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Canada

Fresh Deciduous Fruit

Higher Production Estimate for Canadian Apples

1999

Prepared by:

Kathleen Wainio

U.S. Embassy Ottawa

Drafted by:

George Myles

Report Highlights:

Reflecting higher production in the province of Ontario than previously forecast, post has revised the estimate of Canada's 1998 apple crop to 523,800 metric tons, up 2.5 percent from our September forecast of 510,000 metric tons. Canadian apple trade in the first four months of the current marketing year is well below year earlier levels.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Semi-Annual Report
Ottawa[CA1], CA

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Fresh Apples: Update

Post currently estimates Canada's 1998 apple crop 523,800 metric tons, up 2.5 percent from our September forecast of 510,000 metric tons. The most significant change since the Annual Report is estimated higher production in Ontario. Industry officials in that province now expect the 1998 crop to be about 5 percent below the 1997 level. On balance, the total 1998 Canadian crop of 1998 is expected to be about 4 percent greater than a year earlier.

Apples: Supply & Distribution (metric tons)

PSD Table						
Country:	Canada					
Commodity:	Apples					
		1996		1997		1998
	Old	New	Old	New	Old	New
Market Year Begin		07/1996		07/1997		07/1997
Area Planted	32057	31592	31600	30750	0	30000
Area Harvested	29799	29359	29100	27905	0	27000
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
Total Trees	0	0	0	0	0	0
Commercial Production	483410	512993	506000	503039	0	523380
Non-Comm. Production	0	0	0	0	0	0
TOTAL Production	483410	512993	506000	503039	0	523380
TOTAL Imports	107354	107340	110000	122551	0	120000
TOTAL SUPPLY	590764	620333	616000	625590	0	643380
Domestic Fresh Consump	305602	357995	316000	350969	0	368380
Exports, Fresh Only	105162	105338	100000	74621	0	80000
For Processing	180000	157000	200000	200000	0	195000
Withdrawal From Market	0	0	0	0	0	0
TOTAL UTILIZATION	590764	620333	616000	625590	0	643380

Production Estimates by Province

Canada: Apple Production, by Province				
1996-1997, Post Forecast for 1998				
Units: Metric Tons			Post	
			Forecast	97 as %
Province	1996	1997	1998	'96
Ontario	225,317	262,099	250,000	95%
British Columbia	152,237	105,417	162,000	154%
Quebec	81,862	85,991	65,000	76%
Nova Scotia	48,669	45,042	42,000	93%
New Brunswick	4,436	4,011	3,900	97%
Others	472	479	480	100%
Total	512,993	503,039	523,380	104%
Source: Statistics Canada & post forecast				
provpd98.wk4				

Fresh Apple Trade

Canadian fresh apple imports in the first four months of MY1998/99 ran 8 percent below the same period a year earlier reflecting particularly heavy demand in MY1997/98 when Canadian apple crop yields were below average. Given increased Canadian production in MY1998/99, total apple imports are not expected to reach the 1997/98 level.

Canadian Fresh Apple Imports						
Marketing Year, July/June						
1998/99 data is July through October						
Units: metric tons						
HS 0808.10						98/99
				4 mos.	4 mos.	as %
	1995/96	1996/97	1997/98	1997/98	1998/99	97/98
United States	78,505	90,191	96,827	31,171	28,889	93%
South Africa	7,531	6,122	9,046	5,419	4,957	91%
New Zealand	6,564	5,447	9,026	2,616	2,009	77%
Chile	7,700	5,089	7,260	368	243	66%
Argentina	197	400	135		12	
Korea, South	44	14	59			
Switzerland			42			
France	117	9	29			
Saudi Arabia	21	2	29		136	
Thailand	16	3	21		49	
Uruguay	31	3				
Others	13	61	78		3	
Total	100,739	107,340	122,551	39,601	36,298	92%
30-Dec-98						
appim99.wk4-FAS/Ottawa-Source: Tiers; StatCan.						

Increased U.S. apple supplies and weaker U.S. demand for Canadian fresh apples in the first four months of MY1998/99 caused a sharp decline in Canadian apple exports (see table below). A sharp increase in Canadian exports to the Philippines failed to offset softer sales to the United States. Industry officials anticipate that the pace of Canadian apple exports will increase as MY1998/99 advances.

Canadian Fresh Apple Exports							
Marketing Year, July/June							
1998/99 data is July through October							
Units: metric tons							
HS 0808.10							98/99
					4 mos.	4 mos.	as %
	1994/95	1995/96	1996/97	1997/98	1997/98	1998/99	97/98
United States	43,228	71,865	73,059	57,278	24,861	15,426	62%
United Kingdom	6,083	4,732	5,177	5,619	970	824	85%
Philippines	8,196	9,813	12,663	4,877	728	1,435	197%
Mexico			218	2,068		0	
Indonesia	4,073	2,533	4,045	1,173		44	
Colombia	780	702	494	750		13	
Trinidad-Tobago	423	373	289	634		94	
Singapore	1,919	1,682	1,024	555		66	
Taiwan	1,125	1,483	2,578	523		31	
Hong Kong	1,618	548	217	191		386	
Thailand	4,472	3,396	3,903	187		22	
Others	4,845	2,103	1,671	765		100	
Total	76,762	99,232	105,338	74,621	27,213	18,441	68%
30-Dec-98							
apex99.wk4-FAS/Ottawa-Source: Tiers; StatCan.							

Apple Storage

Apple Storage, by Type, by Province				
December 1, 1998 & Year Earlier Comparison				
Units: '000 lb.				
C.A. = Controlled Atmosphere.				
1998/99				
Province	C.A.	Cold	Common	Total
MARITIMES	29,020	8,561	0	37,581
QUEBEC	67,886	7,096	0	74,982
ONTARIO	125,310	40,599	2,939	168,848
BRITISH COLUMBIA	124,309	59,339	1,829	185,477
TOTAL	346,525	115,595	4,768	466,888
1997/98				
Province	C.A.	Cold	Common	Total
MARITIMES	36,446	9,879	0	46,325
QUEBEC	83,435	27,818	0	111,253
ONTARIO	149,352	49,300	11,928	210,580
BRITISH COLUMBIA	72,754	76,740	73	149,567
TOTAL	341,987	163,737	12,001	517,725
Source: AAFC; Infohort				

Policy Update

Test Market Trial; Container Sizes, Apples

In October 1997, following a request by the Canadian industry, the Canadian Food Inspection Agency approved a two-year test market for fresh market apples to move on an interprovincial and import basis in bulk bins with a net weight of 200 kg. or less. Current Canadian regulations stipulate that for imports of apples in containers over 25 kilograms, the importer must apply for a Ministerial waiver of standard package size regulations (other horticultural products are 50 kg). However, waivers are only granted when there are domestic shortages. Changing trends in the retail trade toward cost savings and bulk offerings to consumers, prompted the Canadian apple industry to request the test market application that increased the net weight for apple containers from 25 kg. to 200 kg. for fresh market apples. The CFIA expects to receive an interim report on the test trial in March, 1999. A final decision on whether to incorporate the test trial container sizes in the Fresh Fruit and Vegetable Regulations will be made by March, 2000. To date, CFIA officials have received no adverse reaction in the fresh apple trade to the test market container sizes.

Anti-Dumping Duties; U.S. Red Delicious Apples

Canada has imposed anti-dumping duties on imports of U.S. Red Delicious apples since 1989. The initial case was allowed to expire in early 1994 but the GOC responded with a new anti-dumping investigation which resulted in the renewed application of anti-dumping duties. Since February 1995, if U.S. f.o.b. export prices to Canada are below US\$12.99 per 42 lb. box, Revenue Canada applies a dumping duty equal to the difference between the export price and US\$12.99. Under current legislation, Canada's anti-dumping duties expire after five years unless they are renewed.

Despite the anti-dumping duty, the Red Delicious remains the most popular variety of U.S. fresh apple exports to Canada. The anti-dumping duty, which does not apply to imports between July 1 and September 30 each year, effectively establishes a minimum import price which subsequently increases the cost of all Red Delicious apples to the Canadian consumer

Industry Studying Country of Origin Labeling for Apple Juice from Imported Concentrate

Unlike the United States, Canadian regulations do not require country of origin labeling for apple juice manufactured from concentrate. The Canadian apple industry is considering a formal request to the Canadian Food Inspection Agency to establish regulations, similar to those in the United States, requiring country of origin labeling for apple juice made from imported concentrate. The industry may conduct a survey in 1999 to determine the level of consumer awareness of the issue. In 1997, Canada imported about C\$40 million in apple juice concentrate mostly from the United States, Argentina, Germany and South Africa.

Fresh Pear Update

There are no changes from the annual report.

Fresh Pears: Supply & Distribution (metric tons)

PSD Table						
Country:	Canada					
Commodity:	Fresh Pears					
		1996		1997		1998
	Old	New	Old	New	Old	New
Market Year Begin		07/1996		07/1997		07/1998
Area Planted	1951	2063	1945	1922	0	1850
Area Harvested	1867	1969	1850	1754	0	1700
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
Total Trees	0	0	0	0	0	0
Commercial Production	14564	17423	13500	15611	0	16760
Non-Comm. Production	0	0	0	0	0	0
TOTAL Production	14564	17423	13500	15611	0	16760
TOTAL Imports	56785	56786	60000	69547	0	72000
TOTAL SUPPLY	71349	74209	73500	85158	0	88760
Domestic Fresh Consump	65591	68451	67700	78900	0	82960
Exports, Fresh Only	658	658	500	958	0	900
For Processing	5100	5100	5300	5300	0	4900

Fresh Pear Trade

Canadian Fresh Pear Imports													
Marketing Year, July/June													
1998/99 data is July through October													
Units: metric tons												98/99	
HS 0808.20										4 mos.	4 mos.	as %	
	1995/96	1996/97	1997/98	1997/98							1998/99		
United States	43,779	38,167	49,575		26,029	19,900					76%		
Argentina	3,734	6,767	8,090		8	235					2936%		
Chile	7,190	7,465	5,467		245	229					93%		
South Africa	2,502	1,911	3,579		753	166					22%		
Portugal	349	655	904			4							
Australia	465	567	728										
New Zealand	250	736	575			25							
Italy	228	292	265			230							
China, P. Rep.	77	92	123										
Mexico	25	13	21			20							
Korea, South		17	2			280							
Others	43	105	217			1							
Total	58,639	56,786	69,547		27,701	21,089					76%		
31-Dec-98													
perim99.wk4-FAS/Ottawa-Source: Tiers; StatCan.													

Canadian Fresh Pear Exports						
Marketing Year, July/June						
1998/99 data is July through October						
Units: metric tons						
HS 0808.20						
					4 mos.	
	1994/95	1995/96	1996/97	1997/98	1998/99	
United States	68	581	573	771		
Hong Kong		95	21	79		
Colombia	15	73	41	60		
United Kingdom				20		
Mexico				19		
Taiwan			23	9		
Costa Rica		20				
Singapore		39				
Trinidad-Tobago	2					
Total	86	809	658	958	0	
31-Dec-98						
perEx99.PRN-FAS/Ottawa-Data Source: Tiers Database--Statistics Canada.						

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FAS/Ottawa e-mail: usagr@istar.ca