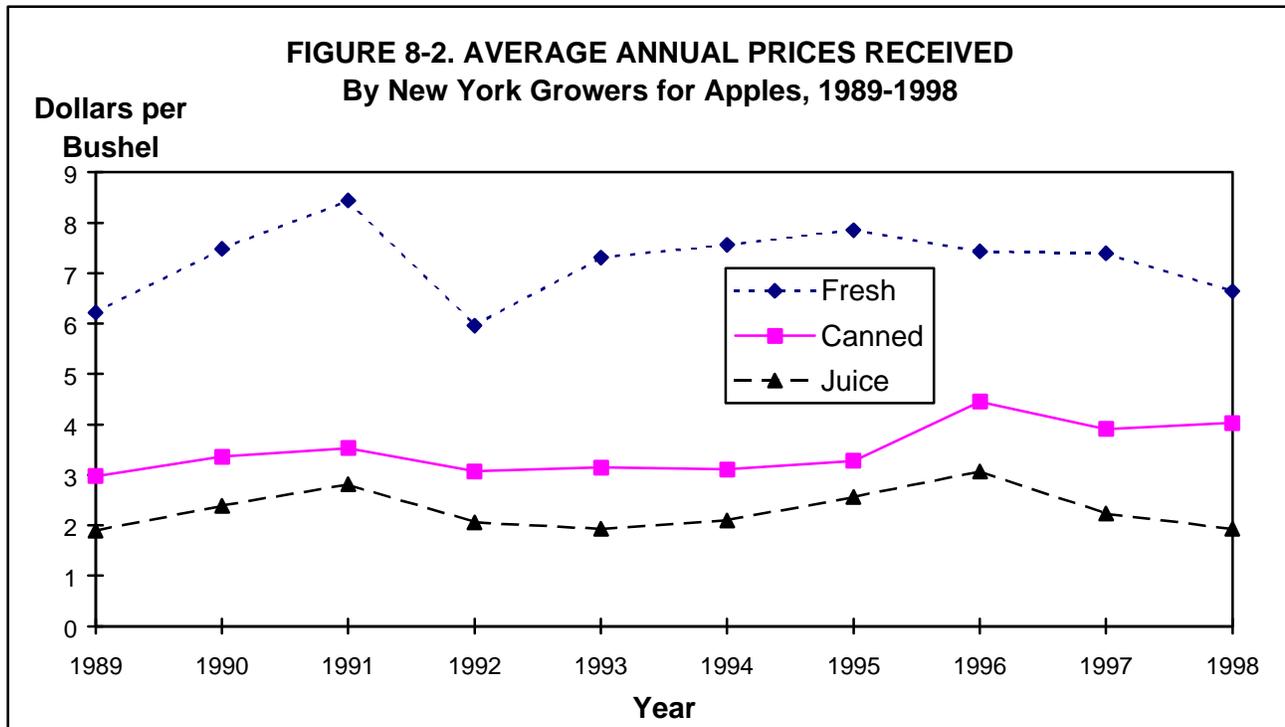
**TABLE 8-4. APPLE PRODUCTION, UNITED STATES,
1994-1998, Five-Year Average Production, and 1999 Forecast
1,000 42-Pound Bushels**

States/Regions	5-Year Average 1994-1998*	1998*	1999 USDA Estimate**	1999 Compared to USDA 5-Year Average % Change	1999 vs. 1998 % Change
Maine	1,393	1,060	1,238	-11.1	16.9
New Hampshire	874	452	976	11.7	115.8
Vermont	1,033	833	1,190	15.2	42.9
Massachusetts	1,290	690	1,357	5.2	96.6
Rhode Island	90	62	74	-18.0	19.2
Connecticut	510	417	524	2.8	25.7
New York	25,857	25,476	29,286	13.3	15.0
New Jersey	1,500	1,310	1,310	-12.7	0.0
Pennsylvania	10,576	9,405	11,667	10.3	24.1
Maryland	855	824	881	3.0	6.9
Virginia	7,286	6,667	8,571	17.6	28.6
West Virginia	3,071	2,619	3,095	0.8	18.2
North Carolina	5,033	4,405	4,048	-19.6	-8.1
South Carolina	1,214	1,071	905	-25.5	-15.6
Georgia	462	262	286	-38.1	9.1
Total East	61,045	55,552	65,407	7.1	17.7
Ohio	2,095	1,905	2,381	13.6	25.0
Indiana	1,319	1,286	1,429	8.3	11.1
Illinois	1,424	1,071	1,786	25.4	66.7
Michigan	23,381	23,095	26,190	12.0	13.4
Wisconsin	1,472	1,812	1,843	25.2	1.7
Minnesota	533	567	571	7.1	0.8
Iowa	261	207	214	-17.9	3.4
Missouri	905	810	1,048	15.8	29.4
Kansas	108	38	145	35.0	281.3
Kentucky	248	262	333	34.4	27.3
Tennessee	283	298	286	0.8	-4.0
Arkansas	171	107	171	0.0	60.0
Total Central	32,200	31,457	36,398	13.0	15.7
Total East & Central	93,484	87,010	101,805	8.9	17.0
Colorado	1,262	1,548	357	-71.7	-76.9
New Mexico	148	190	***	***	***
Utah	986	1,167	333	-66.2	-71.4
Idaho	3,405	4,048	2,143	-37.1	-47.1
Washington	131,429	152,381	123,690	-5.9	-18.8
Oregon	3,981	4,286	3,810	-4.3	-11.1
California	22,033	19,405	19,643	-10.8	1.2
Arizona	1,267	1,095	952	-24.8	-13.0
Total West	164,510	184,119	150,929	-8.3	-18.0
TOTAL U.S.	257,755	271,129	252,733	-1.9	-6.8
TOTAL NORTHEAST	47,050	43,148	51,598	9.7	19.6

*1998 and 5-year average production from NASS, USDA, Non-Citrus Fruits and Nuts Summary July 1999.

**NASS, USDA, Crop Production, October 1, 1999.

***Forecast discontinued.



SOURCE: New York Agricultural Statistics, 1998-1999.

Over the past decade until 1996, prices for processed apples had been fairly constant, while fresh apple prices have 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 apple decreased. The value of the 1996 apple crop was 138.9 million dollars, buoyed by record prices for processed fruit. In 1997, prices fell to more normal levels, but the value of the crop increased to a record 141.3 million dollars due to the large crop. In 1998, the value of the crop decreased to 109.6 million dollars due to a short crop as well as lower prices for both fresh apples and juice apples.

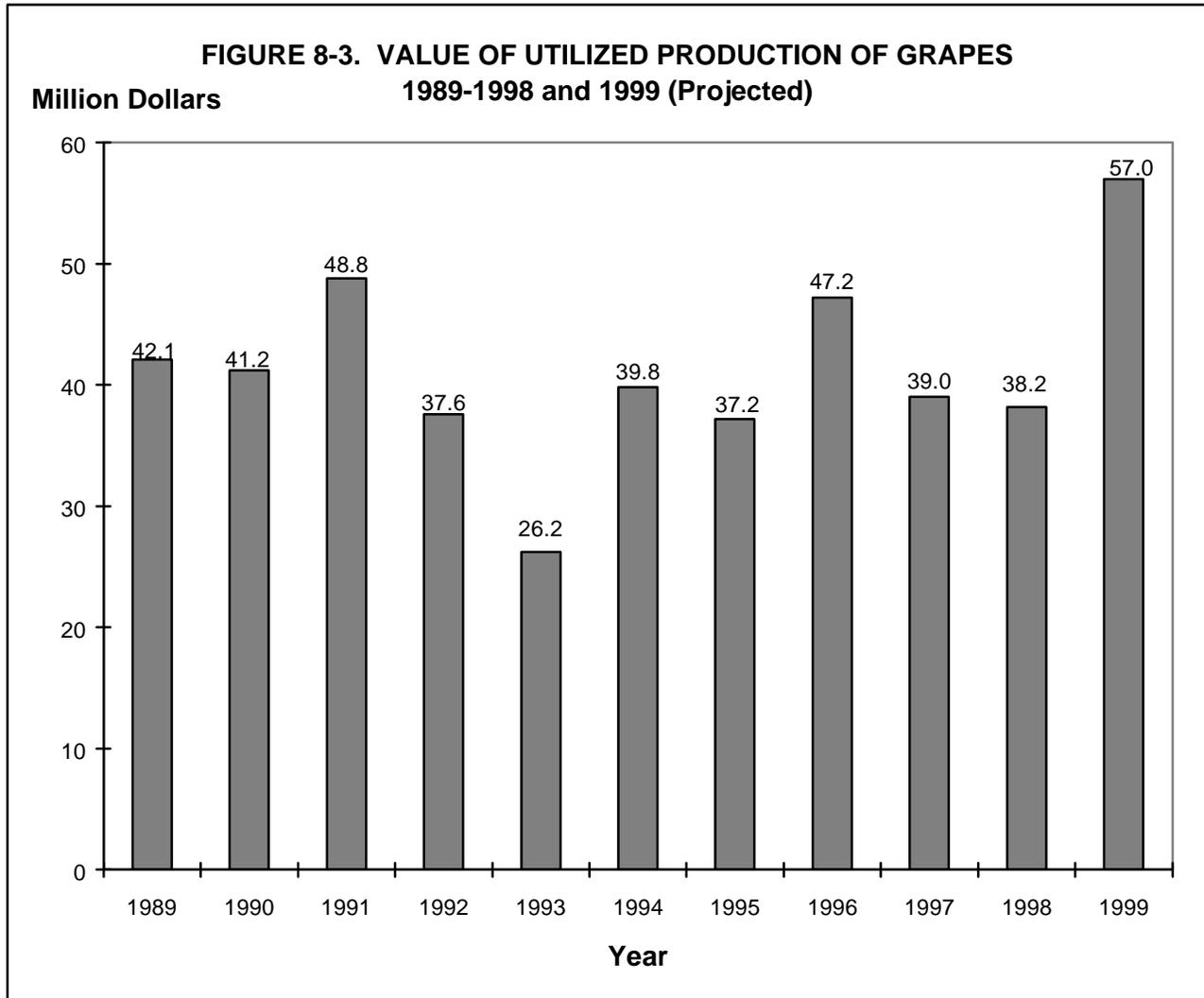
In October 1999, the average price for fresh apples in New York State was 16.9 cents per pound, five per cent below last year. Prices for cell packed apples (100 count and larger) were down considerably while bagged apples were priced similar to a year ago. Exports of fresh apples were running well behind last year at the beginning of the season, and will fall well below the 905 thousand cartons exported last year. Record apple crops in Italy and France as well as from the total EU; and the larger sized apples which NY produced this season are factors which are reducing export potential. This is a special concern for the Empire variety which is NY's major export variety. For the entire season, New York's average price for fresh apples will fall to about 15 cents per pound, five per cent below last year.

Processing apple prices in 1999 were down for peelers. Juice apples in the fall were being sold for 3-5 cents per pound. A favorable ruling by the U.S. Department of Commerce recently (which still awaits final determination in March next year) is expected to result in duties of more than 50 per cent on Chinese concentrate imports. This action was in response to a dumping complaint brought forward by the U.S. apple industry. Nevertheless, the large supplies of apples in New York and the Northeast will hold down prices for juice apples for the remainder of this season.

Thus apple growers can expect increased revenue compared with last year's low valued crop; however, costs will also be higher. Net income should be improved compared to last year for most growers. In general, increased volume will more than offset lower prices. The total value of the crop is projected at \$128 million. (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 189,000 tons, the largest since 1996, following two extremely short crops. Quality is good as well, and market conditions were favorable for both juice and wine grape growers. When the final crop value estimate is available, it will probably show a record crop value of \$56.7 million, easily exceeding the previous record crop of \$48.8 million realized in 1991.

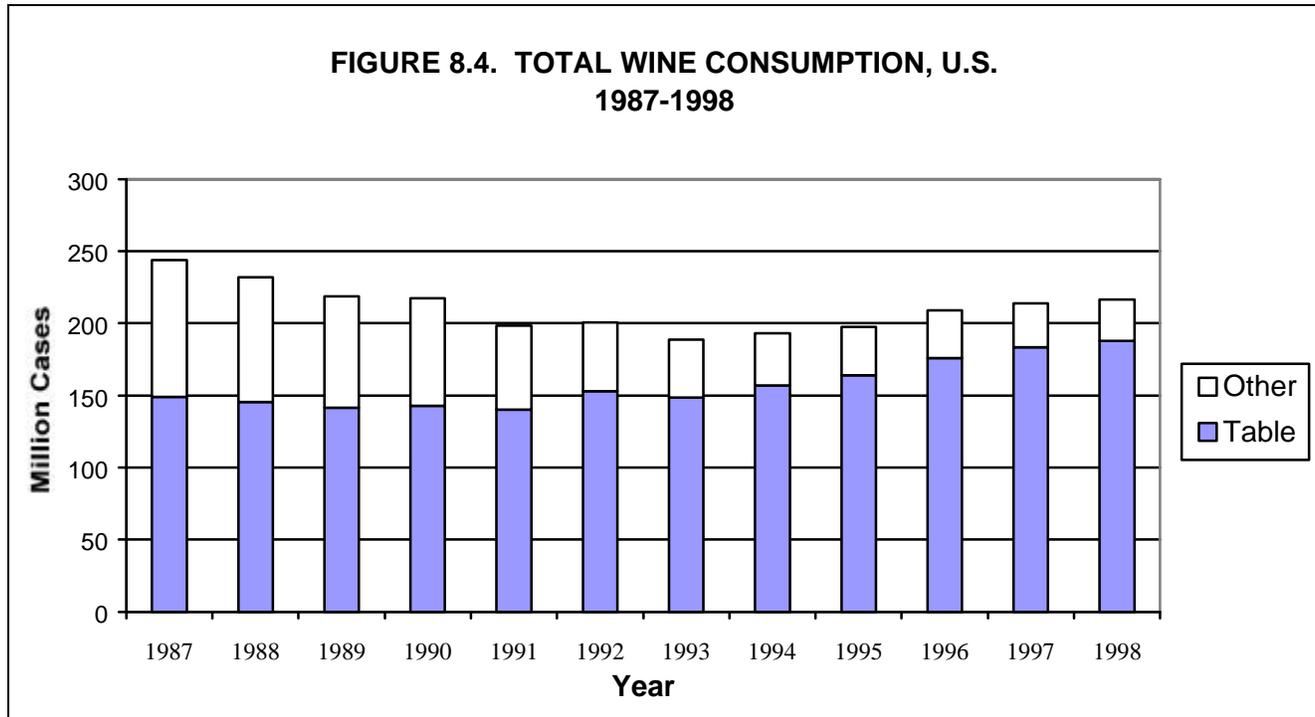


Source: New York Agricultural Statistics, 1998-1999.

Total wine consumption in 1998 increased 1.4 percent, a growth rate that was down substantially from recent years when growth varied from 2.3 to 5 percent. (See Figure 8-4, next page.) The increase in consumption was driven by the fifth consecutive strong gain in the table wine category (+2.5%) but slower than the growth rate of 4.1% in '97. Favorable publicity given to research showing positive health benefits from regular, moderate wine consumption has undoubtedly caused increased consumption. Yet, there is mounting concern in the industry that half of all wine is consumed by persons aged 50 or over. Furthermore, market research indicates that 11 percent of consumers drink 88 percent of all wine consumed. Final consumption figures for 1999 will likely show very little growth in U.S. wine consumption, although sparkling wine and champagne will show strong growth due to end of the millennium celebrations.

Last year marked the appearance of fruit flavored varietal wines which are more of an upscale product than wine coolers which were a fast growth category in the mid '80's. In the current market, consumers are image and brand conscious. That fact, coupled with a strong economy, has meant that consumers are willing to spend more for wine and other products that have prestige value. In addition to the growth in fruit flavored varietals, the market for wines priced at \$10 and over remains strong.

This trend bodes well for the growing small premium winery sector of New York.



Source: Adams Wine Handbook, 1998.

Concords are the predominant variety grown and processed in New York. There were 89,400 tons of Concords from New York processed in 1998 (see page 8-7). Over the past five years, Concords have comprised 73 percent of total tonnage utilized. The second leading variety is Niagara with 8.3 percent of tonnage followed by Catawba with 5.2 percent. *Vinifera*, with just over 3,000 tons utilized, accounted for just 2.0 percent of the NY crush over the last five years.

The average price for Aurora over the last five years had been flat, until the short crop of '98. The prices of other major French American varieties, however, have been increasing. Native American varieties used for juice (i.e. Concord and Niagara) are in a cycle of increasing prices, while American varieties used primarily in wine were experiencing flat to declining prices until the short crop of '98 gave a boost.

Vitis Vinifera prices are heavily influenced by the price for Reisling and Chardonnay, which are harvested in larger quantities than other *vinifera* varieties. Most Reisling and Chardonnay sold in the \$1,000 - 1,300 per ton range in 1998, while red *vinifera* generally brought \$1,100 - 1,600 per ton. Hence, the average *vinifera* price in 1997 was \$1,230, a 1 percent decrease from '97 prices.

**TABLE 8-5. GRAPES: NEW YORK GROWN
Received By Wineries and Processing Plants, 1994-1998**

Variety	1994	1995	1996	1997	1998	5-Year Avg.
----- tons -----						
Concord	136,000	111,000	139,000	96,600	89,400	114,400
Niagara	15,300	15,600	10,700	12,800	10,000	12,880
Catawba	10,116	8,700	7,900	7,335	6,090	8,028
Elvira	4,826	4,600	5,100	4,110	3,080	4,343
Delaware	2,316	2,350	1,650	1,010	550	1,575
Dutchess	298	250	120	***	***	***
Ives	***	***	***	130	115	***
Aurora	6,282	5,250	4,900	3,295	4,080	4,761
de Chaunac	1,126	1,450	910	575	710	954
Baco Noir	923	1,300	1,200	670	890	997
Seyval Blanc	678	900	900	600	650	746
Cayuga White	523	740	1,000	630	840	747
Rougeon	735	800	720	585	420	652
Vitis Vin.(all)	1,134	3,435	3,700	3,650	4,015	3,187
Other varieties	2,743	2,625	2,200	2,010	2,160	2,348
Total, all varieties	183,000	159,000	180,000	134,000	123,000	155,800

SOURCE: New York Agricultural Statistics, 1998-1999.

**TABLE 8-6. GRAPES: PRICES PAID FOR NEW YORK GROWN GRAPES PROCESSED
1994-1998**

Variety	1994	1995	1996	1997	1998	5-Year Avg.
<u>American Varieties</u>						
Catawba	205	210	215	220	245	219
Concord	195	205	207	228*	270*	221*
Delaware	205	200	210	230	270	223
Dutchess	200	200	200	***	***	***
Elvira	210	210	215	215	240	218
Ives	***	***	***	300	370	***
Niagara	213	195	220	233*	265*	225*
<u>French American Hybrid</u>						
Aurora	230	220	230	220	245	229
Baco Noir	270	260	280	330	395	307
Cayuga White	290	240	270	335	390	305
de Chaunac	260	250	280	315	375	296
Rougeon	270	270	280	320	380	304
Seyval Blanc	280	280	290	335	360	309
<u>Vitis Vinifera</u>						
All varieties	1,000	980	1,130	1,240	1,230	1,116
TOTAL	207	222	249	273	302	251

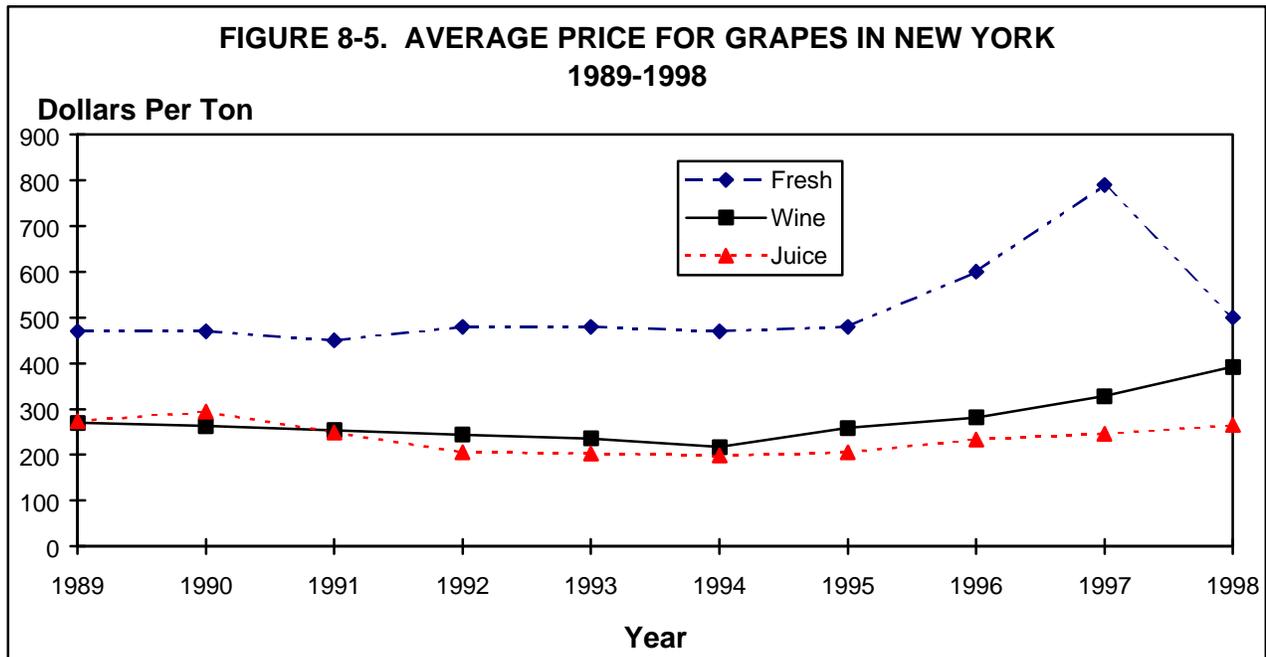
*Preliminary estimates of future payments by cooperatives have been included based upon historical data.
SOURCE: Fruit, 1975-2-99, NY Agricultural Statistics Service.

The national crop of Concord and Niagara grapes increased in 1999. National Grape Cooperative took in its largest crop ever this fall.

National Grape which processes about 30 per cent of the total NY grape crop, paid a harvest cash advance of \$100 per ton, the same as last year. Favorable publicity about the health benefits of grape juice have caused a surge in demand for Concord grapes. Cash prices were lower than last year, but were still in the \$245-\$260 range. With Concord yields near 7.0 tons per acre on average for NY, juice grape growers' cash flow and profits should be the highest in recent years.

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 lower prices for Catawba and Concord; otherwise Canandaigua's prices were identical to last year. Canandaigua did, however, offer higher prices for early Concord and Catawbas, providing an incentive to harvest some acreage early.

The small winery sector of the State's grape industry continued its strong performance. With considerably more grapes to process, better than average quality, and continued growth in winery visitation, it will be a good year for the state's small wineries. Small wineries with quality wines and good marketing skills will experience strong sales growth again for the year 2000. (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.)



Source: New York Agricultural Statistics, 1998-1999.