



Required Report - public distribution

Date: 9/20/2001

GAIN Report #CA1129

Canada

Fresh Deciduous Fruit

Annual

2001

Approved by:

Hugh J. Maginnis

U.S. Embassy, Ottawa

Prepared by:

George C. Myles

Report Highlights: Despite a good crop outturn in British Columbia, Canada's 2001 apple crop prospects were reduced by prolonged dry periods throughout the growing season in eastern Canada. Early indications are that total apple production will be about 495,000 metric tons, a 7% decline from last year's level. For fresh pears, output during 2001 is expected to rebound from a poor crop last year. Pear production this year is currently estimated at near 17,000 metric tons.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Unscheduled Report
Ottawa [CA1], CA

Executive Summary	Page 2
Section I. Situation and Outlook	Page 3
Apples	Page 3
Pears	Page 4
Section II. Trade	Page 5
Apple Imports	Page 5
Apple Imports from the U.S., by State	Page 6
Apple Exports	Page 7
Pear Imports	Page 8
Pear Exports	Page 9
Section III. Consumption	Page 10
Per Capita Consumption	Page 10
Prices	Page 10
Apple Storage Holdings	Page 10
Section IV. Policy	Page 11
Ontario Apple Vote	Page 11
Canadian Imports of Chinese Pears	Page 11
Exchange Rates	Page 12
Find Us on The Web	Page 12

Executive Summary

*Early indicators suggest Canada's 2001 apple crop will fall about 7% from last year's level and reach about 495,000 metric tons. Good yields in British Columbia apple orchards failed to offset drought-reduced crops in eastern Canada.

*Pear crop prospects in Canada are improved over a year ago. Canadian pear production is expected to be about 13% above last year's poor outturn and reach close to 17,000 metric tons.

*Canadian fresh apple imports from the U.S. during MY2000/2001 climbed 13.5% to 94,893 metric tons, the highest level since MY1997/1998.

*Four states, Washington, California, New York, and Michigan accounted for over 98% of total U.S. fresh apple sales to Canada in MY2000/2001.

*Canada relies on imports for the major share of its fresh pear requirements. The United States remains the major supplier, but during MY2000/2001, imports from China showed the largest percentage increase. The development is related to a Canada/China phytosanitary protocol concerning the importation of fresh pears into Canada from approved orchards in China.

*The fate of the Ontario Apple Commission remains uncertain. A producer vote was held in February 2001, but the results were inconclusive. As a result, the Minister of Agriculture for Ontario ordered the provincial Farm Products Marketing Commission to conduct a review and analysis of the Ontario Apple Marketing Plan.

Section I. Situation and Outlook

Apples

Canada's apple crop in 2001 was reduced by severe dry conditions in most growing regions with the exception of British Columbia. Based on various crop condition reports and discussions with grower organizations, post estimates that the 2001 Canadian apple crop will fall below 500,000 for the first time in 3 years and come in at about 495,000 metric tons, nearly 7% below last year's production level of 532,218 metric tons.

For 2002, some growers in Eastern Canada are concerned that the drought stress experienced by their trees during 2001 will have adverse impact on next year's yields. In the medium term (3-5 years), Canada has the ability to maintain annual fresh apple production within the 510,000-530,000 metric tons range given normal weather and moisture conditions.

PSD Table						
Country	Canada					
Commodity	Fresh Apples				(HA)(1000 TREES)(MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		07/2000		07/2001		07/2002
Area Planted	27900	27666	0	26568	0	26000
Area Harvested	26000	25271	0	22434	0	21500
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	521500	532218	0	495000	0	510000
Non-Comm. Production	0	0	0	0	0	0
TOTAL Production	521500	532218	0	495000	0	510000
TOTAL Imports	110000	120692	0	125000	0	130000
TOTAL SUPPLY	631500	652910	0	620000	0	640000
Domestic Fresh Consump	381500	404996	0	370000	0	382000
Exports, Fresh Only	65000	62914	0	60000	0	58000
For Processing	185000	185000	0	190000	0	200000
Withdrawal From Market	0	0	0	0	0	0
TOTAL UTILIZATION	631500	652910	0	620000	0	640000

Pears

Pear growers in British Columbia are expecting a normal crop of good quality and improved fruit size. In the east, fruit size is down reflecting the effects of prolonged dry periods throughout the summer, but sugar content is reportedly high. On balance, Canadian pear production is expected to be about 13% above last year's poor outturn and reach 17,000 metric tons.

PSD Table						
Country	Canada					
Commodity	Fresh Pears				(HA)(1000 TREES)(MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		07/2000		07/2001		07/2002
Area Planted	1400	1473	0	1336	0	1300
Area Harvested	1200	1297	0	1237	0	1200
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	18000	15072	0	17000	0	17500
Non-Comm. Production	0	0	0	0	0	0
TOTAL Production	18000	15072	0	17000	0	17500
TOTAL Imports	72000	72009	0	75000	0	77000
TOTAL SUPPLY	90000	87081	0	92000	0	94500
Domestic Fresh Consump	84800	82116	0	86900	0	89000
Exports, Fresh Only	700	465	0	500	0	500
For Processing	4500	4500	0	4600	0	5000
Withdrawal From Market	0	0	0	0	0	0
TOTAL UTILIZATION	90000	87081	0	92000	0	94500

Section II. Trade

In recent years Canadian apple trade has been characterized by increasing imports of fresh apple and declining Canadian apple exports. This trend continued during MY2000/2001.

Apple Imports

The United States is the largest supplier of fresh apple imports into Canada. Apple imports from the U.S. during MY2000/2001 climbed 13.5% to 94,893 metric tons, the highest level since MY1997/1998 (96,824 mt). Canadian fresh apple imports from Chile rose sharply during MY2000/2001 while supplies from New Zealand and South Africa fell substantially from traditional levels.

Canadian Fresh Apple Imports				
Marketing Year, July/June				
Units: Metric Tons				
HS 0808.10				% change
				00/01
Country	1998/99	1999/00	2000/01	99/00
The World	118,568	111,430	120,692	8.3%
United States	92,048	83,608	94,893	13.5%
Chile	7,633	8,180	10,904	33.3%
New Zealand	8,911	11,632	7,213	-38.0%
South Africa	8,361	7,058	5,252	-25.6%
France	7	1	1,299	+1000.0%
Argentina	1,175	517	452	-12.6%
Italy	0	0	374	-
Thailand	94	141	118	-16.8%
Switzerland	19	0	83	-
Taiwan	31	22	37	68.3%
All Others	287	270	68	-74.8%
Source: World Trade Atlas				

Apple Imports from the U.S., by State

During MY2000/2001, Washington State dominated fresh apple exports to Canada supplying 77,187 metric tons, more than 80% of the U.S. total. Four states, Washington, California, New York, and Michigan accounted for over 98% of total U.S. fresh apple sales to Canada in MY2000/2001.

Fresh Apple Imports from the U.S., by State of Origin				
Marketing Year, July/June				
Units: Metric Tons				
HS 0808.10				% change
				00/01
State	1998/99	1999/00	2000/01	99/00
United States	92,048	83,608	94,893	13%
Washington	68,408	69,005	77,187	12%
California	11,687	8,646	8,528	-1%
New York	5,994	2,479	5,082	105%
Michigan	2,768	1,032	2,432	136%
Oregon	1,098	804	860	7%
North Carolina	4	90	142	58%
Florida	5	315	134	-57%
New Jersey	191	126	106	-16%
Idaho	216	22	87	305%
Vermont	57	8	81	959%
Pennsylvania	466	188	52	-72%
Arizona	10	43	50	17%
Massachusetts	173	215	48	-78%
Taiwan	31	22	37	68%
South Carolina	401	150	25	-83%
Wisconsin	105	58	22	-63%
Other States	434	406	18	-96%
Derived from: World Trade Atlas Data				

Apple Exports

Despite an above average crop in MY2000/2001, Canadian apple exports slipped 6% from a year earlier to reach 62,914 metric tons. Fresh apple sales to the two top markets, the U.S. and the U.K., fell sharply as shown below. Strong gains in exports of apples to the Philippines, Mexico, and Indonesia failed to offset the decline in exports to traditional markets.

Canadian Fresh Apple Exports				
Marketing Year, July/June				
Units: Metric Tons				
HS 0808.10				% change
				00/01
Country	1998/99	1999/00	2000/01	99/00
The World	68,315	66,862	62,914	-5.9%
United States	38,717	46,111	37,875	-17.9%
United Kingdom	5,694	10,000	6,826	-31.7%
Philippines	12,527	3,850	6,337	64.6%
Mexico	4,542	2,958	4,757	60.8%
Indonesia	970	1,517	2,381	56.9%
Bangladesh	120	0	684	-
Costa Rica	2	136	615	350.9%
Colombia	118	716	556	-22.4%
Honduras	162	88	364	313.9%
Cuba	217	297	289	-2.7%
Israel	19	0	268	-
All Others	5,227	1,189	1,963	65.1%
Source: World Trade Atlas				

Pear Imports

Canada relies on imports for the major share of its fresh pear requirements. During MY2000/2001, imports from the U.S. slipped for the first time in recent years while imports from South America and China showed increases. Imports from China showed the largest percentage increase which is related to a Canada/China phytosanitary protocol concerning the importation of fresh pears into Canada from approved orchards in the People's Republic of China (see Policy Section).

Canadian Fresh Pear Imports				
Marketing Year, July/June				
Units: Metric Tons				
HS 0808.20				% change
				00/01
Country	1998/99	1999/00	2000/01	99/00
The World	66,445	70,680	72,009	2%
United States	41,002	47,457	44,745	-6%
Argentina	14,557	12,296	13,198	7%
Chile	5,835	3,548	5,923	67%
China	389	596	2,852	379%
South Africa	2,276	3,424	1,611	-53%
Australia	502	543	926	70%
Italy	519	729	915	26%
Portugal	43	567	637	12%
New Zealand	421	598	571	-5%
Korea, South	646	791	441	-44%
Mexico	20	36	47	30%
All Others	234	95	142	48%
Source: World Trade Atlas				

Pear Exports

Canadian fresh pear exports are relatively insignificant.

Canadian Fresh Pear Exports				
Marketing Year, July/June				
Units: Metric Tons				
HS 0808.20				% change
				00/01
Country	1998/99	1999/00	2000/01	99/00
The World	577	713	465	-35%
United States	559	546	400	-27%
Israel	0	0	23	-
Taiwan	0	0	22	-
Colombia	0	78	11	-86%
Cuba	0	0	6	-
All Others	19	89	2	-98%
Source: World Trade Atlas				

Section III. Consumption

Per Capita Consumption

Canada: Per Capita Consumption, Apples & Pears		
Units: kilograms, retail weight*		
Year	APPLES	PEARS
1990	12.73	2.14
1991	11.84	2.08
1992	11.46	2.08
1993	10.69	2.13
1994	13.93	2.27
1995	13.25	2.27
1996	11.92	2.18
1997	10.34	2.25
1998	13.28	2.30
1999	12.70	2.37
*incl. fresh equivalent of processed		
Source: StatCan; Food Consumption in Canada, PartII		

Prices

Weekly fresh apple and pear prices on major Canadian wholesale markets and daily market prices for Toronto and Montreal are available electronically at Agriculture and Agric-Food Canada's (AAFC) InfoHort website at: http://www.agr.ca/misb/infhort/infhort_e.html

Apple Storage Holdings

Beginning every November AAFC reports the quantity and type of apples in storage in Canada, by province. To view this data, visit the following AAFC web link:

<http://www.agr.ca/misb/infhort/data/storage/appdistindex.html>

Section IV. Policy

Ontario Apple Vote

Successive years of poor returns combined with an increase in the number of growers leaving the industry, prompted Ontario apple producers to vote on whether they wanted to maintain their provincial marketing body, the Ontario Apple Marketing Commission (see CA0138) . The Commission has the power (under provincial law) to set apple prices in the province, but in recent years industry participants (growers and packers) have reportedly not adhered to the price levels because of supply and demand factors and the wide range of quality criteria which govern the value of apples. A producer vote was held in February 2001, but the results were inconclusive. As a result, the Minister of Agriculture for Ontario ordered the provincial Farm Products Marketing Commission to conduct, using an independent third-party, a review and analysis of the Ontario Apple Marketing Plan. According to the Ontario Apple Commission, the review was completed during August 2001 and the results are expected to be published shortly. Meanwhile, the Apple Commission in Ontario continues to operate.

Canadian Imports of Chinese Pears

On Aug 24, 2001 the CFIA revised a plant health directive governing the importation of certain fresh pears from China. The directive (D-94-32) has been reviewed on an annual basis 6 times. The directive contains the plant protection (phytosanitary) requirements that permit the importation of fresh pears from the People's Republic of China (PRC) into Canada on a trial basis from approved orchards in the PRC. The 2001 directive has been revised to approve pear shipments from additional orchards in Shandong province, and to update the number codes for previously approved fragrant pear orchards in Xinjiang province, in order to reflect their sub-division into smaller, more manageable units. The trial period for the newly approved orchards from Shandong province is for two years from the effective date of this revised directive, or until such time as the CFIA is satisfied requirements can routinely be met. For orchards from Hebei and Xinjiang provinces, the trial period ends in September, 2001, unless changed by the interception of quarantine pests, or other non-compliance to the import requirements. According to the CFIA, this is an interim policy. The CFIA is presently conducting a comprehensive review of its import requirements for pears and apples from all countries. It is anticipated there will be changes in requirements after the review has been completed.

Exchange Rates

Prices and values in this report are expressed in Canadian dollars. Exchange rates are 1997, C\$=US\$.7223; 1998, C\$=US\$.6743; 1999, C\$=US\$.6730; 2000, C\$=US\$.6733; September, 2001, C\$=approximately US\$.6600.

Find Us on The Web:

Visit our headquarter's home page at <http://www.fas.usda.gov> for a complete selection of FAS' worldwide agricultural reporting.

Contact:

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