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## Top Ten U.S. Fresh Fruit Exports to Canada

### **Report Categories:**

Fresh Fruit

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### **Report Highlights:**

After a decline during the 2009 recession year, U.S. fresh fruit exports to Canada picked up again in 2010 reaching a record high level. At \$1.4 billion they represented a 9 percent increase over the previous year. Looking at a longer time frame, United States has continuously increased its sales of fresh fruits to Canada. Imports of fresh fruits from United States have increased by a solid 51 percent during the period 2005 to 2010, from \$920 million to almost \$1.4 billion. The main driving force behind such increases in imports was a steady expansion in the consumption of fresh fruits. Among the top ten exported fruits were strawberries, table grapes, apples, oranges and cherries. While trade went up in value, U.S. exporters actually lost market share, mainly to competition from Mexico and Chile, for most of the fruits in the top-ten list.

After the 2009 recession year, U.S. exports of fresh fruits to Canada have resumed in force. At close to \$1.4 billion in 2010, the value of fresh fruit exports was up 9% compared to the previous year, reaching a record level. The table at the end of this report includes recent statistics covering general agriculture trade data, as well as detailed fresh fruit data, listing the top ten entries for 2010.

Leading the fresh fruit group were strawberries with \$266 million in exports, followed by table grapes (\$170 million), apples (\$134 million), oranges (\$132 million) and cherries (\$110 million). Also in top ten were raspberries & blackberries, cranberries & blueberries, peaches & nectarines, watermelons and pears.

In terms of highest percentage increases in value of exports, the top five spots were taken by raspberries & blackberries, with a 24 percent increase in value of exports from 2009 to 2010, followed by pears (20 percent increase), oranges (18 percent increase), apples (12 percent increase) and cherries (10 percent increase). However, among the top ten most exported fruits there were two that actually saw a decline in value from 2009 to 2010: grapes, with a 4 percent drop in exports and watermelons, with a 3 percent drop.

Looking at a longer time frame, United States has continuously increased its sales of fresh fruits to Canada. Imports of fresh fruits from United States have increased by a solid 51 percent during the period 2005 to 2010, from \$920 million to almost \$1.4 billion. The main driving force behind such increase in imports was a steady expansion in the consumption of fresh fruits. More and more Canadians have turned towards a healthier choice of food, and fresh fruits were always a good part of the mix. The economic boom in the mid 2000s, coupled with a milder recession and quicker recovery gave Canadians the financial means to boost purchases of fresh produce. Also, this dramatic increase is in part explained by an ever stronger Canadian dollar, that on average appreciated by almost 20 percent during that period of time.

Statistics Canada reports that per capita consumption of fresh strawberries increased by 28 percent between 2005 and 2010, that of blueberries increased by 52 percent, of cranberries by 74 percent and other berries by a stunning 244 percent. During the same period, per capita consumption of cherries went up by 55 percent, of mandarins by 10 percent and of peaches by 3 percent.

Consumption of exotic fruits (other than citrus) also saw a significant raise, reflecting their increased popularity among the Canadian consumers, who are probably picking up the culinary choices of the new immigrants of non-European ethnicity. Thus, per capita consumption of avocados jumped by 85 percent since 2005, consumption of mangos, guavas and kiwis increased by 20 percent, of pineapples by 14 percent, of papayas by 9 percent, and of bananas by 4 percent.

Sustained by these domestic consumption trends, the percentage increase in the value of imports of fresh fruits from United States to Canada is impressive. From 2005 to 2010 imports of raspberries & blackberries jumped by 256 percent, of cranberries & blueberries by 124 percent, of cherries by 101 percent, of strawberries by 68 percent and of apples by 58 percent.

Although not among the top ten sellers, American avocados have dramatically increased their presence in the Canadian market. Imports from the United States have expanded by 400 percent from 2009 and by almost 1,000 percent since 2005, reaching \$12.6 million in 2010. In quantity terms, U.S. exports to Canada have increased from 525 metric tons in 2005 to over 5,000 metric tons in 2010. While Mexican avocados continue to dominate the Canadian market, the American ones now enjoy a 14.4 percent market share, up from 3 percent in 2005. Due to their nutritional properties, today consumers perceive avocados as one of several "super-fruits" and are becoming a stable presence in the Canadian diet.

While for the most part increases in the value of top ten U.S. exports of fresh fruits are impressive, a different situation can be depicted looking at trade volume, and specifically at the market share of American products in the Canadian import market. From this point of view, most fruits in the top ten have shown a decline in the import market share over the 2005 to 2010 period, losing ground primarily to product coming from Mexico and Chile.

For instance, U.S. strawberries saw a drop in the import market share between 2005 and 2010 from 97 percent to 93 percent, due to increased competition from Mexico. Similarly, American raspberries & blackberries lost a chunk of the market to product from Mexico: their import market share dropped from 70 percent in 2005 to 54 percent in 2010.

Increased competition from Mexico and Chile caused the import market share of U.S. table grapes to decline from 54 percent to 51 percent over the last five years. During the same timeframe, Chile was also responsible for the drop in the import market share of American cherries, from 92 percent to 88 percent, and of apples, from 83 percent to 79 percent. Finally, primarily Chile, but Argentina also, to a lesser extent, were the competitors in the cranberry & blueberry market, due to which U.S. exporters lost market share between 2005 and 2010, from 93 percent to 75 percent.

American exports of watermelon also saw their share of the import market decline, from 79 percent in 2005 to 69 percent in 2010, all while imports from Mexico, Guatemala and Honduras increased their market share. In this case, however, the main reason of the decline is the development of watermelon domestic production in Canada, where the growing season coincides with the American one, thus resulting in reduced imports during the peak season.

Finally, while Canadian overall imports of pears, and peaches and nectarines declined over the past five years, primarily due to reduced use of such fresh fruits in manufacturing caused by the closure of the last canning factories in Canada few years ago, U.S. exports of peaches and pears succeeded in actually increasing market share, from 85 to 86 percent in the former case, and from 56 to 59 percent in the latter.

Looking ahead, fresh fruits will continue to be on the list of top exports from United States to Canada in 2011 as well. Trade data for the first three months confirms that this category is already up 3 percent in value compared to the similar period in 2010. However, increasing competition points strongly to the importance of increasing marketing efforts in this important market.

Top Ten U.S. Fresh Fruit Exports to Canada – May 2011

<b>Canadian Imports of Fresh Fruits from United States</b>					
<i>Million U.S. Dollars</i>	<b>2005</b>	<b>2009</b>	<b>2010</b>	<i>% Change 2010/2009</i>	<i>% Change 2010/2005</i>
<b>Total Agriculture Imports from United States</b>	<b>10,267</b>	<b>15,118</b>	<b>16,145</b>	<b>7%</b>	<b>57%</b>
Total Agriculture Exports to United States	12,847	15,300	16,971	11%	32%
Exchange Rate (USD per 1 CAD)	0.83	0.88	0.97	11%	18%
<b>Imports of Fruits and Vegetables (fresh, processed &amp; juice)</b>	<b>2,913</b>	<b>3,862</b>	<b>4,099</b>	<b>6%</b>	<b>41%</b>
<i>Share in Total Agriculture Imports from U.S.</i>	28%	26%	25%		
Exports of Fruits and Vegetables (fresh, processed & juice)	1,895	2,353	2,528	7%	33%
<i>Total Trade in Fruits and Vegetables</i>	4,807	6,215	6,628		
<b>Imports of Fresh Fruits and Vegetables, of which:</b>	<b>1,982</b>	<b>2,586</b>	<b>2,753</b>	<b>6%</b>	<b>39%</b>
<b>Imports of Fresh Fruit, of which:</b>	<b>920</b>	<b>1,277</b>	<b>1,388</b>	<b>9%</b>	<b>51%</b>
<b>Strawberries</b>	<b>159</b>	<b>250</b>	<b>266</b>	<b>7%</b>	<b>68%</b>
<i>- volume-based market share:</i>	97%	96%	93%		
<b>Table Grapes</b>	<b>142</b>	<b>176</b>	<b>170</b>	<b>-4%</b>	<b>19%</b>
<i>- volume-based market share:</i>	54%	52%	51%		
<b>Apples</b>	<b>85</b>	<b>119</b>	<b>134</b>	<b>12%</b>	<b>58%</b>
<i>- volume-based market share:</i>	83%	81%	79%		
<b>Oranges</b>	<b>97</b>	<b>113</b>	<b>132</b>	<b>18%</b>	<b>37%</b>
<i>- volume-based market share:</i>	77%	76%	80%		
<b>Cherries</b>	<b>55</b>	<b>100</b>	<b>110</b>	<b>10%</b>	<b>101%</b>
<i>- volume-based market share:</i>	92%	94%	88%		
<b>Raspberries &amp; Blackberries</b>	<b>27</b>	<b>77</b>	<b>95</b>	<b>24%</b>	<b>256%</b>
<i>- volume-based market share:</i>	70%	56%	54%		
<b>Cranberries &amp; Blueberries</b>	<b>35</b>	<b>75</b>	<b>77</b>	<b>4%</b>	<b>124%</b>
<i>- volume-based market share:</i>	93%	81%	75%		
<b>Peaches &amp; Nectarines</b>	<b>61</b>	<b>63</b>	<b>64</b>	<b>1%</b>	<b>5%</b>
<i>- volume-based market share:</i>	85%	85%	86%		
<b>Watermelons</b>	<b>51</b>	<b>58</b>	<b>56</b>	<b>-3%</b>	<b>10%</b>
<i>- volume-based market share:</i>	79%	73%	69%		
<b>Pears &amp; Quinces</b>	<b>37</b>	<b>37</b>	<b>45</b>	<b>20%</b>	<b>22%</b>
<i>- volume-based market share:</i>	56%	54%	59%		

Source: Global Trade Atlas