

The 2021-22 U.S. apple crop has been forecasted 3 percent higher year-on-year at 11.1 billion pounds or 265.4 million bushels.

While this is up slightly on last season's year of 258.6 million bushels, it is 1 percent less than the five-year production average.

The forecast was released by the U.S. Apple Association at the organization's 126th annual Outlook Conference.

Chris Gerlach, USApple Director of Industry Analytics, noted that these figures are more comprehensive than USDA data, which only looks at the top seven apple-producing states.

"We've analyzed the production from states outside of the top seven and added that back to USDA's figure," explained Gerlach.

At the varietal level, Gala is expected to retain the top spot with almost 49.3 million bushels produced, accounting for around 19 percent of the U.S. apple market.

Rounding out the top five are Red Delicious (35.7 m bu), Honeycrisp (31 m bu), Fuji (29.1 m bu) and Granny Smith (27.2 m bu). In comparison, the 2020 top five produced apple varieties were: 1) Gala 2) Red Delicious 3) Fuji 4) Honeycrisp and 5) Granny Smith.

With respect to fresh apple imports and exports, the U.S. still retains a healthy positive trade balance. In the 2020-21 crop year, the U.S. exported almost 41 million bushels of fresh apples while only importing around 5.2 million bushels. These net exports (35.6 m bu) are valued at almost \$773.8 million

"On a year-over-year basis, while the balance of trade has declined with respect to quantity, it has increased in value," said Gerlach.

"This is primarily being caused by a rapid decline in the value of imports from the 2019-20 crop year, but is also due to some resilience in export values which have not decreased as much relative to export quantities."

Labor

"Any assessment of the U.S. apple industry must consider the agricultural employment situation," said Gerlach. "We are losing domestic workers faster than we can replace them and so, increasingly, growers have had to turn to seasonal migrant labor, or H-2A workers,

to meet their needs.”

This is a critical issue for the U.S. apple industry because this source of labor is expensive and getting more so. In the Pacific Northwest, for example, the Adverse Effect Wage Rate (AEWR), the minimum compensation rate for H-2A labor, has been increasing by more than 5 percent annually for the last 10 years.

From 2014 to 2020, average annual crop production employment fell by 3 percent and, in apple orchards specifically, it declined by 20 percent.

Consumer Trends

“Fortunately, throughout the disruptions brought on by COVID-19, the U.S. apple industry has not seen any considerable decrease in domestic demand,” said Gerlach.

Throughout the pandemic, apple packers and marketers have been quick to respond by offering bagged apples that give consumers added peace of mind by reducing the handling needed to stock and pick the fruit.

Also, notes Gerlach, the most significant consumer trend to come out of the pandemic was the rate at which shoppers embraced e-commerce grocery shopping, which also aided the sale of apples. By the first quarter of 2021, e-commerce had grown to account for 3.5 percent of food and beverage store sales at \$6.9 billion (up from \$1.5 billion in Q1 of 2018 – an increase of more than 377 percent).

“All of these external forces, from labor costs to consumer grocery trends, will continue to shape apple production and utilization throughout the coming years,” said Gerlach.