

Required Report: Required - Public Distribution

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Report Name: Fresh Deciduous Fruit Annual

Country: Australia

Post: Canberra

Report Category: Fresh Deciduous Fruit

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Report Highlights:

Australia's table grape production is expected to continue to expand in marketing year (MY) 2019/20 and is forecast to reach a record 240,000 metric tons (MT), up 30,000 MT from MY 2018/19. This higher production is due to increased vine plantings coming into fruiting, with nearly all of the larger production expected to go for exports. MY 2018/19 exports reached a record level of 146,100 MT, up one-third compared to the previous year as a result of strengthening exports to China and Southeast Asia.

Executive Summary

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TABLE GRAPE

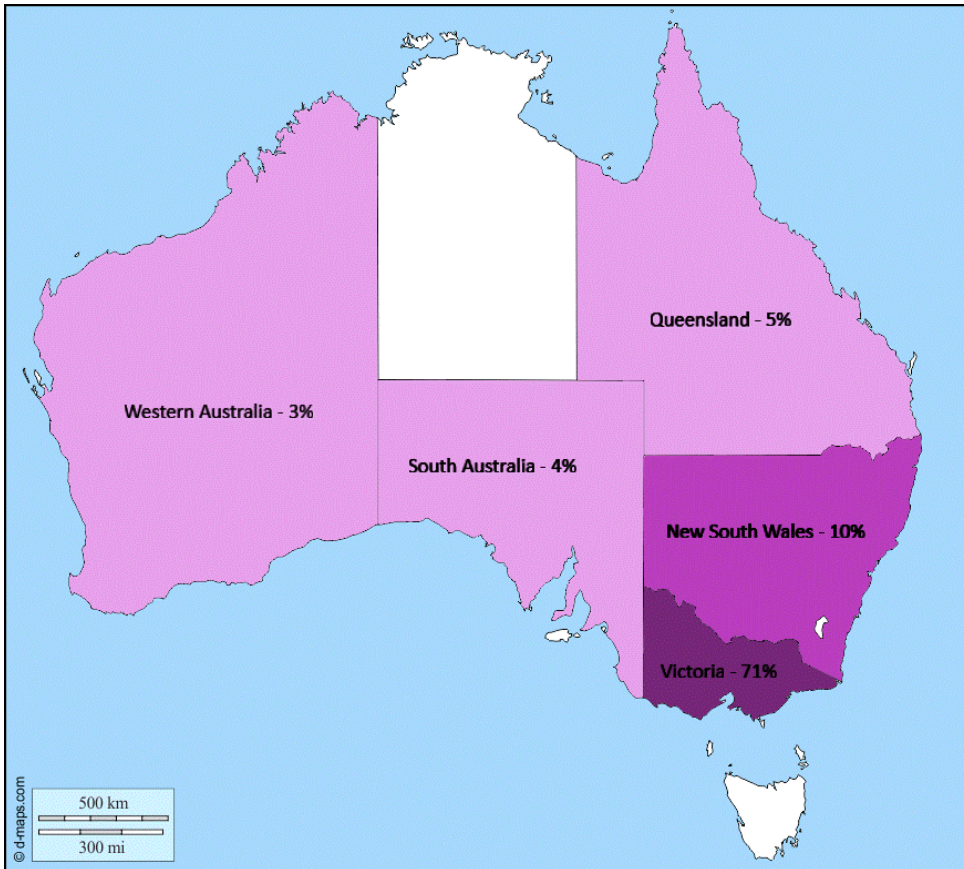
Production

Australia's table grape production is expected to continue to expand next year and is forecast to reach a record 240,000 MT in MY 2019/20, up 30,000 MT from MY 2018/19. This increase is a result of expanded production area. Because of good returns and strong export demand, in recent years grape farmers have been increasing vine plantings, with industry estimates of about a 20 percent increase in planting annually. As these vines begin to produce this will boost production for at least the next few years. The higher production in MY 2019/20 is expected despite continued dry conditions in much of Australia as attractive returns for horticultural crops are anticipated to help offset higher water costs.

(Note: the marketing year for Australian grapes has been revised to October/September)

Much of the expanded production and new vine plantings are of new table grape varieties. In addition, much of the focus in plantings have been export-focused because of the strong demand from Asian markets like China. Chinese consumers are increasingly turning from seeded-varieties like Red Globe to seedless varieties, and are increasingly interested in trying new varieties and flavors.

The majority of table grapes in Australia are grown in Victoria, accounting for 71 percent of production. In fact, nearly all exported table grapes come from the Sunraysia area of northern Victoria. Table grape production in Australia starts in November and reaches peak production in February and March, with production stopping in May.



Information Source: Australia Table Grape Association

Consumption

FAS/Canberra forecasts table grape consumption to remain largely steady in MY 2019/20, with nearly all of the increased production going to exports. Because of strong Asian demand, prices paid for exports are typically significantly higher than those in domestic retail, and this should limit growth in domestic availability. Domestic table grapes are largely available in the market from December to May, with imported grapes, primarily from the United States, available from July to December.

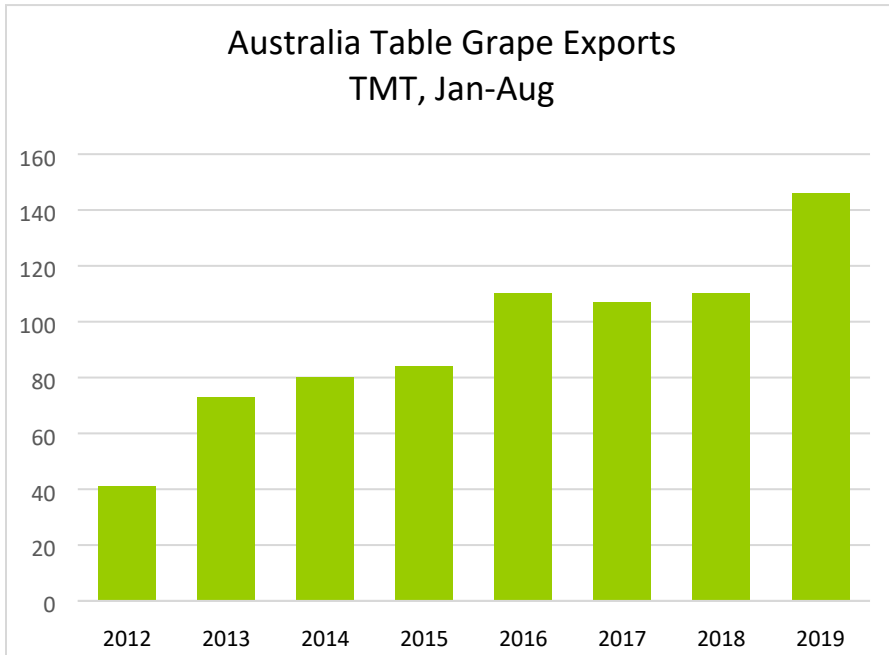
The domestic industry estimates that last year approximately 38 percent of table grapes produced in Australia went to fresh domestic consumption. They also estimate that 62 percent of Australian consumers purchased fresh grapes, buying an average of 826 grams per shopping trip.

Trade

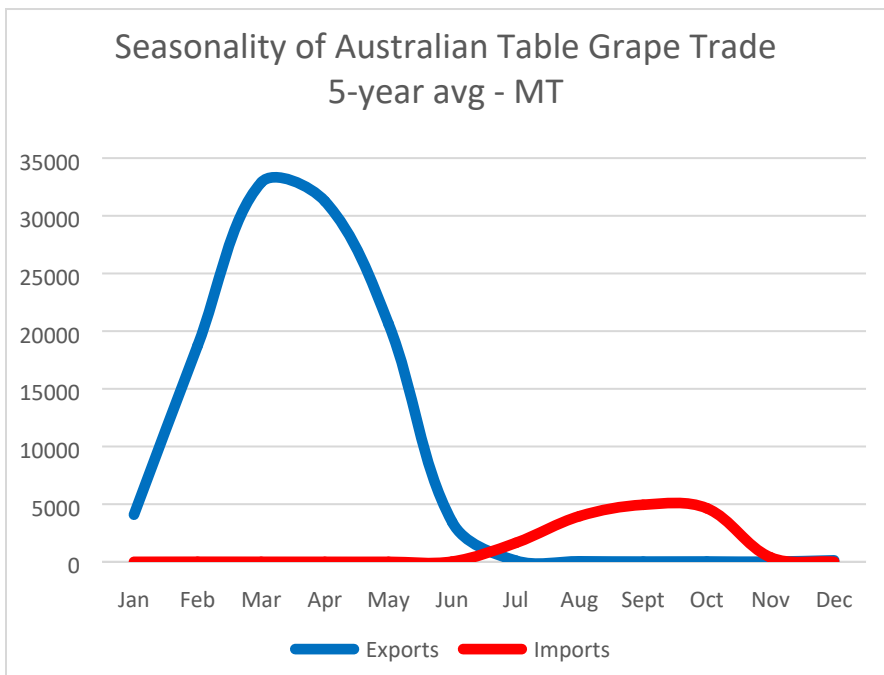
Australia is a major exporter of table grapes, and exports typically account for 60-70 percent of production. With an expected boost in export-oriented production, exports in MY 2019/20 are forecast at 175,000 metric tons, up nearly 30,000 MT from MY 2018/19 record exports.

MY 2018/19 exports saw a huge increase and reached a record 146,100 MT, up 33 percent from the previous year. China was the largest market, accounting for nearly 40 percent of the total. For China, Australia is the third largest supplier after Chile and Peru, and increased Australian shipments (up 35

percent) have likely been a result of both rising demand and lower Chilean shipments from a smaller crop this year. In addition to China, there has also been strong export growth to Southeast Asia. Exports to Vietnam, Thailand, Philippines, and Indonesia increased a combined 50 percent, and accounted for nearly one-third of total exports.



Source: Australian Statistics Bureau



Source: Australian Statistics Bureau

Australian table grapes have benefited in recent years from lower import tariffs. The tariff for Korea went to zero in 2018 as part of the Korea-Australia FTA, and the tariff for China also went to zero in 2019 as part of the China-Australia FTA.

Australia's imports are expected to remain steady in MY 2019/20 at 16,000 MT. These imports are almost entirely counter-seasonal shipments from the United States, and occur between July and November.

Grapes, Fresh Market Begin Year Australia	2017/2018		2018/2019		2019/2020	
	Oct 2017		Oct 2018		Oct 2019	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Commercial Production	170,000	177,400	200,000	210,000	0	240,000
Non-Comm. Production	0	0	0	0	0	0
Production	170,000	177,400	200,000	210,000	0	240,000
Imports	16,800	15,500	18,000	16,000	0	16,000
Total Supply	186,800	192,900	218,000	226,000	0	256,000
Fresh Dom. Consumption	76,700	82,900	103,000	79,900	0	81,000
Exports	110,100	110,000	115,000	146,100	0	175,000
Withdrawal From Market	0	0	0	0	0	0
Total Distribution	186,800	192,900	218,000	226,000	0	256,000
(HA) ,(MT)						

Attachments:

No Attachments