



Commodity Profile: Table Grapes

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History and Overview

Viticulture was originally brought to California by Spanish Franciscan friars, who in 1769 began cultivating grapes at California missions in order to produce sacramental wines. It was not until the 1800s that the production of table grapes became popular. William Wolfskill, a former trapper is credited with planting the first table grape vineyard on land just outside of present-day Los Angeles in 1839 (California Table Grape Commission). By the mid 1800s, as the gold rush brought more and more miners to California, would-be miners began investing in table grape vineyards instead of ore to make their living selling fresh fruit to the miners.

Today, California accounts for 99 percent of all U.S. commercially grown table grapes and table grape vineyards cover more than 80,000 acres in the state. However, compared to other grape uses, the table grape industry accounts for a small portion of the total grapes grown. In 2004, of the \$2.76 billion in total value of California grape production, fresh table grapes accounted for only 20 percent (\$535 million). The majority (by value) of California grape production was used for wine (58 %), with raisin production accounting for an additional 22 percent. Also in terms of value, Washington state is the major producer of grapes used for juice (NASS).

The dominant U.S. variety of table grape has been the Thompson Seedless, created by Scottish immigrant William Thompson in 1876. The green Thompson Seedless is utilized not only for the table grape market, but also for raisin production and in some cases wine production. We use the descriptions “table grape,” “fresh-market grape” and “fresh” interchangeably in this table grape profile. Other popular table grape varieties include the red varieties of Red Globe and Emperor.

Demand and Marketing

U.S. per person consumption of table (fresh) grapes has increased over the last three decades from 2.9 pounds per capita in 1970 to 7.5 pounds in 2003. Since 1985, per capita consumption has remained around 7-8 pounds per person (Figure 1). The promotion of fruits and vegetables

as a healthy dietary choice has helped to increase consumption. In addition, the California Table Grape Commission, established by the state legislature in 1967, provides for research, international trade and marketing, education and advertising. Recent marketing efforts from the California Table Grape Commission, in conjunction with funds from the USDA Market Access Program, have focused on expanding world demand for U.S. table grapes through increased promotion and encouraging retailers to handle more varieties. Promotional activities are taking place in Asia, Latin America, the Middle East, and Europe (FAS 2005).

U.S. table grapes are marketed mainly from May through December with Southern California accounting for much of the early season crop and Central California accounting for the later supply.

Supply

China is the leading producer of fresh-market grapes worldwide. In 2004, Turkey was a distant second followed by Italy, Chile, and the United States (FAS 2005).

In 2004, table grapes accounted for 10.4 percent of total U.S. grape bearing acreage. Since 1992, acreage has ranged between a low of 75,000 in 1996 and a high of 89,000 in 2000. Acreage has decreased since 2000 to 83,000 in 2004 (Figure 2).

While bearing acreage has decreased in recent years, the value of table grape production has increased. In 2004, the state produced 770,000 tons of table grapes valued at \$535 million. Total value increased by \$127 million between 2003 and 2004. In each of the 5 years prior to 2004, the value of production was less than \$500 million (Figure 3).

Exports

Historically, just over one-third of U.S. domestic production of fresh grapes is exported. The value of U.S. fresh grape exports totaled \$453 million in 2004, a 16 percent increase from the previous year. In 2004, the United States exported fresh grapes worth over \$5 million to 15 different countries, with Canada and China/Hong Kong being the most important destinations.

The largest destination for U.S. fresh-market grapes has been Canada, accounting for 32.4 percent of total fresh grape exports from the United States, but Canada's share of total exports has been decreasing. In 1990, Canada accounted for 58 percent of total exports and by 2004, 32 percent. Exports to Canada have remained relatively constant through the 1990s and much of the early 2000s, increasing slightly in 2004, but as the United States has expanded the global market for U.S. table grape imports, the Canadian share of exports has decreased (Figure 4).

China/Hong Kong was the second largest U.S. export market in 2004, followed by Malaysia, which has emerged as a significant market for U.S. table grapes within the last 5 years. In 2004, China/Hong Kong accounted for 13 percent of total U.S. table grape exports—China by itself accounted for 4 percent—Malaysia about 12 percent, and Mexico 9 percent. Although the total percentage of exports to China remains relatively small, the opening of the Chinese market to U.S. fresh table grapes in 1997 led to an increase in exports to China despite a high tariff (ERS 1997). In addition, U.S. exports to Mexico have continued to increase following the 1994 international (GATT) agreement on sanitary and phytosanitary measures.

Imports

The United States is a net importer of grapes (imports minus exports), importing roughly \$732 million worth of fresh grapes in 2004. While the value of U.S. exports has increased substantially since 1989, the value of imports has increased at a greater rate, widening the trade gap between imports and exports of table grapes (Figure 5). Through imports, the United States is able to maintain a supply of table grapes year-round.

By far the most important exporter of grapes to the United States is Chile, which supplied 70 percent (\$511 million) of total fresh grape imports in 2004. In the same year, Mexico supplied 28 percent (\$207 million) of U.S. grape imports making it the second largest source of U.S. imports. Chile and Mexico combined supply roughly 98 percent of the imported U.S. table grapes, most of which are imported during the off-season months (Figure 6). Table grapes are imported from Chile primarily from January through April. Mexican imports are generally received in the United States during May and June, with smaller amounts arriving in early July (ERS 1997).

Prices

Prices for fresh-market table grapes are typically higher than those for grapes used for processing—wine, canned, juice or dried—reflecting higher production costs. Much of the high production costs are attributable to a significant dependence on manual labor (ERS 1997). Typically, prices for table grapes are lowest in August, when the U.S. domestic grape supply is at its peak, and prices begin to rise in November as supplies decrease.

Prices for fresh grapes, in year-2000 inflation-adjusted dollars, fell dramatically between 1980 and 1985, from \$1,050 per ton to less than \$450 per ton in 1985 and remained variable for several years. However, since 1997 prices have remained relatively stable at around \$650 per ton. In 2004 prices increased slightly to \$701 per ton. Prices for all processing grapes have remained lower than fresh-market grape prices, but the price for wine grapes has increased significantly since 1995, while prices for canned and juice grapes have remained relatively stable. In 2004, wine grapes were valued at \$504 per ton, canned grapes, \$275 per ton, and grapes for juice, \$182 per ton (Figure 7).

Sources

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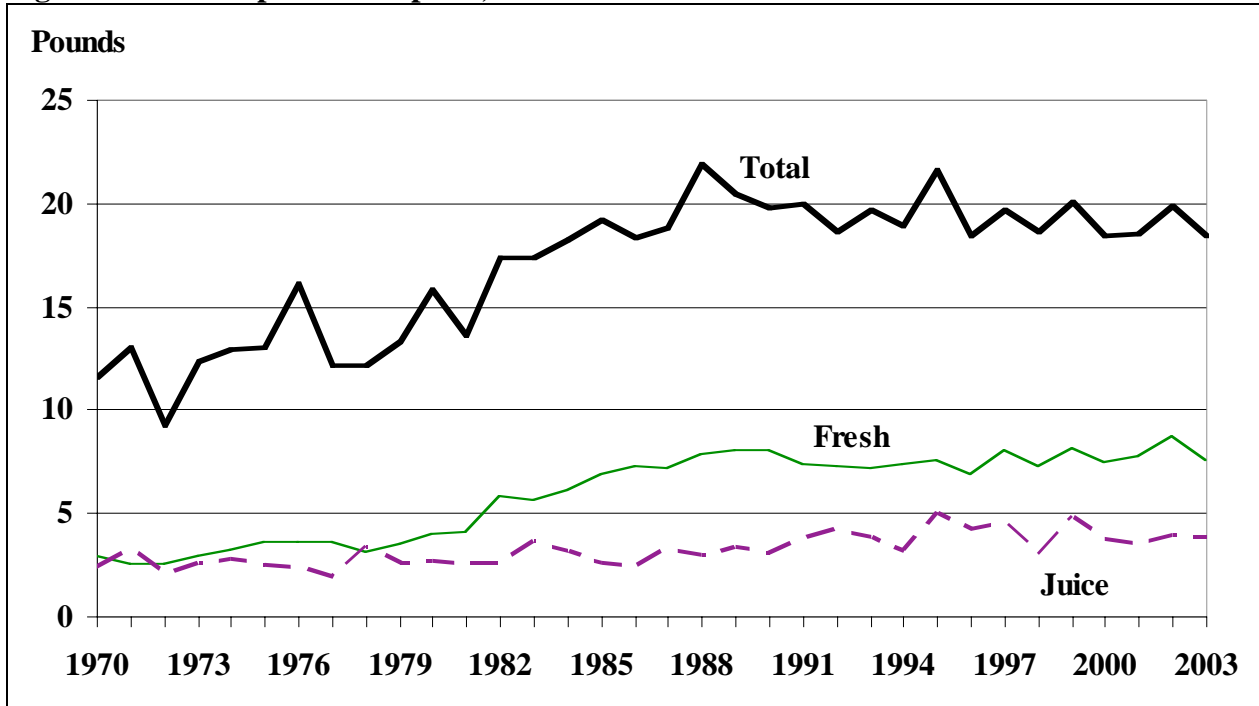
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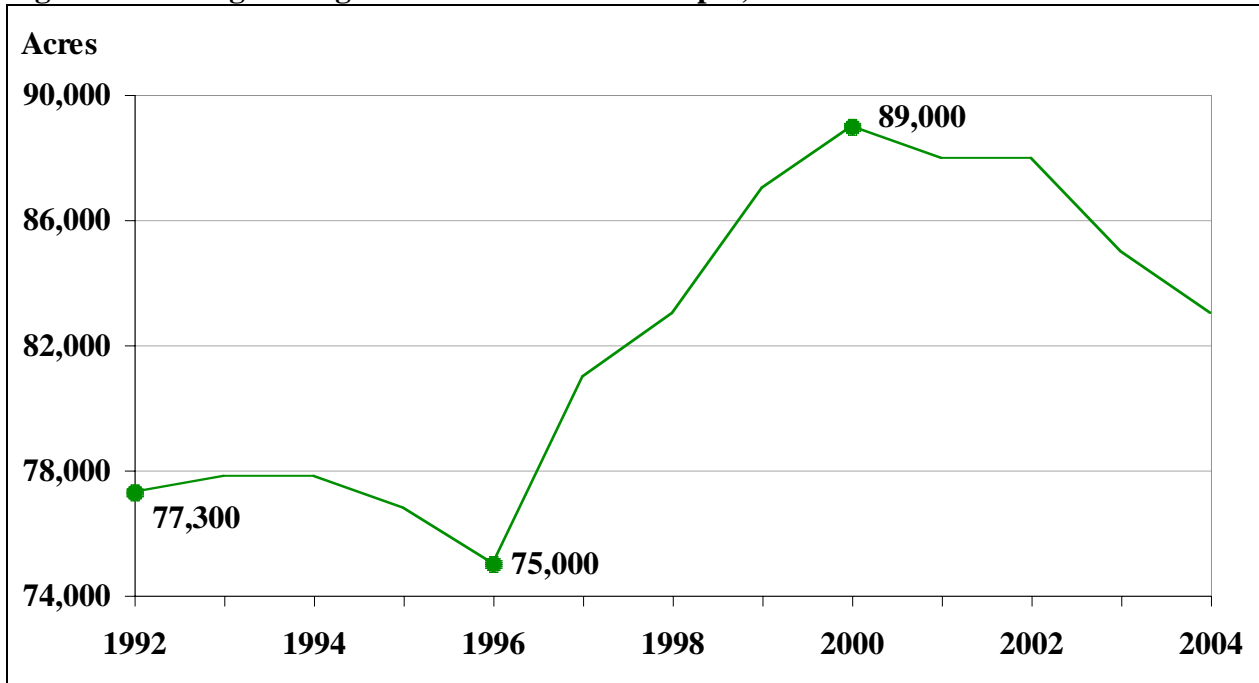
FIGURES

Figure 1. U.S. Grape Consumption, 1970-2003



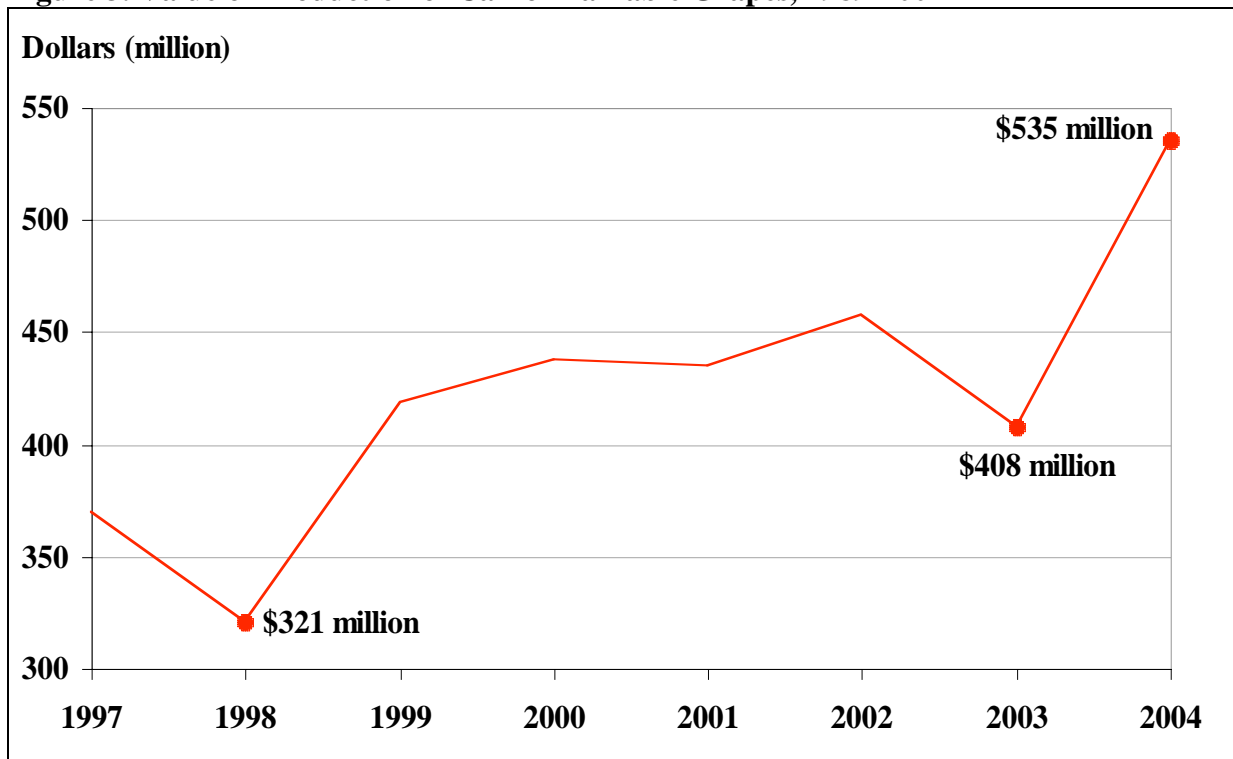
Source: USDA Economic Research Service, Per Capita Data System

Figure 2. Bearing Acreage of California Table Grapes, 1992-2004



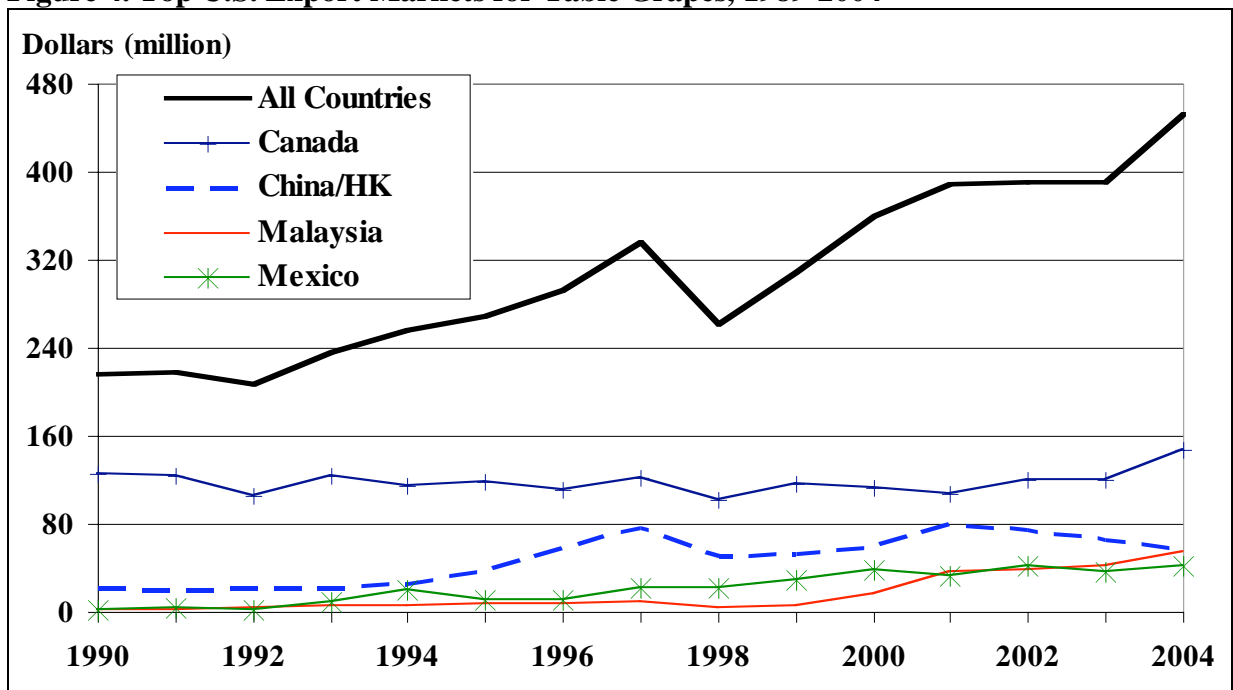
Source: National Agricultural Statistics Service

Figure 3. Value of Production of California Table Grapes, 1989-2004



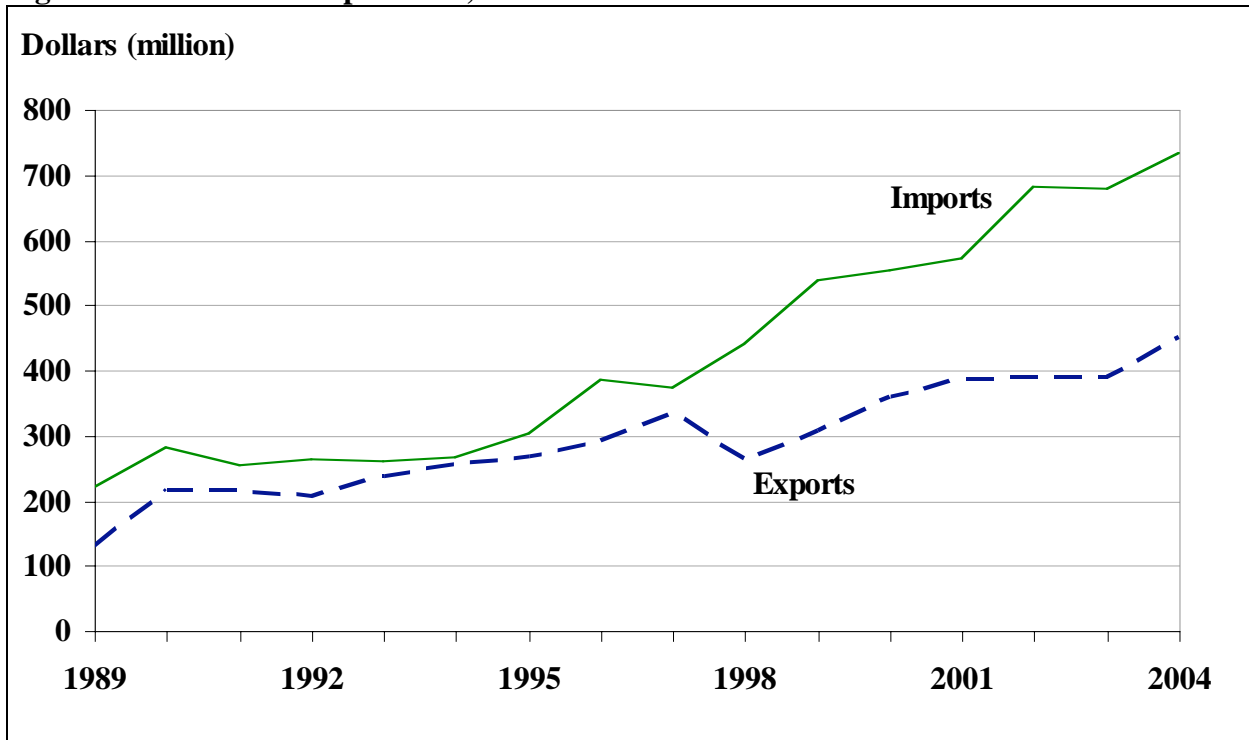
Source: National Agricultural Statistics Service

Figure 4. Top U.S. Export Markets for Table Grapes, 1989-2004



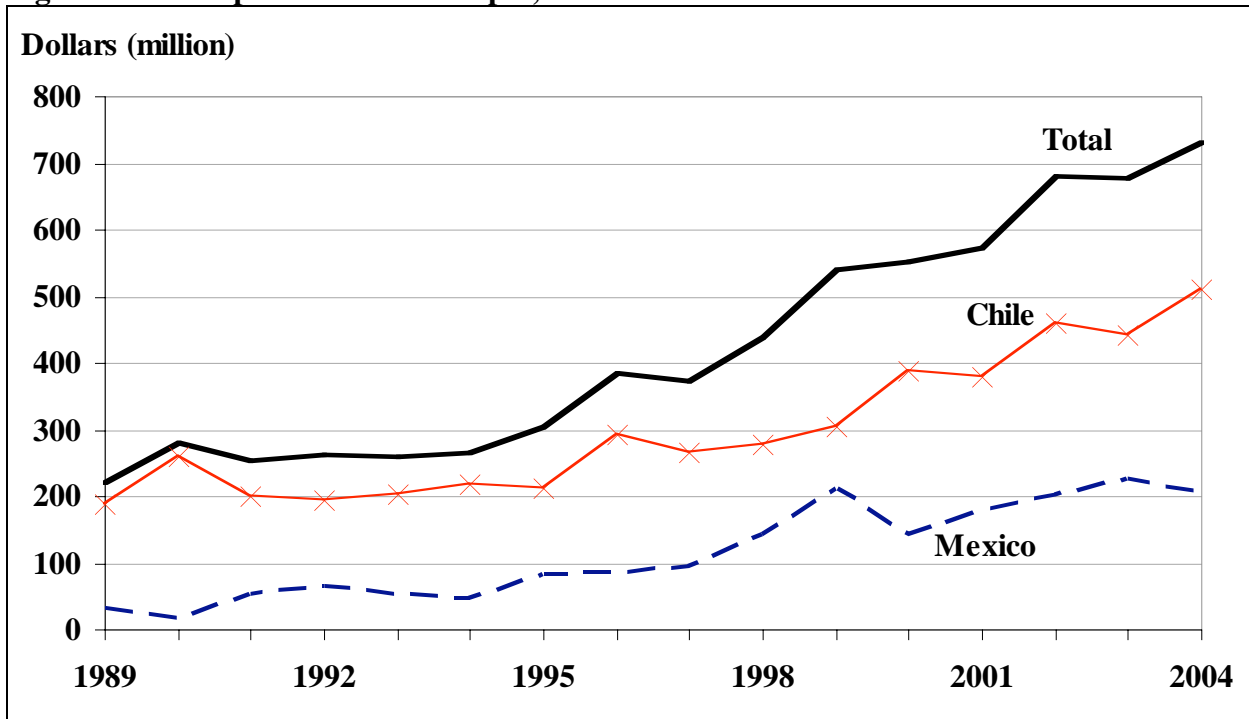
Source: United States International Trade Commission

Figure 5. U.S. Table Grape Trade, 1989-2004



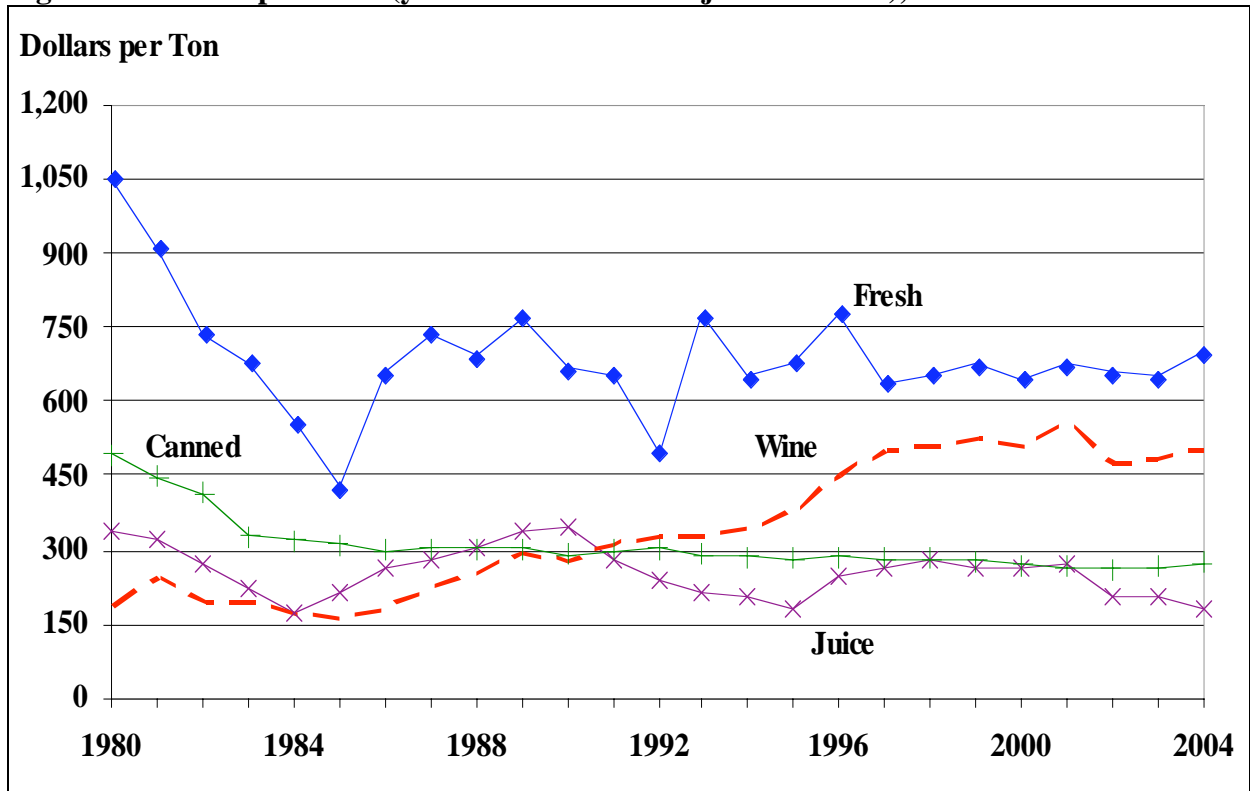
Source: United States International Trade Commission

Figure 6. U.S Imports of Fresh Grapes, 1989-2004



Source: United States International Trade Commission

Figure 7. U.S. Grape Prices (year-2000 inflation-adjusted dollars), 1979-2004



Source: USDA Economic Research Service Fruit and Tree Nut Yearbook