World Table Grape Situation and Outlook

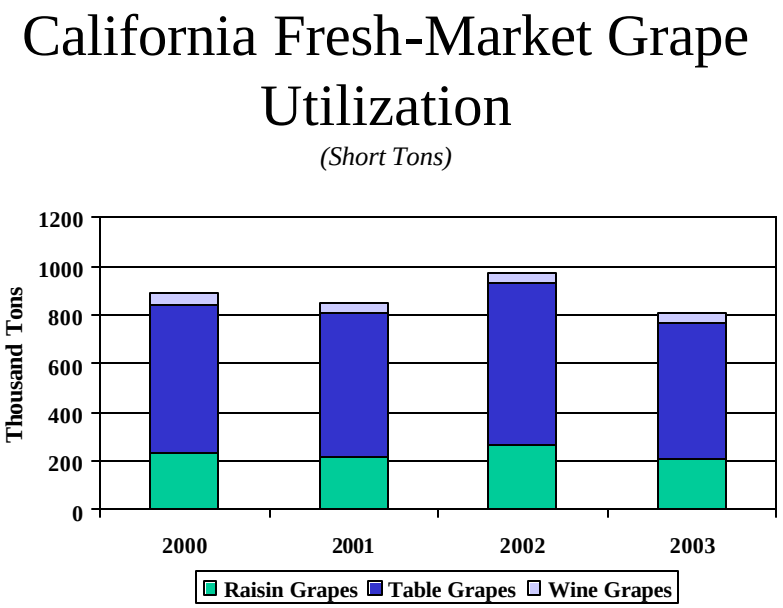
U.S. total fresh-market grape production in 2003 is expected to decline 16 percent to 823,000 metric tons, down from the large levels seen in 2002. Total California fresh-market grape production was about 774,000 tons during 2003, valued at $555 million. Table grape production during the 2004 season for selected northern hemisphere table grape-producing countries is expected to go unchanged from a year ago, while select southern hemisphere production is expected to be down 2 percent.

PRODUCTION

U.S. table grape production declines

On January 23, 2004, NASS released the Non-citrus Fruits and Nuts Preliminary Summary. According to the report, utilized grape production for 2003 totaled 5.73 million metric tons, down 14 percent from the 2002 crop.

The California crop, which accounts for 89 percent (down from 91 percent during 2002) of the 2003 U.S. utilized grape production, is down 16 percent from the previous year. California, wine-type production also decreased 8 percent from 2002, while raisin-type production dropped 26 percent, and table-type production was down 14 percent. The average price for California grapes grown for the table-grape market declined $10 per ton, averaging $690. Grapes grown for the fresh market increased in both Michigan and New York. Total U.S. grapes utilized for fresh-market consumption increased 160,000 tons to 823,000 tons and averaged up $6 to $692 per ton.

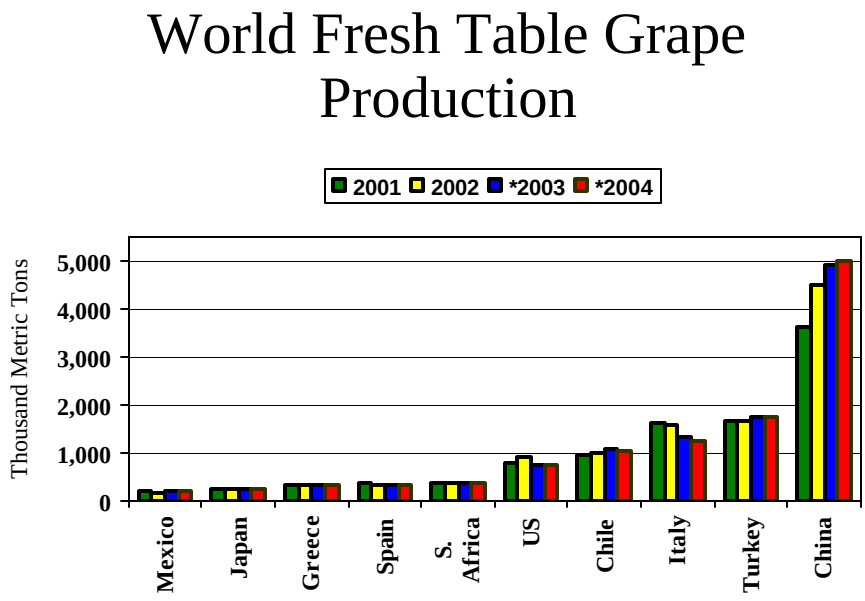


Source: National Agricultural Statistics Service, USDA
Non-citrus Fruits and Nuts Final published July 7, 2004

World table grape production near year ago levels

World production of fresh table grapes in selected countries is unchanged at 11.2 million tons for 2003. Next year's production expectations are for stable world production, again around 11 million tons. Southern hemisphere production declined 2 percent but was offset by slight increases in the northern hemisphere mostly due to a 100,000-ton production increase in China. This increase is based on more previously-planted acreage now bearing fruit combined with additional grape area planted. Production of Chilean grapes is expected to decline 45,000 tons from the previous year's abundant crop. Grape acreage has leveled off in Chile and any variation in production is mostly due to changes in variety. Italy's table grape crop declined by about 65,000 tons, due to the summer 2003 drought.

Of total grapes grown (grapes for fresh consumption, wine, raisins, and grape juice), Italy has the most acreage under vine followed by France, the United States, and China. However, China leads the world in grapes grown specifically for fresh market consumption. Turkey is a distant second with about 35 percent of its total grape production utilized for the fresh market, and the United States ranks fifth.



Source: Foreign Agricultural Service (FAS) Attaché Annual Reports, USDA
Note: Data for 2003 and 2004 are estimates.

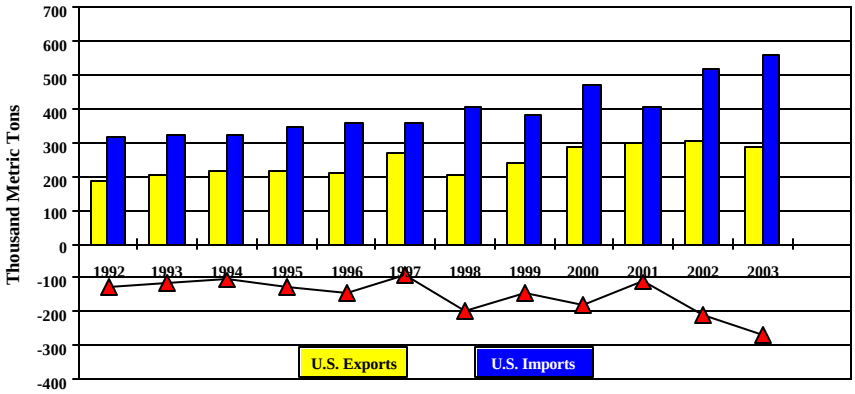
TRADE

U.S. exports down while world trade stabilizes

During 2003, total U.S. table grape export quantities declined 5 percent, dipping back to levels seen during 2000. The top three markets, Canada, Hong Kong, and Mexico, constitute over half of all grape export sales and were marked by double-digit percentage declines. The strong dollar combined with some lower quality produce put downward pressure on export sales. U.S. table grapes are exported year round but most are shipped during the months of July through December. According to industry sources, exports during 2003 accounted for 40 percent of total sales. The California Table Grape Commission is the promotional arm of the California grape industry working to improve international market share for the California grape grower. For example, in Canada, our largest export market for grapes, the Commission has used public funding to expand promotional periods for grapes and to encourage retailers to handle more varieties. In more challenging markets like India, the Commission has used funds to increase the size of the market in an environment of increasing competition.

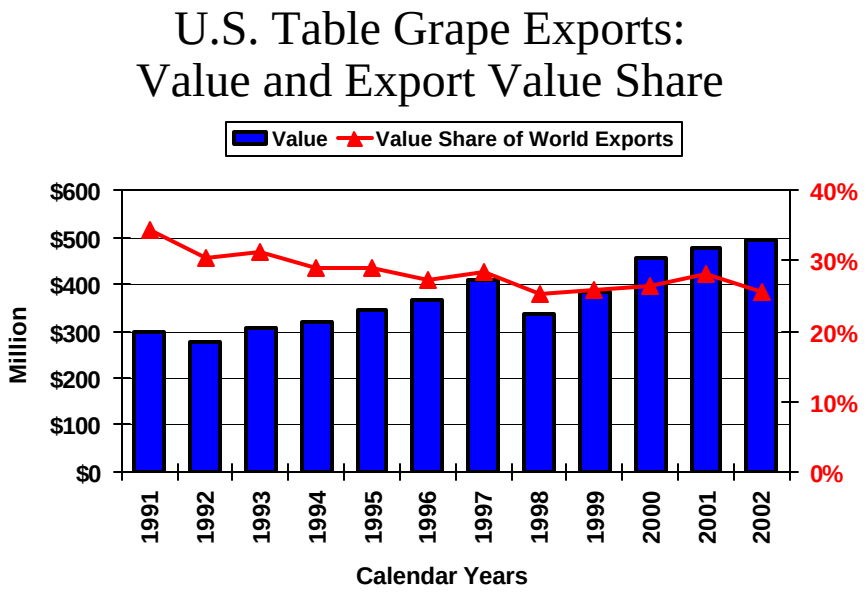
Imports posted a new all-time-high at 561,000 tons, up 8 percent from last year's level. The trade gap is now 270,000 tons, with imports almost twice the amount exported. Counter-seasonal shipments from Chile and Mexico supplied 99 percent of total imports during 2003. Shipments from Mexico usually start in late May and run through the beginning of August. Domestic grapes are harvested and marketed June through November, then Chilean grapes are available beginning in December and running through early May. Lower domestic production helped to bolster imports. The United States is the top table grape importing country in the world, followed by Germany, the United Kingdom, and the Netherlands.

U.S. Table Grape Trade Balance



Source: U.S. Bureau of the Census

Globally, the largest exporter of table grapes is Chile, followed by Italy and the United States. China ranks around twenty-second, exporting are only about 3 percent of the world total. In value terms, the United States holds about 25 percent of the world market. (Figures shown do not include EU intra-trade. FAO data differs from UStrade data by over $100 million)



Source: Food and Agriculture Organization (FAO) of the United Nations

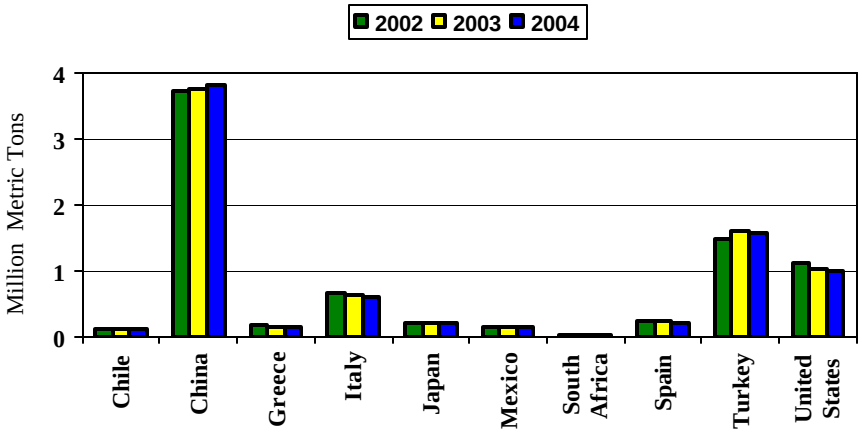
CONSUMPTION

Global Consumption in selected countries goes unchanged

Domestic consumption in the United States is around 1 million tons, and according to the Economic Research Service, per capita consumption during 2003 is estimated at 7.72 pounds. Global grape consumption in selected countries is expected to be unchanged in MY 2003/04. China continues to be the leading consumer of grapes, by far, with a population of 1.2 billion people. The Chinese mainly consume the domestically grown, low-priced red globe variety. Turkey does consume a significant amount of their fresh-market production. Of varieties grown, it is estimated that 35 percent are Sultana. About 80 percent of the Sultanas are consumed as fresh-market grapes while 20-25 percent of the Sultanas are dried for raisins. Italy, the fourth largest consumer of fresh grapes, is expected to consume about 50 percent of grapes grown for fresh market consumption in 2003. Spain consumes about 65 percent of its domestic table grape production, exporting the rest, like Italy, to other European Union countries.

World Table Grape Consumption

Select Countries



Source: Foreign Agricultural Service (FAS) Attaché Annual Reports, USDA
* Data for 2003 and 2004 are estimates.

MARKETING

The Market Access Program (MAP) is an important market development tool used to stimulate demand and fuel table grape exports. During MY 2003/04, the USDA/FAS and the California Table Grape Commission (CTGC) will share the cost of undertaking promotional activities in Asia, Latin America, and the United Kingdom. MAP funding for 2003 amounted to $2.98 million.

Sources: This information was prepared or estimated on the basis of official statistics of foreign governments, other foreign source materials, reports of Agricultural Attachés and Counselors, results of office research, FAS/USDA estimates, and related information. U.S. production numbers are generally from the National Agricultural Statistics Service (NASS). U.S. trade numbers are generally from the U.S. Department of Commerce, Bureau of Census.

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