



Industry Outlook & Global Crop Report

August 19, 2021

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USApple

#AppleOutlook2021

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Roadmap



U.S. & Global Summary



U.S. Production Detail



U.S. Utilization Detail



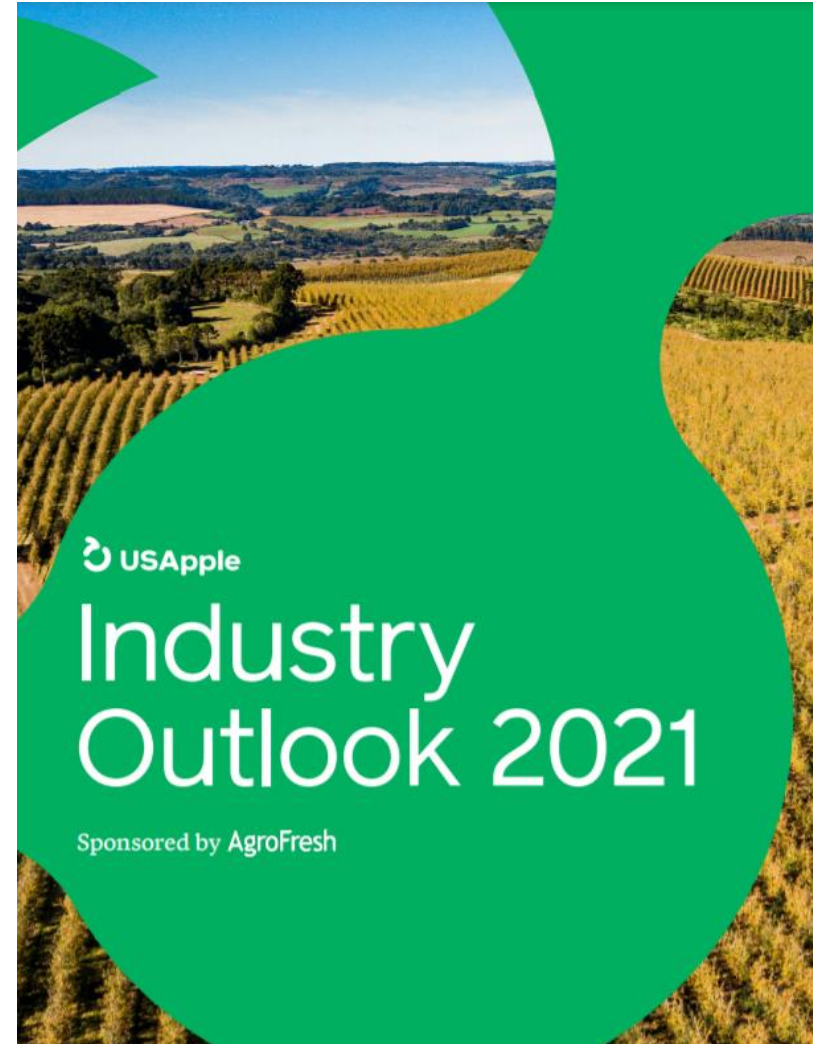
U.S. Trade Detail



Global Production Detail



Other Trends & Forces



Roadmap



U.S. & Global Summary



U.S. Production Detail



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U.S. Trade Detail



Global Production Detail



Other Trends & Forces

Core Findings

Based on the most recent estimate from the USDA, U.S. apple production for the 2021/22 crop year (CY) will exceed 265.4 million bushels, a 2.7% increase from last year.¹ These apples will have a farm-gate value of more than \$3.2 billion, generated primarily from fresh apple production (see **Table 1**).

At the state level, Washington will remain the nation's top producer with an estimated crop of 176.2 million bushels valued at almost \$2.3 billion. This production level represents a 7% increase from the 2020/21 CY. California is expected to experience the largest drop in crop production in percentage terms, decreasing by 31.7% year over year.

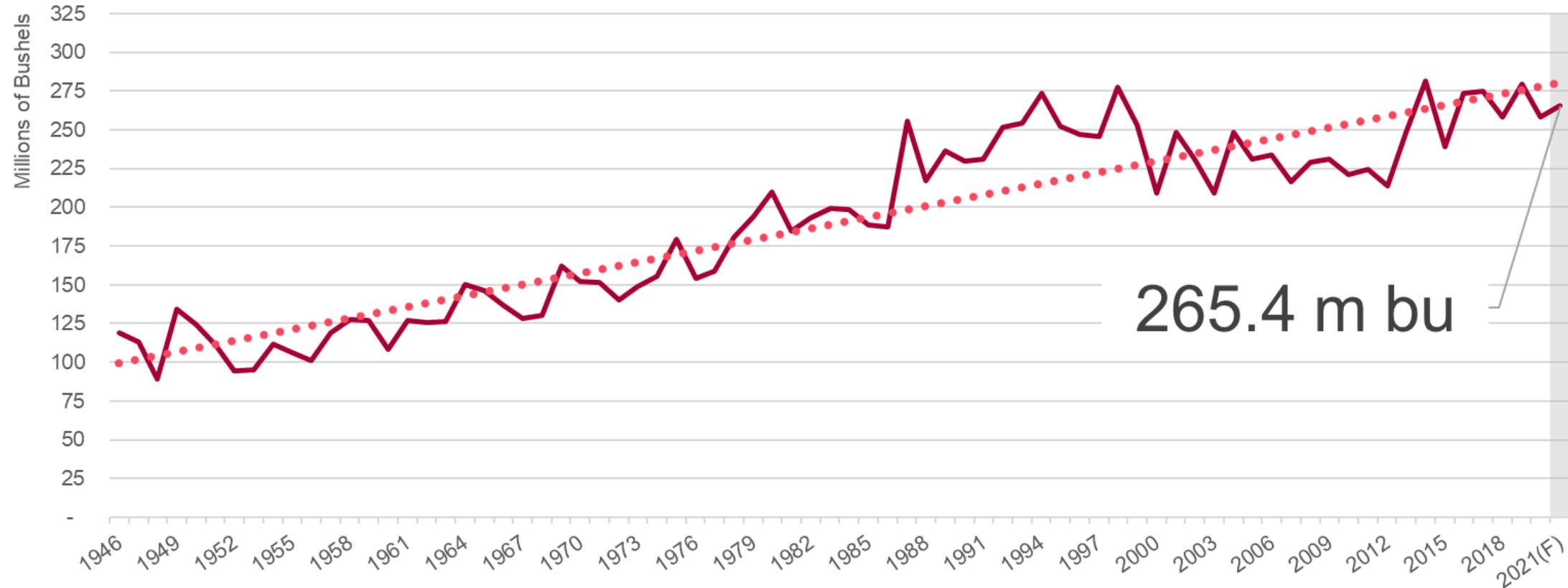
¹This figure has been adjusted by USApple to include "Other" states, a category no longer reported by USDA. For more information on the adjustment, refer to the U.S. Apple Production section in the body of this report.

USApple Industry Outlook 2021 - Core Findings

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U.S. Apple Production

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Sources: USDA, National Agricultural Statistics Service; USApple

U.S. Apple Production

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	2021/22 (F)	2020/21	5-Yr. Average
LEVELS			
UNITED STATES	265.4	258.6	269.0
Washington	176.2	164.6	171.6
New York	32.1	33.0	31.9
Michigan	18.1	22.1	24.7
Pennsylvania	11.0	9.9	11.5
Oregon	4.5	4.2	4.1
California	4.4	6.5	6.0
Virginia	4.3	3.9	4.6
Other	14.8	14.4	14.6

2021/22 vs. 2020/21	2021/22 vs. 5-Yr. Average
PERCENT CHANGE	
2.7%	-1.3%
7%	3%
-3%	1%
-18%	-27%
10%	-4%
9%	10%
-32%	-27%
10%	-6%
3%	2%

2021/22 (F)	2020/21	5-Yr. Average
MARKET SHARE		
66%	64%	64%
12%	13%	12%
7%	9%	9%
4%	4%	4%
2%	2%	2%
2%	2%	2%
2%	2%	2%
6%	6%	5%

Sources: USDA, National Agricultural Statistics Service; USApple

Notes: Production levels are in millions of 42-pound bushels.

Five-year averages do not include 2021/22 (F) data.

USDA U.S. total revised to include imputed production from "Other" states.

"Other" states' production calculated based on 2017 share of U.S. total.

USDA 2021/22 (F)	250.6 m bu	2.7% YOY
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Global Apple Production

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	2021/22 (F)	2020/21	Year-Over-Year % Change
TOTAL SELECTED	3,473.9	3,347.3	3.8%
China	2,374.2	2,313.3	3%
Europe	616.0	561.9	10%
United States	265.4	258.6	3%
South America	160.6	157.1	2%
Mexico	38.8	35.6	9%
Canada	18.9	20.8	-9%

Sources: USDA, National Agricultural Statistics Service & Foreign Agricultural Service;
USApple; United Nations Food and Agricultural Organization;
World Apple and Pear Association; Canadian Horticultural Council
Note: Production levels are in millions of 42-pound bushels.



Global Apple Production

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Sources: USDA, National Agricultural Statistics Service & Foreign Agricultural Service;
 USApple; United Nations Food and Agricultural Organization;
 World Apple and Pear Association; Canadian Horticultural Council
 Note: Production levels are in millions of 42-pound bushels.

MEXICO

2021/22 (F)

25 M Bushels

2020/21

20 M Bushels



Source: Romney Produce

Roadmap



U.S. & Global Summary



U.S. Production Detail



U.S. Utilization Detail



U.S. Trade Detail



Global Production Detail



Other Trends & Forces

#AppleOutlook2021

U.S. Apple Production

According to a USApple analysis of USDA data, total U.S. apple production for the 2021/22 CY will exceed 11.1 billion pounds or 265.4 million bushels.¹⁶ This represents a 2.7% increase compared to last year's production figure and is 1.3% less than the five-year production average.



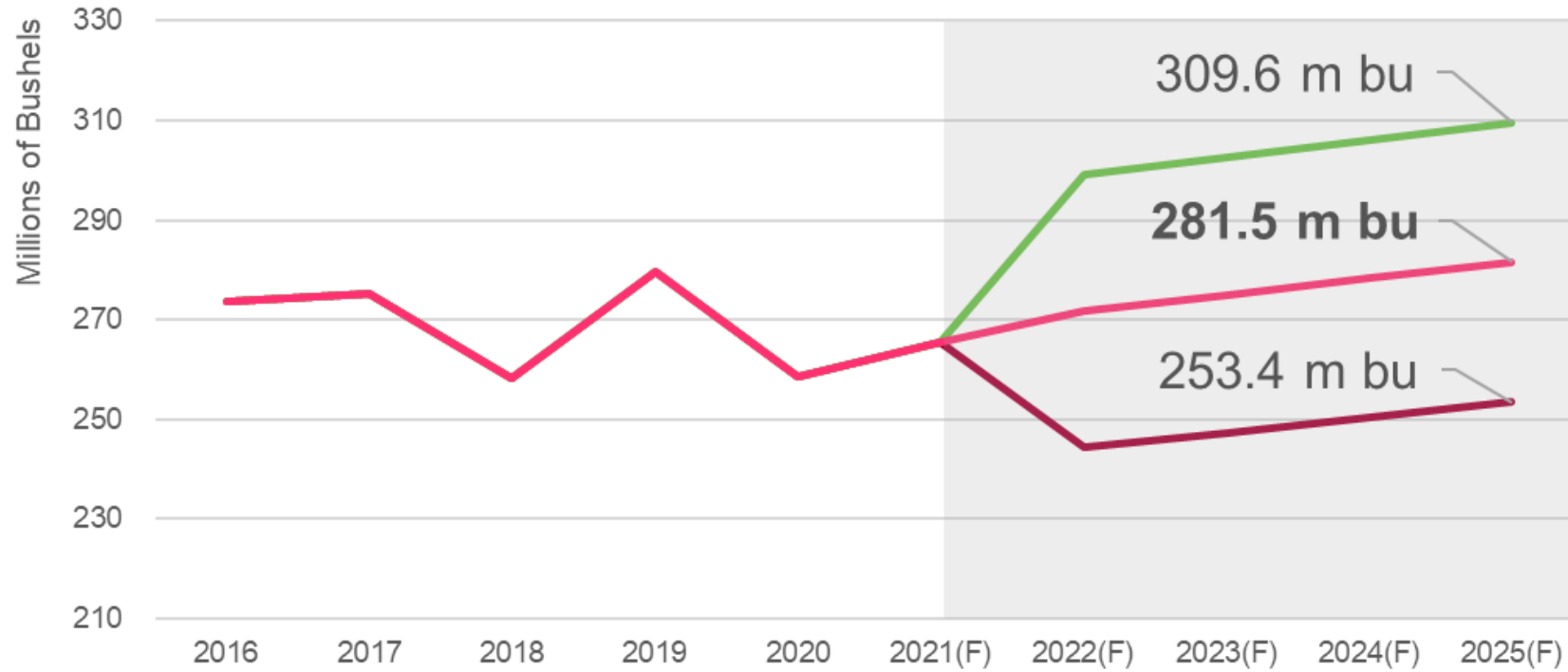
¹⁶ Each August, USDA releases an estimate of apple production by state for the coming crop year. In 2018, it limited the number of estimates to only the top seven apple producing states: California, Michigan, New York, Oregon, Pennsylvania, Virginia and Washington. This means that, from 2018 onward, USDA's total national production figure only represents a sum of the seven states. Prior to 2018, USDA's total national production figure included data for a far greater number of states - 20 in 2017. In an effort to maintain continuity of the dataset, USApple has estimated production for the "Other" states from 2018-2021 and added it back to USDA's national production figures to arrive at a new, more comprehensive USApple production estimate.

USApple Industry Outlook 2021 - U.S. Apple Production

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U.S. Apple Production Forecast

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Source: USApple

MAPE: 4.6%



95% CI: ~28 m bu



U.S. Apple Production

#1 Gala



#2 Red Delicious



#3 Honeycrisp



Cosmic Crisp

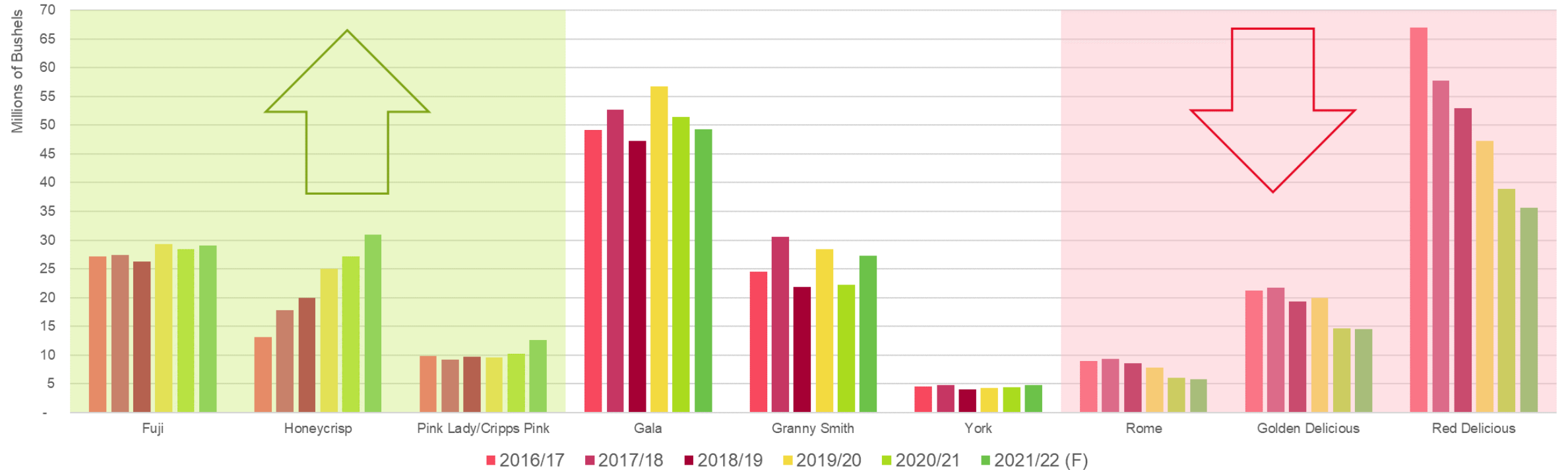


Sources: USApple; Washington State Tree Fruit Association
Note: Production levels are in millions of 42-pound bushels.
Five-year averages do not include 2021/22 (F) data.

	2021/22 (F)		2020/21		5-Yr. Average	
TOTAL VARIETIES	265.4		258.6		269.0	
Gala	49.3	19%	51.4	20%	51.4	19%
Red Delicious	35.7	13%	38.9	15%	52.8	20%
Honeycrisp	31.0	12%	27.1	10%	20.6	8%
Fuji	29.1	11%	28.5	11%	27.7	10%
Granny Smith	27.2	10%	22.2	9%	25.5	9%
Others	24.6	9%	24.6	10%	18.9	7%
Golden Delicious	14.5	5%	14.7	6%	19.4	7%
Pink Lady/Cripps Pink	12.6	5%	10.2	4%	9.7	4%
Idared	6.9	3%	7.5	3%	7.3	3%
Rome	5.8	2%	6.0	2%	8.1	3%
McIntosh	5.5	2%	5.8	2%	6.7	2%
York	4.8	2%	4.4	2%	4.4	2%
Cosmic Crisp	4.7	2%	2.1	1%	0.5	0%
Empire	4.1	2%	4.3	2%	4.9	2%
Ambrosia	3.0	1%	3.1	1%	2.5	1%
Cortland	1.9	1%	1.9	1%	1.7	1%
Newtown Pippin	1.6	1%	2.4	1%	1.7	1%
Mutsu/Crispin	1.1	0%	1.2	0%	1.4	1%
Jonathan	0.7	0%	0.8	0%	0.9	0%
Braeburn	0.5	0%	0.7	0%	1.7	1%
Spartan	0.3	0%	0.3	0%	0.3	0%
Stayman	0.2	0%	0.2	0%	0.3	0%
Rome Sport	0.2	0%	0.2	0%	0.5	0%

U.S. Apple Production

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Sources: USApple; Washington State Tree Fruit Association

U.S. Apple Production

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2021/22 (F)	Production		Value	
UNITED STATES	265.4		3,209.8	
Washington	176.2	66.4%	2,260.9	70.4%
New York	32.1	12.1%	318.1	9.9%
Michigan	18.1	6.8%	212.9	6.6%
Pennsylvania	11.0	4.1%	97.8	3.0%
California	4.4	1.7%	48.8	1.5%
Oregon	4.5	1.7%	50.8	1.6%
Virginia	4.3	1.6%	36.0	1.1%
Other	14.8	5.6%	184.5	5.7%

Sources: USDA, National Agricultural Statistics Service, USApple

Note: Production levels are in millions of 42-pound bushels.

Value data are in millions of dollars and based on five-year averages: 2016-2020.

USDA U.S. total revised to include imputed production from “Other” states.

“Other” states’ production calculated based on 2017 share of U.S. total.



Roadmap



U.S. & Global Summary



U.S. Production Detail



U.S. Utilization Detail



U.S. Trade Detail



Global Production Detail



Other Trends & Forces

U.S. Apple Utilization

The ratio of fresh to processing apples has remained remarkably consistent over the last decade (or more). In 2020, fresh apples made up around 67% of total apples produced while processing apples accounted for around 30%. The remaining 3% of apples produced went unsold.



USApple Industry Outlook 2021 - U.S. Apple Utilization

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U.S. Apple Utilization



Sources: USDA, National Agricultural Statistics Service; USApple

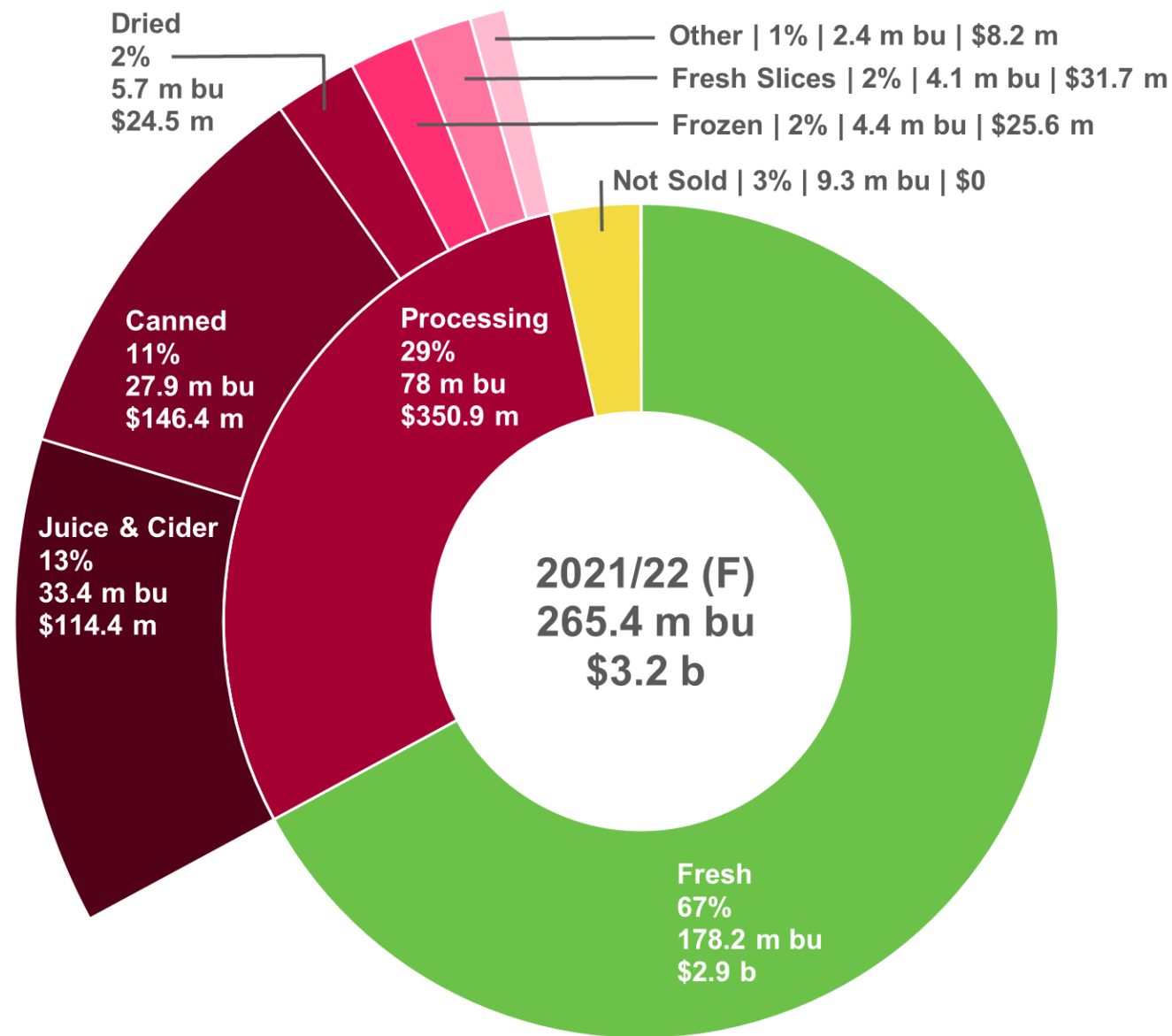
Notes: **Fresh, processing and not sold utilization shares are based on five-year averages: 2016-2020.**

Sub-processing utilization shares are based on five-year averages: 2013-2017.

Fresh, processing and not sold value data are based on five-year averages: 2016-2020.

Sub-processing value data are based on 2017 price ratios to all processing apples.

Numbers may not sum to total due to rounding.



U.S. Apple Utilization



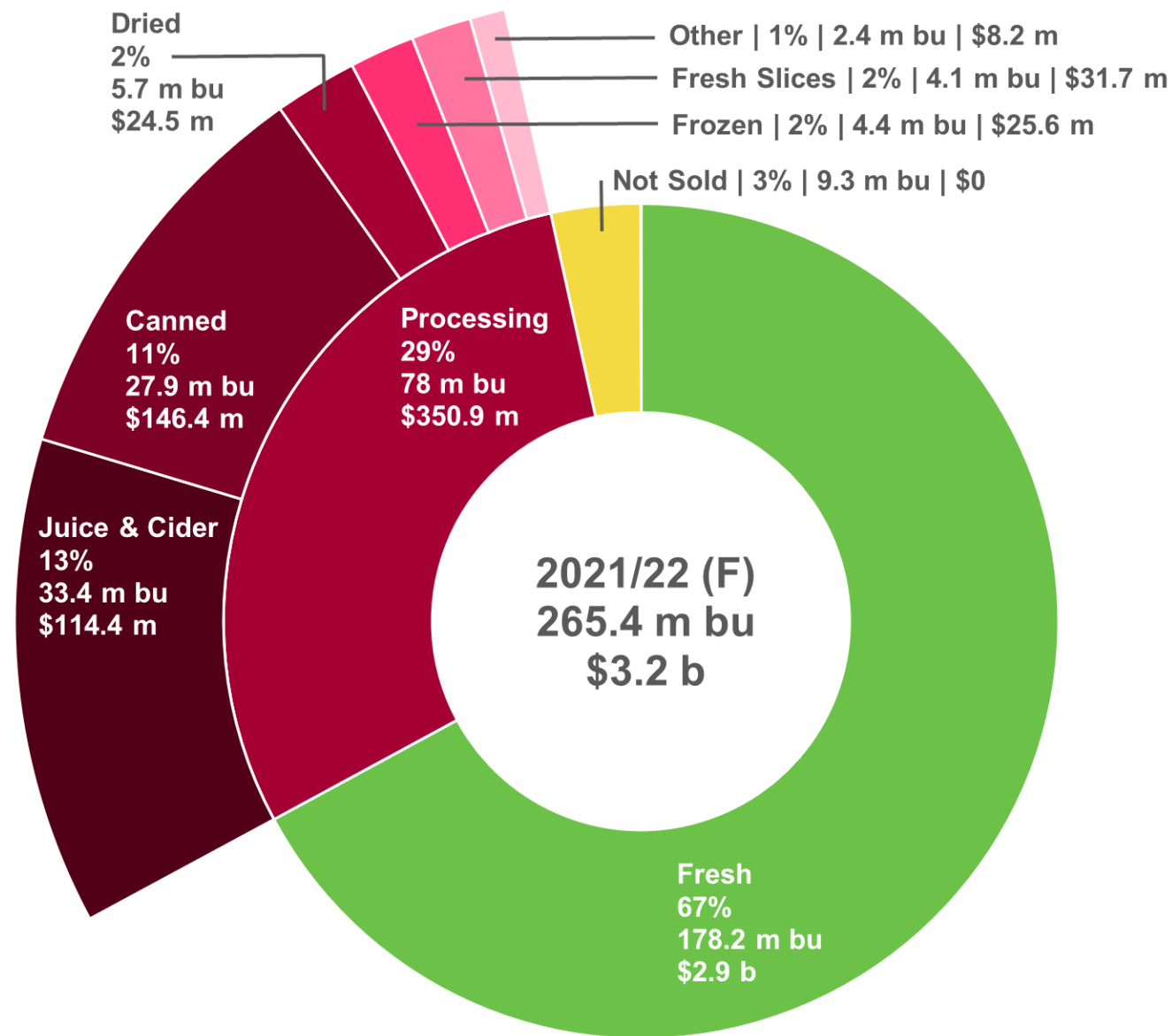
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U.S. Apple Utilization



Sources: USDA, National Agricultural Statistics Service; USApple

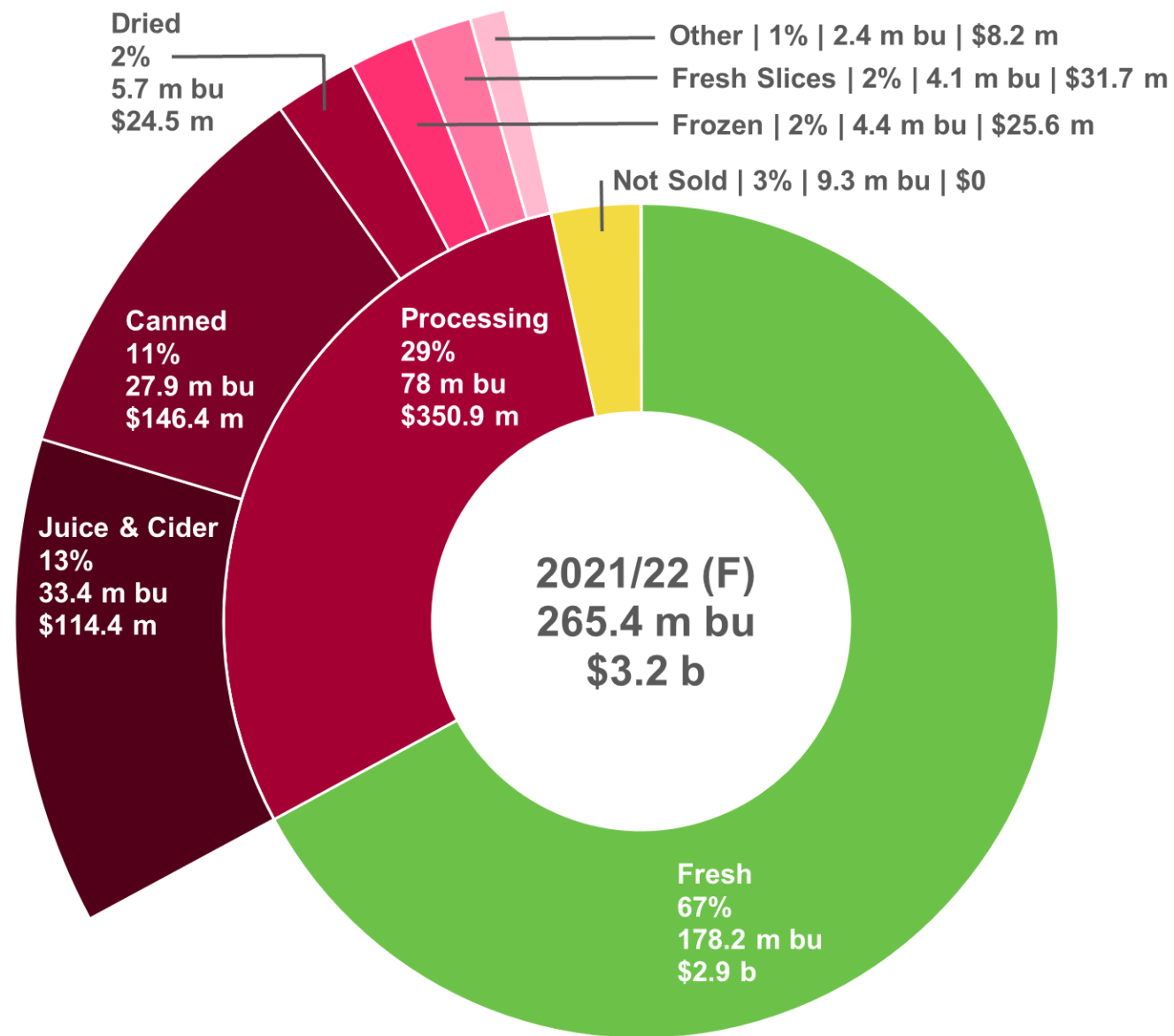
Notes: Fresh, processing and not sold utilization shares are based on five-year averages: 2016-2020.

Sub-processing utilization shares are based on five-year averages: 2013-2017.

Fresh, processing and not sold value data are based on five-year averages: 2016-2020.

Sub-processing value data are based on 2017 price ratios to all processing apples.

Numbers may not sum to total due to rounding.



U.S. Apple Utilization

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2016-2020 AVG	Fresh	Processing
TOTAL VARIETIES	73%	27%
Ambrosia	81%	19%
Braeburn	85%	15%
Cortland	46%	54%
Cosmic Crisp	78%	22%
Empire	76%	24%
Fuji	80%	20%
Gala	82%	18%
Golden Delicious	55%	45%
Granny Smith	77%	23%
Honeycrisp	65%	35%
Idared	8%	92%
Jonathan	46%	54%
McIntosh	76%	24%
Mutsu/Crispin	20%	80%
Newtown Pippin	31%	69%
Pink Lady/Cripps Pink	82%	18%
Red Delicious	84%	16%
Rome	11%	89%
Rome Sport	49%	51%
Spartan	97%	3%
Stayman	21%	79%
York	2%	98%
Others	70%	30%

2021/22 (F)	Utilization	% of State Production	% of National Use Type
FRESH			
UNITED STATES	178.2	67%	
Washington	132.6	75%	74%
New York	17.2	54%	10%
Michigan	9.2	51%	5%
Pennsylvania	4.9	45%	3%
Oregon	3.7	82%	2%
Virginia	1.9	43%	1%
California	1.3	29%	1%
Other	7.3	49%	4%
PROCESSING			
UNITED STATES	78.0	29%	
Washington	34.8	20%	45%
New York	14.7	46%	19%
Michigan	8.9	49%	11%
Pennsylvania	6.0	55%	8%
California	3.1	70%	4%
Virginia	2.4	56%	3%
Oregon	0.8	18%	1%
Other	7.4	50%	9%

Source: USApple

Note: Shares do not match those in the state-by-state table as December storages are inclusive of “not sold” apples.



Sources: USDA, National Agricultural Statistics Service; USApple

Notes: Utilization levels are in millions of 42-pound bushels. Fresh and processing production shares are based on five-year averages: 2016-2020.

The sum of fresh, processing and not sold apples equals total production.

Roadmap



U.S. & Global Summary



U.S. Production Detail



U.S. Utilization Detail



U.S. Trade Detail



Global Production Detail



Other Trends & Forces

U.S. Apple Trade

According to USDA trade data, fresh apple exports totaled 42.1 million bushels in 2020 – a 3% decline over 2019 levels. Fortunately, however, from 2019 to 2020 fresh apple imports fell faster, declining by almost 25% to 5.7 million bushels. These counteracting forces resulted in a slight, 500,000-bushel increase in the year-over-year balance of trade.

While this is a positive sign, the U.S. fresh apple market and policy makers have a lot of work to do to get back to the high-water mark set in 2018. In that year, total exports were 48.5 million bushels and the net positive trade balance was 41.6 million bushels. That represents a decline in net exports of more than 5.1 million bushels in just two years with an estimated value of almost \$120 million.

42.1
MILLION BUSHELS
EXPORTED

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U.S. Fresh Apple Trade

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	2020	2019	2018	2017	2016	2020 \$
TOTAL U.S. EXPORTS	42.1	43.5	48.5	47.5	40.4	\$ 848.7
Mexico	13.2	12.9	14.8	14.8	11.2	\$ 240.6
Canada	7.9	7.3	7.8	7.6	7.5	\$ 155.8
Vietnam	2.5	2.8	2.0	1.4	1.3	\$ 63.2
Taiwan	2.2	4.0	2.3	3.1	3.0	\$ 54.1
India	2.2	2.9	7.9	5.3	3.0	\$ 37.5
Indonesia	1.5	1.7	1.3	1.7	2.1	\$ 30.1
Dominican Republic	1.1	1.1	1.1	1.0	1.0	\$ 22.0
Hong Kong	1.1	1.4	1.3	1.8	1.7	\$ 22.8
Saudi Arabia	0.9	1.0	1.0	1.1	0.9	\$ 16.6
Thailand	0.8	1.1	0.8	0.8	0.8	\$ 19.0
Other	8.8	7.3	8.1	9.0	7.8	\$ 187.0
TOTAL U.S. IMPORTS	5.7	7.5	6.9	8.7	10.2	\$ 157.9
Chile	2.8	4.1	3.3	4.6	5.5	\$ 72.1
New Zealand	1.5	1.7	2.1	1.9	2.5	\$ 55.9
Canada	1.0	1.1	1.0	1.4	1.3	\$ 21.2
Argentina	0.3	0.6	0.3	0.5	0.6	\$ 5.8
China	0.1	0.1	0.2	0.2	0.2	\$ 2.4
Other	0.0	0.0	0.0	0.0	0.1	\$ 0.4
U.S. BALANCE OF TRADE	36.5	36.0	41.6	38.9	30.2	\$ 690.8

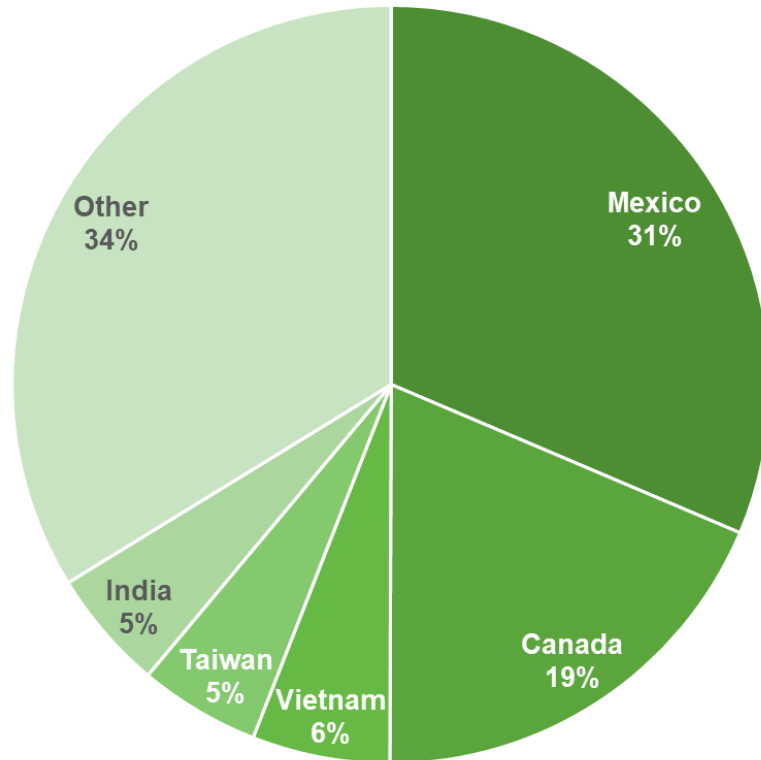


Sources: USDA, Foreign Agricultural Service; USApple
 Notes: Trade levels are in millions of 42-pound bushels.
 Trade values are in millions of dollars.

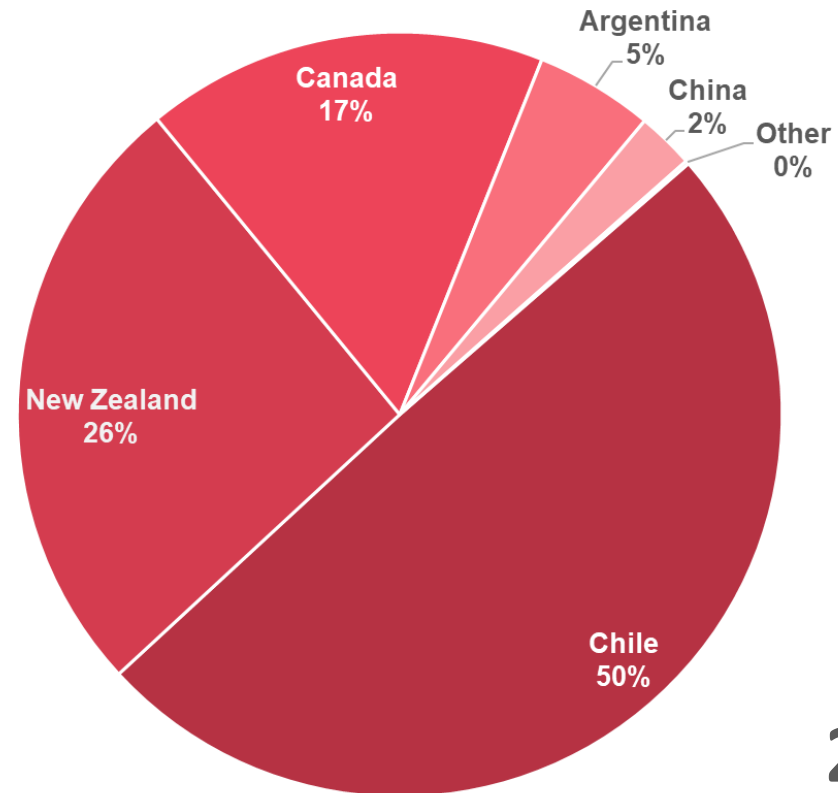
U.S. Fresh Apple Trade

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2020

Sources: USDA, Foreign Agricultural Service; USApple

U.S. AJC Trade

	2020	2019	Year-Over-Year % Change
LEVELS			
U.S. BALANCE OF TRADE	(416.7)	(432.6)	-3.7%
Total Exports	12.1	13.3	-9%
Total Imports	428.9	445.9	-4%
VALUE			
U.S. BALANCE OF TRADE	\$ (368.7)	\$ (388.6)	-5.1%
Total Exports	\$ 46.4	\$ 51.4	-10%
Total Imports	\$ 415.1	\$ 440.0	-6%

Sources: USDA, Foreign Agricultural Service; USApple

Note: Trade levels are in millions of gallons.

Sources: USDA, Foreign Agricultural Service, USApple

Notes: Trade levels are in millions of gallons.

Year-over-year changes are calculated on levels.

Levels by country for organic frozen apple juice concentrate have been calculated based on the value shares.

2020	Levels		Values		Year-Over-Year % Change	
APPLE JUICE CONCENTRATE						
WORLD TOTAL	379.8		\$	362.4		-5%
China	199.9	53%	\$	132.5	37%	154%
Turkey	68.6	18%	\$	92.8	26%	-18%
Argentina	31.0	8%	\$	34.0	9%	110%
Chile	24.4	6%	\$	30.3	8%	61%
Poland	19.4	5%	\$	19.0	5%	-79%
APPLE JUICE CONCENTRATE - FROZEN						
WORLD TOTAL	40.0		\$	30.9		-7%
China	24.7	62%	\$	16.9	55%	-2%
Brazil	12.5	31%	\$	10.8	35%	-6%
South Africa	1.7	4%	\$	1.6	5%	N/A
Hungary	0.8	2%	\$	1.0	3%	N/A
Turkey	0.1	0%	\$	0.2	1%	-96%
APPLE JUICE CONCENTRATE - BRIX < 20						
WORLD TOTAL	8.0		\$	20.6		167%
Canada	2.8	35%	\$	8.3	40%	138%
China	2.3	28%	\$	4.9	24%	1865%
Ukraine	1.1	14%	\$	3.0	15%	132%
Turkey	0.9	11%	\$	1.9	9%	48%
Mexico	0.4	5%	\$	1.1	5%	-15%
APPLE JUICE CONCENTRATE - FROZEN, ORGANIC						
WORLD TOTAL	1.0		\$	1.1		-8%
Argentina	0.3	30%	\$	0.3	30%	N/A
China	0.3	27%	\$	0.3	27%	5097%
Turkey	0.2	20%	\$	0.2	20%	-74%
New Zealand	0.1	14%	\$	0.2	14%	-26%
Austria	0.1	8%	\$	0.1	8%	59%

Roadmap



U.S. & Global Summary



U.S. Production Detail



U.S. Utilization Detail



U.S. Trade Detail



Global Production Detail



Other Trends & Forces

Global Apple Production

Global apple production has been steadily increasing since 1961. In 2019, the most recent year for which the UN has data, worldwide apple production totaled almost 4.6 billion bushels. These apples were grown on slightly less than 11.7 million acres resulting in an average yield of about 393 bushels per acre.

4.6

BILLION BUSHEL
PRODUCED

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Global Apple Production

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Note: Set constants to 0 before using solver.

Smoothing Constants (optimized to minimize MAPE)

α	β	MAPE	95% CI +/-
0.916	0.009	3.4%	199,913,010

Exponential Smoothing "Holt" Model

	CHINA	Level	Trend	Forecast	Error	PCT Error
2001	1,051,013,164	1,051,013,164	63,113,155			
2002	1,010,484,113	1,019,155,387	62,304,362	1,114,126,320	(103,642,207)	10.3%
2003	1,107,830,001	1,105,623,721	62,510,148	1,081,459,749	26,370,252	2.4%
2004	1,243,088,950	1,236,817,797	63,095,075	1,168,133,869	74,955,081	6.0%
2005	1,260,668,957	1,263,952,318	62,788,827	1,299,912,872	(39,243,915)	3.1%
2006	1,368,172,999	1,364,706,584	63,112,149	1,326,741,145	41,431,855	3.0%
2007	1,462,707,053	1,459,788,105	63,384,407	1,427,818,733	34,888,320	2.4%
2008	1,566,895,399	1,563,237,303	63,725,608	1,523,172,512	43,722,887	2.8%
2009	1,663,146,064	1,660,118,783	64,007,971	1,626,962,911	36,183,153	2.2%
2010	1,746,121,294	1,744,281,111	64,179,610	1,724,126,754	21,994,540	1.3%
2011	1,888,974,424	1,882,238,206	64,807,915	1,808,460,720	80,513,703	4.3%
2012	2,020,508,982	2,014,362,677	65,381,198	1,947,046,122	73,462,860	3.6%
2013	2,083,046,125	2,082,769,841	65,406,968	2,079,743,875	3,302,251	0.2%
2014	2,148,176,846	2,148,176,843	65,406,968	2,148,176,809	38	0.0%
2015	2,041,914,792	2,056,277,563	64,067,313	2,213,583,811	(171,669,019)	8.4%
2016	2,120,344,884	2,120,344,883	64,067,313	2,120,344,876	8	0.0%
2017	2,172,676,683	2,173,658,541	63,975,733	2,184,412,196	(11,735,513)	0.5%
2018	2,059,483,514	2,074,388,582	62,585,496	2,237,634,273	(178,150,759)	8.7%
2019	2,227,011,485	2,219,478,463	63,288,122	2,136,974,079	90,037,407	4.0%
2020	2,313,276,271	2,310,723,664	63,526,211	2,282,766,585	30,509,687	1.3%
2021		2,374,249,874	63,526,211	2,374,249,874		

Source: United Nations, Food and Agriculture Organization; USApple

Global Apple Production

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	2021/22 (F)		2020/21		5-Yr. Average	
EUROPE TOTAL	616.0		561.9		586.3	
Poland	218.9	35.5%	179.0	31.9%	189.3	32.3%
Italy	107.4	17.4%	111.5	19.8%	109.8	18.7%
France	72.2	11.7%	70.2	12.5%	77.7	13.3%
Germany	56.7	9.2%	53.7	9.6%	49.7	8.5%
Spain	28.5	4.6%	22.3	4.0%	25.5	4.4%
Hungary	27.3	4.4%	18.4	3.3%	27.4	4.7%
Romania	21.5	3.5%	20.4	3.6%	17.8	3.0%
Portugal	16.3	2.7%	14.6	2.6%	15.5	2.6%
Netherlands	13.1	2.1%	11.5	2.1%	13.7	2.3%
Greece	10.6	1.7%	14.7	2.6%	14.1	2.4%
Belgium	10.1	1.6%	8.8	1.6%	10.1	1.7%
United Kingdom	10.0	1.6%	10.3	1.8%	11.2	1.9%
Czech Rep	6.6	1.1%	6.2	1.1%	6.4	1.1%
Austria	6.0	1.0%	6.6	1.2%	5.9	1.0%
Croatia	3.4	0.6%	2.9	0.5%	3.2	0.5%
Lithuania	1.7	0.3%	3.1	0.6%	2.6	0.4%
Slovakia	1.6	0.3%	1.6	0.3%	1.5	0.3%
Sweden	1.4	0.2%	1.7	0.3%	1.3	0.2%
Slovenia	1.0	0.2%	2.4	0.4%	1.8	0.3%
Denmark	0.9	0.2%	1.3	0.2%	1.1	0.2%
Latvia	0.6	0.1%	0.7	0.1%	0.6	0.1%

	2021/22 (F)		2020/21		5-Yr. Average	
EUROPE TOTAL	616.0		561.9		586.3	
Golden Delicious	111.3	18.1%	103.3	18.4%	115.1	19.6%
Gala	82.0	13.3%	75.8	13.5%	71.7	12.2%
Idared	36.0	5.8%	33.0	5.9%	41.9	7.1%
Red Delicious	33.6	5.5%	34.6	6.2%	34.3	5.8%
Shampion	24.4	4.0%	22.2	4.0%	24.9	4.2%
Red Jonaprince	22.2	3.6%	23.1	4.1%	15.6	2.7%
Jonagold	21.9	3.6%	16.4	2.9%	22.5	3.8%
Elstar	18.0	2.9%	16.4	2.9%	17.7	3.0%
Granny Smith	15.8	2.6%	19.2	3.4%	19.7	3.4%
Fuji	15.7	2.5%	16.4	2.9%	16.2	2.8%
Ligol	14.7	2.4%	11.0	2.0%	14.1	2.4%
Jonagored	13.1	2.1%	13.1	2.3%	20.3	3.5%
Cripps Pink	12.7	2.1%	14.3	2.6%	14.3	2.4%
Braeburn	12.7	2.1%	13.2	2.3%	14.6	2.5%
Other	182.1	29.6%	149.9	26.7%	143.5	24.5%

↑ 10%
YOY

Sources: World Apple and Pear Association; USApple
Notes: Production levels are in millions of 42-pound bushels.
Five-year averages do not include 2021/22 (F) data.



Global Apple Production

25

Regional Commentary

Philippe Binard

Secretary General, World Apple & Pear Association



- *New season starting almost everywhere – no carry-over stocks of last season's crop.*
- *Picking due to start one week later than average – later start and rain allowing for continued development, approaching average historical sizes – some early varieties may be smaller than usual.*
- *Frost damage in April was severe, but less than expected – Slovenia, Greece, some Nordic countries and southeastern France hit hardest.*
- *Frost damage could lead to qualitative issues and higher processing ratios – 29%-31% of crop is typically utilized for processing, could increase to 37% this year.*
- *Organic apples growing, but slowly – production expected to be more than 31.5 m bu, around 5%-6% of total crop.*

Global Apple Production

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CHILE: 69 m bu



BRAZIL: 61 m bu



ARGENTINA: 31 m bu



Sources: USDA, Foreign Agricultural Service; World Apple and Pear Association; USApple

Global Apple Production

27

MEXICO

2021/22 (F)	25 M Bushels
2020/21	20 M Bushels



Source: Romney Produce

Regional Commentary

Leighton Romney
CEO, Romney Produce

Many new orchards are coming into production this season which will help in achieving this rather large crop estimate.

About 85% of the crop is Golden Delicious.

Great growing weather with lots of rain in the apple growing areas will make the fruit sizes much larger than last year.

Early prices for Gala and Golden Supreme have been higher than last year.

Global Apple Production

2021/22 (F)	CANADA
TOTAL VARIETIES	18.9
Gala	3.5
McIntosh	3.1
Ambrosia	2.4
Honeycrisp	1.9
Cortland	1.5
Spartan	1.2
Empire	1.1
Spy	0.9
Red Delicious	0.7
Others	2.7



Source: Canadian Horticultural Council

Notes: Production levels are in millions of 42-pound bushels.

Five-year averages do not include 2021/22 (F) data.

	2021/22 (F)	2020/21	5-Yr. Average
LEVELS			
CANADA	18.9	20.8	18.1
Ontario	7.3	8.2	7.2
Quebec	5.2	5.6	5.6
British Columbia	4.1	4.9	3.6
Nova Scotia	2.1	2.0	1.7
New Brunswick	0.2	0.2	0.2
PERCENT CHANGE (vs. 2021/22)			
CANADA		-9.3%	4.1%
Ontario		-11%	1%
Quebec		-7%	-6%
British Columbia		-15%	16%
Nova Scotia		4%	18%
New Brunswick		25%	15%
MARKET SHARE			
CANADA			
Ontario	38%	39%	40%
Quebec	28%	27%	31%
British Columbia	22%	23%	20%
Nova Scotia	11%	9%	10%
New Brunswick	1%	1%	1%

Global Apple Production

29

Regional Commentary

Don Werden

Sales/Logistics, The Norfolk Fruit Growers' Association

Ontario

- *Earliest crop in years*
- *Overall quality and size look good*
- *Very dry March, April & May; hot June; very wet July*
- *Southwest Ontario had severe hailstorms*

Quebec

- *Early, very warm spring, but two cold spells impacted certain areas*
- *Rain in July is increasing the size of the fruit*

British Columbia

- *Heat stress: sunburn issues – storability issues – weakened and disease susceptible trees*
- *Incredible drought conditions – no rain since March*

Nova Scotia

- *Good growing conditions, early spring – timely rains*
- *Adequate and timely labor for harvest concerning given delays and restrictions due to COVID-19*

New Brunswick

- *2021 crop is looking great, and growers are positive*
- *Still have some 2020 McIntosh to move*



Roadmap



U.S. & Global Summary



U.S. Production Detail



U.S. Utilization Detail



U.S. Trade Detail



Global Production Detail



Other Trends & Forces

Introduction

The U.S. apple industry is alive and well in 2021 despite the challenges of the past 18 months. While the COVID-19 pandemic has tested the industry up and down the supply chain, it has also presented unique opportunities. Given that this situation is far from resolved, it will be critical moving forward to learn from the challenges and to take advantage of the opportunities whenever possible. To assist in that endeavor, the following report provides users with the most up-to-date data and analysis on U.S. and global apple production, utilization and trade. The remainder of this section is intended to provide those data and analyses with relevant context.



USApple Industry Outlook 2021 - Introduction

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Other Trends & Forces

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COVID-19

Pacific Northwest growers estimated that COVID-19 expenses would ultimately increase the cost of production between **2%-10%**.



Labor



Pricing/Organics

Most packers estimate an additional increase of **2%-6%** to the cost of production due to COVID-19 measures.



Yield



Climate/Weather

- Northwest Horticultural Council survey, July 2020



E-Commerce



- ✓ PPE
- ✓ Labor
- ✓ Construction
- ✓ Housing
- ✓ Transportation
- ✓ Health Care

Other Trends & Forces

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COVID-19

Domestic agricultural labor aging out and not being replaced by new immigrants.



Labor

From 2014 to 2020, U.S. crop production employment down **3%** – apple orchard employment down **20%**.



Pricing/Organics

In 2011, there were 77,000 H-2A visas, by 2020, that figure was 275,000 – a **257% increase**.



Yield

H-2A labor rate (AEWR) increasing by more than **5% annually** over the decade in the Pacific Northwest.



Climate/Weather

Apple growing and packing are labor intensive – **60%-70% of input costs**.



E-Commerce



Other Trends & Forces

33



COVID-19

Grower prices not increasing
– from 2011-2015 average
farm-gate prices \$0.31/pound
– from 2016-2020 the price
was \$0.30/pound – *not
accounting for inflation.*



Labor

Some inflation at the retail
level – 6.5% CPI increase for
apples (June 2020-June 2021).



Pricing/Organics

Organics, on average, priced
56% more than their
conventional counterparts.



Yield



Climate/Weather



E-Commerce

2020/21	Regular	Organic	Difference
MEDIAN	\$ 1.29	\$ 1.99	\$ 0.72
Honeycrisp	\$ 2.19	\$ 2.91	\$ 0.72
Pink Lady/Cripps Pink	\$ 1.44	\$ 2.02	\$ 0.58
Granny Smith	\$ 1.39	\$ 1.99	\$ 0.60
Gala	\$ 1.34	\$ 1.89	\$ 0.55
Braeburn	\$ 1.33	\$ 1.84	\$ 0.51
Fuji	\$ 1.29	\$ 1.97	\$ 0.68
Red Delicious	\$ 1.25	\$ 2.09	\$ 0.84
Golden Delicious	\$ 1.19	\$ 2.06	\$ 0.87
Jonagold	\$ 1.15	\$ 1.99	\$ 0.84
Rome	\$ 1.13	\$ 1.99	\$ 0.86
McIntosh	\$ 1.11	\$ 1.98	\$ 0.87

Sources: USDA, Agricultural Marketing Service; USApple

Note: Prices represent national averages in \$/LB.



Other Trends & Forces

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COVID-19



Labor



Pricing/Organics



Yield

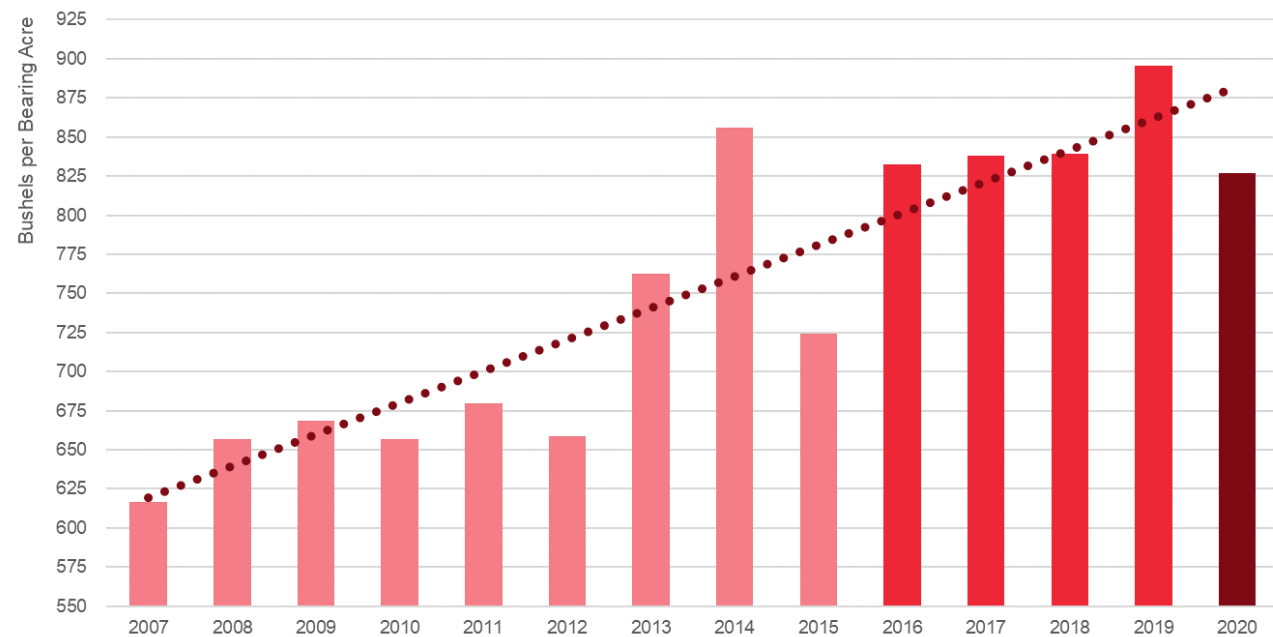


Climate/Weather



E-Commerce

With costs rising and revenues flat, apple growers have to get more efficient ...



Sources: USDA, National Agricultural Statistics Service; USApple

Other Trends & Forces

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COVID-19

Growing uncertainty around the climate change/adverse weather events and the extent to which they are getting more frequent and/or more severe.



Labor

From 1989/90 to 2019/20 apple crop insurance claims went up by 175%, but the number of policies held also rose by a similar amount.



Pricing/Organics

Over the same period, the average claim amount (adjusted for inflation) rose from \$92,500 to \$148,500 – a **60% increase**.



Yield



Climate/Weather



E-Commerce



Other Trends & Forces

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COVID-19



Labor



Pricing/Organics



Yield

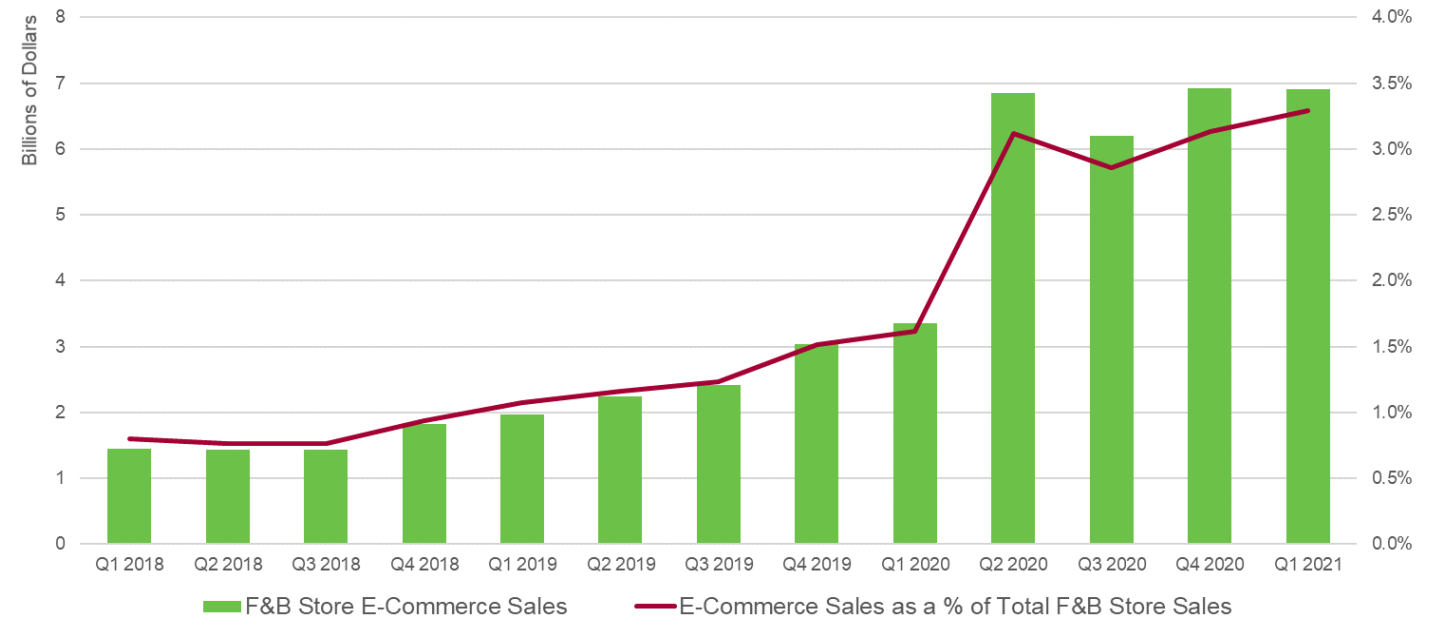


Climate/Weather



E-Commerce

In Q1 2018, e-commerce sales at food and beverage stores was \$1.5 billion (1.5%) – by Q1 2021, that figure was \$6.9 billion (3.5%).



Sources: U.S. Census Bureau; USApple

Questions?

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