

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Fresh Deciduous Fruit - Table Grapes

Report Categories:

Fresh Deciduous Fruit

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Report Highlights:

Australia's table grapes production is forecast to reach 200,000 metric tons in 2018/19, up almost 18 percent from the previous year. Producers are increasingly focusing on exports in response to strong international demand, especially from China. The harvested area is forecast to expand to 12,000 hectares in 2018/19, up 9 percent compared to the previous year. Imports of table grapes, mainly from the United States, are expected to remain unchanged.

Commodities: Grapes, Fresh

Executive Summary:

Australia's production of table grapes in 2018/19 is expected to be higher due to more favorable seasonal conditions, higher yields, and a larger harvest area. This forecast is almost 18 percent above last year's estimate, which was revised down due to poor weather, reduced yields, and a late season.

Australian table grape producers are increasingly focusing on the growing export market as a result of strong international demand, especially from China. Exports comprise almost 70 percent of production in recent years and are likely to grow further with the impending removal of Chinese tariffs on table grapes under the China-Australia FTA (ChAFTA). Table grape imports, mainly from the United States, are likely to remain the same as 2018/19, primarily due to the strengthening U.S. dollar.

Production

Table grape production is forecast at 200,000 MT in 2018/19, up almost 18 percent on the previous year due to favorable seasonal conditions and higher yields. The harvested area is forecast to expand to 12,000 hectares in 2018/19, up 9 percent in anticipation of higher yields and an expanded harvest area. Production in the previous year featured poor yields in a number of areas due to hotter temperatures.

Most grape producers in Australia are small and medium-sized family businesses, with a few large growers. Sunraysia is Australia's largest table grape growing region, producing an estimated 80 percent of total production. Early season regions include the Northern Territory and Queensland (St George, Emerald and Mundubbera), with 70 percent of late season production from the Sunraysia region of Victoria, based at Mildura and Robinvale. Grape varieties are shown in Table 1.

Table 1: Major table grape varieties in Australia

Export varieties	Seeds	Nov	Dec	Jan	Feb	Mar	Apr	May
Dawn Seedless			X	X	X	X	X	
Menindee Seedless		X	X	X	X			
Thompson Seedless				X	X	X	X	X
Crimson Seedless					X	X	X	X
Flame Seedless		X	X	X	X			
Ralli Seedless				X	X			
Red Globe	X		X	X	X	X	X	X
Autumn Royal				X	X			
Sugrathirteen			X	X	X			

Source: Australian Table Grapes Association

Yields vary depending on the region. In the Sunraysia region, growers generate an average yield of 20 to 25 kilograms per vine, while Queensland has a yield of only 5 kilograms. The Australian fresh grape season runs for 6-7 months, which starts in November and peaks in February.

Consumption

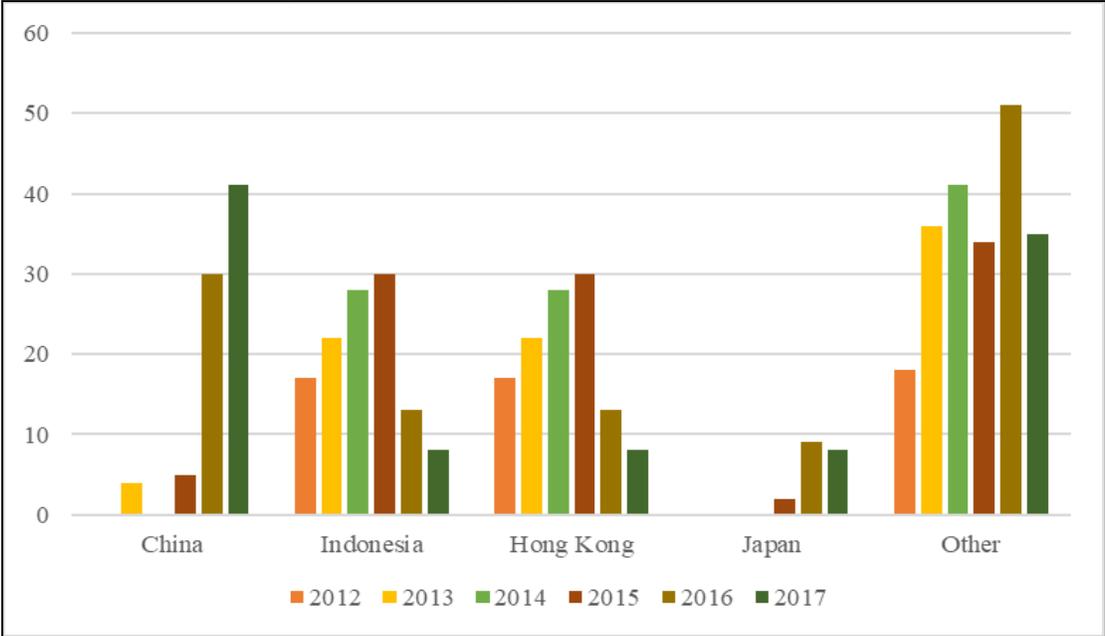
2018/19 table grape consumption is forecast at 76,500 MT, two percent higher than the previous year.

As consumption has been relatively stable, producers are now directing supplies to the growing export market. Outside of South America, Australia has one of the highest table grapes per capita consumption rates in the world, similar to that of the United States. Historically, the domestic market consumed as much as the industry supplied, though prices fluctuated, but exports are now given priority. Large retail chains are the main outlets for domestically sold table grapes. The four major supermarkets account for over 80 percent of table grape retail trade, which include: Woolworths, Coles, Aldi, and IGA.

Trade

Australia is now the 10th largest table grapes global exporter and is expected to further increase both production and exports as it expands harvested areas. The table grapes sector is also one of Australia’s largest fresh fruit exporters. Table grape exports in 2018/19 are forecast at 137,000 MT. Exports in 2017/18 totaled 110,000 MT, three percent higher than the previous season, but below expectations because of the late season. China was the leading export destination with 41,000 MT, followed by Indonesia with 16,000 MT. Overall, exports have more than doubled over the last five years (see charts 1-3).

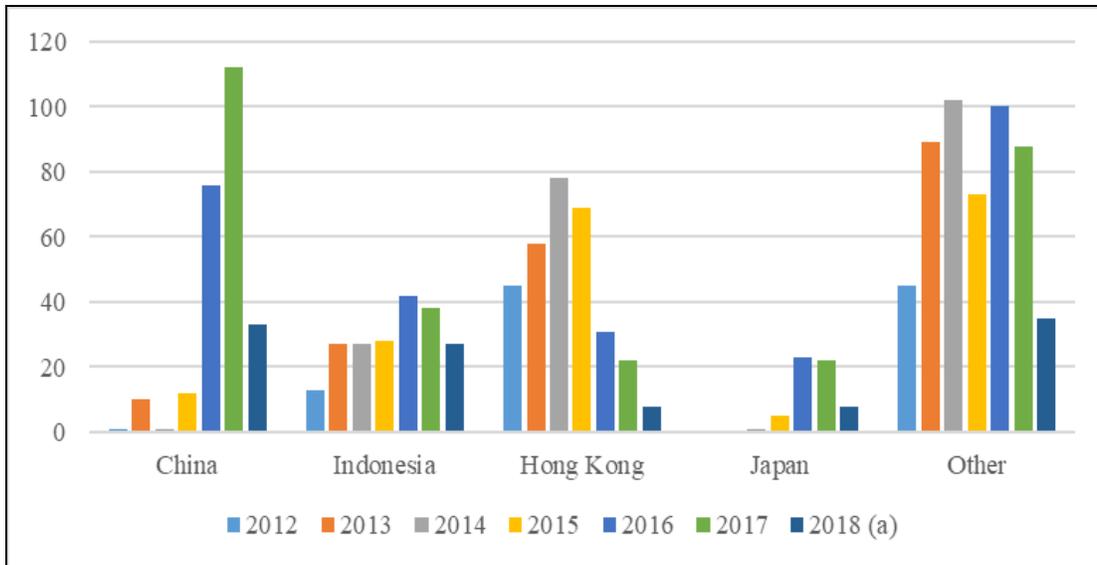
Chart 1: Australian exports of table grapes, 2012-2017 ('000 MT)



Source: Global Trade Atlas

Around 60 to 70 percent of table grapes grown in Australia are exported to destinations around the world and the remaining 30 to 40 percent are consumed domestically.

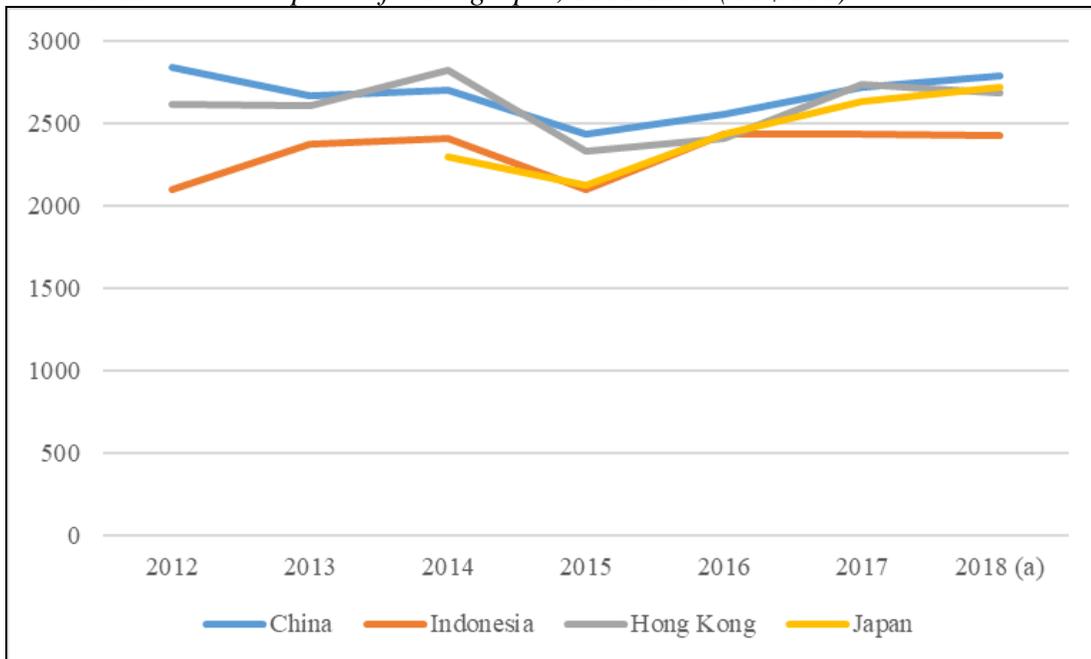
Chart 2: Australian exports of table grapes, 2012-2017 (US\$ million)



Note: 2018 (a) is first 6 months.

Source: Global Trade Atlas

Chart 3: Australian exports of table grapes, 2012-2017 (US\$/MT)



Note: 2018 (a) is first 6 months.

Source: Global Trade Atlas

Australia imports U.S. grapes between June and December, during its winter months. U.S. import volumes have not grown significantly in recent years due to exchange rate fluctuations. However, imports allow retailers to provide a continuous supply of table grapes to the market and maintain domestic demand.

Policy

Australia's table grapes industry has benefitted from a number of free trade agreements (FTAs), which have lowered tariffs and eased market entry. The Korea-Australia FTA, for example, reduced tariffs on Australian table grapes from 45 percent in 2014 to 6 percent in 2017 and zero in 2018. The Japan-Australia Economic Partnership Agreement (JAEPA) gives preferential access to Australian table grapes during Australia's exporting season and enables it to capitalize on counter-seasonal production. Under the China-Australia FTA (ChAFTA), tariffs on table grapes will be phased down from 5 percent to zero in 2019. China also officially recognized Riverina as a fruit fly free area and granted it Pest Free Area status in 2016. This allows growers in the area to export their fruit without the need to undertake costly fruit fly pre-harvest and postharvest protocol treatments.

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Table 2: Production, Supply & Demand

Grapes, Fresh Table	2016/2017		2017/2018		2018/2019	
Market Begin Year	January 2017		January 2018		January 2019	
Australia	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	10,000	0	11,000	0	12,000
Area Harvested	0	10,000	0	11,000	0	12,000
Commercial Production	178,600	178,600	200,000	170,000	0	200,000
Non-Commercial Production	0	0	0	0	0	0
Production	178,600	178,600	200,000	170,000	0	200,000
Imports	15,300	15,300	13,500	13,500	0	13,500
Total Supply	193,900	193,900	213,500	183,500	0	213,500
Fresh Domestic Consumption	87,100	87,100	73,500	73,500	0	76,500
Exports	106,800	106,800	140,000	110,000	0	137,000
Withdrawal From Market	0	0	0	0	0	0
Total Distribution	193,900	193,900	213,500	183,500	0	213,500
(HA), (MT)						