

would in other markets. The reason lies in the composition of products shipped to China/Hong Kong. In 1999, 23 percent of all broiler products exported there (322 million pounds) consisted of chicken feet. Without this market, almost all of these parts would go to renderers for eventual use in pet foods. These exports represent a definite gain to broiler processors, but their absence from the domestic market

does not affect prices for broiler parts traditionally consumed in the U.S.

With strong exports to the three largest markets and a number of smaller markets, including Korea and Singapore, U.S. broiler exports surged to over 3 billion pounds in the first 7 months of 2000, up over 20 percent from the previous year. While the pace of export growth is expected to slow during the rest of 2000,

the year's total should reach a record 5.2 billion pounds.

Slower overall growth is expected in 2001 as shipments level out. Larger shipments to Russia are likely, but declining shipments through Latvia and Estonia will probably offset most of the increase. **AO**

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Specialty Crops

2000/01 U.S. Apple Crop to Rise, Prices Likely to Fall

U.S. apple orchards will grow more apples this year, and consumers across the country will likely eat more apples and pay slightly less for them. According to USDA forecasts, U.S. apple production is 10.7 billion pounds in 2000, up 1 percent from 1999 although 8 percent below 1998's record. Most western states will produce more apples than last year, and the increase should outweigh declines anticipated in central and eastern states. While the larger crop should cause fresh apple prices to drop in 2000/01, they probably will not fall far, because of reduced competition from a smaller pear crop this autumn.

An ample apple supply, combined with slightly lower prices, should increase consumption of U.S. apples—particularly fresh apples—both at home and abroad in 2000/01. U.S. per capita consumption of fresh apples will be up about 1 percent from the 18.8 pounds consumers averaged last year.

Weather conditions lie behind much of this year's anticipated difference in apple production between the west and the east. Given the west's favorable weather, USDA expects apple growers in every western state but California to produce a considerably larger crop than last year's—up 14 percent, to 7.0 billion pounds for the region. Washington, where apples are the state fruit, grows more than half the country's crop—the state is the largest supplier to both U.S. and export markets. This year's Washington apples should be

of excellent quality and size, and output should measure 5.7 billion pounds, 14 percent higher than 1999's. (California's bearing acreage has declined the last two years, and some apple-growing areas were affected by erratic weather this year.)

In the east and central states, freeze damage, poor pollination conditions, hail, and fire blight problems hurt the crop in most apple-growing regions. Production is expected to fall in several major producing states: Michigan (down 26 percent), New York (19 percent), Pennsylvania (5 percent), Virginia (6 percent), and West Virginia (38 percent).

The larger crop in Washington alone can be expected to lower the price of fresh apples this year—in July through September 2000, U.S. growers received an average 19.7 cents per pound, compared with 20.2 cents during the same period in 1999. In addition, the state's crop is reported to be maturing 5 days earlier than normal, and stocks from 1999 appear large. Depending on how quickly the industry moves these 1999-crop apples out of cold storage, the early-maturing crop in Washington could lower fresh apple prices further.

Another result of higher production is that the U.S. will probably import fewer and export more fresh apples this season, the reverse of the 1999/2000 season when U.S. production dipped. Imports from August 1999 through July of this year were up 10 percent over the previous

year's, to 377.5 million pounds. Shipments increased from Canada and New Zealand but declined from Chile as poor spring weather reduced the crop there. These three countries supplied 92 percent of U.S. fresh apple imports.

U.S. fresh apple exports should receive an extra boost from the combination of Washington's good-quality crop and USDA's Market Access Program, which provides funds to promote apple exports. Partly because of lower U.S. production, exports in 1999/2000 decreased 21 percent from a year earlier, to 1.2 billion pounds, slipping in all major markets except Mexico and Indonesia, with Mexico surpassing Taiwan as the top destination for U.S. fresh apples.

Japan, although still a minor market, imported 46 percent more U.S. apples in 1999/2000 than the previous year. The increase is partly because the Japanese market for the first time admitted U.S. Fuji apples, having previously limited its U.S. imports to Red Delicious and Golden Delicious varieties.

In the processed-apple market in 2000, growers can expect higher prices as a result of reduced supplies from the central and eastern U.S., whose output is geared mostly to this market. Also likely to push prices up is the expected drop in concentrated apple juice imports from China, which in recent years has flooded the U.S. market. Imports of concentrated apple juice from China currently face a 52-percent anti-dumping duty levied because the concentrate was being sold in the U.S. market at unfairly low prices. **AO**

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