



Dan Wheat/Capital Press File
Yolanda Penalosa loads trays with Red Delicious apples at Valicoff Fruit Co., Wapato, Wash., on Oct. 12, 2016. Red Delicious sell well in Mexico, Indonesia and India.

Washington apple crop grows

By DAN WHEAT
Capital Press

Washington apple report, Nov. 1

(Millions of 40-pound boxes)

Variety	Aug. 1*	Nov. 1**	Gain/loss
Red Delicious	31	33.5	2.5
Gala	29.5	33.4	3.9
Granny Smith	16.6	18.9	2.3
Fuji	18.3	17.4	-0.9
Honeycrisp	10.5	12.4	1.9
Golden Delicious	6.9	8	1.1
Cripps Pink	6.5	5.7	-0.8
Others	8.4	5.6	-2.8
Ambrosia	—	1.5	—
Braeburn	1.16	1.15	-0.01
Jonagold	0.49	0.51	0.02
Total	130.9	138.5	7.6

*Forecast **Estimate NOTE: Totals may not equal sum due to rounding.

Source: Washington State Tree Fruit Association

Capital Press graphic

WENATCHEE, Wash. — The estimated size of Washington's 2017 apple crop has grown 5.8 percent in the past three months, adding to normal slippage from early high prices.

The Nov. 1 estimate, released Nov. 8 by the Washington State Tree Fruit Association, is 138.5 million, 40-pound, fresh-packed boxes. Harvest of Fuji, Granny Smith and Cripps Pink is just wrapping up. The forecast was 130.9 million boxes on Aug. 1 just before Gala picking started.

The forecast was conservative — good weather increased fruit size and thus crop volume. But overall, fruit remains on the small side, which is good for exports and domestic bag sales.

"Normally Gala peaks at size 100 (100 apples per 40-pound box), but this year it will be 113. Red Delicious were 72 to 80 last year and this year will be more at 88 to 100," said Tom Riggan, general manager of Chelan Fresh Marketing, a major marketer.

He said he was surprised the estimate is 138.5 million boxes, that he expected 148

million because of a lot of growers picking more fruit than they thought they would in the last couple of months.

A partial report on Oct. 1 estimated Gala and Honeycrisp up from August but other varieties didn't increase and the Gala estimate shrank 1.2 million between Nov. 1 and Oct. 1, Riggan said.

"Gala packouts aren't as good as people thought they'd be. There's some splitting and bitter pit," he said.

Desmond O'Rourke, retired Washington State Univer-

sity agricultural economist and world apple market analyst, said the crop maybe 140 million boxes by Dec. 1, but Riggan said he doesn't think so. "It could come in a little less depending on whether all the fruit comes off or not," he said.

At 138.5 million boxes, the crop is second only to the 143.6-million-box crop of 2014. But the 2017 number will fluctuate monthly due to ratio of packout versus cullage during the year-long sales season.

As of Nov. 1, 17.3 million

boxes had been shipped compared with 22.375 million a year ago. But the crop is later. The 2016 crop is finishing out close to 134 million boxes.

Washington has approximately 121 million boxes of apples in storage out of national holdings of 143.3 million, 6 percent more than a year ago, according to the U.S. Apple Association. Total national holdings, fresh and processed, is 194.4 million 42-pound, not 40-pound, boxes.

The Nov. 1 report shows Gala on the verge of overtaking Red Delicious as Washington's No. 1 volume variety. Red Delicious is estimated at 33.5 million boxes and Gala at 33.4 million.

A large crop typically drives down prices but prices are expected to hold better because of weather-driven light crops in Europe, Michigan, Canada and Mexico.

However, USDA's Foreign Agricultural Service now reports Canadian and Mexican imports could slow due to slowing economies, O'Rourke said.

"Overall, the picture is not quite as buoyant as we thought in August but it's hard to compare (to last year) because the crop is later," O'Rourke said.

Prices normally start high

with new crop in August and September and then drop and hopefully stabilize for heavy holiday shipments in late November through winter. But prices have been at and below production costs for good portions of the last couple of years for Red Delicious and Gala due to large volumes. Generally, \$17 to \$18 per box is breakeven on major varieties.

As of Nov. 8, the average asking price among Yakima and Wenatchee shippers for extra fancy (standard grade) medium size 80 and 88 apples per packed box were slipping from a month earlier for Gala, Golden Delicious, Granny Smith and for premium Honeycrisp, according to USDA.

"Prices will continue to fall until we get the movement we need. Once we get that momentum when exports kick in, prices will stabilize and increase after the first of the year," Riggan said. "It will be possibly better than last year but time will tell."

Exports will pick up in January and February to the Middle East and elsewhere because of Europe's lighter crop, he said. "We're already getting calls from customers in the UK whom we haven't heard from in a while, lining up for January," Riggan said.

WTO ruling helps apples, other exports to Indonesia

By DAN WHEAT
Capital Press

YAKIMA, Wash. — The Washington apple industry is pleased with the World Trade Organization upholding its ruling issued almost a year ago against Indonesia trade restrictions, says Mark Powers, president of the Northwest Horticultural Council.

U.S. Trade Representative Robert Lighthizer announced the WTO decision Nov. 9, calling it a "resounding victory" that should result in "increase export opportunities for U.S. farmers and ranchers."

Since 2012, Indonesia has maintained restrictive licensing regimes for horticultural and animal-product imports. The USTR has called them "unjustified." Powers called them "illegal" and thanked the USTR for hard work over many years to remove the restrictions.

Todd Fryhover, president of the Washington Apple Commission in Wenatchee, said the WTO action is "great news" for apple growers who have excellent supplies for Indonesia this season.

Last Dec. 22, USTR announced a WTO panel found in favor of the U.S. and New Zealand in 18 out of 18 claims that Indonesia has been applying import restrictions and prohibitions that are inconsistent with WTO rules.

The restrictions cost about \$115 million in U.S. agricultural exports to Indonesia in 2015, including \$28 million worth of apples and more than \$29 million worth of grapes, the USTR said last December.

In a Nov. 9 news release, USTR said U.S. fruit, vegetables, flowers, juices, cattle, beef, poultry and other animal products were affected by the restrictions.

Even with the restrictions, the U.S. exported more than \$2.6 billion in agricultural products to Indonesia in 2016 and imported \$2.8 billion in agricultural products from Indonesia, USTR said. The U.S. lost an estimated \$170 million worth of exports in 2016 because of the restrictions, USTR said.

"Indonesia is the fourth most populous country in the world and an increasingly important export market for many U.S. agricultural products," USTR said.

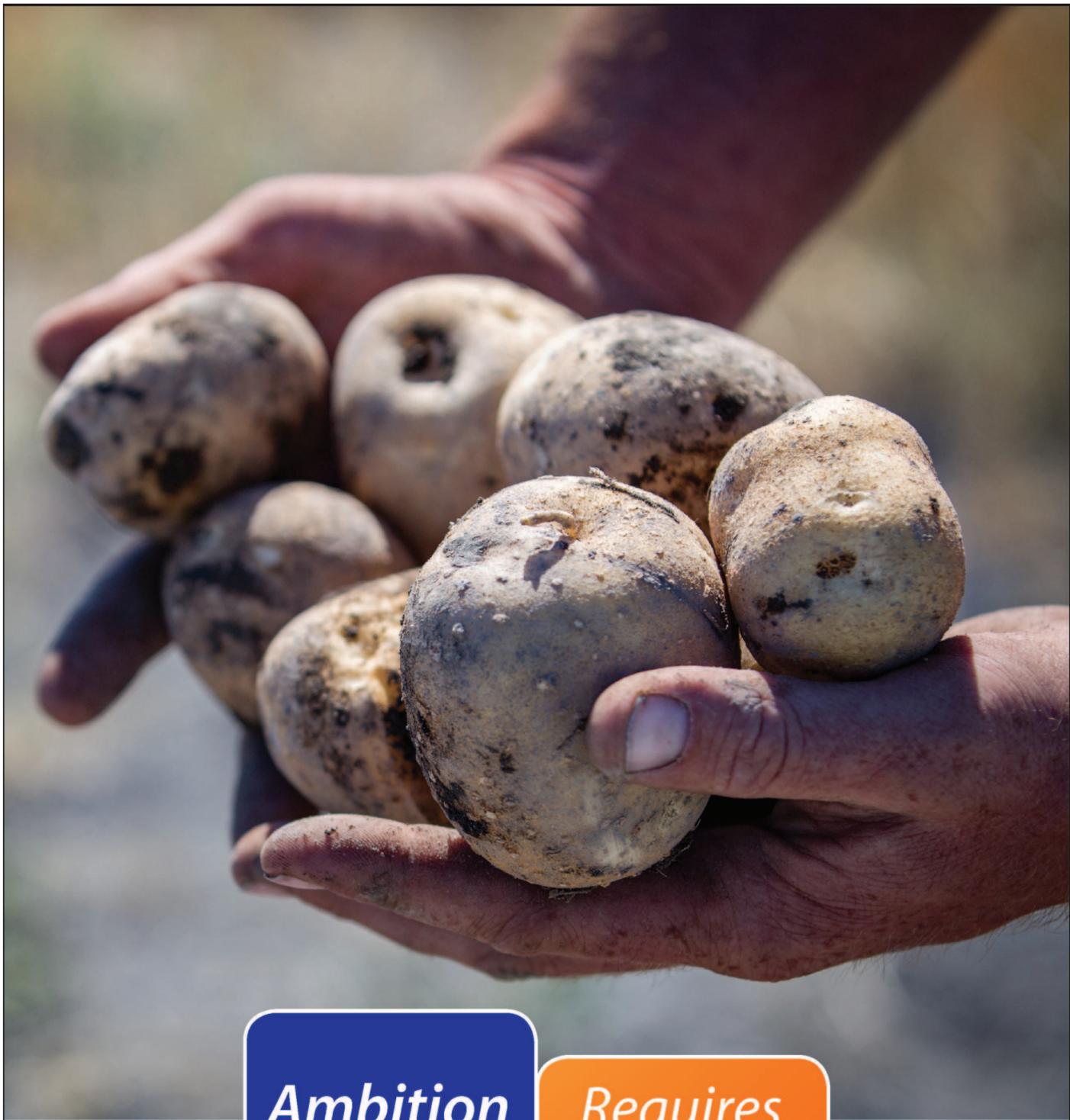
Indonesia appealed last December's ruling in February and the WTO has now denied the appeal.

Before 2012, Indonesia was a 2.7-million-box per year market for Washington apples, Powers has said. Since then, it has been 1 million boxes lower but could grow back, he said.

One million, 40-pound boxes of apples are worth roughly \$20 million. New Zealand, China, Chile and other apple exporters also are aided by the ruling so the market will be competitive, he said.

Fryhover has said Indonesia was a 4-million-box market in 1996 and should easily reach 2.5 to 3 million without restrictions.

Indonesians like Red Delicious and small apples, which helps Washington's exports, he has said.



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