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Australia

Dried Fruit

Annual

2002

Approved by:

Andrew C. Burst

U.S. Embassy

Prepared by:

Mike Darby

Report Highlights:

Australia's 2002/03 sultana crop is estimated at 31,000 metric tons, sharply higher than the weather-reduced 2001/02 crop. The 2003/04 crop is forecast to rise to 36,000 metric tons. Sultana imports are expected to drop and exports to rise in both 2002/03 and 2003/04.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Annual Report
Canberra [AS1], AS

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Executive Summary

Post estimates the 2001/02 crop at 13,676 MT, representing a reduction of 49 percent on the previous year. This estimate is in line with industry figures. Industry sources describe this level of production as the lowest in living memory. The dramatic fall in 2001/02 production has had a profound effect on trade and stock figures for 2002/03 and 2003/04.

Post estimates the 2002/03 crop at 31,000 MT, representing a return to more normal production levels. Industry sources report average to above conditions were responsible for the higher production levels. Furthermore, a recent downturn in prices received for wine grapes reversed the recent trend of delivering multipurpose grapes to wineries. Quality has been described as above average. Lower numbers of bunches per vine earlier in the season has been balanced by increased berry size and improved fruit quality.

Post forecasts production for 2003/04 at 36,000 MT, representing a 16 percent increase on the previous year. Industry sources believe that much of the increase in production will come from the continued diversion away from wine production toward DVF production. New plantings being harvested for the first time this year will more than balance the removal of some older vines.

Official ABS statistics show that for the period January to July 2002 exports increased by around 16 percent, when compared to the same period in the previous year. Post forecasts exports of sultanas to increase significantly during 2002, in line with significantly increased production.

Official ABS statistics show that for the period January to July 2001, imports fell by eight percent when compared to the same period for the previous year. Post forecasts imports to fall significantly in 2003/04, in line with the return to more normal production and trading conditions.

Sultanas

Production

PSD Table						
Country	Australia					
Commodity	Raisins				(HA)(MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		03/2001		03/2002		03/2003
Area Planted	24	24	25	25	0	25
Area Harvested	21	21	22	22	0	23
Beginning Stocks	6919	6919	1000	1000	6800	7869
Production	13676	13676	31000	31000	0	36000
Imports	17400	19795	15000	18211	0	10000
TOTAL SUPPLY	37995	40390	47000	50211	6800	53869
Exports	4416	5467	5200	6342	0	10300
Domestic Consumption	32579	33923	35000	36000	0	36500
Ending Stocks	1000	1000	6800	7869	0	7069
TOTAL DISTRIBUTION	37995	40390	47000	50211	0	53869

General

This report refers to sultanas, which includes sultanas and Thompson seedless raisins (TSR), or Lexias, but not currants. Sultanas account for about 90 percent of the production figures in the PS&D tables. The main sultana and dried vine fruit (DVF) growing area is the Sunraysia district situated on the River Murray in north western Victoria. The Australian sultana crop is harvested from February through to April. Post deems the harvest ending April to fall within the marketing year beginning March.

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Post assumes normal weather conditions for the 2003/04 season. Industry sources report good "bud burst" and anticipate a good flowering. However, much of mainland Australia is experiencing drought conditions at time of writing this report. Some industry sources anticipate that continued drought conditions may lead to irrigation water shortages, which would impact expected output. Post advises that without a return to more normal weather conditions, forecast production for 2003/04 may be reduced significantly.

Industry sources suggest the 2003/04 crop could potentially produce 41,000 MT with above average weather conditions and adequate supplies of irrigation water.

Yield

Post estimates yield at 1.4 MT/Ha for 2002/2003. Post forecasts yield for 2003/04 to rise to around 1.6 MT/ha.

Crop Quality

According to industry reports, the quality of fruit produced in 2002/03 is above average. Reduced bunch numbers and increased berry size are responsible for higher than average quality.

Cross Commodity Developments

Multipurpose grapes can be used for drying, bulk quality wine manufacture and fresh consumption. Traditionally, the price received from each activity determines the ratio used in each enterprise. Since the early 1990s the DVF industry has been suffering from the diversion of fruit towards wine production, due to wineries offering higher prices. However in CY 2002/03, falling prices for wine grapes saw multipurpose grapes diverted away from wine production toward DVF production. Industry sources are anticipating this trend to continue, which will lead to an increase in DVF production over the medium term.

The following table details the Australian Bureau of Agriculture & Resource Economics (ABARE) estimate for production of the four major Australian grape categories and total Australian grape production for wine making. Figures are in '000 MT for the March-February crop year.

Year	Red	White	Multipurpose	Total
1999/2000	517	417	154	1129
2000/01	777	480	129	1222
2001/02	835	508	123	1507

Consumption

General

Australian per capita consumption of sultanas has been declining over the longer-term, due to a general trend in consumption away from processed to fresh products. However, the Australian Bureau of Statistics (ABS) indicates that total Australian dried fruit (including tree and vine fruit) consumption has actually increased slightly in recent years.

Industry reports show domestic consumption to be relatively static but increasing slightly from 1.90 kg per capita in 1995/96 to 1.96 kg per capita in 2000/01.

Prices

Industry sources estimate that the premium "five crown light" grade of sultanas for the 2002/03 crop are priced at A\$1400 per MT dried weight. This represents a 10 percent decline from the A\$1550 per MT dried weight received the previous year. Sources suggest import competition and lower world prices are responsible for the fall in prices received by growers.

Trade

Import Trade Matrix			
Country	Australia		
Commodity	Raisins		
Time period	Jan-Dec	Units:	MT
Imports for:	2001		2002
U.S.	1169	U.S.	1075
Others		Others	
Turkey	13978	Turkey	12859
Iran	2332	Iran	2145
South Africa	837	South Africa	770
Chile	747	Chile	687
Greece	599	Greece	551
China	34	China	31
Argentina	19	Argentina	17
Saudi Arabia	2	Saudi Arabia	2
Total for Others	18548		17062
Others not Listed			
Grand Total	19717		18137

Note: CY2002 is a post forecast, based on actual data from January to July 2002.

Export Trade Matrix			
Country	Australia		
Commodity	Raisins		
Time period	Jan-Dec	Units:	MT
Exports for:	2001		2002
U.S.	0	U.S.	0
Others		Others	
Germany	1409	Germany	1634
New Zealand	1187	New Zealand	1377
United Kingdom	834	United Kingdom	967
Canada	727	Canada	843
Japan	353	Japan	409
Belgium	186	Belgium	216
Malaysia	165	Malaysia	191
France	83	France	96
Fiji	76	Fiji	88
Austria	41	Austria	48
Total for Others	5061		5869
Others not Listed	182		213
Grand Total	5243		6082

Note: CY2002 is a post forecast, based on actual data from January to July 2002.

General

Official ABS statistics show that for the period January to July 2002 exports increased by around 16 percent, when compared to the same period in the previous year. Post forecasts exports of sultanas to increase significantly during 2002, in line with significantly increased production.

Post advises that the large changes in export and import quantities are due to the record low production levels of 2001/02 and the rapid return to more normal production levels in 2002/03. Post anticipates that import and export tonnages should return to normal levels by 2003/04.

Official ABS statistics show that for the period January to July 2001, imports fell by eight percent when compared to the same period for the previous year. Post forecasts imports to fall significantly in 2003/04, in line with the return to more normal production and trading conditions.

Policy

Production Policy

Traditionally the two major horticultural organizations in Australia were the Horticultural Research and Development Corporation (HRDC) and the Australian Horticultural Corporation (AHC). The HRDC was responsible for research and development and the AHC was responsible for promotional activities. Both organizations were funded by levies paid by growers and received pro rata government funding for specific purposes.

Horticulture Australia Ltd (HAL) is the new organization replacing the AHC and HRDC as of February 1, 2001. HAL was established under corporations law as a not-for-personal-profit company in accordance with the Memorandum of Understanding (MOU) signed by 26 industry organizations. The focus of HAL is the continued marketing and promotion of horticultural products in both domestic and export markets, as well as to exploit the opportunities for uptake and commercialization of new technology.

The levy arrangements for dried fruit producers did not change as a result of this merger. Dried fruit growers continue to pay a A\$7.00 per ton promotion levy and A\$11.00 per ton research levy. Both of these levies now fund activities provided by HAL.