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**Report Number:** CA2022-0036

# **Report Name:** Fresh Deciduous Fruit Annual

**Country:** Canada

**Post:** Ottawa

**Report Category:** Fresh Deciduous Fruit

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**Report Highlights:**

Canadian apple production is forecast to grow four percent for market year (MY) 2022/23, as production rebounds in Ontario and Quebec following adverse growing conditions in MY 2021/22. Pear production is forecast to grow on a bumper crop in Ontario, especially of the Bartlett variety. FAS/Ottawa forecasts production of table grapes to decline five percent on lower yields but volumes will remain above the five-year average and quality will be good. Canadian imports of fresh apples are forecast to grow as consumers look to affordable and long storing products amidst high food prices and inflation. Imports of fresh table grapes will grow to offset the smaller domestic production. The United States will remain the main supplier of apples, pears, and table grapes to Canada.

**Executive Summary:**

- FAS/Ottawa forecasts four percent growth in Canadian apple production in MY 2022/23 as growing conditions improved across most regions relative to MY 2021/22. British Columbia will continue to see lingering impacts from the 2021 heat dome with production forecast to be reduced once again. Ontario and Quebec are expected to see production improvements as a result of favorable weather conditions.

- Both import and export volumes for fresh apples are forecast to grow in MY 2022/23. A larger domestic crop and declines in Asian production will positively impact Canadian exports. Canadian import activity will also increase as consumers look to affordable and storable produce amidst rising food costs in Canada.

- Pear production for MY 2022/23 is forecast to grow fifteen percent due to a bumper crop in Ontario and crop rebound in British Columbia following the 2021 heat dome.

- Imports of fresh pears are forecast to grow as increased global supplies drive increased domestic consumption.

- FAS/Ottawa forecasts a five percent reduction in table grapes production for MY 2022/23 as yields will be lower than MY 2021/22. Production is expected to remain above the five-year average and quality will be good.

- Imports of fresh table grapes are forecast to grow three percent to supplement the decline in domestic production. Adverse weather impacts to the California crop are expected to reduce U.S. market share as imports from the Southern Hemisphere grow.

## APPLES

Table 1. Production, Supply, and Distribution of fresh apples.

***NOTE: "NEW FAS/Ottawa" data reflect FAS/Ottawa's assessments and are NOT official USDA data***

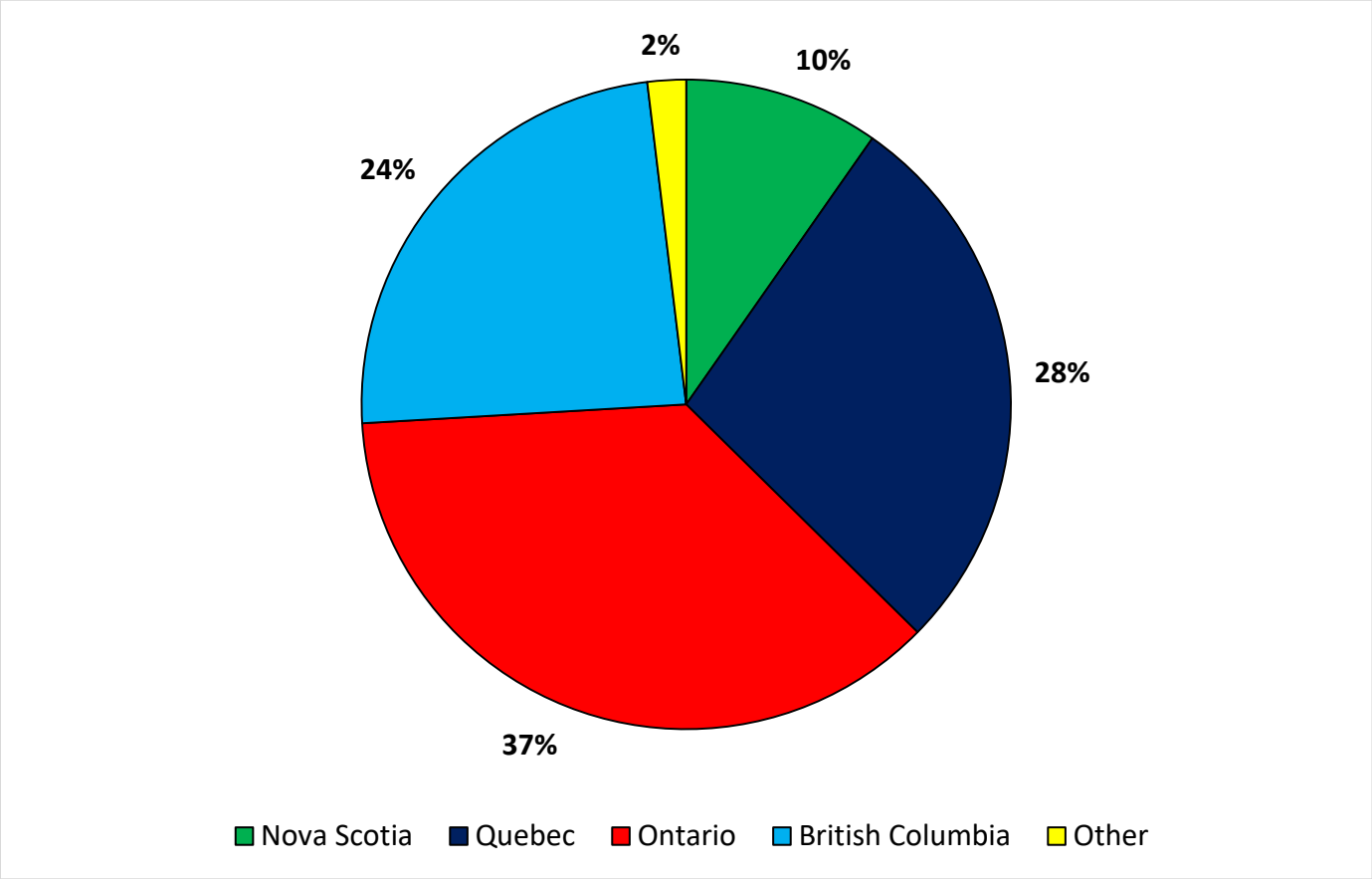
| APPLES Fresh Canada | 2020/2021 | | 2021/2022 | | 2022/2023* | |
|---|---|---|---|---|---|---|
| | *Marketing Year: July-June* | | | | | |
| | **USDA Official** | **NEW FAS/Ottawa Data** | **USDA Official** | **NEW FAS/Ottawa Data** | **USDA Official** | **NEW FAS/Ottawa Estimates** |
| Production | 385,452 | 386,817 | 355,000 | 347,125 | 0 | 360,000 |
| Imports | 190,300 | 190,336 | 200,000 | 205,855 | 0 | 215,000 |
| **Total Supply** | **575,752** | **577,153** | **555,000** | **552,980** | **0** | **575,000** |
| Domestic Consumption | 536,252 | 537,617 | 500,000 | 498,505 | 0 | 510,000 |
| Exports | 39,500 | 39,536 | 55,000 | 54,475 | 0 | 65,000 |
| **Total Distribution** | **575,752** | **577,153** | **555,000** | **552,980** | **0** | **575,000** |

*Data in hectares or metric tons / *FAS/Ottawa forecast*

**Production:**

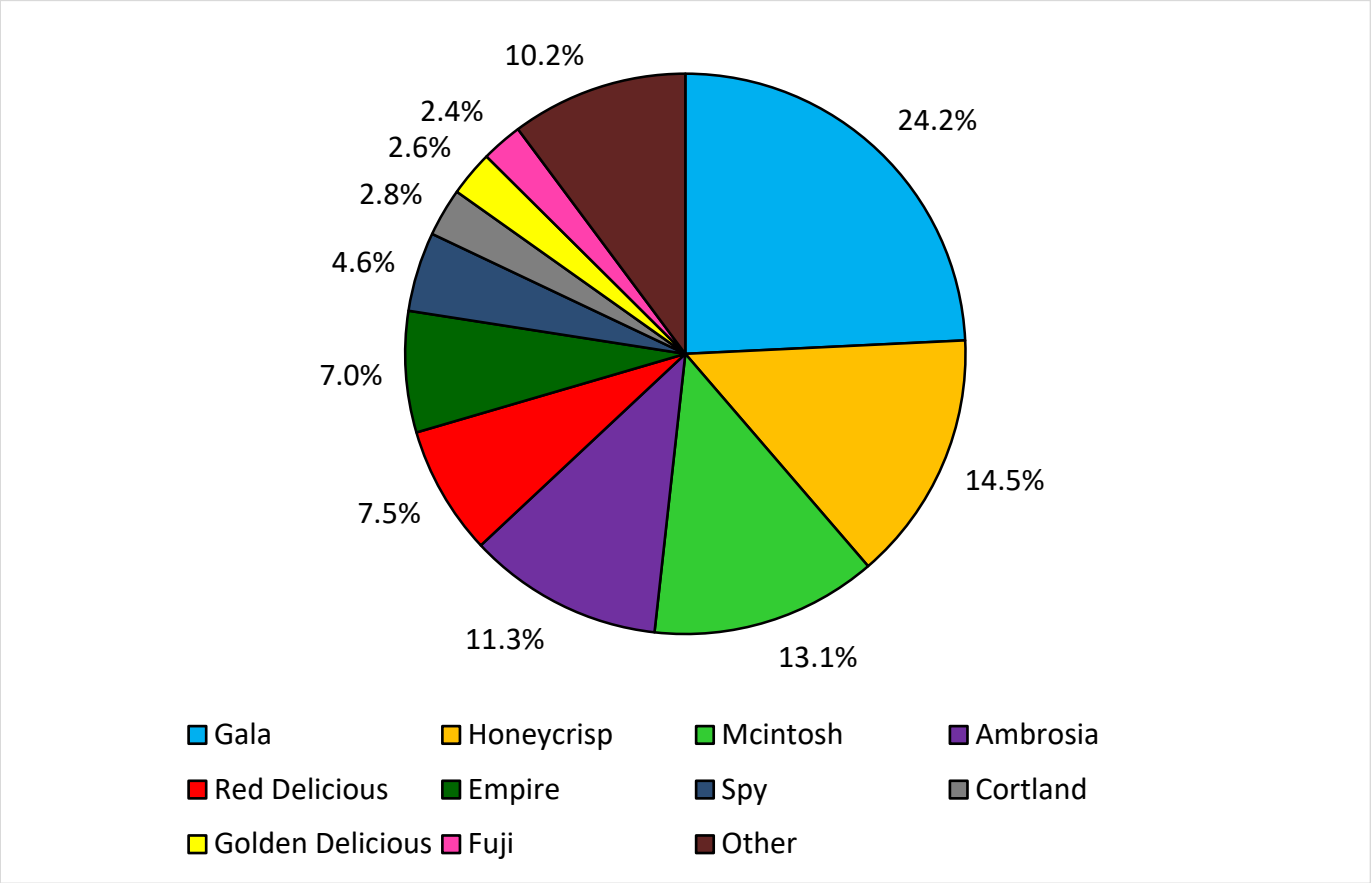
FAS/Ottawa forecasts Canadian apple production to grow four percent in MY 2022/23 on strong production in Ontario and Quebec. Adverse weather conditions in MY 2021/22 negatively impacted production in British Columbia, Ontario, and Quebec leading to a 10 percent decline in production. More favorable weather and harvest conditions will see Ontario and Quebec production recover for MY 2022/23. Hurricane Fiona has negatively impacted harvest in the Maritimes with losses most substantial on Prince Edward Island (PEI).

Figure 1. Canadian marketed apple production by province for 2021. *Source: Statistics Canada*



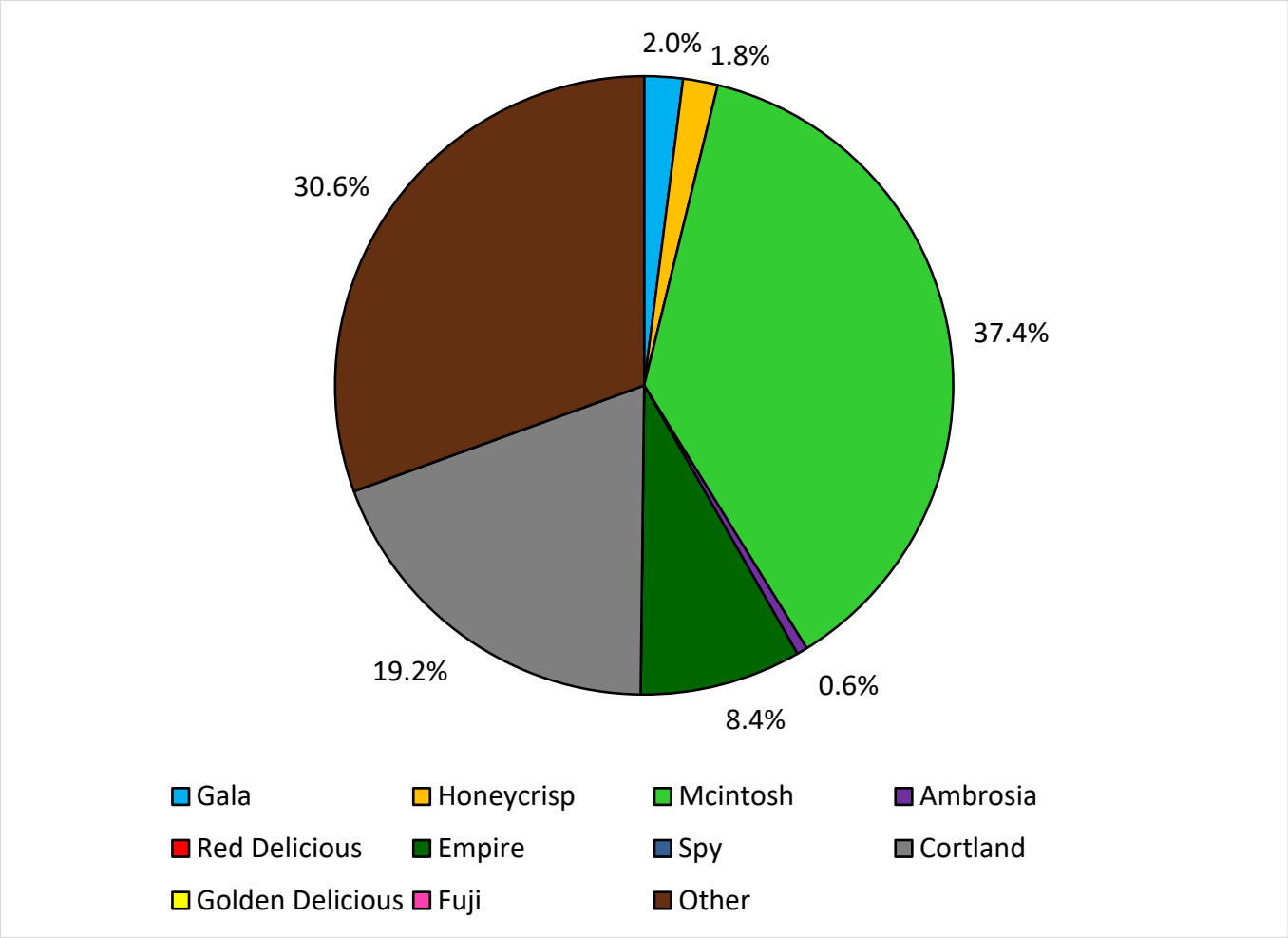

Ontario, the largest apple producing province, has seen a strong growing season and good harvest in MY 2022/23 with excellent quality and color. This follows a challenging growing year in MY 2021/22 which saw frost, cool and wet conditions, and caterpillar damage negatively impact production and quality. It is expected that storability should be very good with fewer apples grown for the fresh market having to divert to processing because of quality issues in MY 2022/23. Orchard modernization continues in the province with conversion to high density orchards and growers shifting to varieties preferred by consumers. Research has shown that consumer preference is for a sweeter, crisper apple with varieties like Gala, Honeycrisp, and Ambrosia increasingly planted as McIntosh acreage is phased out. Gala is currently the top variety produced in Ontario.

Figure 2. Ontario estimates of apple production by variety for 2022. *Source: Early Crop Estimates Survey, Canada*



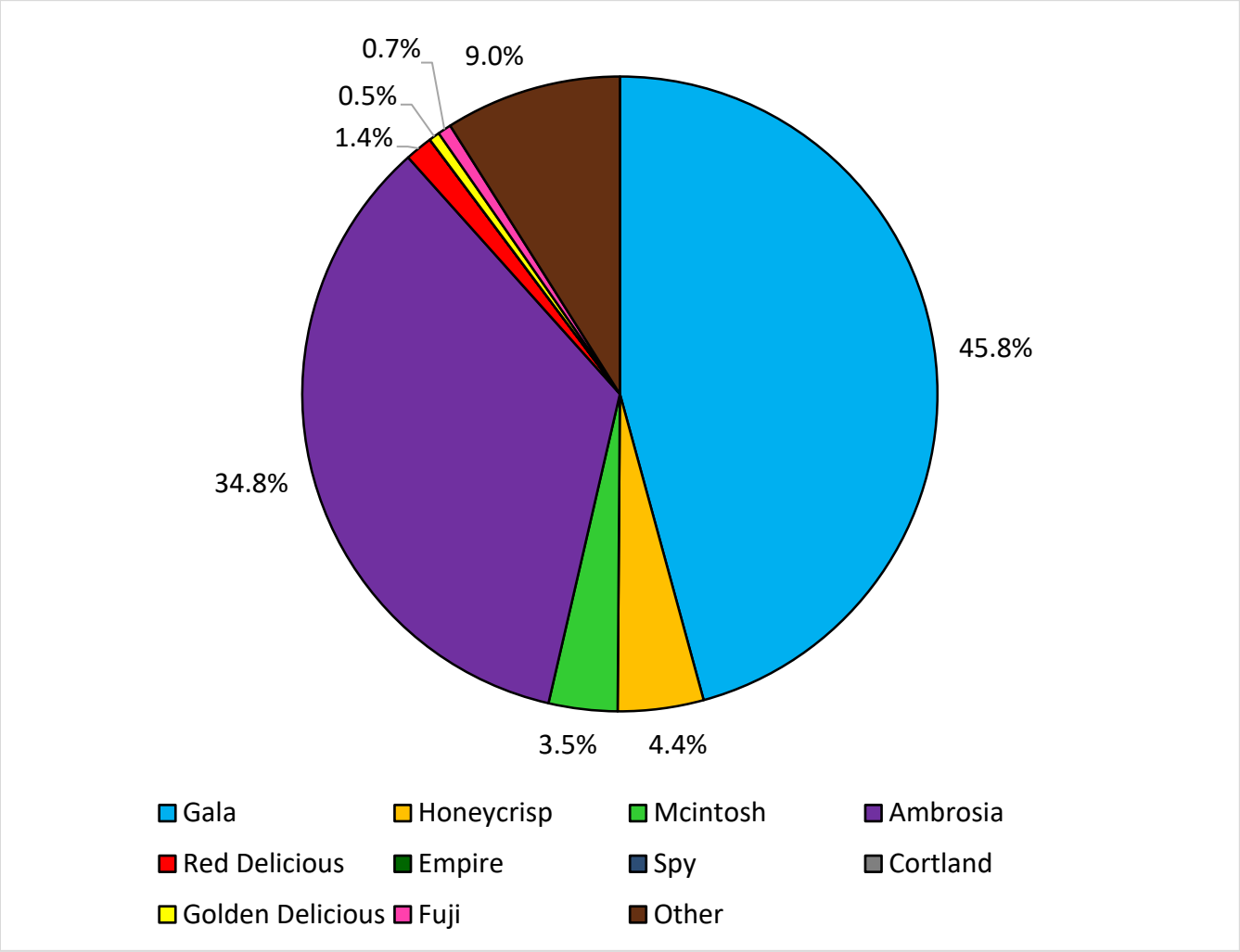

Quebec will also see improved production in MY 2022/23 on better growing conditions. Quebec industry is seeking to modernize their orchards and producers are looking to transition varieties to consumer preferred to grow Quebec consumption of locally grown apples. Currently Quebec grown apples only hold 50 percent market share in the province but by switching to consumer preferred varieties, industry believes they can increase locally produced market share to over 70 percent. Quebec acreage is presently dominated by McIntosh, Cortland, Empire, and Spartan and, although the province is the second largest apple growing region in Canada, it has been behind Ontario and British Columbia in re-planting orchards to newer varieties. Industry has requested funding from the provincial government in order help with the expense of orchard modernization although confirmation of funding has yet to be announced.

Figure 3. Quebec estimates of apple production by variety for 2022. *Source: Early Crop Estimates Survey, Canada*



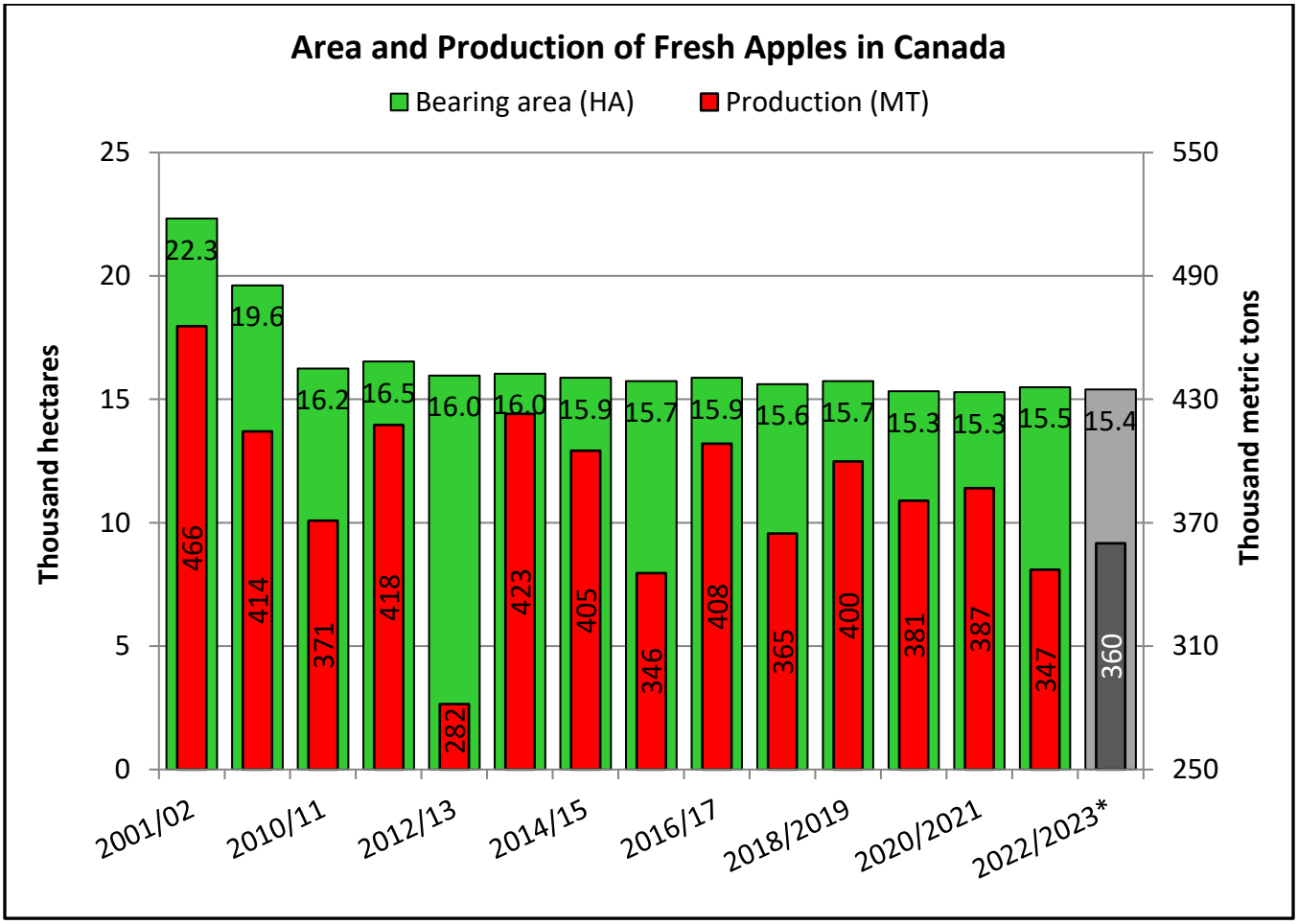

Lingering impacts from the 2021 heat dome in British Columbia continue to negatively impact yields and production in Canada's third largest producing province. Growers also experienced cool wet spring conditions, poor pollination due to bee shortages, and heat impacts through summer 2022 into autumn with estimates suggesting production will be down 20-25 percent compared to MY 2021/22. Storage quality is likely to be below average but there are expectations that it will be better than the Washington apple crop to the south. Gala and Ambrosia will dominate British Columbia production in MY 2022/23.

Figure 4. British Columbia estimates of apple production by variety for 2022. *Source: Early Crop Estimates Survey, Canada*




On the east coast, Hurricane Fiona impacted Maritime growers heading into the 2022 harvest. High winds led to a decimation of some PEI orchards with some losses reported as high as 80 percent. However, production in PEI is minimal compared to other provinces. Nova Scotia and New Brunswick are also seeing wind related losses which is expected to keep production at or below MY 2021/22 levels. While these two provinces experienced wind fall losses, widespread wind damage was reduced as growers had implemented mitigation measures, such as reinforcing trellises and wind blocks, following Hurricane Dorian in 2019. Nova Scotia's Annapolis Valley presents good growing conditions for Honeycrisp and, while growing area is a limiting factor in the province, production of this variety will continue to be strong due to these favorable growing conditions.

Figure 5. Area (hectares) and production (metric tons) of fresh apples in Canada. *Source: Statistics Canada / *FAS/Ottawa forecast*




Following two years of increases in cultivated acreage, FAS/Ottawa is forecasting a slight decline in MY 2022/23. Re-planting to higher density orchards will lead to production gains but minimize acreage expansion. Higher land, labor, and input costs combined with labor shortages have negatively impacted expansion opportunities.

Production of McIntosh is estimated by industry to increase in MY 2022/23 following several years of decline. This production increase is not owing to investments in new plantings but rather a result of improved production and yields on existing acreage in Ontario and Quebec for MY 2022/23. Impacts from the 2021 heat dome and 2022 growing conditions adversely impacting the Ambrosia crop in British Columbia are driving the estimated decline in production for MY 2021/22. Production of Ambrosia should recover moving forward as growers in British Columbia are able to recover or re-plant their orchards following heat and drought damage. Ontario will drive continued increases in Honeycrisp production for MY 2022/23. While early estimates suggested growth in production in Nova Scotia, this will be mitigated somewhat by Hurricane Fiona damage. As with Ambrosia, British Columbia production of Honeycrisp should rebound in future following declines in MY 2022/23 as orchards

recover from the adverse growing conditions experienced the past few years. Suitable land availability and climate conditions continue to be a factor in expansion of certain varieties in Canada.

**Consumption:**

Approximately 70 percent of apples grown in Canada go to fresh consumption. FAS/Ottawa forecasts a six percent growth in fresh apple consumption in MY 2022/23. Processing apples are forecast to decline due to better crop quality resulting in less diversion to processing. Expansion in the cider market will continue to support a niche opportunity for processing. Bulk displays have returned to pre-pandemic levels at retailers and industry indicates that there is strong consumer demand to drive the fresh consumption increase following a two-year decline. Affordability and ease of storage for apples will also factor in increased consumer interest as inflation and rising costs of living impact Canadian consumers. Apples remain relatively price competitive compared to other fruit commodities and are more consumer friendly in terms of storage and shelf life. Higher production in the United States and Europe will also increase availability of product for fresh consumption although production estimates have been revised downwards due to heat impacts in those countries which could impact earlier estimates of increased global supply. Although per capita consumption has been in a long-term downward trend since 2013, FAS/Ottawa is forecasting a reversal in MY 2022/23 as production in consumer preferred varieties and affordability contribute to higher fresh consumption.

Figure 6. Evolution of Canadian per capita consumption of fresh apples. *Source: Statistics Canada / *FAS/Ottawa forecast*

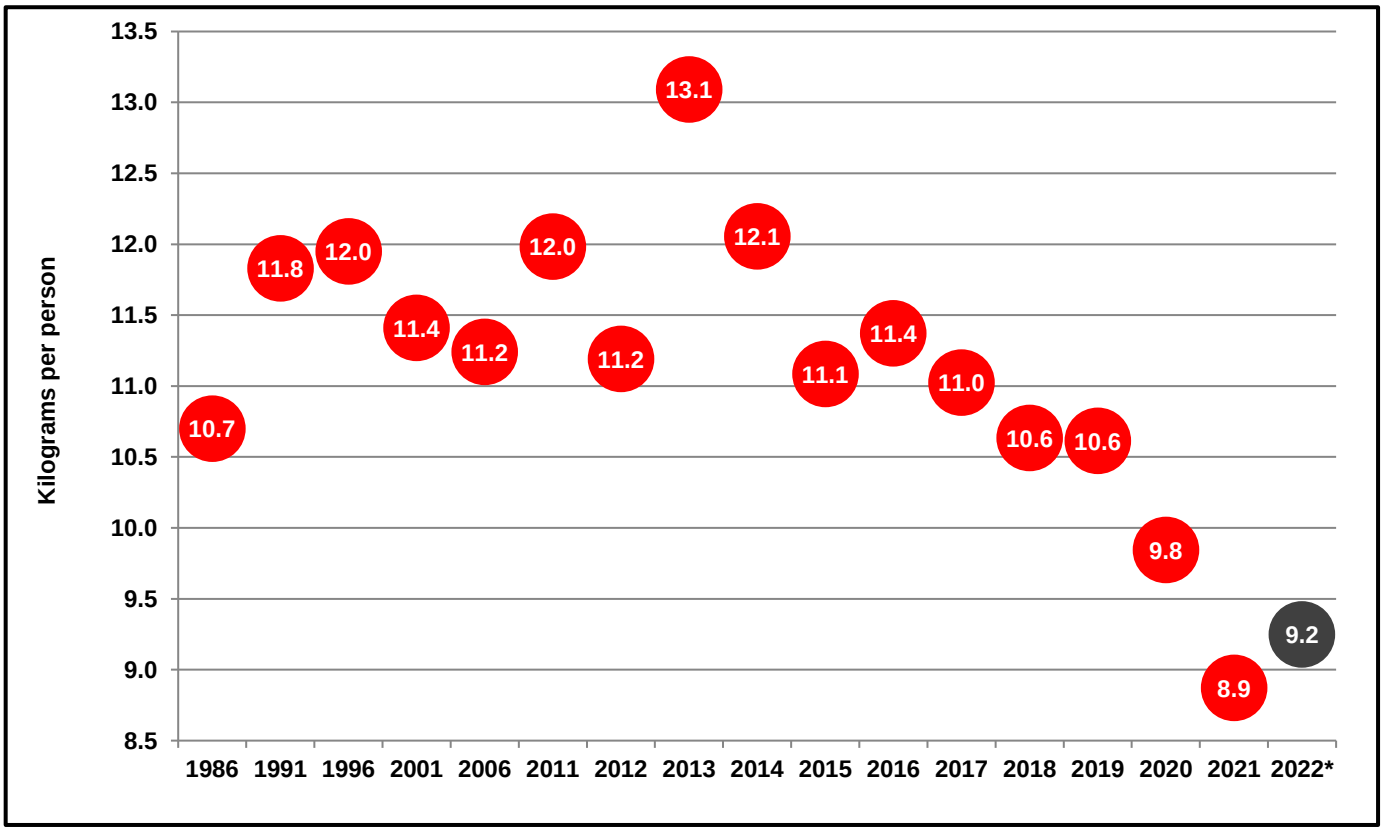
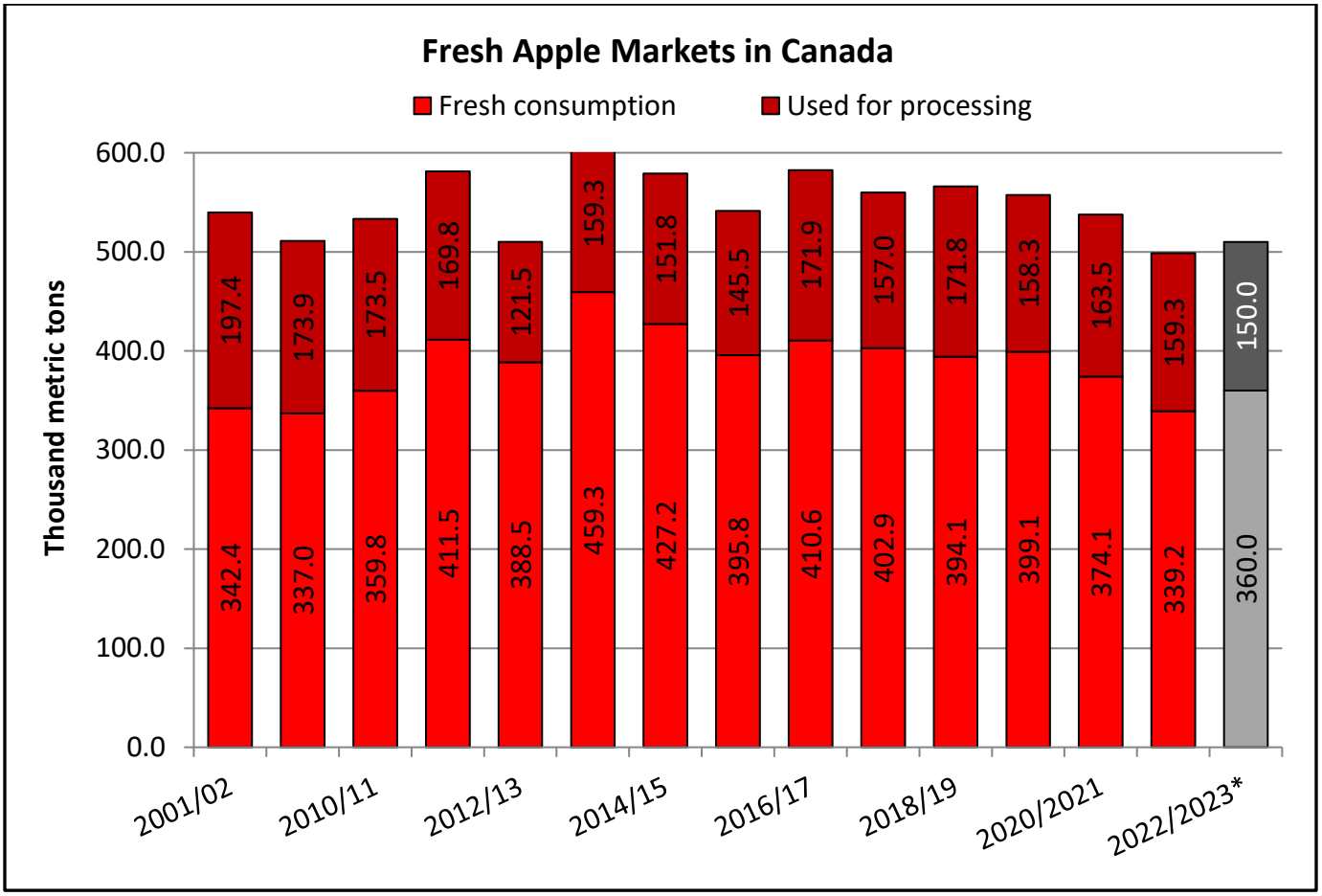


Figure 7. Volume of fresh apples destined for fresh consumption and for further processing in Canada.
*Source: Statistics Canada / *FAS/Ottawa forecast*




**Trade:**

Early global crop estimates have suggested growth in production in Canada, Europe, and the United States while Argentina, Brazil, Chile, and China will likely see declines. However, more recent estimates suggest that negative impacts from heat will likely lead to lower production in the United States and Europe compared to earlier season estimates. FAS/Ottawa forecasts a four percent growth in imports of fresh apples into Canada for MY 2022/23 as increased consumption will offset the larger Canadian crop relative to MY 2021/22. The United States will continue to be the main source market for Canada. U.S. market share will remain around 80 percent. Crop quality will be a factor in import volumes as Canadian imports are typically highest in the latter portion of the crop year as domestic stocks draw down. If storability is poor on the Northern Hemisphere crop this presents an opportunity for increased imports from the Southern Hemisphere in 2023.

Table 2. Imports of fresh apples into Canada by volume.

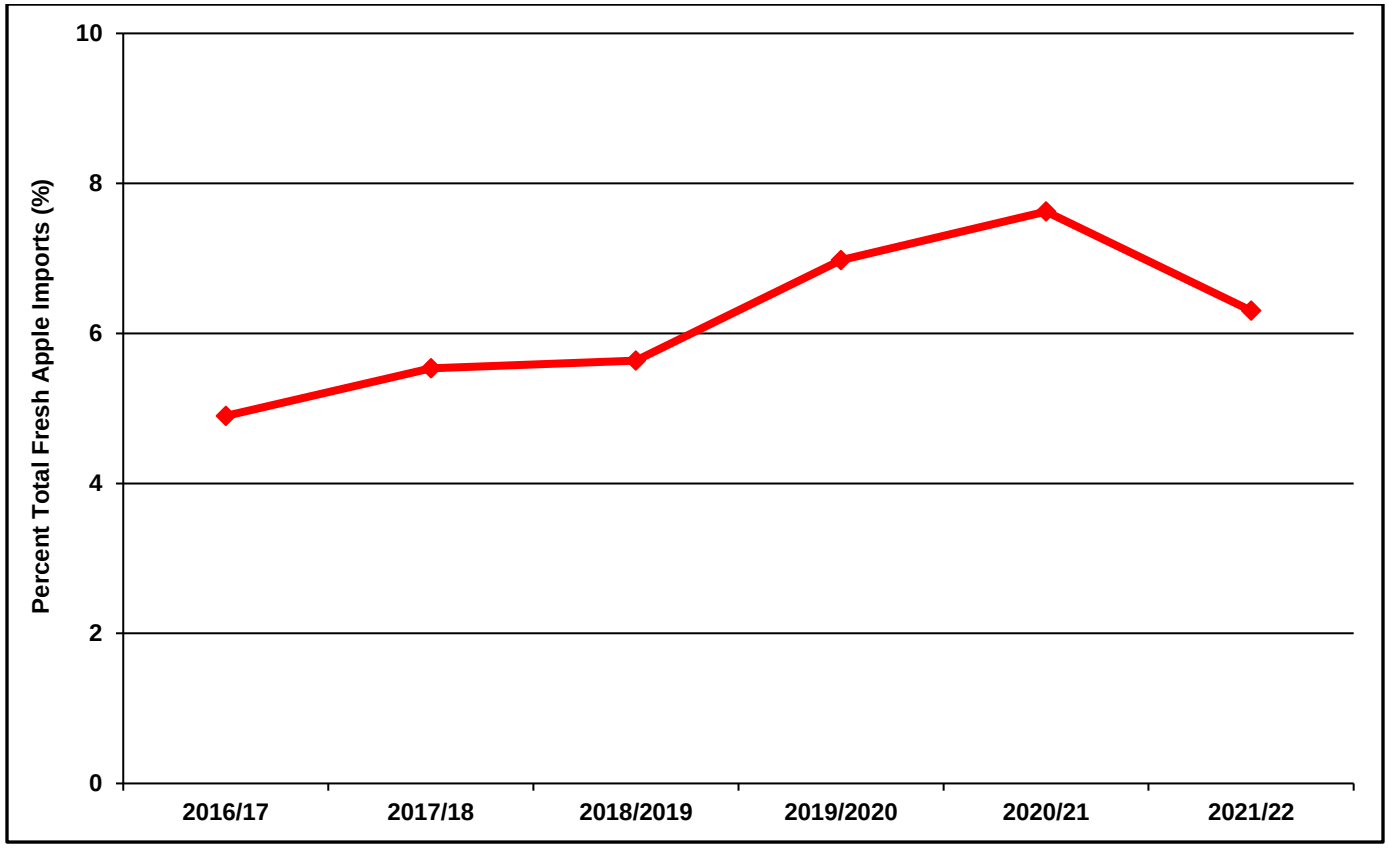
| Canada: Imports of fresh apples | | | | | | |
|---|---|---|---|---|---|---|
| ***Marketing year: July-June / Quantity in metric tons*** | | | | | | |
| | **2016/17** | **2017/18** | **2018/19** | **2019/20** | **2020/21** | **2021/22** |
| **World** | **220,572** | **222,195** | **203,207** | **204,879** | **190,336** | **205,855** |
| for processing | 63,495 | 76,367 | 69,182 | 68,689 | 66,450 | 73,890 |
| organic | 10,808 | 12,296 | 11,456 | 14,297 | 14,512 | 12,975 |
| other | 146,222 | 133,533 | 122,569 | 121,895 | 109,373 | 118,988 |
| **United States** | **175,322** | **177,785** | **155,019** | **171,078** | **157,358** | **171,990** |
| for processing | 61,834 | 75,982 | 64,277 | 65,661 | 64,648 | 72,465 |
| organic | 7,989 | 10,515 | 9,411 | 12,938 | 12,729 | 11,149 |
| other | 105,498 | 91,291 | 81,331 | 92,481 | 79,980 | 88,376 |
| Chile | 22,501 | 24,858 | 23,590 | 15,359 | 14,469 | 15,870 |
| European Union | 5,506 | 4,170 | 11,171 | 3,865 | 4,881 | 2,521 |
| Italy | 3,885 | 3,094 | 9,612 | 3,577 | 4,643 | 1,702 |
| New Zealand | 7,673 | 8,522 | 8,164 | 8,464 | 5,553 | 7,732 |
| China | 3,877 | 3,551 | 2,683 | 2,458 | 2,839 | 1,683 |
| All other countries | 7,314 | 4,385 | 4,139 | 3,943 | 5,474 | 6,878 |
| **Import Market Shares** | | | | | | |
| United States | 79.5% | 80.0% | 76.3% | 83.5% | 82.7% | 83.5% |
| Chile | 10.2% | 11.2% | 11.6% | 7.5% | 7.6% | 7.7% |
| European Union | 2.5% | 1.9% | 5.5% | 1.9% | 2.6% | 1.2% |
| Italy | 1.8% | 1.4% | 4.7% | 1.7% | 2.4% | 0.8% |
| New Zealand | 3.5% | 3.8% | 4.0% | 4.1% | 2.9% | 3.8% |
| China | 1.8% | 1.6% | 1.3% | 1.2% | 1.5% | 0.8% |

*Source: Trade Data Monitor, LLC*

*Note: Tariff lines for organic apples were introduced on January 1, 2007*

Imports of organic apples had increased steadily year-over-year since MY 2015/16 but dropped off in MY 2021/22. Organics remain a small percent of overall imports and higher pricing has negatively impacted the growth trend. Higher prices will once again negatively impact organic imports in MY 2022/23 as consumers opt for cheaper alternatives amidst high inflation.

Figure 8. Imports of fresh organic apples into Canada as a percent of overall imports by volume. *Source: Trade Data Monitor, LLC*




In recent years, approximately 10 percent of Canadian production has been exported. This volume rose to 16 percent in MY 2021/22, primarily driven by an increase in exports of apples for processing. Although Canadian production saw a substantial decline in MY 2021/22, there were also declines globally and quality was negatively impacted by poor growing conditions. Canada has limited processing capacity which led to increased exports of apples for processing due to surplus supply in MY2021/22. FAS/Ottawa forecasts exports to be at 18 percent of production for MY 2022/23, growing 19 percent by volume over MY 2021/22 as a result of higher production and lower production volumes in Asia. Canada substantially increased exports to Vietnam in MY 2021/22, mostly for processing apples. Canadian apples are tariff free into Vietnam due to participation in the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP). While Canadian export activity responded positively in the first year of zero tariffs in 2020, pandemic constraints and supply chain issues were a limiting factor. Canada will seek to remain competitive in the Vietnamese market moving forward. Canada also

benefitted from retaliatory tariff impacts on U.S. apples imposed by India and China, seizing an opportunity to grow export activity to those markets, although volumes to these markets were small relative to exports to the United States and Vietnam. Declines in production in China represent an opportunity for Canadian exports in MY 2022/23 although it is a market that can be tenuous and susceptible to geopolitical issues. The United States will remain an important market for Canadian exports given geographic proximity, but Canadian growers will continue to seek diversified opportunities in premium markets.

Table 3. Exports of fresh apples from Canada by volume.

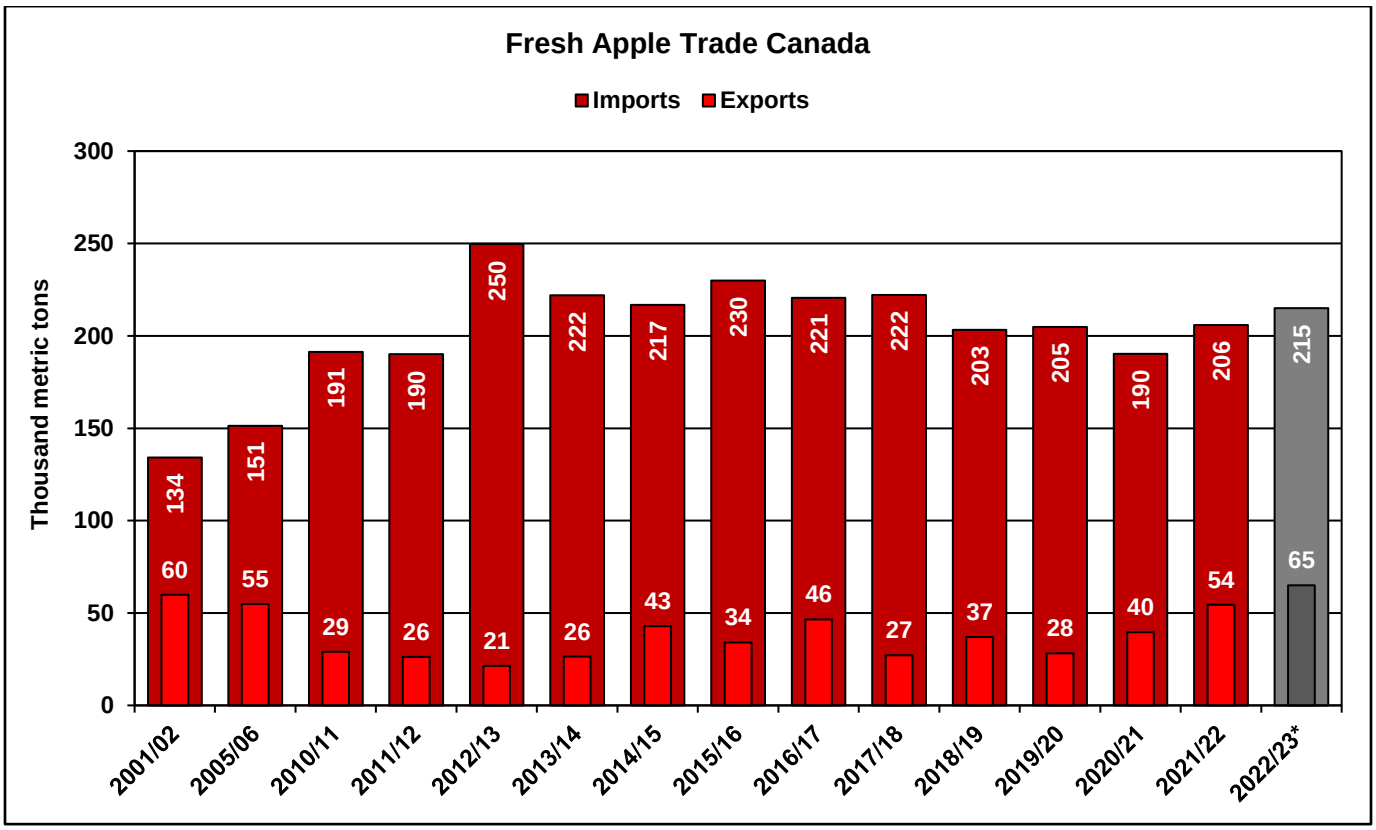
**Canada: Exports of fresh apples**

***Marketing year: July-June / Quantity in metric tons***

| | 2016/17 | 2017/18 | 2018/2019 | 2019/20 | 2020/21 | 2021/22 |
|---|---|---|---|---|---|---|
| **World** | **46,472** | **27,092** | **37,072** | **28,177** | **39,536** | **54,475** |
| for processing | 19,665 | 9,340 | 16,752 | 12,732 | 19,001 | 34,404 |
| Other | 26,807 | 17,752 | 20,320 | 15,445 | 20,534 | 20,071 |
| **United States** | **32,776** | **18,762** | **22,896** | **14,802** | **20,887** | **21,548** |
| for processing | 10,821 | 3,968 | 8,335 | 4,420 | 5,118 | 5,156 |
| Other | 21,955 | 14,793 | 14,560 | 10,382 | 15,770 | 16,392 |
| Vietnam | 4,067 | 2,220 | 5,051 | 9,608 | 8,645 | 23,365 |
| India | 0 | 0 | 0 | 0 | 2,702 | 4,198 |
| Cuba | 2,805 | 3,367 | 5,787 | 975 | 1,564 | 1,210 |
| All other countries | 6,824 | 2,743 | 3,338 | 2,792 | 8,440 | 8,352 |

*Source: Trade Data Monitor, LLC*

Figure 9. Canadian trade in fresh apples by volume. *Source: Trade Data Monitor, LLC / *FAS/Ottawa forecast*



**PEARS**

Table 4. Production, Supply, and Distribution of fresh pears.

***NOTE: "NEW FAS/Ottawa" data reflect FAS/Ottawa's assessments and are NOT official USDA data***

| PEARS Fresh Canada | 2020/2021 | | 2021/2022 | | 2022/2023* | |
|---|---|---|---|---|---|---|
| | *Marketing Year: July-June* | | | | | |
| | USDA Official | NEW FAS/Ottawa Data | USDA Official | NEW FAS/Ottawa Data | USDA Official | NEW FAS/Ottawa Estimates |
| Production | 8,245 | 8,097 | 8,500 | 7,807 | 0 | 9,000 |
| Imports | 63,500 | 63,482 | 60,000 | 60,313 | 0 | 63,000 |
| **Total Supply** | **71,745** | **71,579** | **68,500** | **68,120** | **0** | **72,000** |
| Domestic Consumption | 71,545 | 71,379 | 68,200 | 67,871 | 0 | 71,650 |
| Exports | 200 | 200 | 300 | 249 | 0 | 350 |
| **Total Distribution** | **71,745** | **71,579** | **68,500** | **68,120** | **0** | **72,000** |

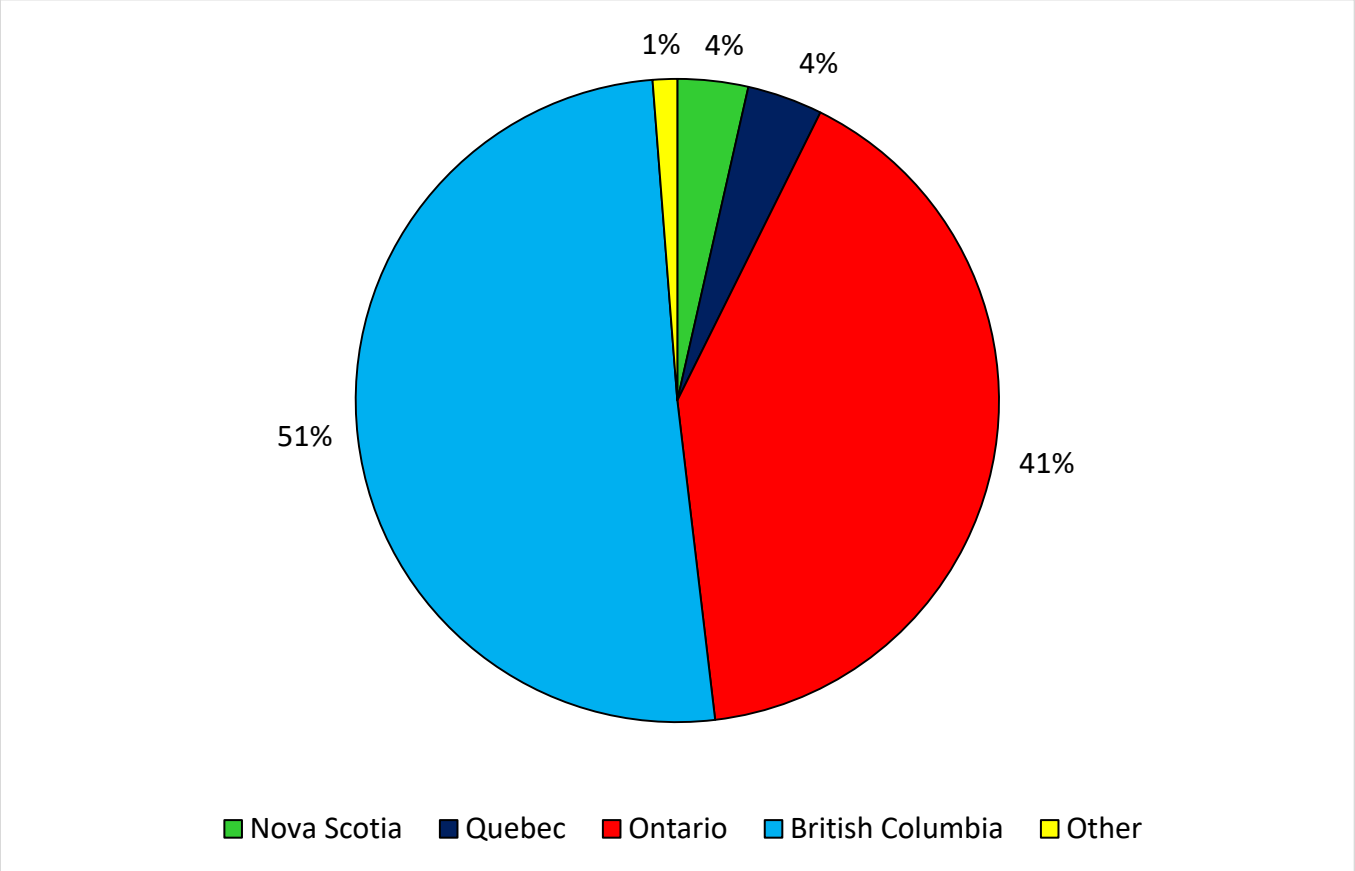
*Data in hectares or metric tons / *FAS/Ottawa forecast*

**Production:**

FAS/Ottawa forecasts strong growth for the MY 2022/23 pear crop on good growing conditions in British Columbia and Ontario improving production over 2021. Declining acreage as some growers shift to other commodities will constrain production moving forward. While British Columbia experienced significant heat in 2022, heat and drought conditions were not as severe as 2021 leading to significant improvements in production in 2021 with production also above the five-year average. Ontario experienced another year of good growing conditions for pears which will lead to production growth over the 2021 crop and five-year average. Bartlett continues to dominate Ontario production and a record harvest is anticipated for 2022. Ontario growers continue to experiment with new varieties and re-planting orchards to higher density growing conditions to improve yield on smaller acreage. The craft cider market has also emerged as an additional market opportunity for pears although volumes remain

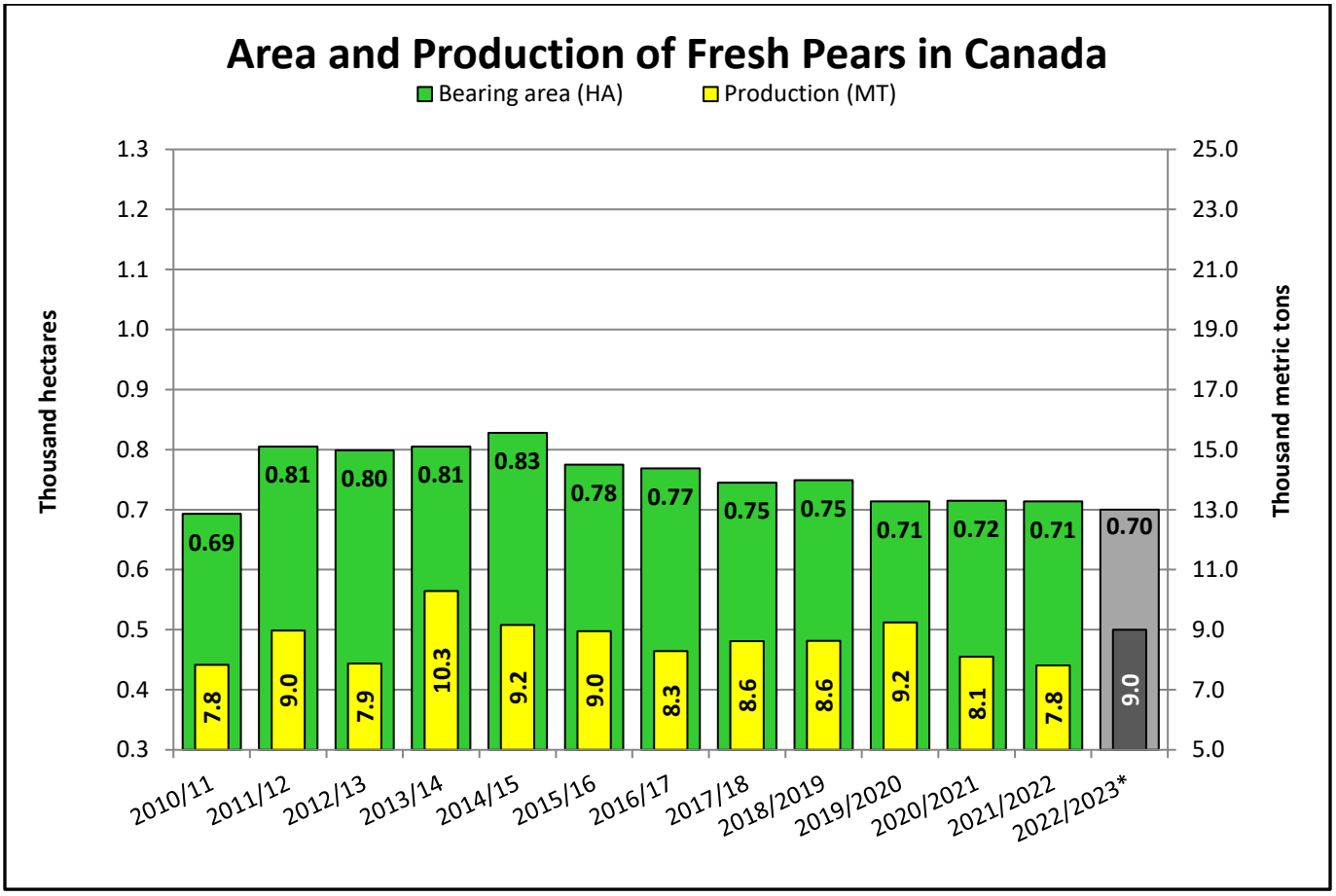
small relative to fresh market at this time. Despite growth in production for MY 2022/23, Canadian production remains small relative to other countries and most production will continue to be marketed domestically, catering to consumer demand for locally grown produce.

Figure 10. Canadian marketed pear production by province for 2021. *Source: Statistics Canada*




British Columbia continues to be the main pear producing province with over 50 percent of Canadian production followed by Ontario. Good growing conditions in Ontario and adverse conditions in British Columbia meant the Ontario crop gained in production over British Columbia in MY 2021/22. MY 2022/23 will see strong production in both provinces due to improved growing conditions but continued production gains will be limited by declining acreage. Growers shifting to higher density orchard systems may offset this decline in acreage with higher yields, but the transition process is slow. High production costs at present will limit investments unless grower returns improve against input costs.

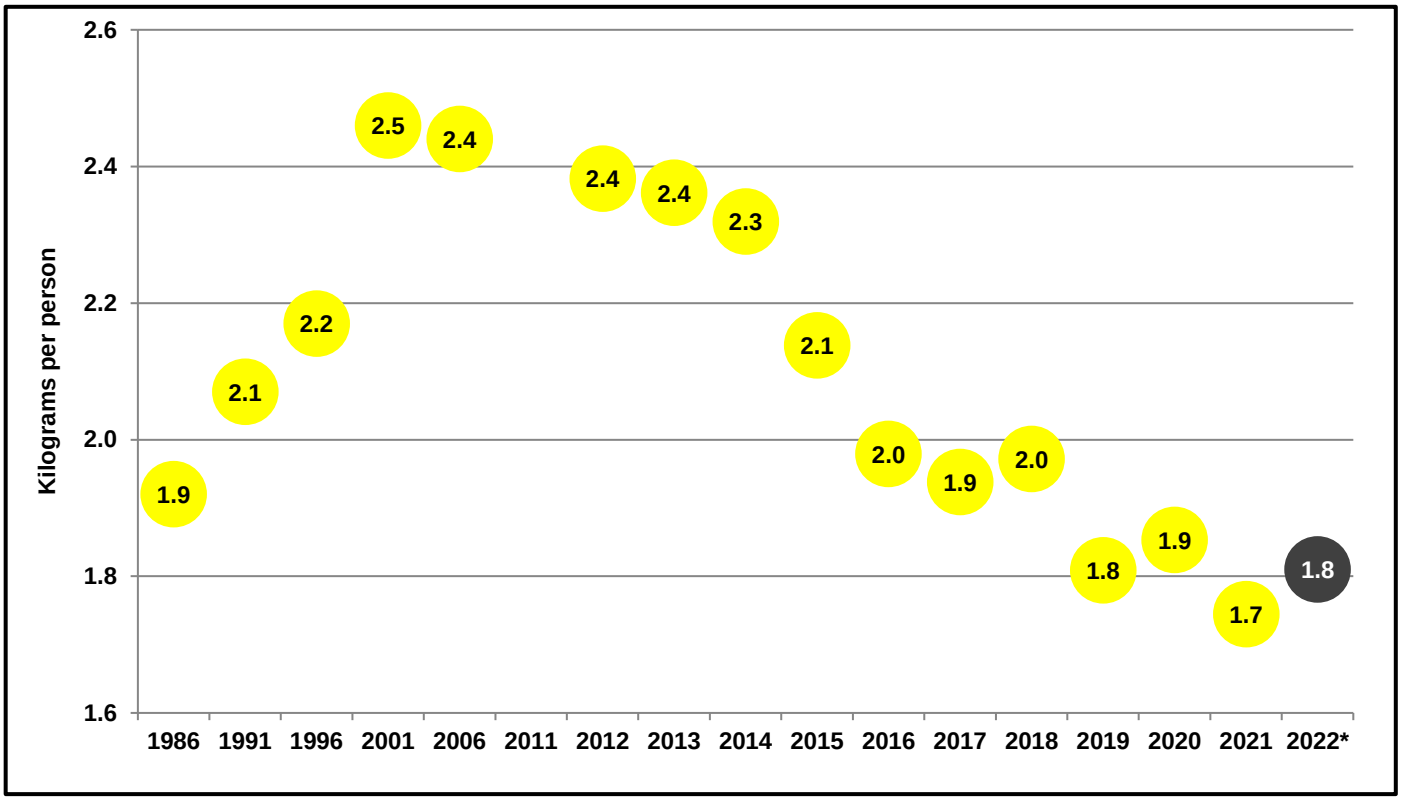
Figure 11. Area (hectares) and production (metric tons) of fresh pears in Canada. *Source: Statistics Canada / *FAS/Ottawa forecast*




**Consumption:**

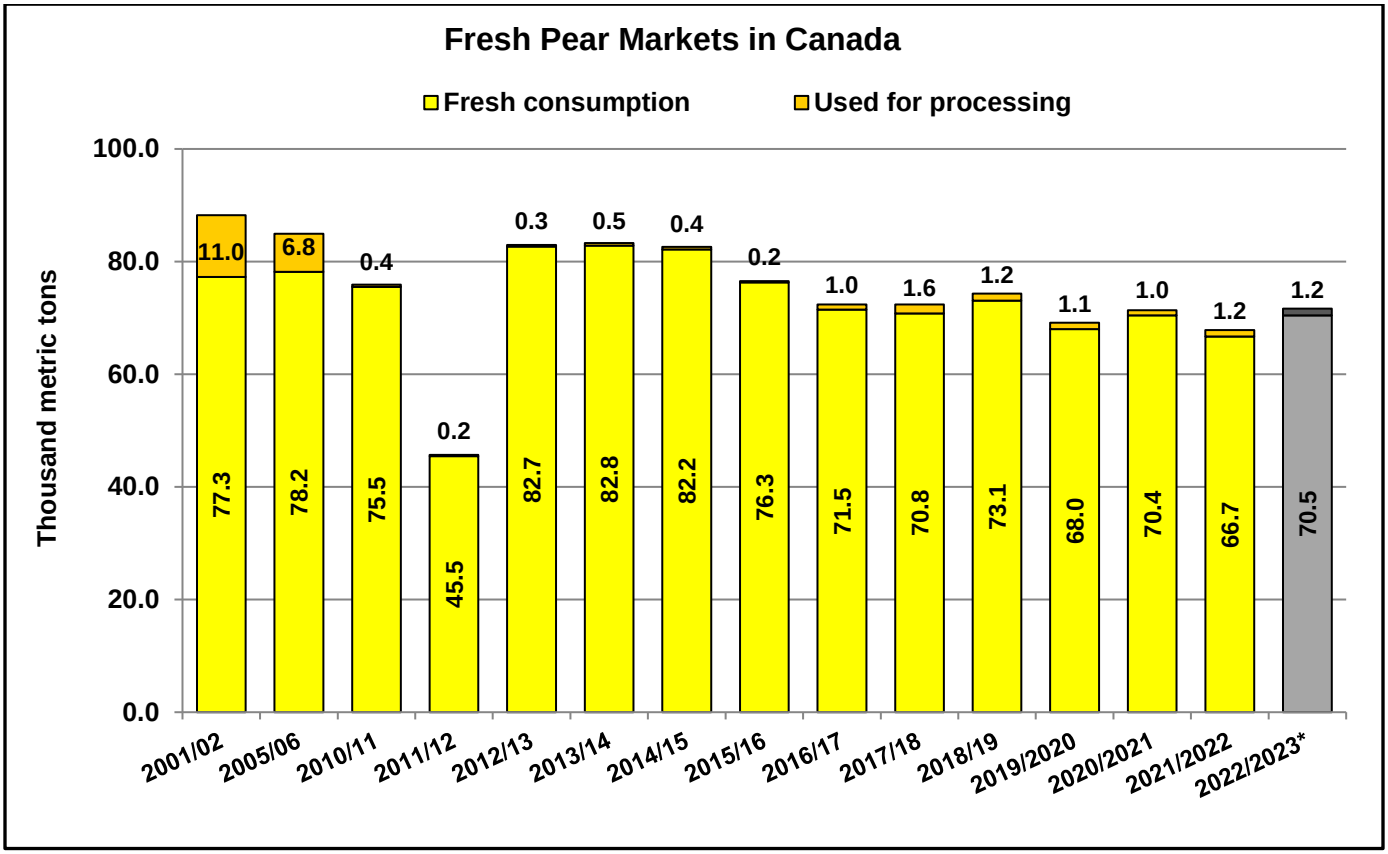
FAS/Ottawa forecasts that consumption will increase six percent in MY 2022/23 on the larger crop as more pears are available in retailers under locally grown marketing, especially in Ontario. Additionally, anticipated production increases in the United States and Europe will lead to more pear availability. Per capita consumption is forecast to remain relatively static due to population growth. Canadian per capita consumption of pears began to decline as production followed a downward trend after a bumper crop in 2013 and closure of most processing plants in Canada. Consumer demand for locally grown continues to support domestic growers but additional demand is highly variable. The pandemic saw demand growth over 2019 as consumer purchasing patterns shifted as food service shutdowns and reductions in availability saw consumers making more purchases from grocery retailers. Greater local and Northern Hemisphere production in MY 2022/23 should see consumer demand increase based on availability of product but efforts are needed to re-engage Canadian consumers to see demand return to previous highs as consumers have shifted preferences to other commodities.

Figure 12. Evolution of Canadian per capita consumption of fresh apples. *Source: Statistics Canada / *FAS/Ottawa forecast*




Fresh consumption continues to be the main market for pears in Canada. Niche cider markets will continue to see strong local support in both British Columbia and Ontario but will remain minimal compared to fresh volume in the short term. The high quality of MY 2022/23 crop will see a smaller percent of production move to the processing market although processing volumes will be similar to MY 2021/22 on the larger overall crop.

Figure 13. Volume of fresh pears destined for fresh consumption and for further processing in Canada.
*Source: Statistics Canada / *FAS/Ottawa forecast*




**Trade:**

FAS/Ottawa forecasts fresh imports to increase over four percent in MY 2022/23 on increased production in the United States and Europe. Increased local production will limit growth in imports as will stagnant consumer demand in Canada. The United States remains the dominate supplier to the Canadian market but has seen declining market share in recent years on growth of imports from Southern Hemisphere countries. The MY 2022/23 U.S. pear crop will see increased competition in the Canadian market from increased local production through the end of 2022. A larger European pear crop could see imports increase from Europe although higher transport costs compared to importing from the United States will be a limiting factor. Import demand for pears is highest in the provinces of British Columbia and Ontario, the two main pear producing provinces in Canada. Quebec import demand for fresh U.S. pears is surprising low relative to other provinces at less than two percent market share compared to the general Canadian market at around 50 percent. It may be that product imported into Ontario is ultimately moving into Quebec but direct imports are lower than would be anticipated given population and Quebec consumer demand for fresh produce. Quebec represents a growth opportunity if consumer preferences evolve.

Table 5. Imports of fresh pears into Canada by volume.

**Canada: Imports of fresh pears**

***Marketing year: July-June / Quantity in metric tons***

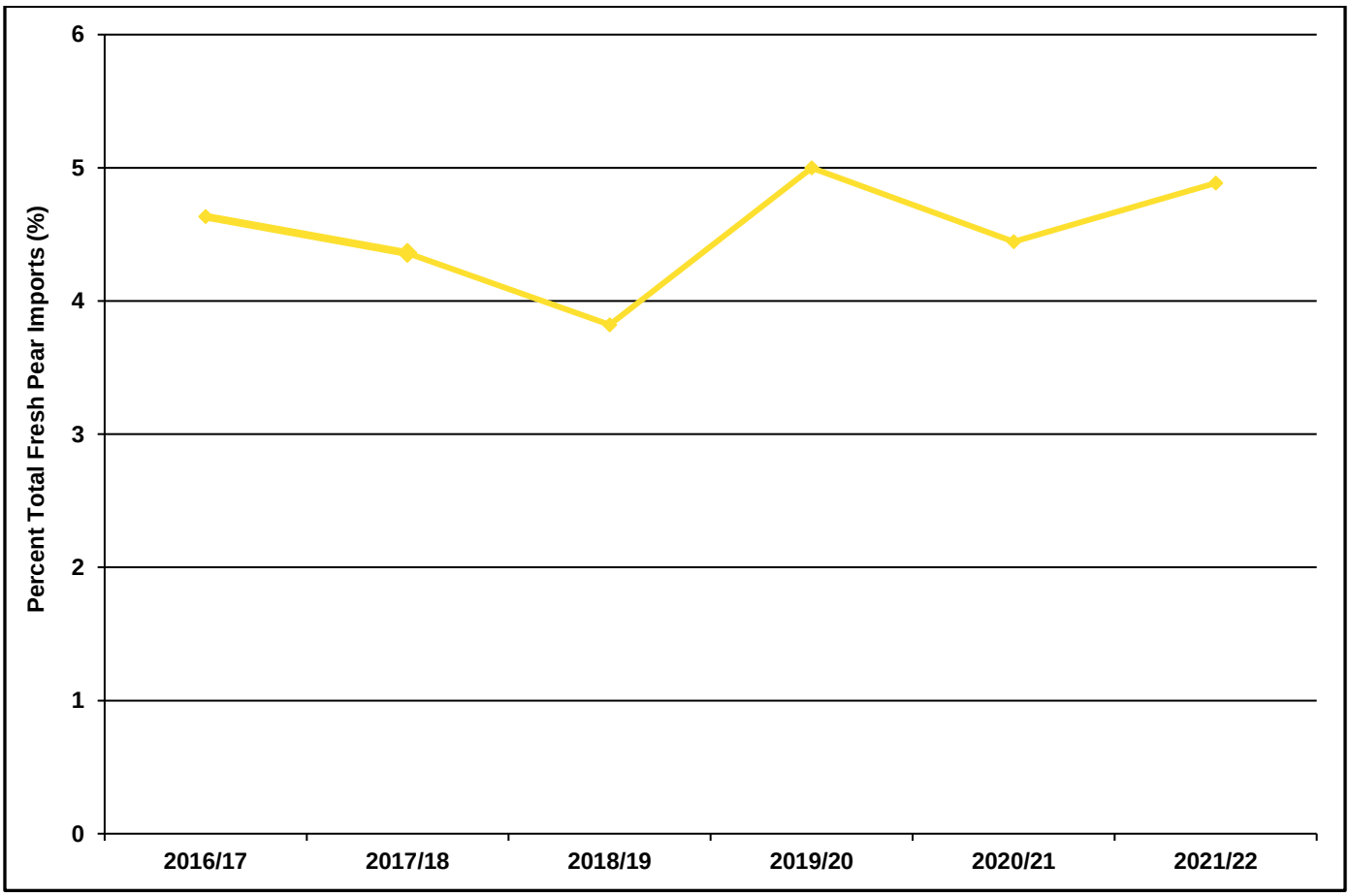
| | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
|---|---|---|---|---|---|---|
| **World** | **67,835** | **64,324** | **63,930** | **65,850** | **60,305** | **63,482** |
| for processing | 86 | 353 | 392 | 411 | 211 | 126 |
| organic | 3,143 | 2,804 | 2,443 | 3,292 | 2,681 | 3,101 |
| other | 64,606 | 61,167 | 61,095 | 62,147 | 57,412 | 60,255 |
| **United States** | **36,815** | **34,979** | **31,884** | **35,676** | **28,972** | **30,208** |
| for processing | 86 | 353 | 250 | 411 | 211 | 126 |
| organic | 1,698 | 1,686 | 1,314 | 1,794 | 1,266 | 1,671 |
| other | 35,031 | 32,939 | 30,319 | 33,471 | 27,495 | 28,411 |
| Argentina | 9,996 | 9,350 | 8,544 | 9,729 | 10,500 | 11,974 |
| China | 11,142 | 11,371 | 12,030 | 9,204 | 11,341 | 9,897 |
| South Africa | 4,666 | 4,967 | 5,623 | 6,241 | 4,592 | 6,521 |
| European Union | 2,089 | 1,606 | 2,749 | 2,569 | 2,753 | 2,757 |
| Portugal | 1,447 | 976 | 2,158 | 2,032 | 2,350 | 2,094 |
| All other countries | 3,769 | 2,681 | 3,691 | 2,968 | 2,550 | 2,788 |
| **Import Market Shares** | | | | | | |
| United States | 54.3% | 54.4% | 49.9% | 54.2% | 48.0% | 47.6% |
| Argentina | 14.7% | 14.5% | 13.4% | 14.8% | 17.4% | 18.9% |
| China | 16.4% | 17.7% | 18.8% | 14.0% | 18.8% | 15.6% |
| South Africa | 6.9% | 7.7% | 8.8% | 9.5% | 7.6% | 10.3% |
| European Union | 3.1% | 2.5% | 4.3% | 3.9% | 4.6% | 4.3% |
| Portugal | 2.1% | 1.5% | 3.4% | 3.1% | 3.9% | 3.3% |

*Source: Trade Data Monitor, LLC*

*Note: Tariff lines for organic pears were introduced on January 1, 2007*

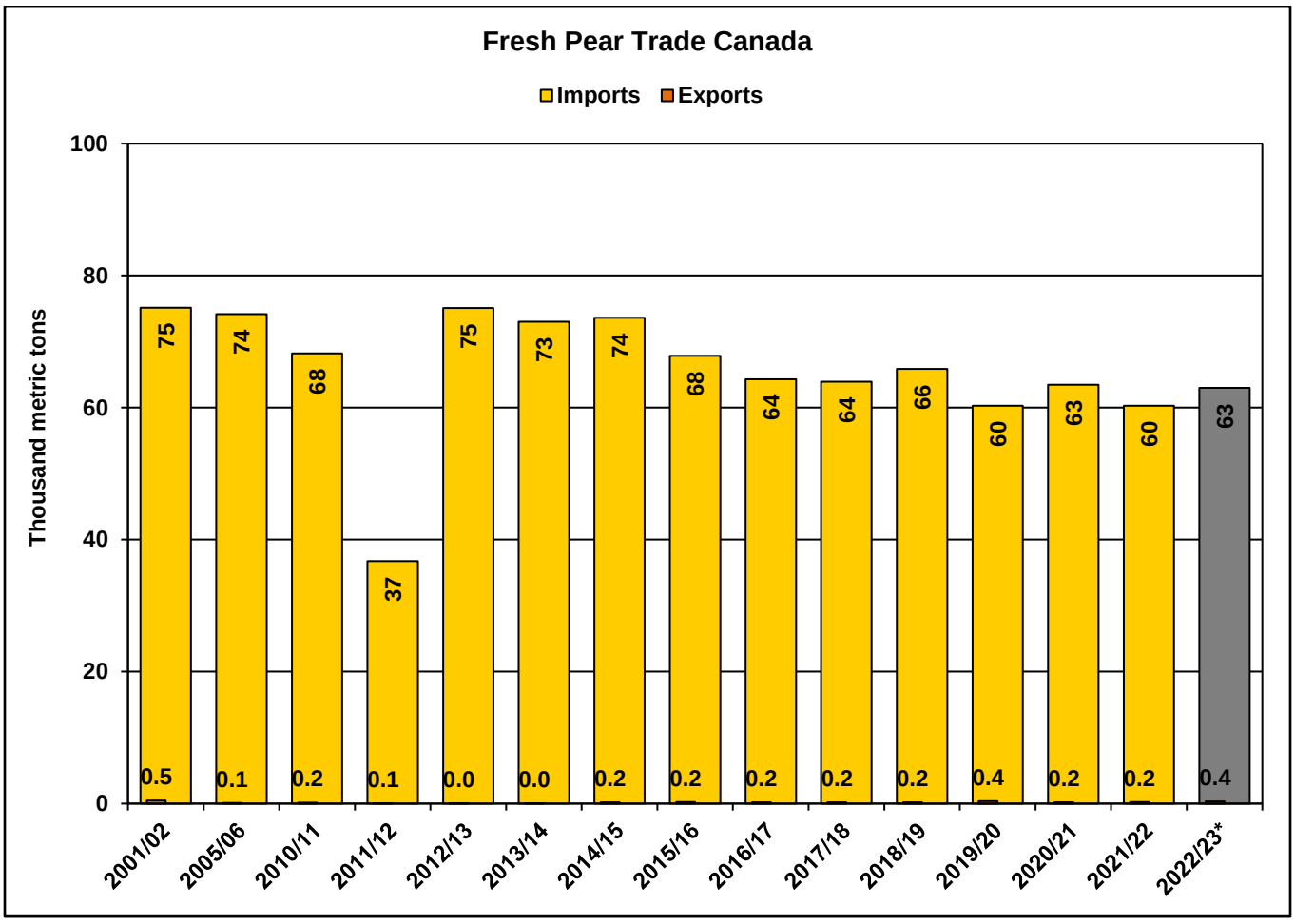
Imports of fresh organic pears have remained relatively consist over recent years. However, organic pears are only four to five percent of total fresh pear imports into Canada. Inflation is a growing concern for Canadian consumers and has been more significant for food prices in Canada relative to other increases in cost of living. Consumer price sensitivity will be a factor in demand for organic imports in MY 2022/23.

Figure 14. Imports of fresh organic pears into Canada as a percent of overall imports by volume. *Source: Trade Data Monitor, LLC*




Canadian exports of fresh pears remain negligible against imports given Canada's small production. However, a larger MY 2022/23 crop will support export activity and FAS/Ottawa forecasts 41 percent growth in export volumes. While this is a dramatic increase in percentage, this still translates to minimal volumes with exports only estimated to grow by 100 MT. Canadian exports continue to remain less than one percent of fresh pear imports by volume.

Figure 15. Canadian trade in fresh pears by volume. *Source: Trade Data Monitor, LLC / *FAS/Ottawa forecast*



## FRESH TABLE GRAPES

Table 6. Production, Supply, and Distribution of fresh grapes.

***NOTE: "NEW FAS/Ottawa" data reflect FAS/Ottawa's assessments and are NOT official USDA data***

| GRAPES Fresh Canada | 2020/2021 | | 2021/2022 | | 2022/2023* | |
|---|---|---|---|---|---|---|
| | *Marketing Year: June-May* | | | | | |
| | **USDA Official** | **NEW FAS/Ottawa Data** | **USDA Official** | **NEW FAS/Ottawa Data** | **USDA Official** | **NEW FAS/Ottawa Estimates** |
| Production | 2,200 | 2,119 | 2,750 | 2,528 | 0 | 2,400 |
| Imports | 191,000 | 191,892 | 185,000 | 186,436 | 0 | 192,000 |
| **Total Supply** | **193,200** | **194,011** | **187,750** | **188,964** | **0** | **194,400** |
| Domestic Consumption | 193,125 | 194,011 | 187,750 | 188,964 | 0 | 194,400 |
| Exports | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total Distribution** | **193,125** | **194,011** | **187,750** | **188,964** | **0** | **194,400** |

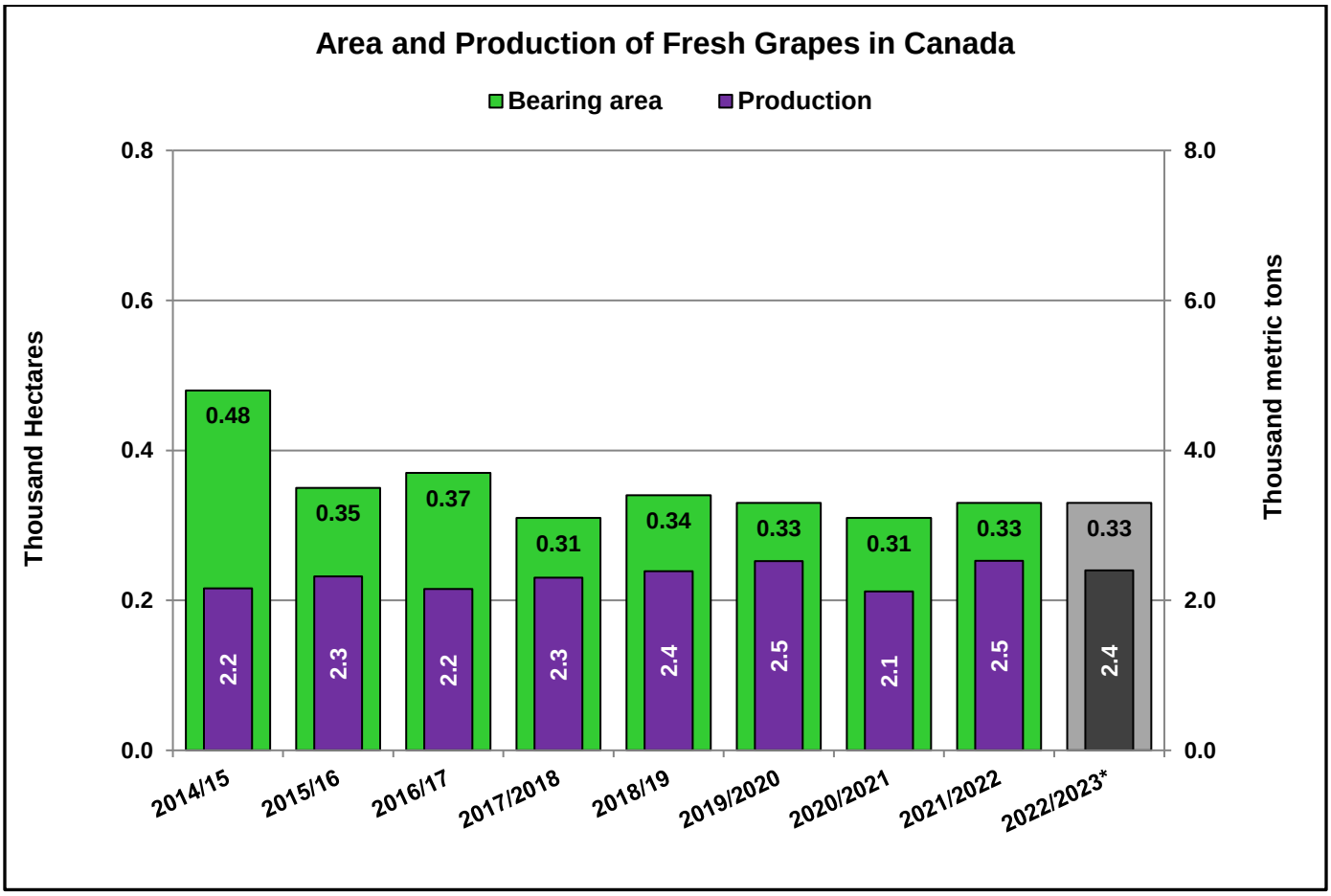
*Data in metric tons / *FAS/Ottawa forecast*

**Production:**

Table grape production in Canada continues to be minimal compared to wine grapes. New varietal development research is underway for the consumer market, though Sovereign Coronation remains the dominant variety in production for fresh consumption. Overall acreage planted to grapes has been growing in recent years, but table grape acreage has remained more static. MY 2021/22 saw favorable growing conditions in the main table grape growing province of Ontario contributing to a 20 percent increase in Canadian production volumes. While weather conditions have been decent for MY 2022/23, FAS/Ottawa forecasts a five percent reduction in table grape production due to lower yields as conditions were less optimal than MY 2021/22. Production will be above the five-year average and quality is good. Labor availability continues to be a challenge for industry and increasing minimum wage rates will push up grower costs moving forward. Growers also faced, and will continue to face,

increase costs for inputs. While prices have risen, higher prices are not completely offsetting grower costs.

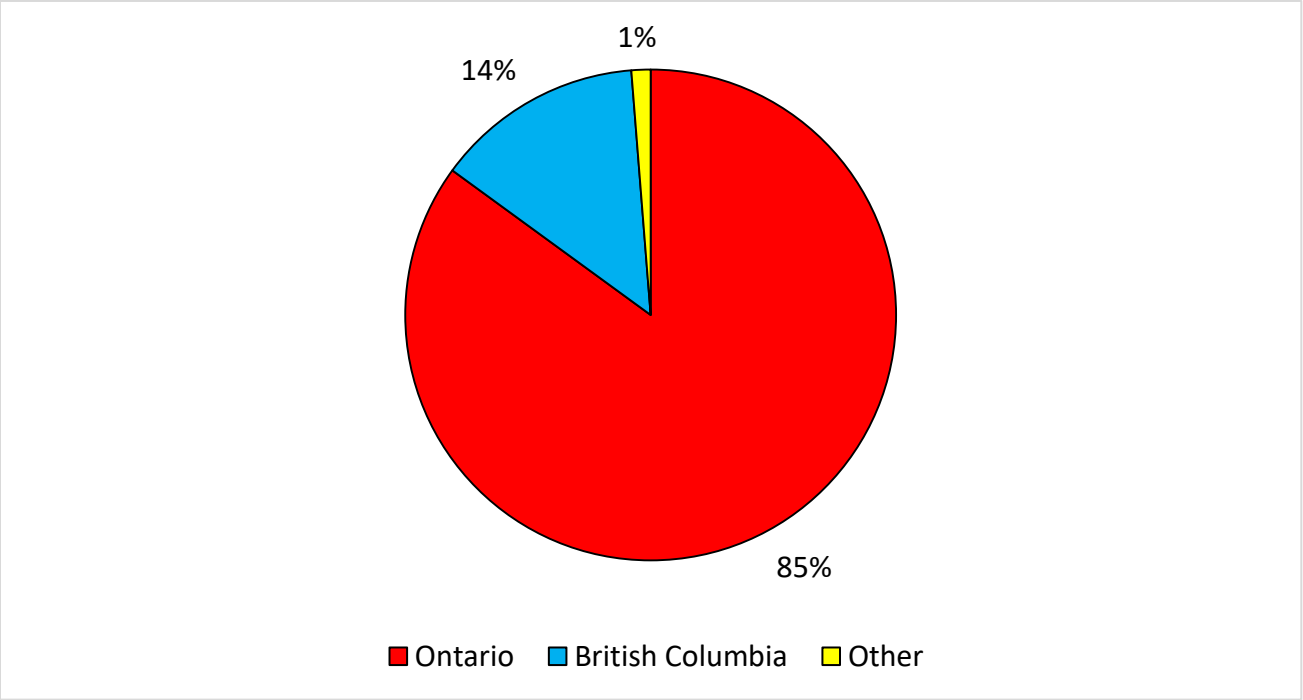
Figure 16. Area (hectares) and production (metric tons) of fresh pears in Canada. *Source: Statistics Canada / *FAS/Ottawa forecast*




Ontario is the leading province in Canadian table grape production with over 80 percent of production. British Columbia has seen table grape acreage steadily increasing over the past five years, however, heat has adversely impacted production in the past few years. Wine grapes continue to dominate acreage in both of these provinces compared to table grape cultivation.

Ontario continues to trial the Jupiter grape, a blue variety described as being sweeter in flavor with a thinner skin than the Sovereign Coronation variety. This variety has a later harvest date than Sovereign Coronation, representing an opportunity for growers to extend the marketing window for Ontario fresh table grapes without negatively impacting sales of the earlier marketed Sovereign Coronation variety. Development of seedless varieties of green and red grapes is also ongoing. Market potential for increased domestic production remains high as consumer demand far outstrips Canadian production.

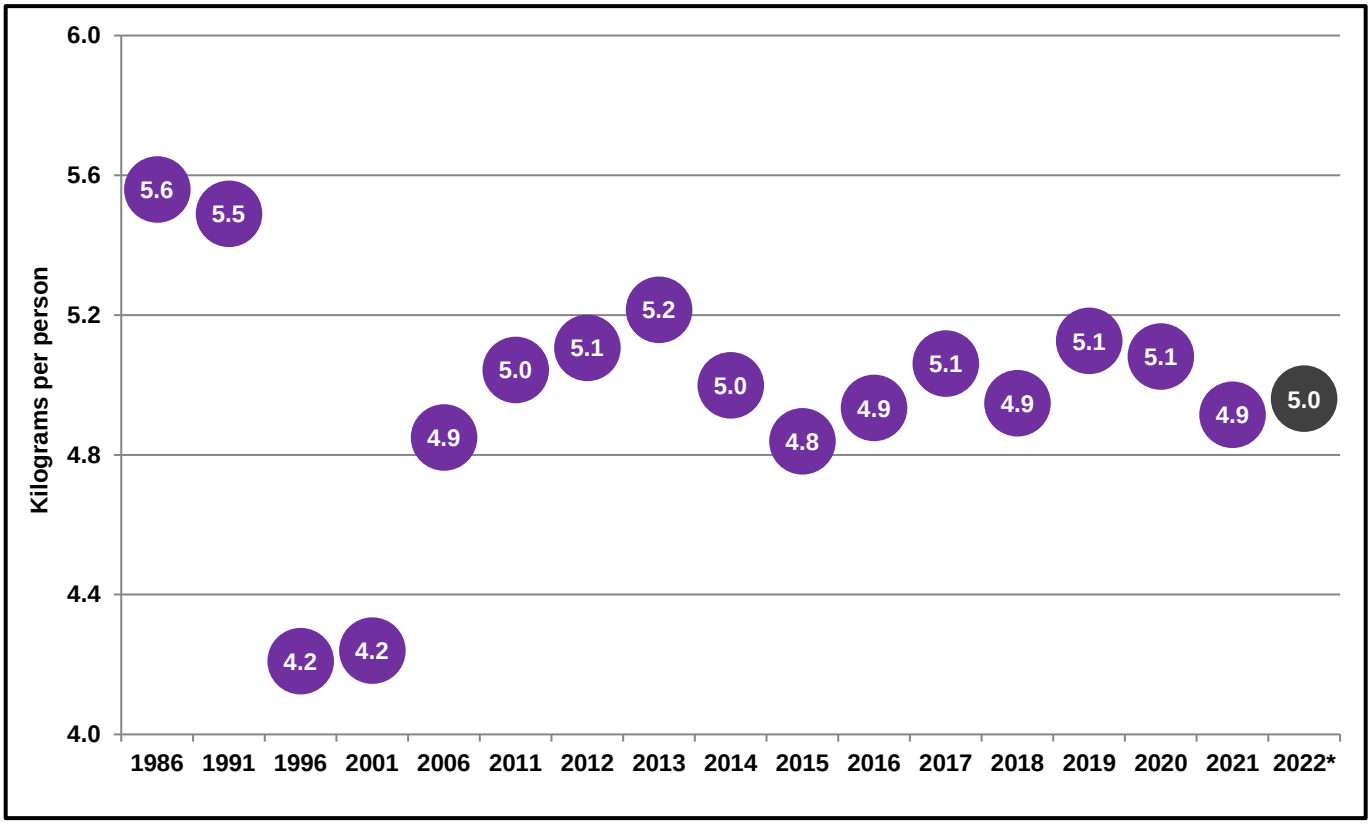
Figure 17. Canadian marketed pear production by province for 2021. *Source: Statistics Canada*




**Consumption:**

FAS/Ottawa forecasts a three percent growth in domestic consumption of fresh table grapes for MY 2022/23 with reductions in domestic production offset by increased imports. Per capita table grape consumption will remain similar to recent years. Typically, Canadian production is consumed locally although Ontario does ship a large quantity of grapes to Quebec where there is more consumer demand, and more households make their own fresh jams and jellies. Demand for imported product is also highest in these provinces due to the large consumer base. Overall, over 98 percent of Canadian consumption is dependent on imports.

Figure 18. Evolution of Canadian per capita consumption of fresh apples. *Source: Statistics Canada / *FAS/Ottawa forecast*




**Trade:**

FAS/Ottawa forecasts a three percent growth in imports for MY 2022/23 to supplement the decline in Canadian production. The United States has historically been the main supplier to Canada. However, U.S. market share has been eroded in recent years as Canada has increased import volumes from Mexico, South Africa, and Peru. As the California table grape crop has been negatively impacted by weather once again, U.S. market share is anticipated to decline in MY 2022/23. Strong production in Peru should see Canada increase imports of Peruvian grapes and improved shipping logistics and resolution of some of the supply chain constraints from MY 2021/22 should further facilitate increasing imports from the Southern Hemisphere.

Table 7. Imports of fresh grapes into Canada by volume.

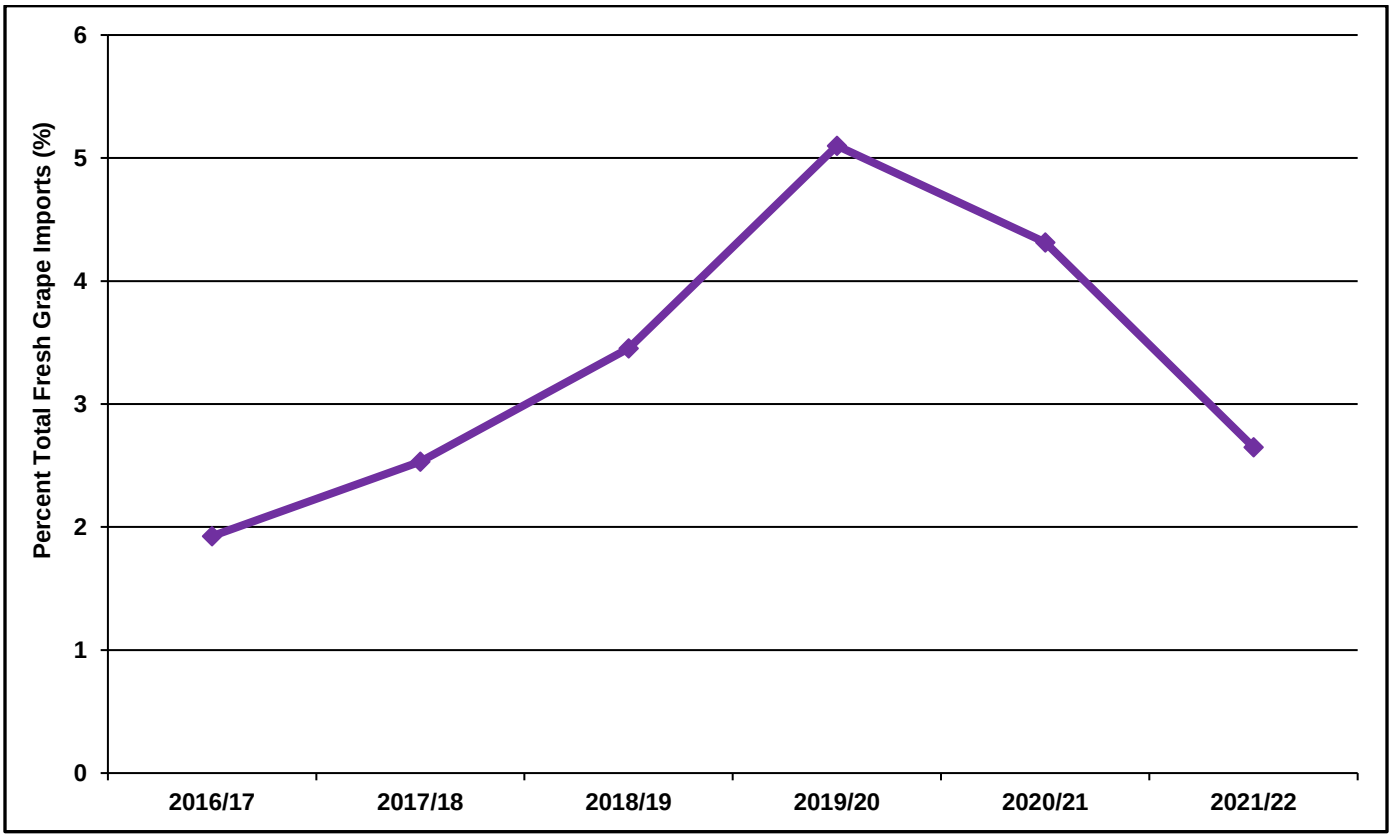
| Canada: Imports of fresh grapes | | | | | | |
|---|---|---|---|---|---|---|
| ***Marketing year: June-May / Quantity in metric tons*** | | | | | | |
| | **2016/17** | **2017/18** | **2018/19** | **2019/20** | **2020/21** | **2021/22** |
| **World** | **178,074** | **183,168** | **181,141** | **190,461** | **191,892** | **186,436** |
| organic | 3,430 | 4,638 | 6,253 | 9,713 | 8,280 | 4,940 |
| other | 174,637 | 178,495 | 174,356 | 180,241 | 183,096 | 180,976 |
| **United States** | **97,110** | **94,684** | **98,076** | **93,751** | **88,943** | **85,514** |
| organic | 2,600 | 3,058 | 4,579 | 5,861 | 5,906 | 3,302 |
| other | 94,504 | 91,608 | 93,083 | 87,545 | 82,554 | 81,713 |
| Chile | 40,239 | 43,778 | 33,657 | 29,709 | 27,735 | 28,160 |
| Mexico | 11,101 | 10,017 | 15,459 | 18,104 | 23,859 | 26,948 |
| Peru | 10,502 | 10,628 | 13,009 | 19,907 | 20,368 | 21,595 |
| South Africa | 17,541 | 21,488 | 16,043 | 25,163 | 24,942 | 20,333 |
| All other countries | 1,581 | 2,573 | 4,897 | 3,827 | 6,045 | 3,886 |
| **Import Market Shares** | | | | | | |
| United States | 54.5% | 51.7% | 54.1% | 49.2% | 46.4% | 45.9% |
| Chile | 22.6% | 23.9% | 18.6% | 15.6% | 14.5% | 15.1% |
| Mexico | 6.2% | 5.5% | 8.5% | 9.5% | 12.4% | 14.5% |
| Peru | 6% | 6% | 7% | 10% | 11% | 12% |
| South Africa | 9.9% | 11.7% | 8.9% | 13.2% | 13.0% | 10.9% |

*Source: Trade Data Monitor, LLC*

*Note: Tariff lines for organic grapes were introduced on January 1, 2009*

Imports of organic fresh table grapes dropped MY 2020/21 following several years of growth, a trend which continued in MY 2021/22. Younger consumers had been driving the demand for organic products, but economic challenges related to COVID-19 slowed consumer demand. As Canadians continue to experience high food costs, with inflation related to groceries outpacing the general inflation rate, consumers will likely continue to be more sensitive to pricing and less likely to purchase higher priced products. FAS/Ottawa anticipates that demand for organic grapes will remain flat in MY 2022/23.

Figure 19. Imports of fresh organic grapes into Canada as a percent of overall imports by volume.
*Source: Trade Data Monitor, LLC*




Canadian exports of fresh table grapes are extremely minimal though Canada does import some fresh table grapes which are then re-exported. These re-exports account for all of Canada's exports of fresh table grapes according to sources. Sources indicate that domestic production is entirely distributed to the domestic market at this time, as domestic production of table grapes remains limited against domestic demand.

## ADDITIONAL INFORMATION

### Prices

Agriculture and Agri-Food Canada (AAFC) monitors fresh apple, pear and grape prices in the major Canadian wholesale markets. Any daily and weekly market wholesale prices are made available electronically at the AAFC InfoHort website.

### Policy:

### Single Use Plastics Ban

In October 2020, the Government of Canada announced proposed regulatory changes as part of a broader initiative aiming towards achieving a zero plastic waste strategy by 2030. As of December 20, 2022, Canada is moving forward with a ban on the manufacture and import for sale of single use plastic checkout bags, cutlery, foodservice ware, stir sticks, and straws under the *Single-use Plastics Prohibition Regulations*. An exemption is made for flexible straws to remain available for those with disabilities or medical conditions. A further ban on manufacture and import for sale, sale, and manufacture, import and sale for export will come into effect for the targeted single use plastics according to the following timelines:

| Item | Manufacture and import for sale in Canada | Sale | Manufacture, import and sale for export |
|---|---|---|---|
| **Checkout bags, cutlery, foodservice ware, stir sticks, straws*** | December 20, 2022 | December 20, 2023 | December 20, 2025 |
| **Ring carriers** | June 20, 2023 | June 20, 2024 | December 20, 2025 |
| **Flexible straws packaged with beverage containers** | Not applicable | June 20, 2024 | December 20, 2025 |

*Source: Environment and Climate Change Canada*

**Promotion and Research Agency**

The Canadian apple industry has been discussing the idea of establishing a national marketing agency to promote the consumption of apples and conduct various research projects for several years. This discussion is still occurring although no formal proposals have been put forth at this time. Such an agency would collect levies on both the domestic production and on imports of apples to fund its activities.

**Attachments:**

No Attachments