Roadmap

- Production Estimates Review
- USAppleTracker Storages
- Movement Trends
- Import/Export Trends
- Other Relevant Issues
Production Estimates Review

AUG 2023

USDA Estimate

USApple Adjustment
* includes “Other States”

- Washington: 160 M BU
- Michigan: 32 M BU
- New York: 28 M BU
- Pennsylvania: 11 M BU
- California: 5 M BU
- Virginia: 4 M BU
- Oregon: 3 M BU
- Other States*: 14 M BU

Total: 236 M BU
Adjusted Total: 256 M BU

▲ 4.1% YOY
USAppleTracker Storages: NOV 2023

190 M BU
- Fresh 140 M BU
- Processing 51 M BU

November 1
U.S. Holdings

November 2014
- Fresh 144 M BU
- Processing 44 M BU
USAppleTracker Storages: NOV 2023

November 1
U.S. Holdings

190 M BU
- Fresh 140 M BU
- Processing 51 M BU

Total Holdings YOY Change
- Fresh ▲36%
- Processing ▲23%

▲ 32%
USAppleTracker Storages: NOV 2023

- **152 M BU** ▲ 38% YOY
- **15 M BU** ▲ 44% YOY
- **12 M BU** ▼ 6% YOY

- ▲ **42 M BU YOY**
  - 90% of total growth
  - + MI & PA

- ▲ **4.6 M BU YOY**
  - 10% of total growth

- ▲ **25% YOY***

- ▼ **0.9 M BU YOY**
  - 26% above 5-year average

* * 2 M BU of “new” storages added to sample
USApple Tracker Storages: NOV 2023

1. Honeycrisp  30 M BU  ▲ 62% YOY
2. Gala        29 M BU  ▲ 12% YOY
3. Red Delicious 26 M BU  ▲ 44% YOY
4. Granny Smith 23 M BU  ▲ 61% YOY
5. Fuji        18 M BU  ▲ 17% YOY
6. Other Varieties* 13 M BU  ▼ 16% YOY

* Envy®  4 M BU  ▲ 10% YOY*

usapple.org
USAppleTracker Storages: DEC 2023

173 M BU
- Fresh: 124 M BU
- Processing: 49 M BU

Some states – like Pennsylvania and Oregon – and some late-harvest varieties – like York, Rome and Pink Lady, had storages increase from November to December.

- NOV: ▲ 32% YOY
- DEC: ▲ 29% YOY
Over the past five seasons, December storage volumes were around **56%** of total final USDA production.

Conversely, on average, **44%** of U.S. apples produced, “move” prior to December 1st of any given year.

**USApple August Estimate: 256.3 M BU**

This season, either ...

- pre-December movement has been relatively slow (**33%** vs. **44%), or
- pre-December movement is on pace, production estimates were low.
USApple Tracker: JAN 2024

STORAGES

112 M BU ▲ 33% YOY

44 M BU ▲ 20% YOY

MOBEMENT (SEASON-TO-DATE: NOV & DEC)

35 M BU vs. 23 M BU (NOV-DEC 2022) ▲ 52% YOY

20% of NOV storages moved thus far – on pace with last season (18%)
U.S. Apple Movement: AMS
U.S. Apple Movement: AMS

Over a month “behind” ... will need to keep Summer 2024 sales high and/or sell later into next season – into 2025?
U.S. Fresh Apple Exports

2014-2015 season exports: 54.4 M BU
1.6 M BU higher than the 2017-2018 season
U.S. Fresh Apple Exports

22.3 M BU fewer exports last season vs. 2014-2015.

▼ 41%
U.S. Fresh Apple Exports

6 M BU more exports this season-to-date vs. 2022-2023.

▲ 45%

1 M BU fewer exports this season-to-date vs. 2014-2015.

▼ 6%
U.S. Fresh Apple Exports

1. Mexico: **5.4 M BU**
   28% share | ▲ 41% YTD

2. Canada: **2.8 M BU**
   14% share | ▼ 15% YTD

3. Taiwan 2.4 M BU
   12% share | ▲ 153% YTD

4. Vietnam 1.6 M BU
   8% share | ▲ 21% YTD

5. Dom. Rep. 805,000 BU
   4% share | ▲ 16% YTD

6. Colombia 630,000 BU
   3% share | ▲ 332% YTD

7. Guatemala 615,000 BU
   3% share | ▲ 147% YTD

8. India 585,000 BU
   3% share | ▲ 7200% YTD

9. Thailand 480,000 BU
   2% share | ▲ 115% YTD

10. Indonesia 470,000 BU
    2% share | ▲ 25% YTD

22. Israel: **155,000 BU**
   1% share | ▼ 55% YTD

2022 AUG-DEC 8,000 BU

usapple.org
### WA Fresh Apple Exports

<table>
<thead>
<tr>
<th>Variety</th>
<th>Quantity (M BU)</th>
<th>Share</th>
<th>YOY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gala</td>
<td>3.8</td>
<td>28%</td>
<td>▲ 75%</td>
</tr>
<tr>
<td>Red Delicious</td>
<td>3.1</td>
<td>23%</td>
<td>▲ 97%</td>
</tr>
<tr>
<td>Fuji</td>
<td>2.3</td>
<td>17%</td>
<td>▲ 145%</td>
</tr>
<tr>
<td>Other Varieties</td>
<td>2.2</td>
<td>16%</td>
<td>▲ 60%</td>
</tr>
<tr>
<td>Granny Smith</td>
<td>1.7</td>
<td>12%</td>
<td>▲ 114%</td>
</tr>
<tr>
<td>Golden Delicious</td>
<td>600,000</td>
<td>4%</td>
<td>▲ 85%</td>
</tr>
</tbody>
</table>

Total: 13.6 M BU ▲ 91% YOY

*Season to Date (Mid-JAN)*

**Organic**: 1.5%
U.S. Apple Movement: AMS

**Imports**

- **2014** fresh apple imports were **9.7 M BU** leading into the domestic 2014/15 season. The following season, imports dropped by **32%**.

- **2023** fresh apple imports were **4.8 M BU**, a decrease of **52%** over the decade.
U.S. Apple Price Inflation: CPI

Fresh Fruits: ▲ 19%

Apples: ▲ 13%

Food: ▲ 24%

All Items: ▲ 19%
U.S. Apple Price Inflation: CPI

- **2023-2024 Season-To-Date** ▼ 9%
- **2014-2015 July - August** ▼ 12%

usapple.org
U.S. Apple Prices

USDA, Agricultural Marketing Service
Shipping Point Prices (Farm Gate)

<table>
<thead>
<tr>
<th>2023/24</th>
<th>FUJI</th>
<th>GALA</th>
<th>GOLDEN DELICIOUS</th>
<th>GRANNY SMITH</th>
<th>HONEYCRISP</th>
<th>RED DELICIOUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>AUG</td>
<td>$38.55</td>
<td>$36.18</td>
<td>$59.45</td>
<td>$67.85</td>
<td>$30.77</td>
<td></td>
</tr>
<tr>
<td>SEP</td>
<td>$38.92</td>
<td>$35.24</td>
<td>$38.81</td>
<td>$43.74</td>
<td>$53.56</td>
<td>$31.40</td>
</tr>
<tr>
<td>OCT</td>
<td>$34.51</td>
<td>$31.53</td>
<td>$36.84</td>
<td>$35.66</td>
<td>$46.11</td>
<td>$29.51</td>
</tr>
<tr>
<td>NOV</td>
<td>$35.17</td>
<td>$30.23</td>
<td>$33.64</td>
<td>$29.97</td>
<td>$40.12</td>
<td>$26.07</td>
</tr>
<tr>
<td>DEC</td>
<td>$30.99</td>
<td>$29.80</td>
<td>$31.44</td>
<td>$32.56</td>
<td>$39.19</td>
<td>$25.15</td>
</tr>
<tr>
<td>JAN</td>
<td>$32.83</td>
<td>$34.17</td>
<td>$34.28</td>
<td>$35.30</td>
<td>$49.15</td>
<td>$27.66</td>
</tr>
</tbody>
</table>

Season-to-Date

-15%  -6%  -12%  -41%  -28%  -10%

$(-5.72)  $(-2.01)  $(-4.53)  $(-24.15)  $(-18.70)  $(-3.11)
U.S. Apple Price Inflation: PPI

Since 2020,

... the cost to buy apples is ▲13%, ...

... but the cost to grow apples is ▲30%.
U.S. Apple Labor Costs

2024 Adverse Effect Wage Rates (AEWR)

U.S. Average $17.00/hr ▲ 5% YOY
Apple States $18.22/hr ▲ 6% YOY

$19.75/hr ▲ 6% YOY
$19.25/hr ▲ 7% YOY
$19.25/hr ▲ 7% YOY
$18.50/hr ▲ 7% YOY
$17.80/hr ▲ 5% YOY
$17.20/hr ▲ 4% YOY
$15.81/hr ▲ 6% YOY
U.S. Apple Labor Costs

Last passed in the House in 2021 ... died in the Senate.

Among other provisions, it would have frozen the AEWR at 2021 levels for 1 year and capped annual growth rates at 3.25%.

This would have been the worst-case scenario for 2024:

- California: $17.11/hr ▼ $2.64/hr
- Washington: $17.42/hr ▼ $1.83/hr
- Oregon: $17.42/hr ▼ $1.83/hr
- Michigan: $15.69/hr ▼ $2.81/hr
- New York: $15.98/hr ▼ $1.82/hr
- Pennsylvania: $14.98/hr ▼ $2.22/hr
- Virginia: $14.02/hr ▼ $1.79/hr
USDA Section 32

Fresh Apples
• 40-LB boxes  904,596
• 3-LB bags (Spring)  1,008,420
• 3-LB bags (Summer)  948,640

Processed Apples
• Applesauce cups  624,400 cases
• Applesauce cans  586,440 cases
• Frozen slices  113,520 cases

~ $100,000,000

Additional fresh and processing apple buy for international aid markets.
Questions?

Christopher Gerlach
Director, Industry Analytics

cgerlach@usapple.org
USAppleTracker Storages: NOV 2023

- PENNSYLVANIA: 5,385,000, -2% YOY
- VIRGINIA: 1,830,000, +11% YOY
- MARYLAND: 590,000, +26% YOY
- WEST VIRGINIA: 184,000, +30% YOY
- OHIO: 35,000*, +29% YOY
- NEW YORK: 14,935,000, +25% YOY*
- NORTH CAROLINA: 758,000, +36% YOY

* Note: Data marked with an asterisk may be subject to additional verification or validation.