Specialty Crop Outlook

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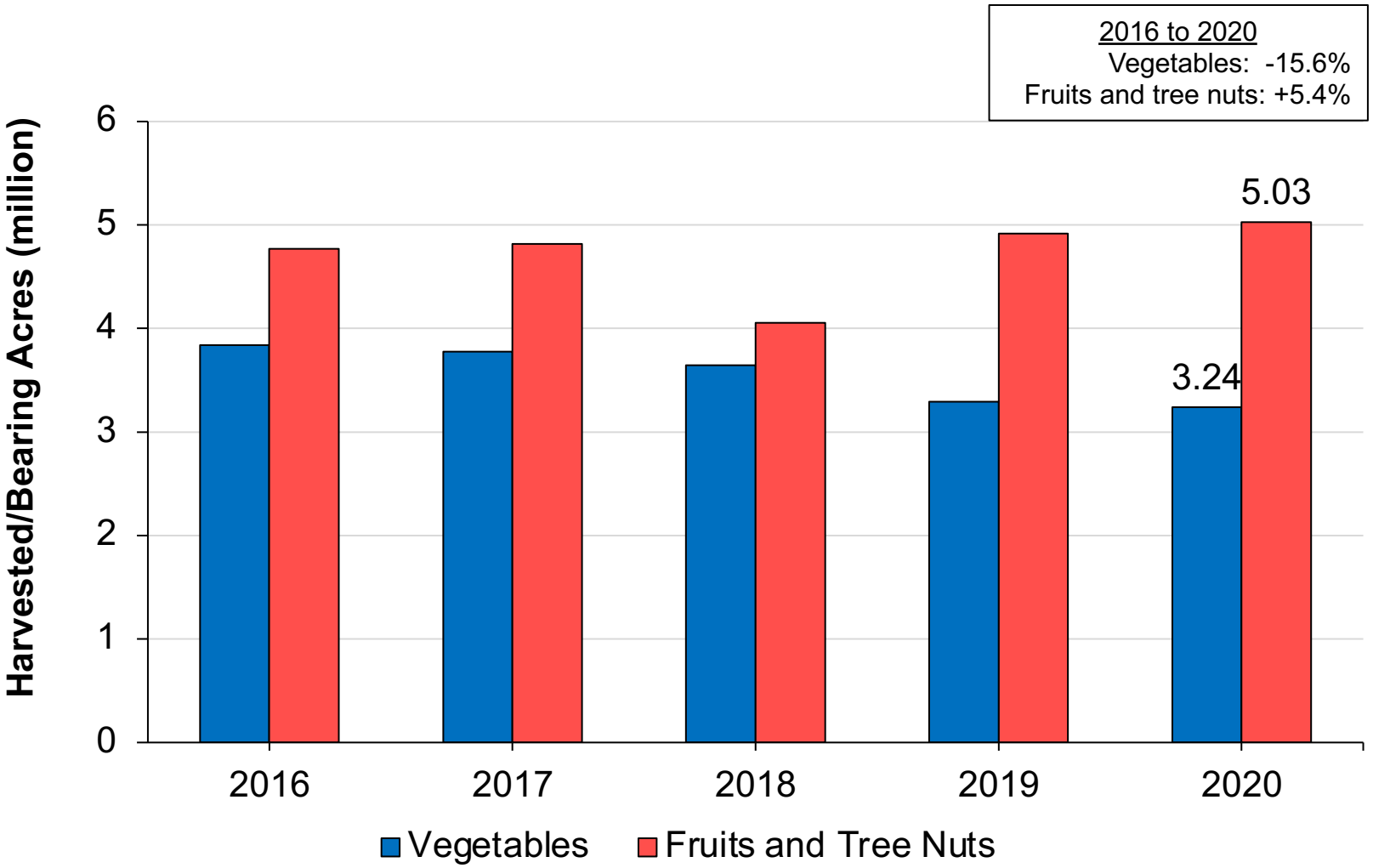
2021 Southern Outlook Conference
Atlanta, GA
09-21-21

Outline

- Industry overview
  - Vegetables
  - Fruit and tree nuts
- Demand and supply considerations

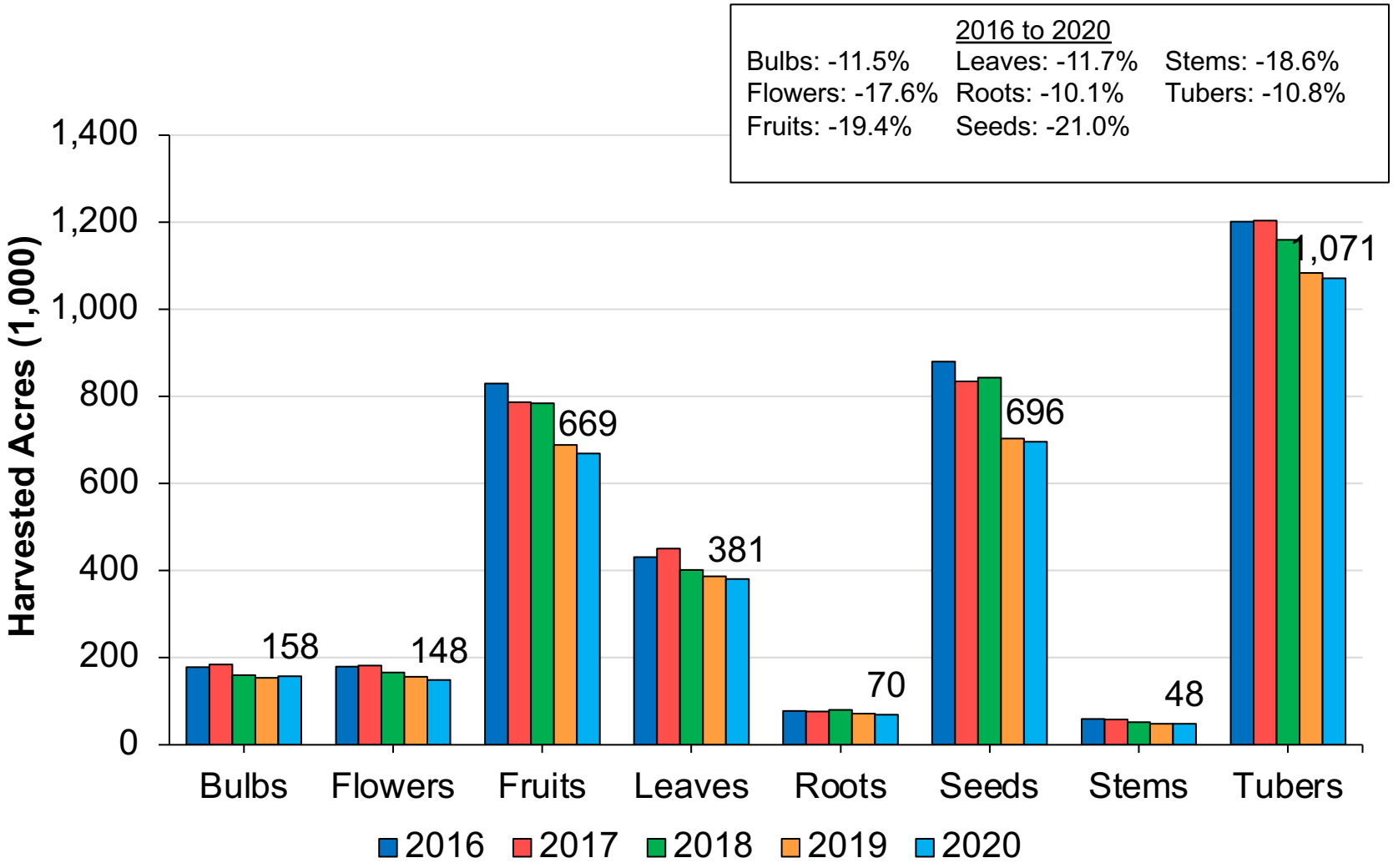
Industry Overview

Specialty Crop Acreage



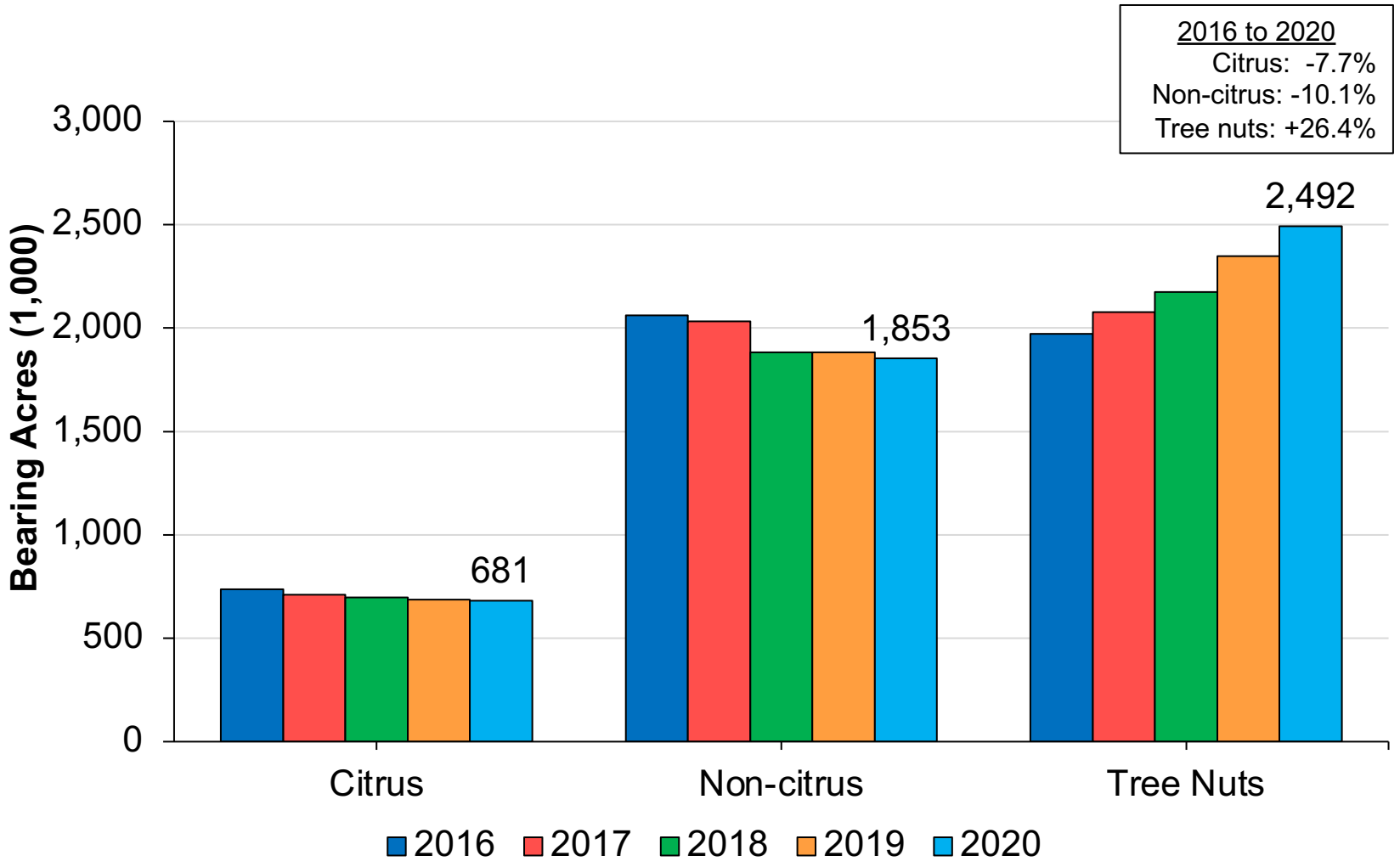
USDA NASS

Vegetable Acreage



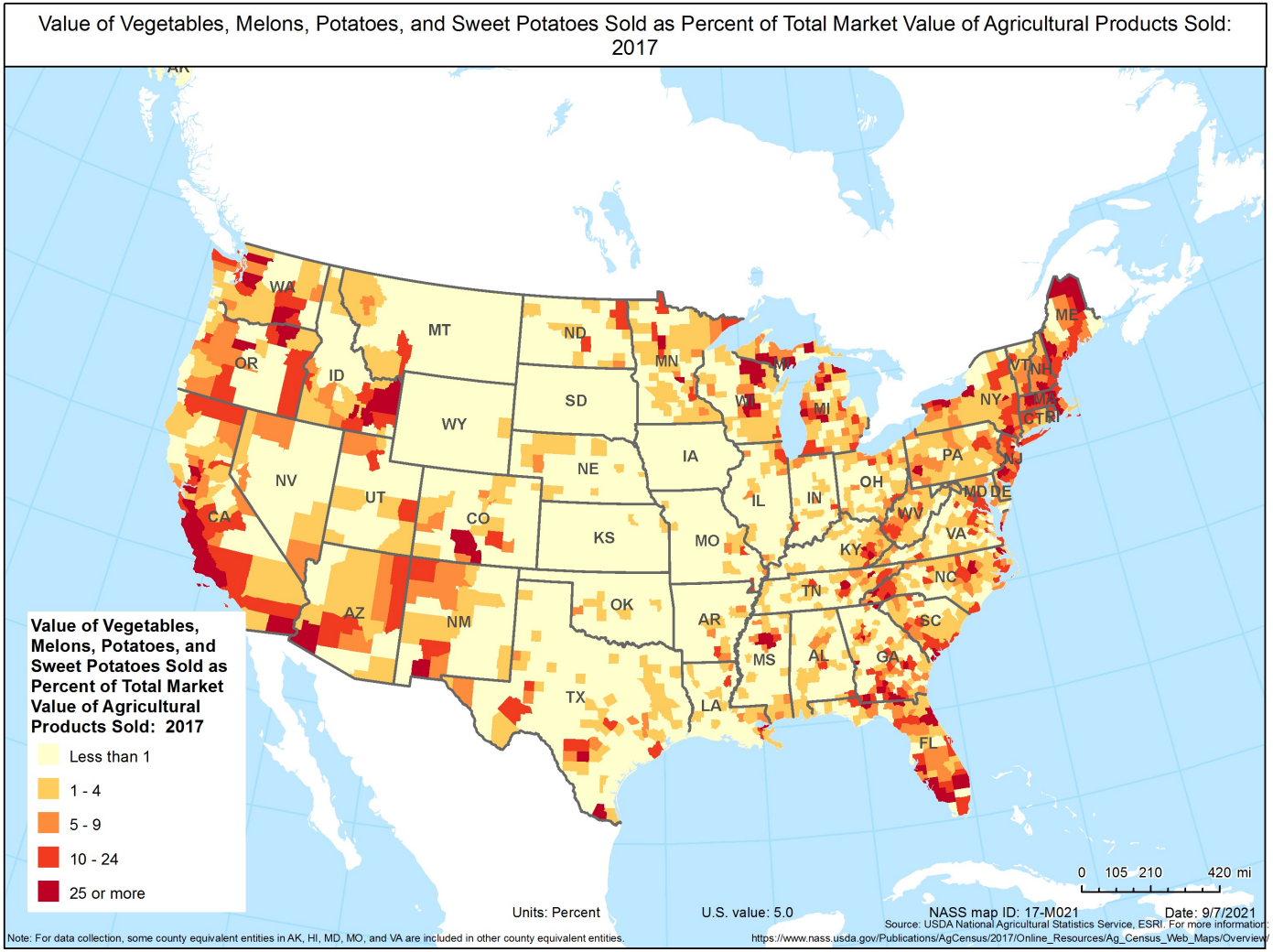
USDA NASS

Fruit and Tree Nuts Acreage



USDA NASS

Vegetable Production Regions



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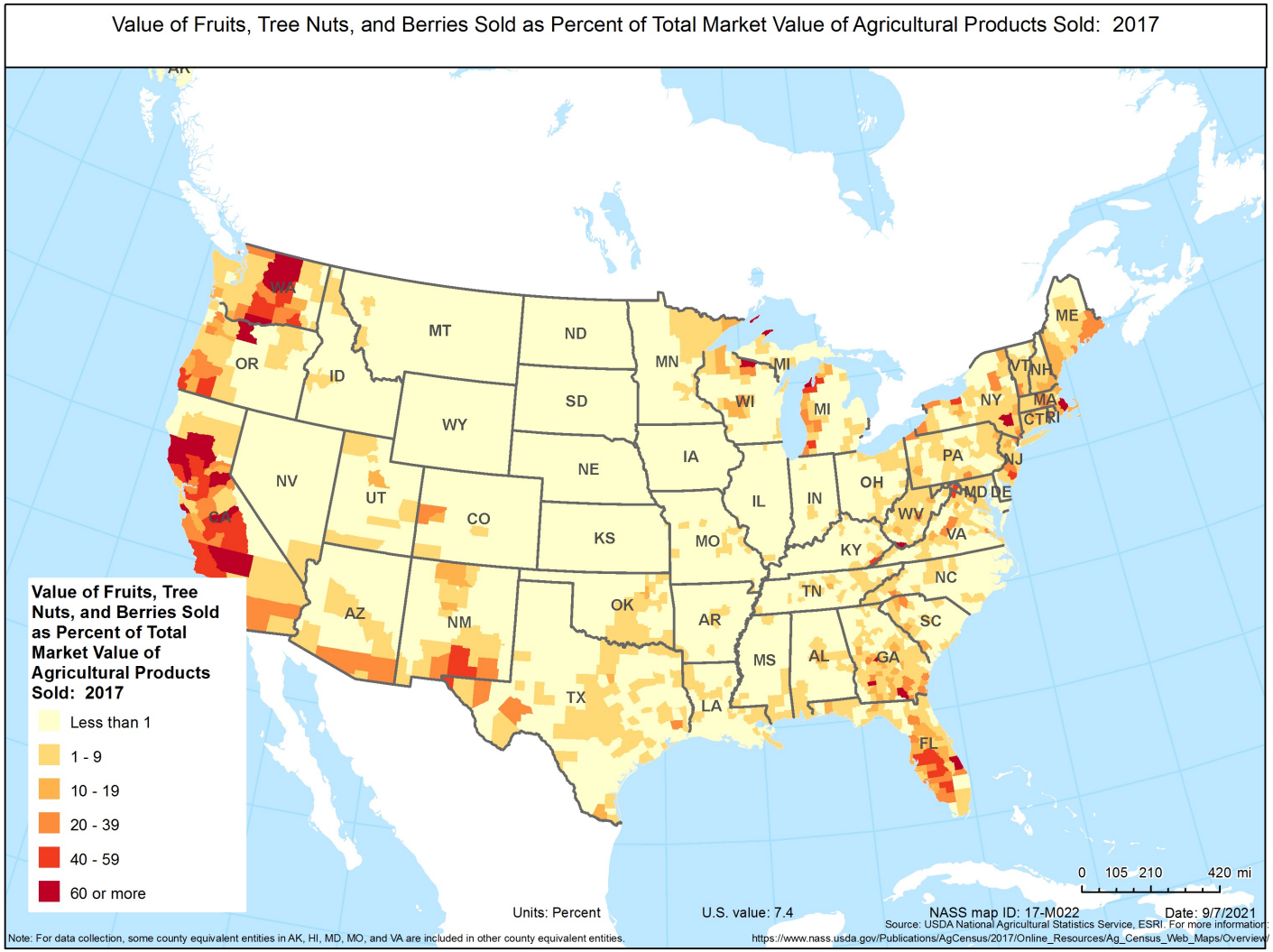
Fruit and Tree Nut Production Regions



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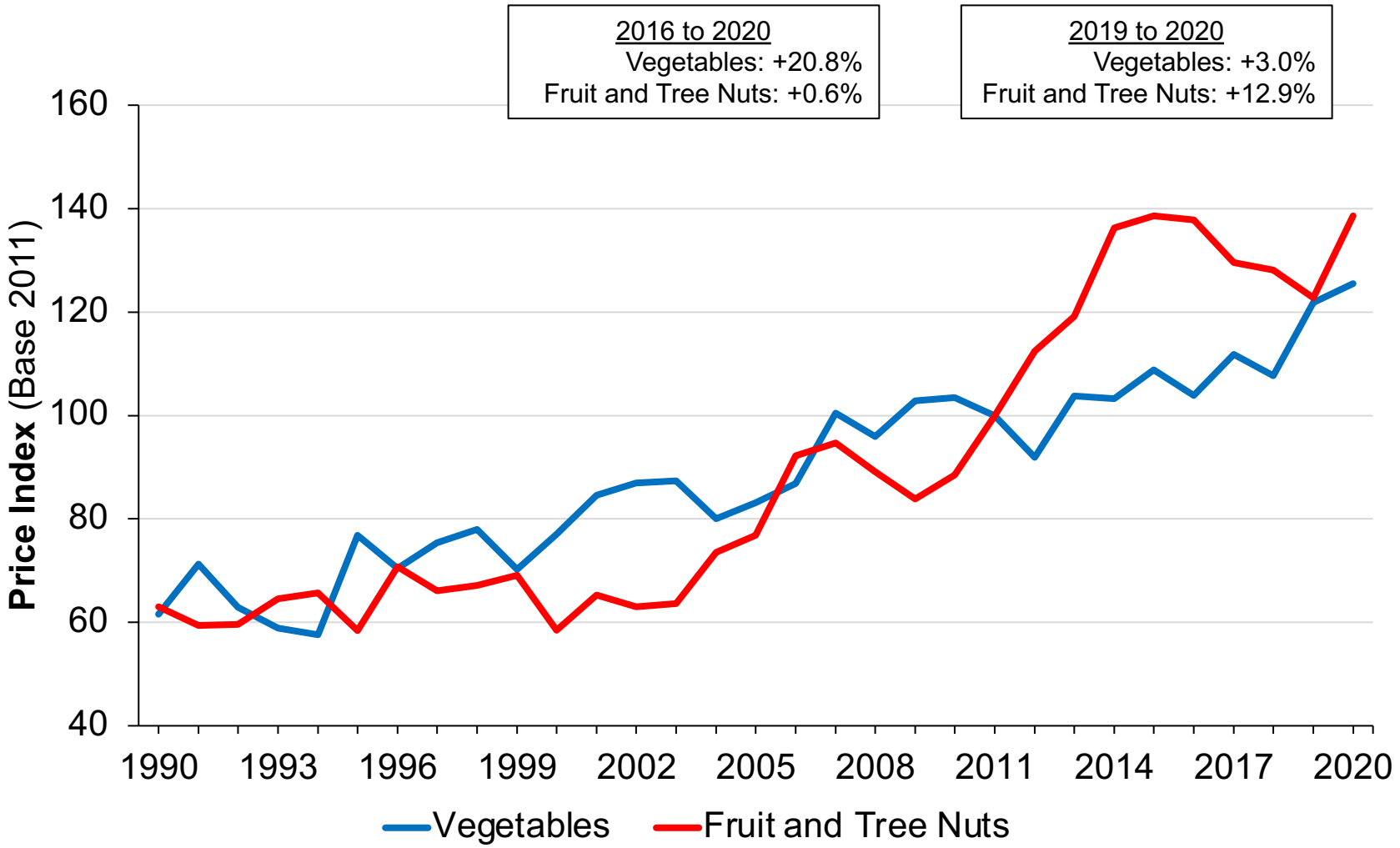
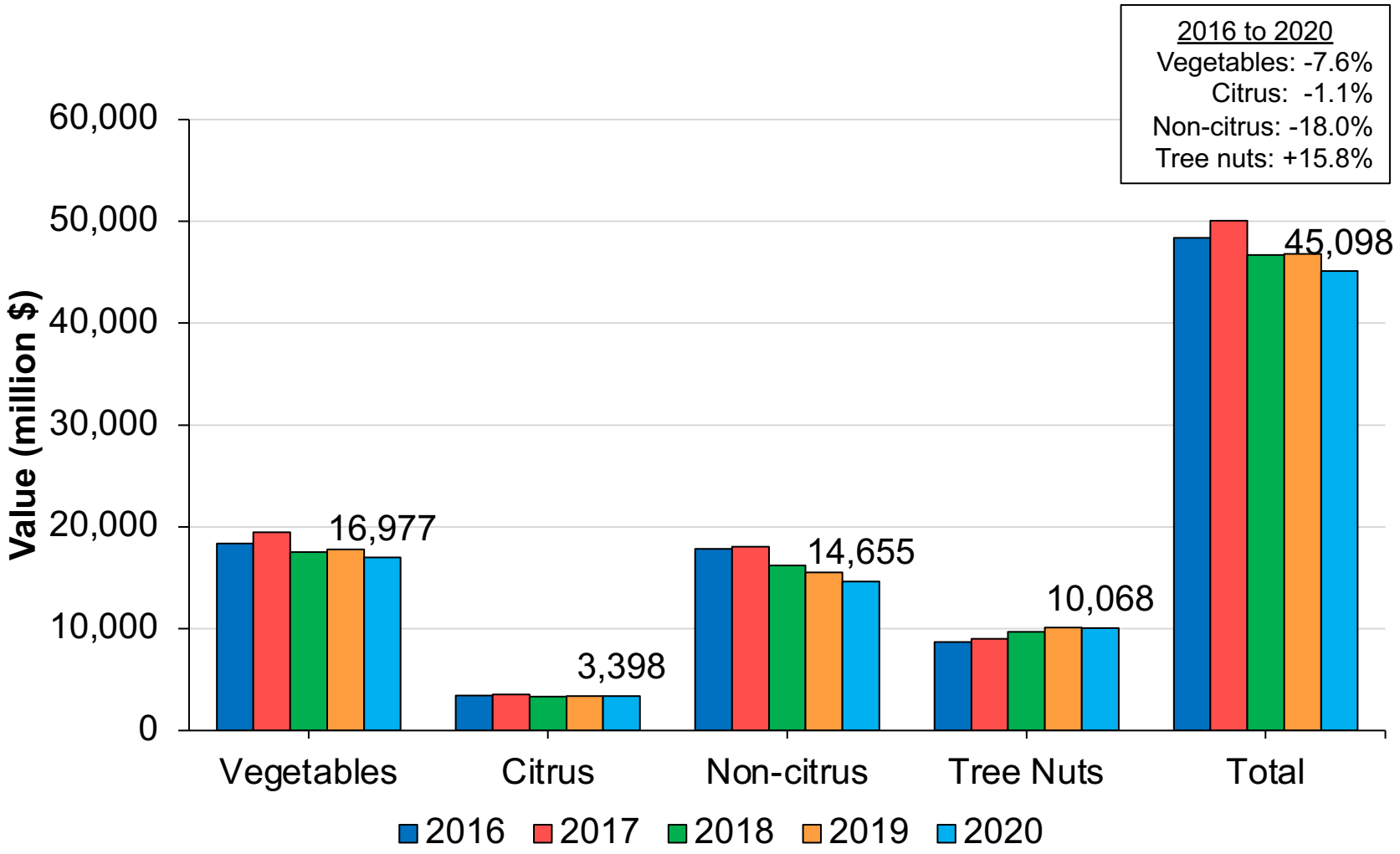
Specialty Crop Price Indices



Source: USDA-NASS

Specialty Crop Value of Production



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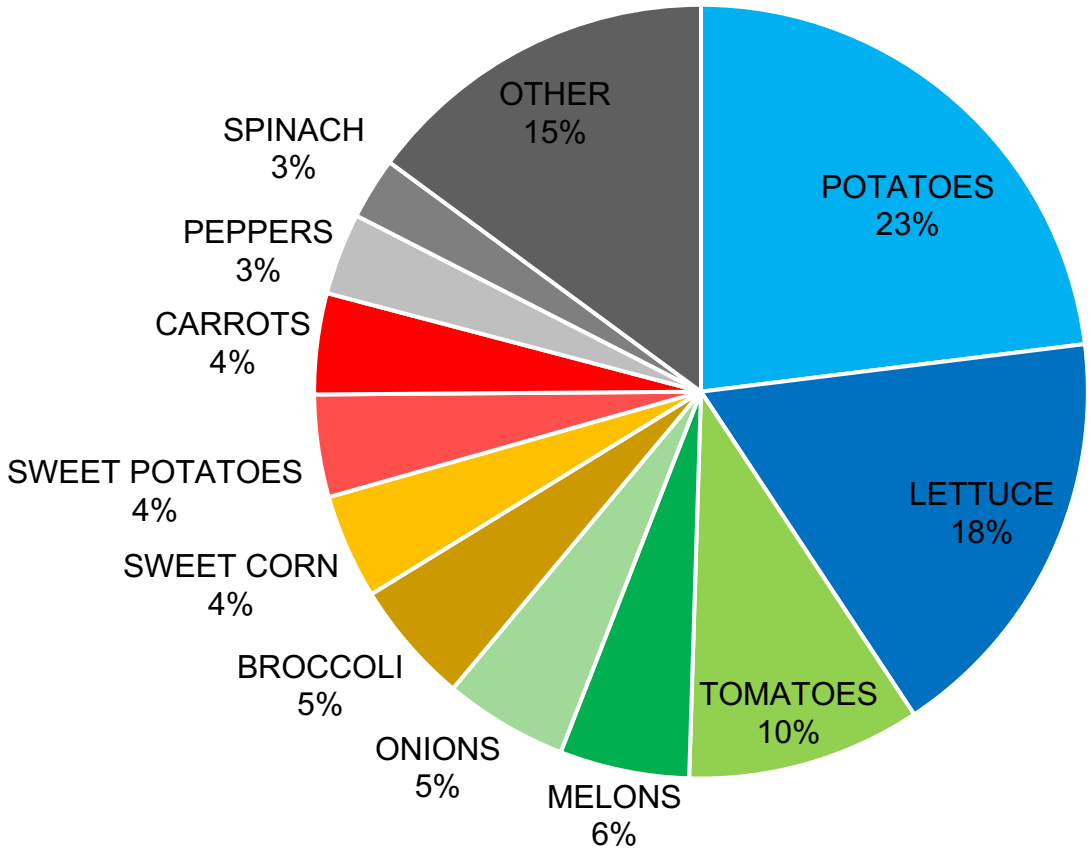
Main Vegetables Grown - 2020

Total Sales: $16.98 billion



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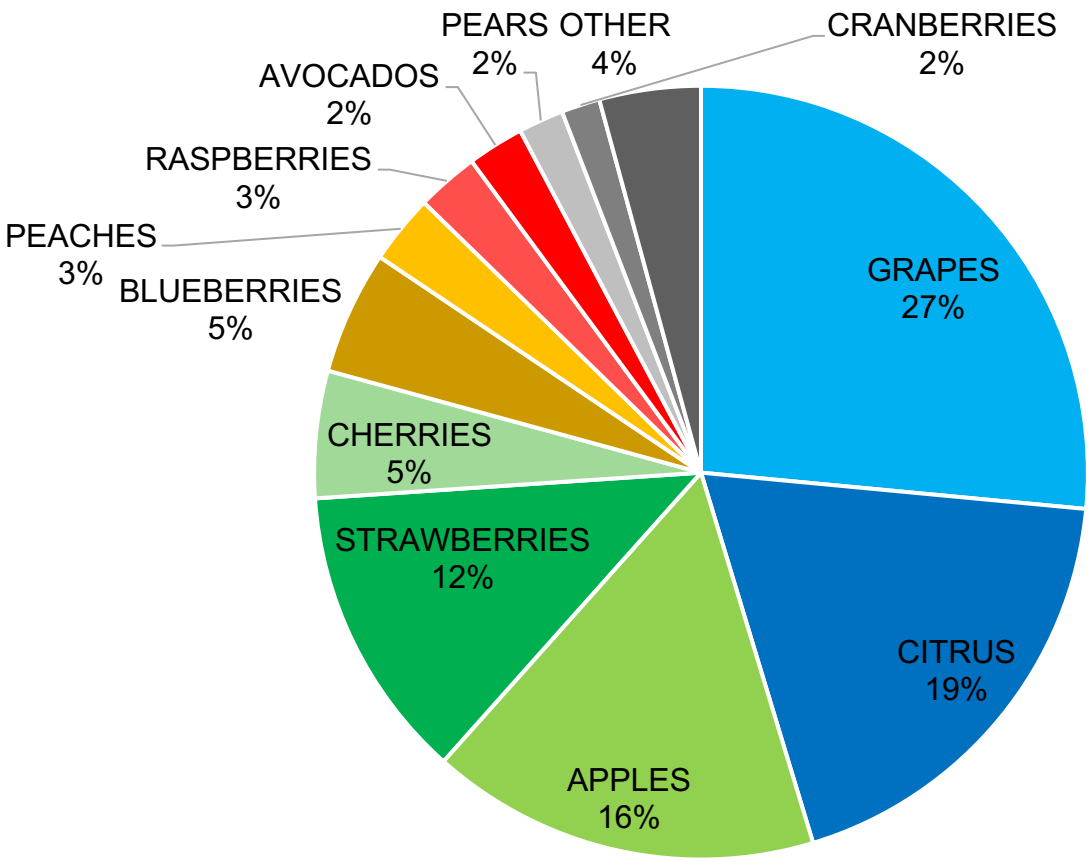
Main Fruits Grown - 2020

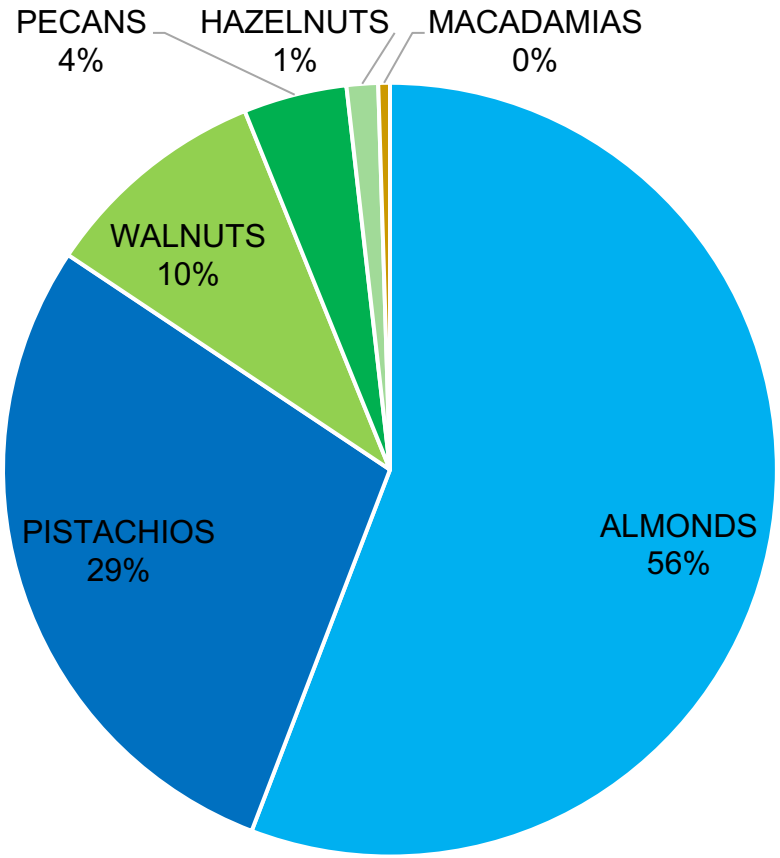
Total Sales: $18.05 billion



USDA NASS

Main Tree Nuts Grown - 2020

Total Sales: $10.07 billion



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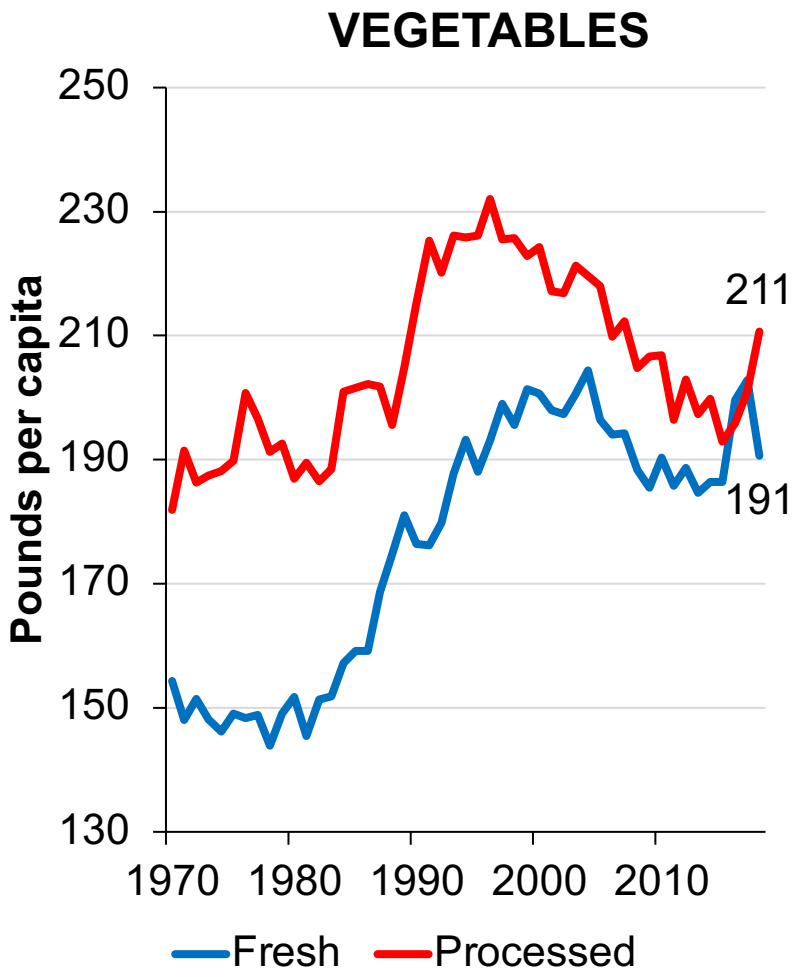
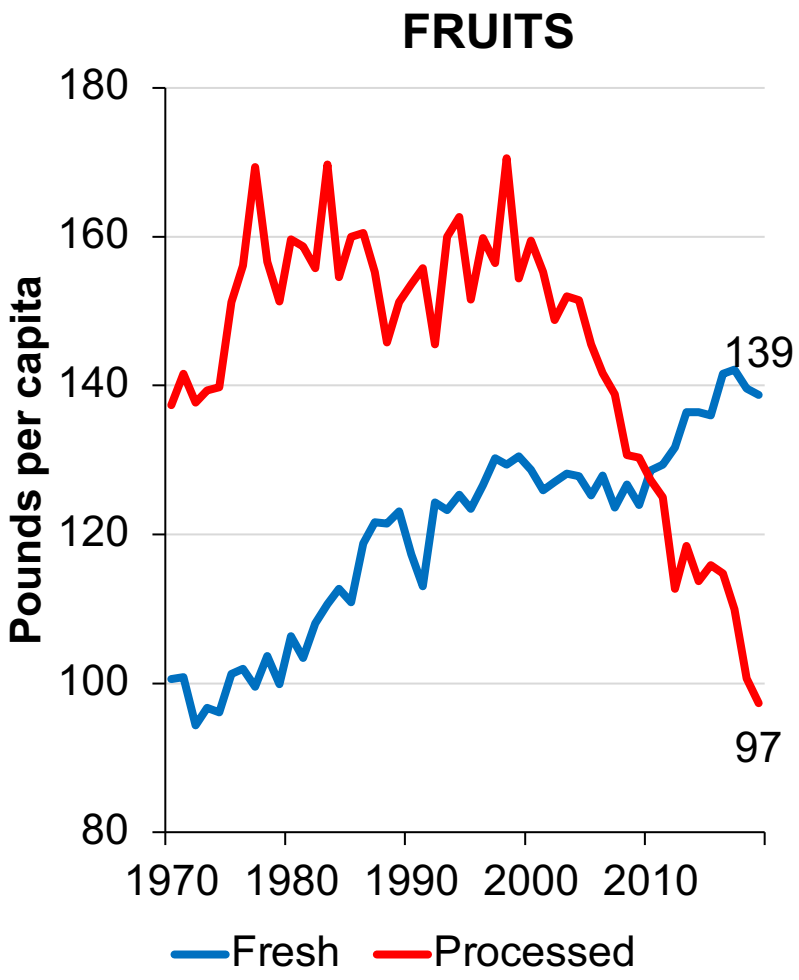
Demand and Supply Considerations

Market Trends

- Growing demand for premium produce
  - Increasing availability of fresh produce
  - Growing organic market
  - More greenhouse products
- Increasing imports share
  - Shrinking local market windows
  - Growing negative net trade
- Convenience
  - Food away from home expenditures
  - Salad mixes, pre-cuts, ready-to-it, ready-to-use
- Production challenges
  - Higher input prices
  - Labor shortages
  - Irrigation water shortages

Fresh and Processed Availability





Source: USDA-NASS

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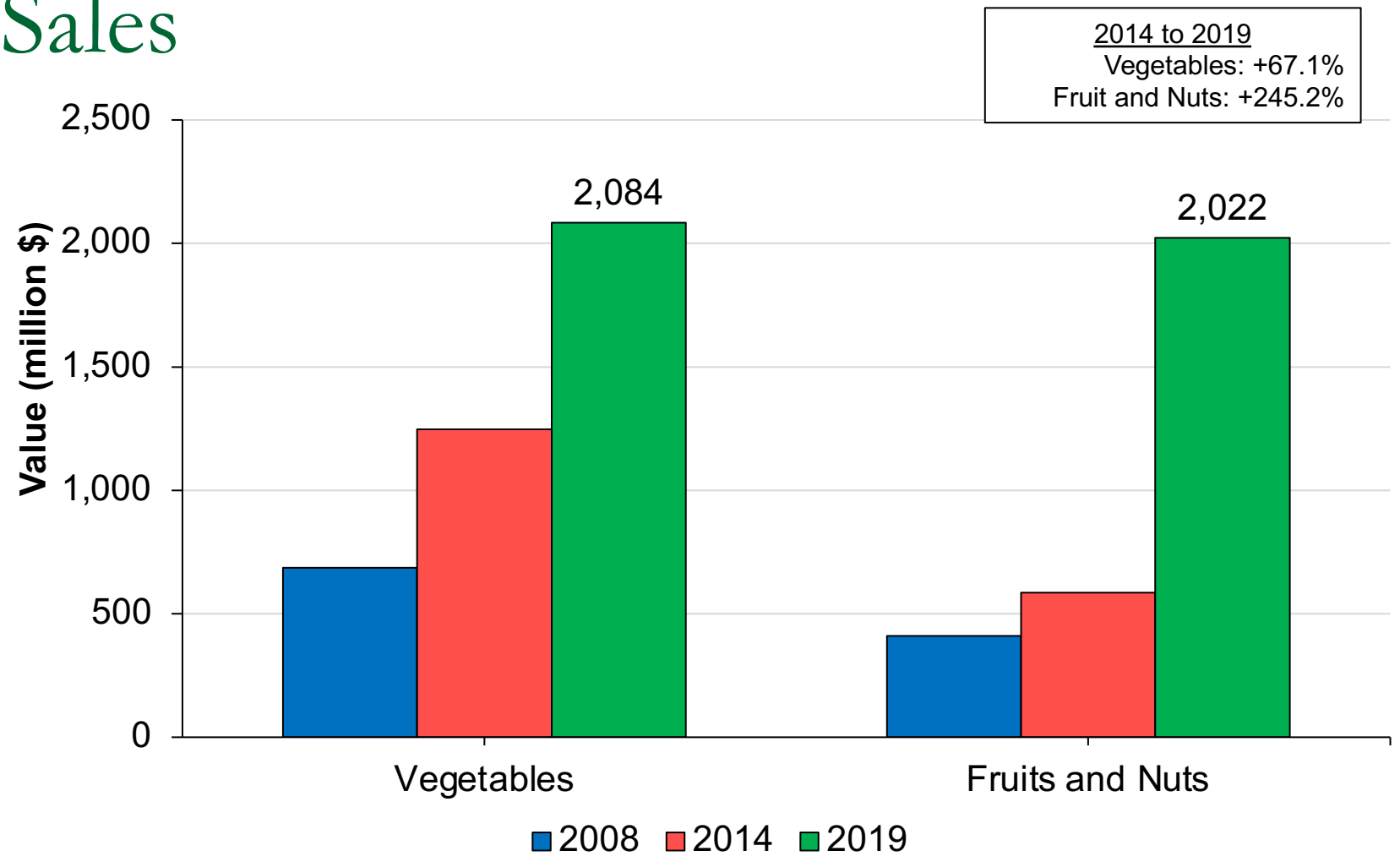
U.S. Organic Vegetable, Fruit and Nut Sales



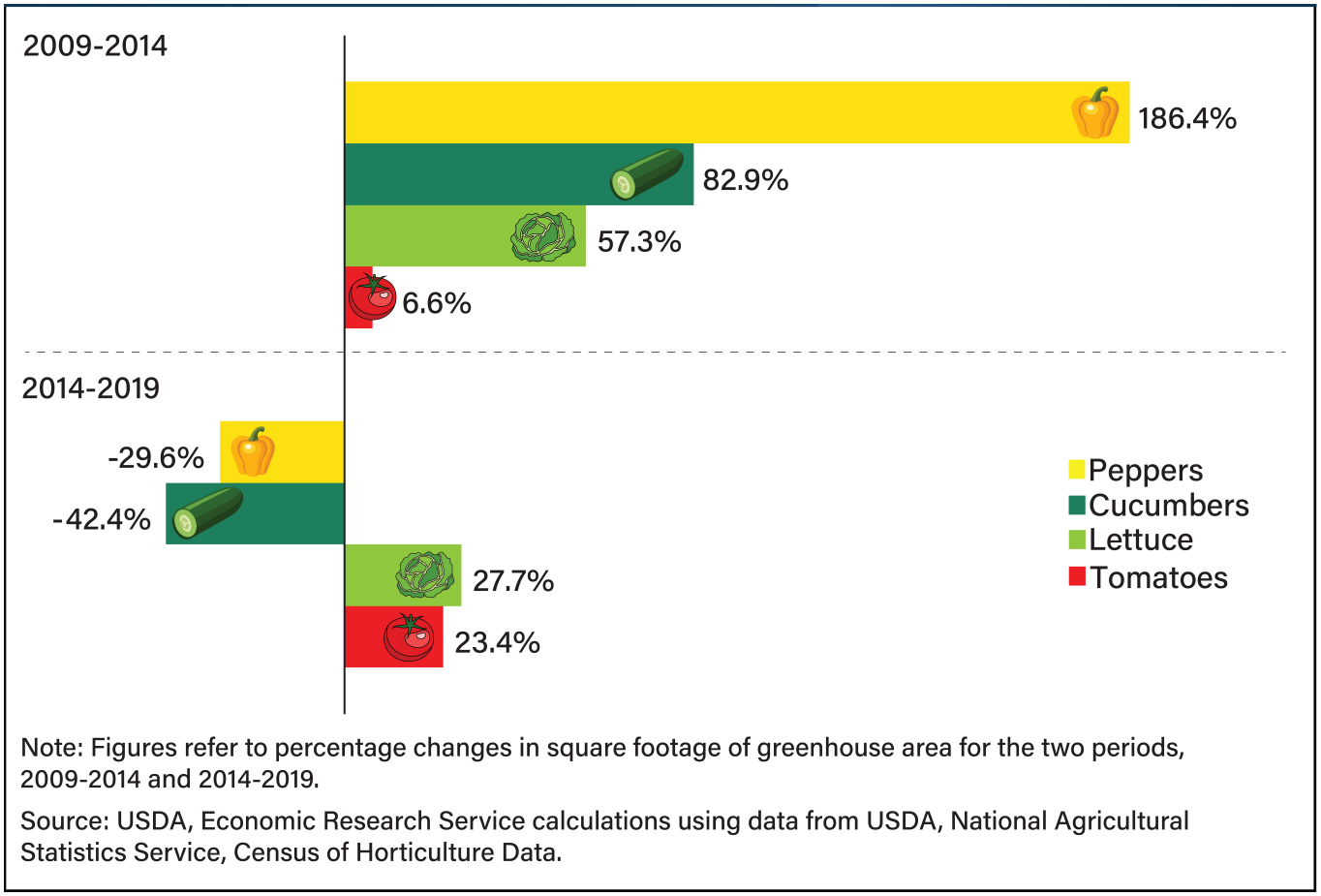
Source: USDA-NASS

U.S. Organic and Conventional Fresh Vegetable Imports

Table 1. U.S. fresh vegetable imports: conventional vs. organic, 2011-2020		
Category	**Conventional**	**Organic**
2011-13 (million pounds)	8,617.80	11.41
2018-20 (million pounds)	12,219.09	102.58
Change (percent)	+42	+799
Source: USDA, Economic Research Service calculations using U.S. Dept. of Commerce, Bureau of the Census data.		

Source: Vegetable and Pulses Outlook: April 2021

Changes in U.S. Greenhouse Production Area



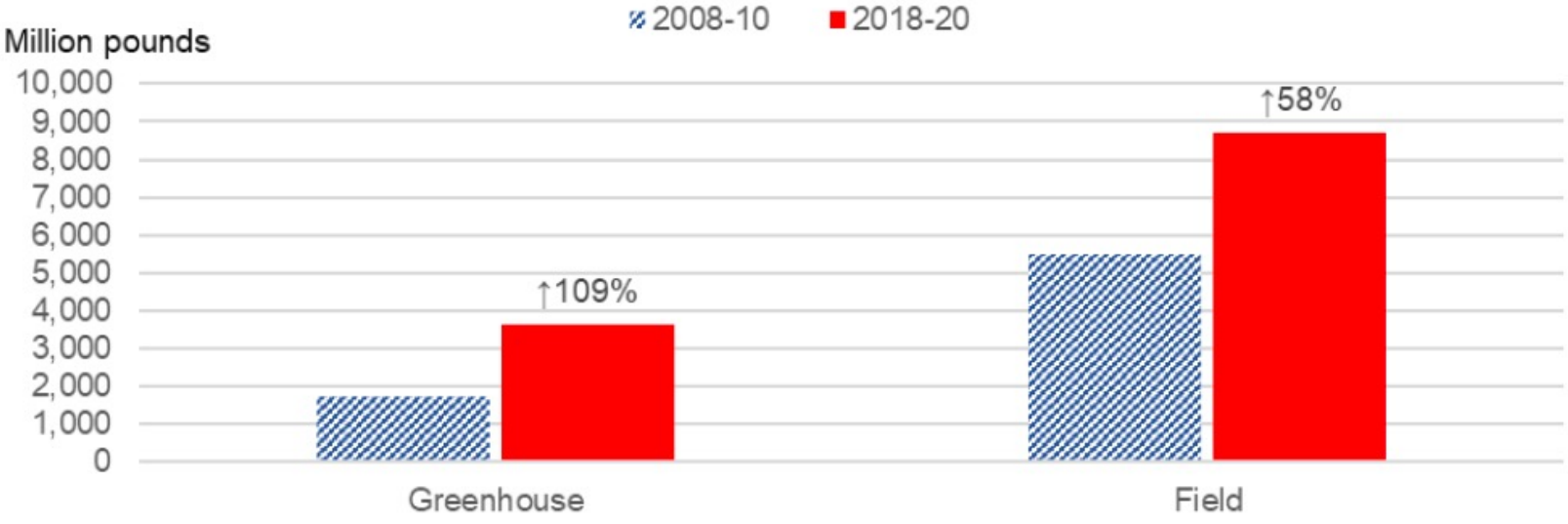
Note: Figures refer to percentage changes in square footage of greenhouse area for the two periods, 2009-2014 and 2014-2019.

Source: USDA, Economic Research Service calculations using data from USDA, National Agricultural Statistics Service, Census of Horticulture Data.

Greenhouse and Field-grown Fresh Vegetable Imports

Figure 2

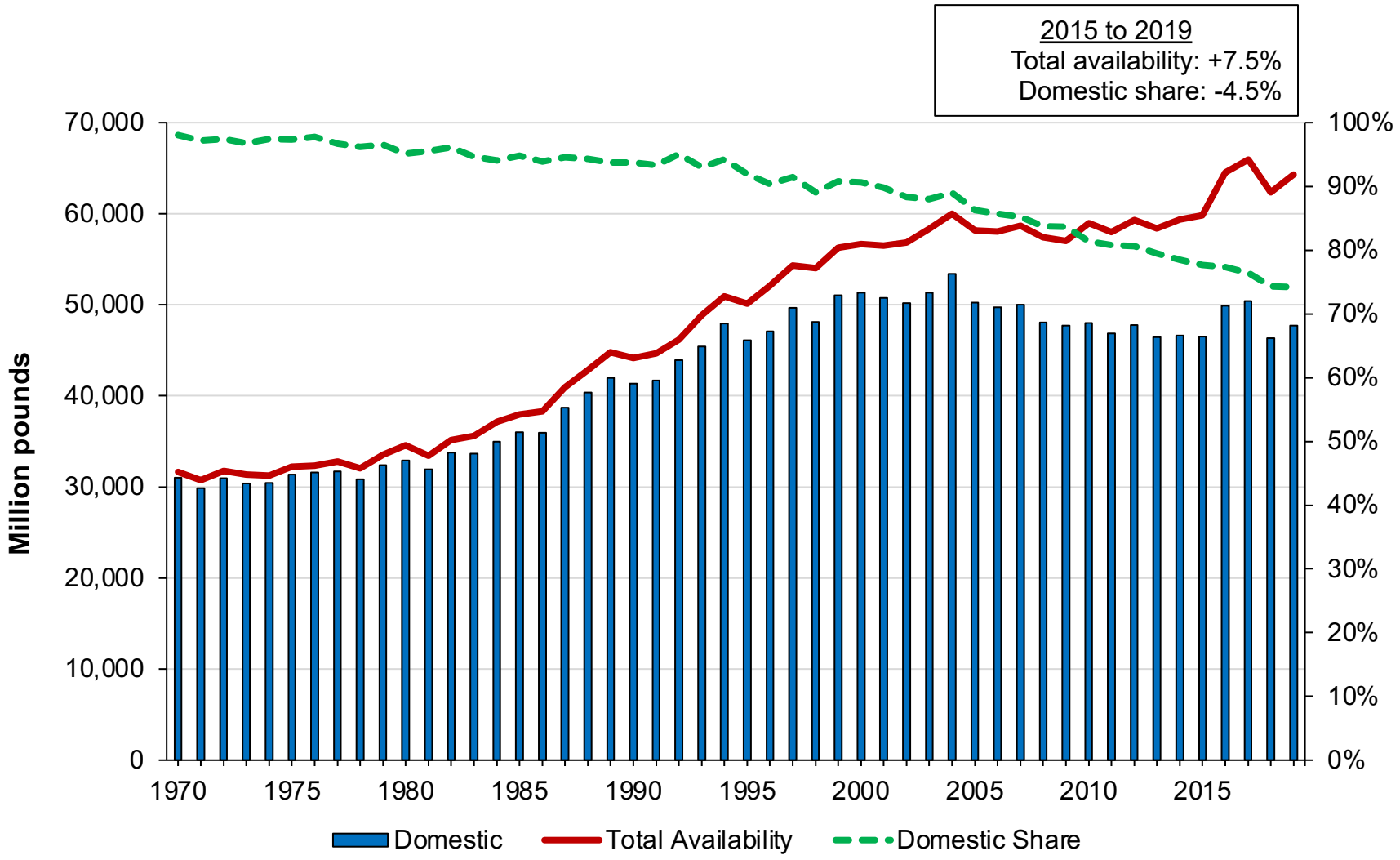
Greenhouse vs. field-grown fresh vegetable import volume, 2008-10 and 2018-20



Source: USDA, Economic Research Service calculations using U.S. Dept of Commerce, Bureau of the Census data.

Source: Vegetable and Pulses Outlook: April 2021

U.S. Fresh Vegetable Availability



Source: USDA-ERS

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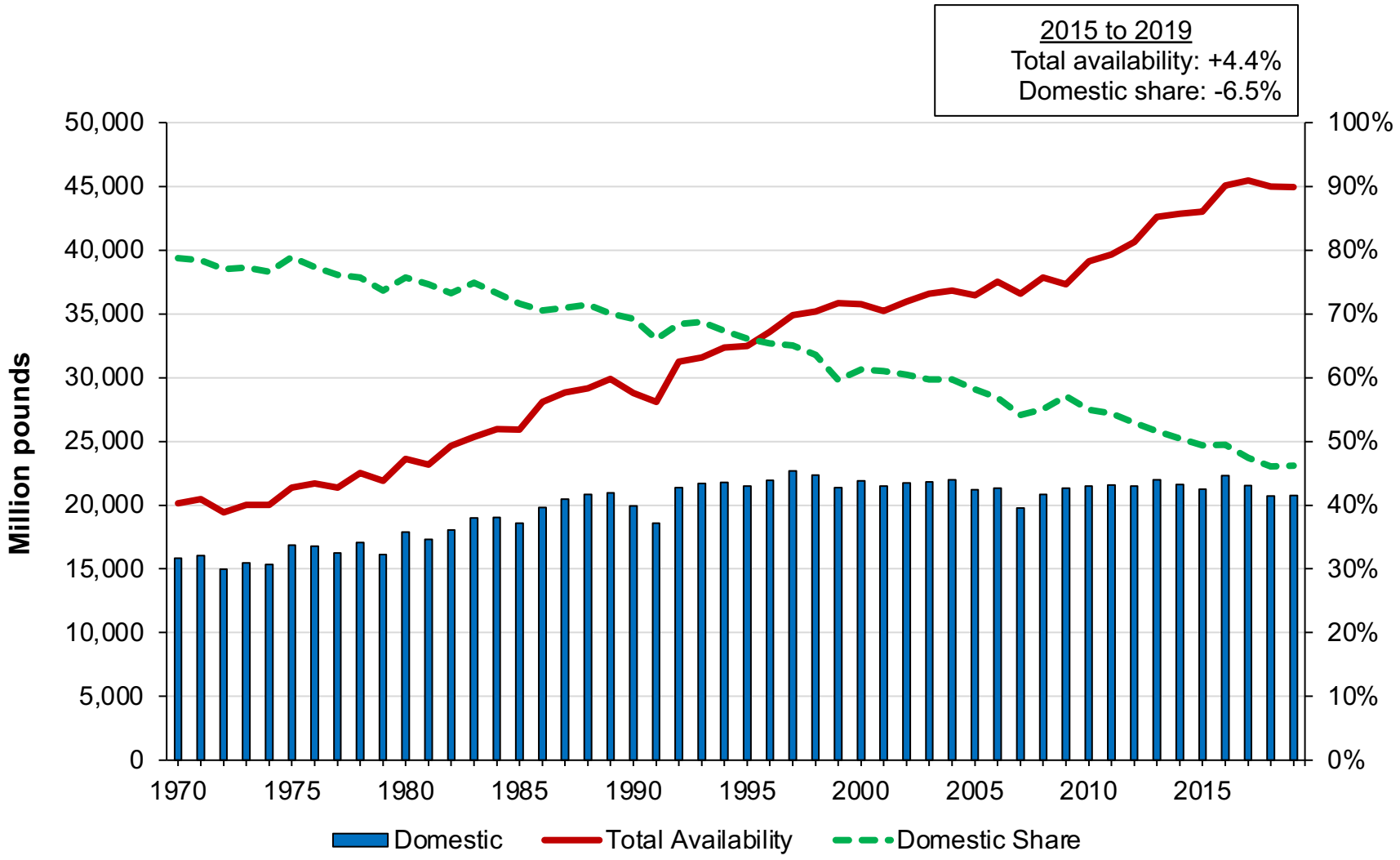
U.S. Fresh Fruit Availability



Source: USDA-ERS

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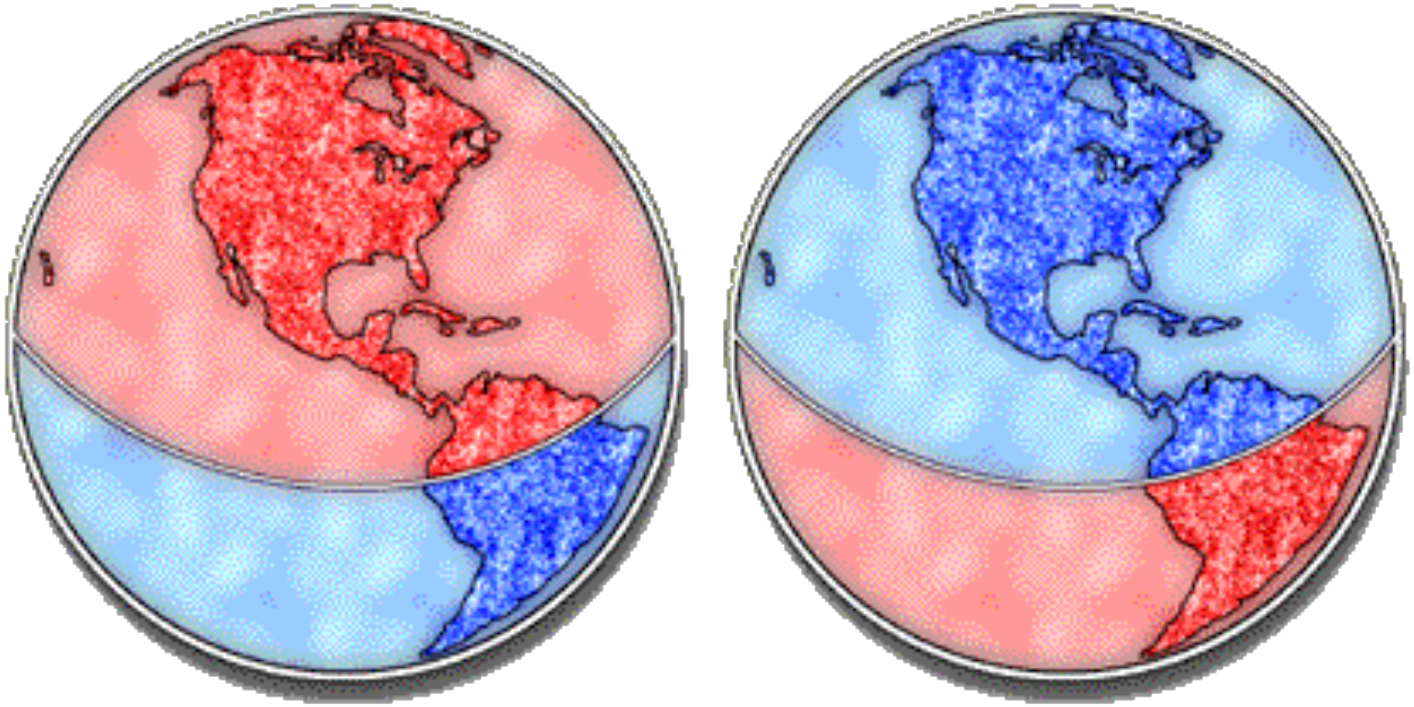
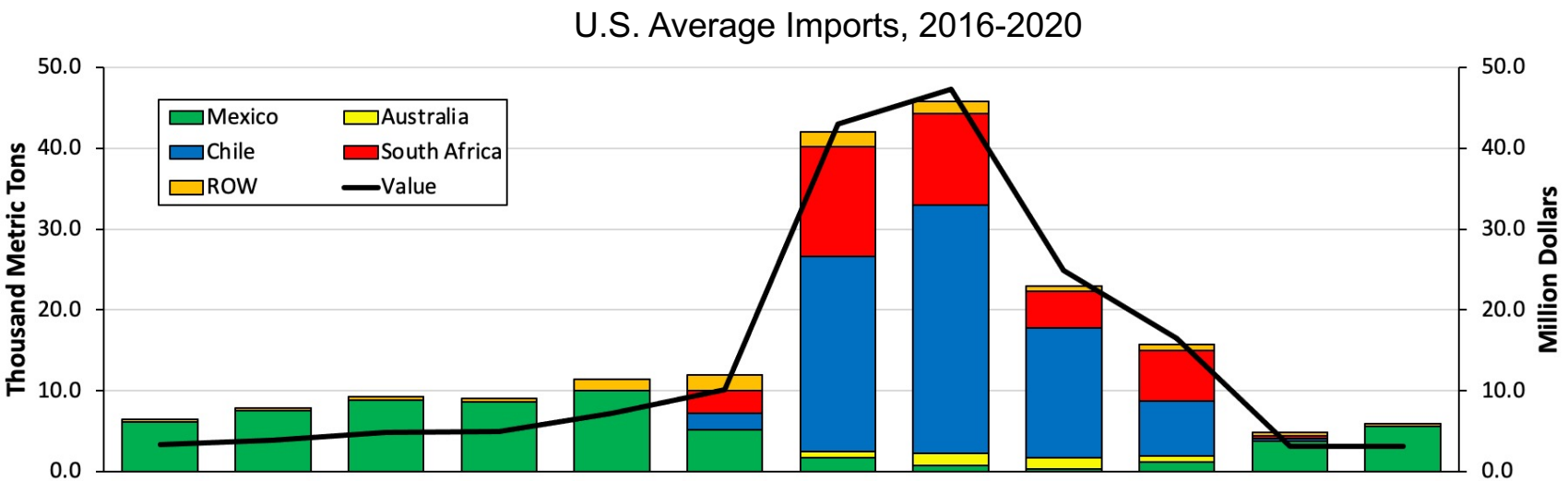
Seasonality



Adapted from NOAA

Global and Domestic Seasonality - Oranges



Domestic Availability

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
CA	9%	12%	11%	13%	12%	11%	8%	4%	4%	4%	4%	7%
TX	19%	15%	13%	6%	1%	0%	0%	0%	1%	10%	15%	20%
FL	11%	9%	11%	11%	9%	5%	0%	0%	1%	8%	15%	19%

Data: USDA FAS, USDA AMS

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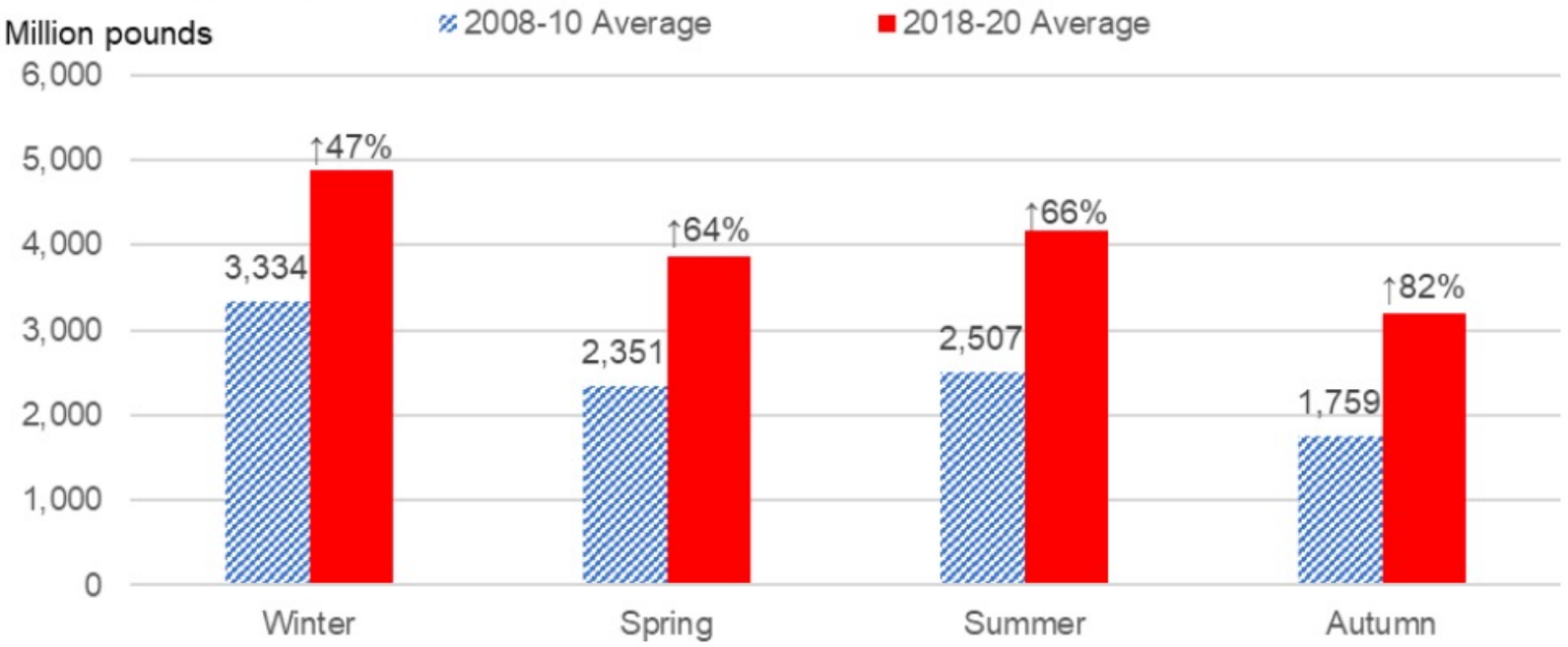
Fresh Vegetable Seasonal Imports

Figure 6

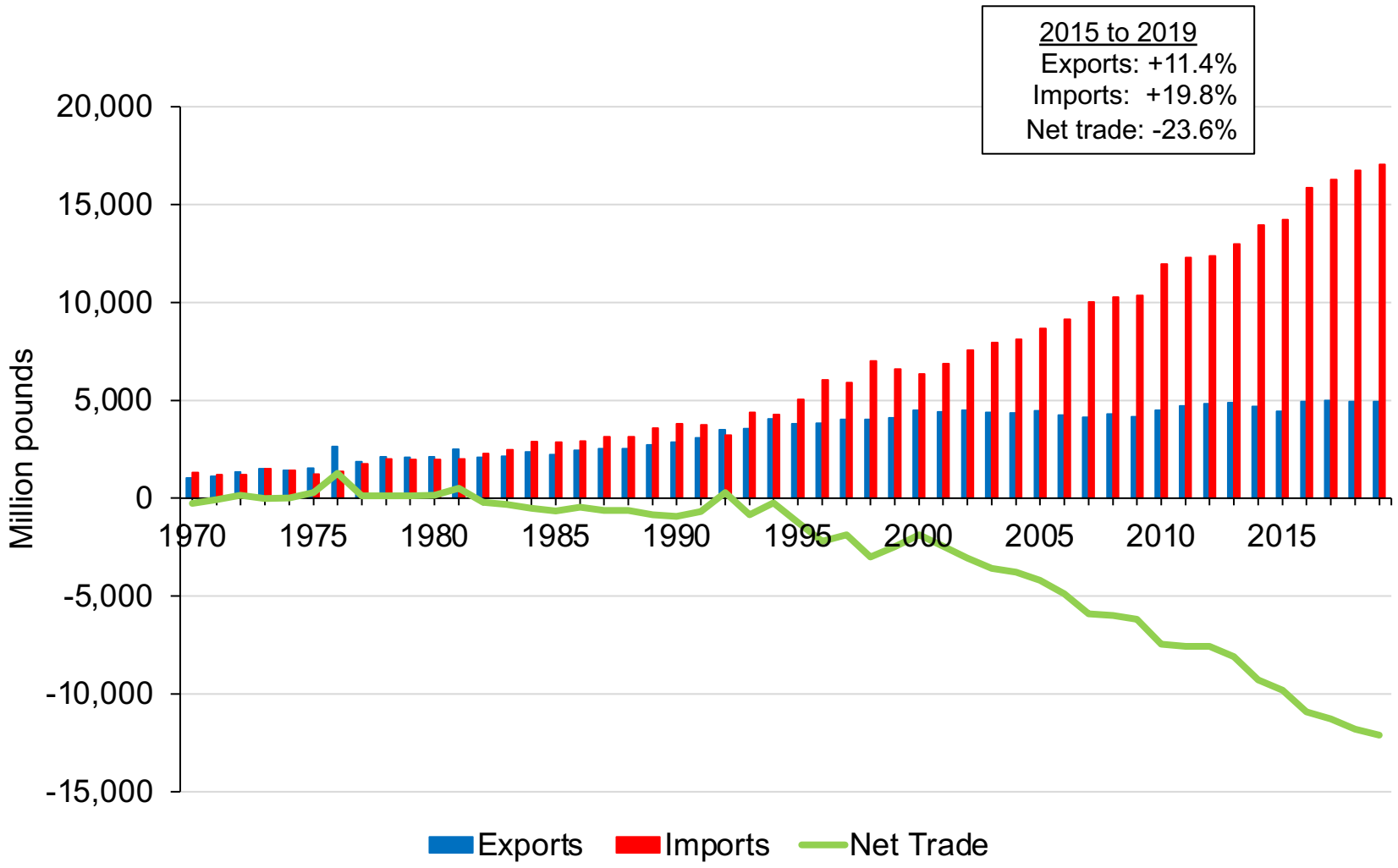
Fresh vegetable seasonal import volume and average percentage change, 2008-10 vs. 2018-20



Source: USDA, Economic Research Service calculations using U.S. Department of Commerce, Bureau of the Census data.

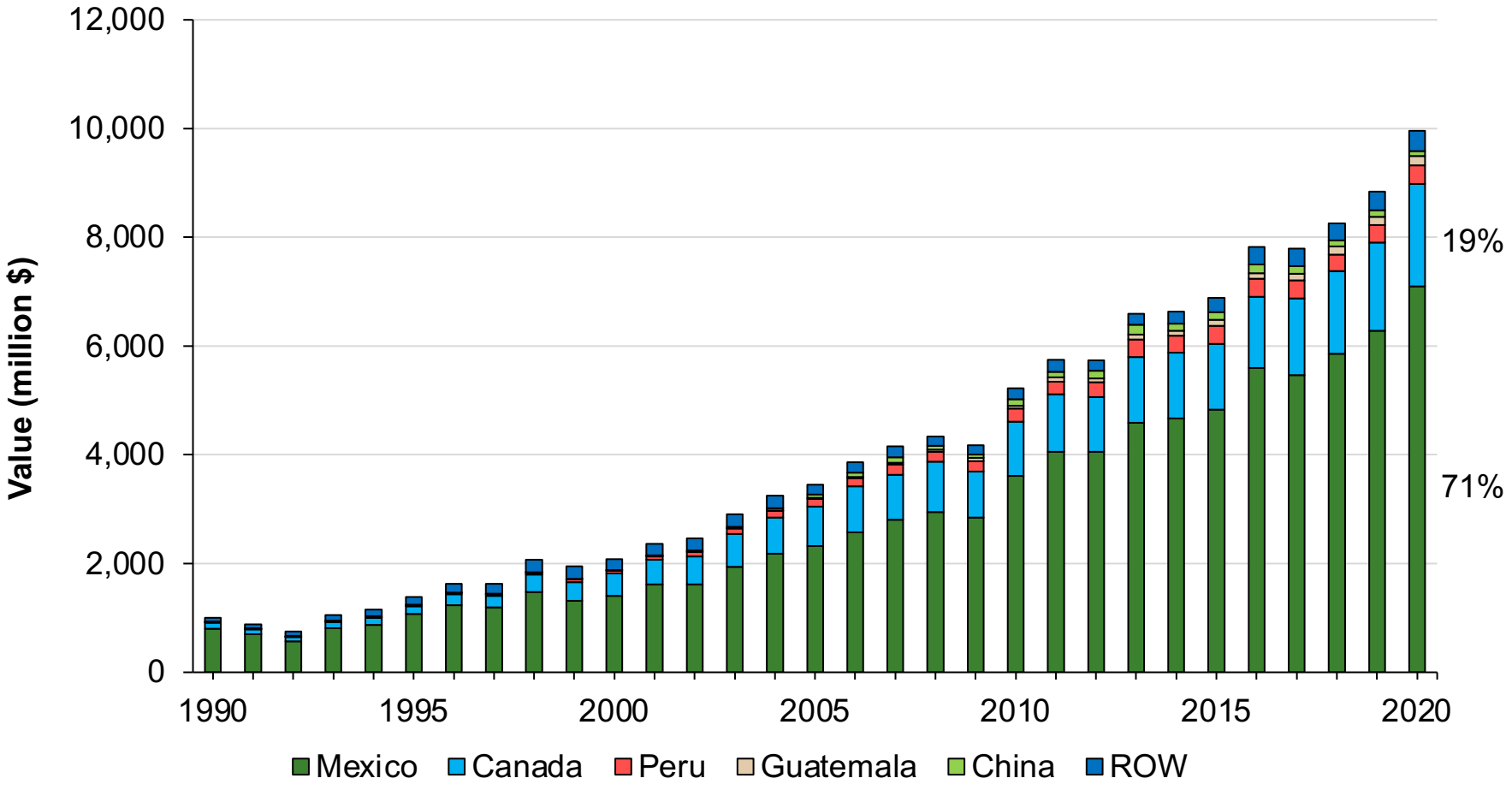
Source: Vegetable and Pulses Outlook: April 2021

U.S. Net Trade of Fresh Vegetables



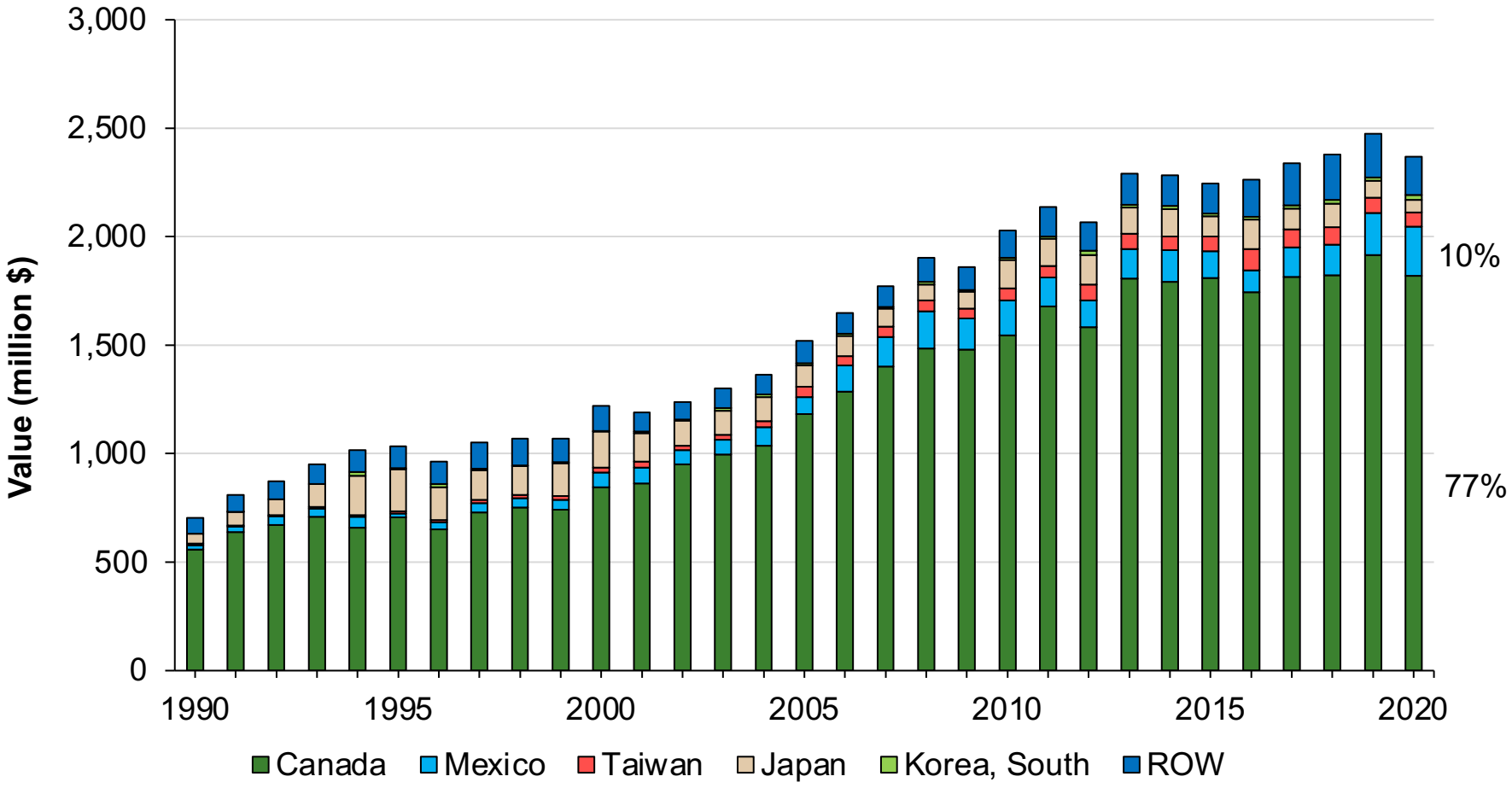
Source: USDA-ERS

U.S. Fresh Vegetable Imports



Source: USDA-FAS

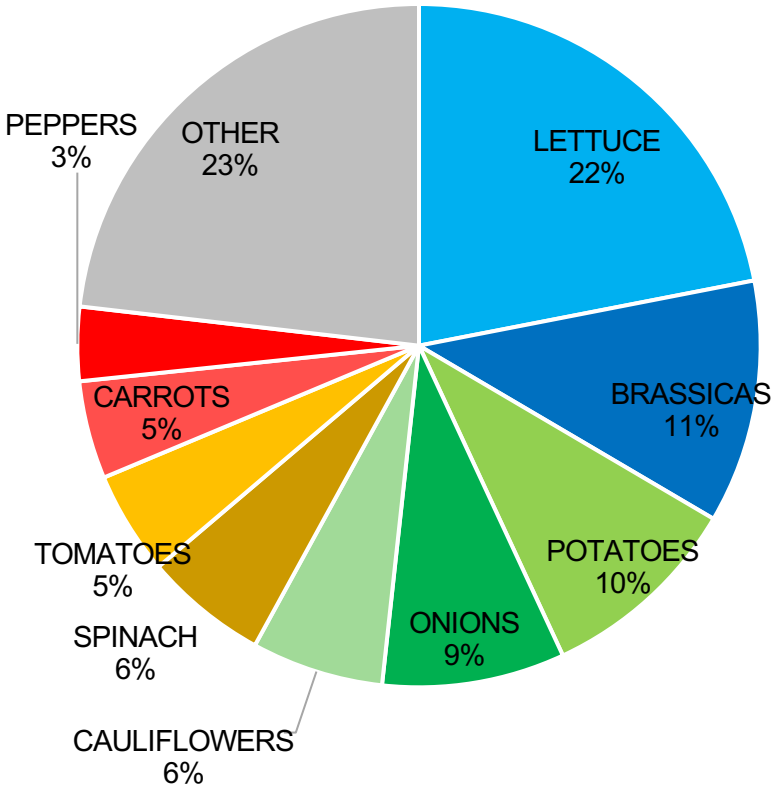
U.S. Fresh Vegetable Exports



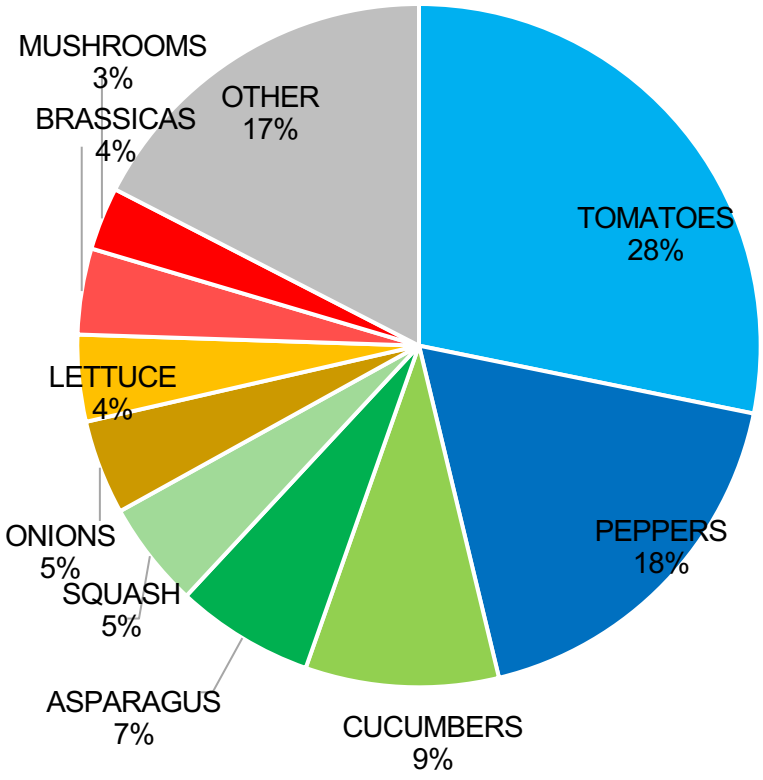
Source: USDA-FAS

Top Fresh Vegetables Traded – 2020

EXPORTS: $2,370M

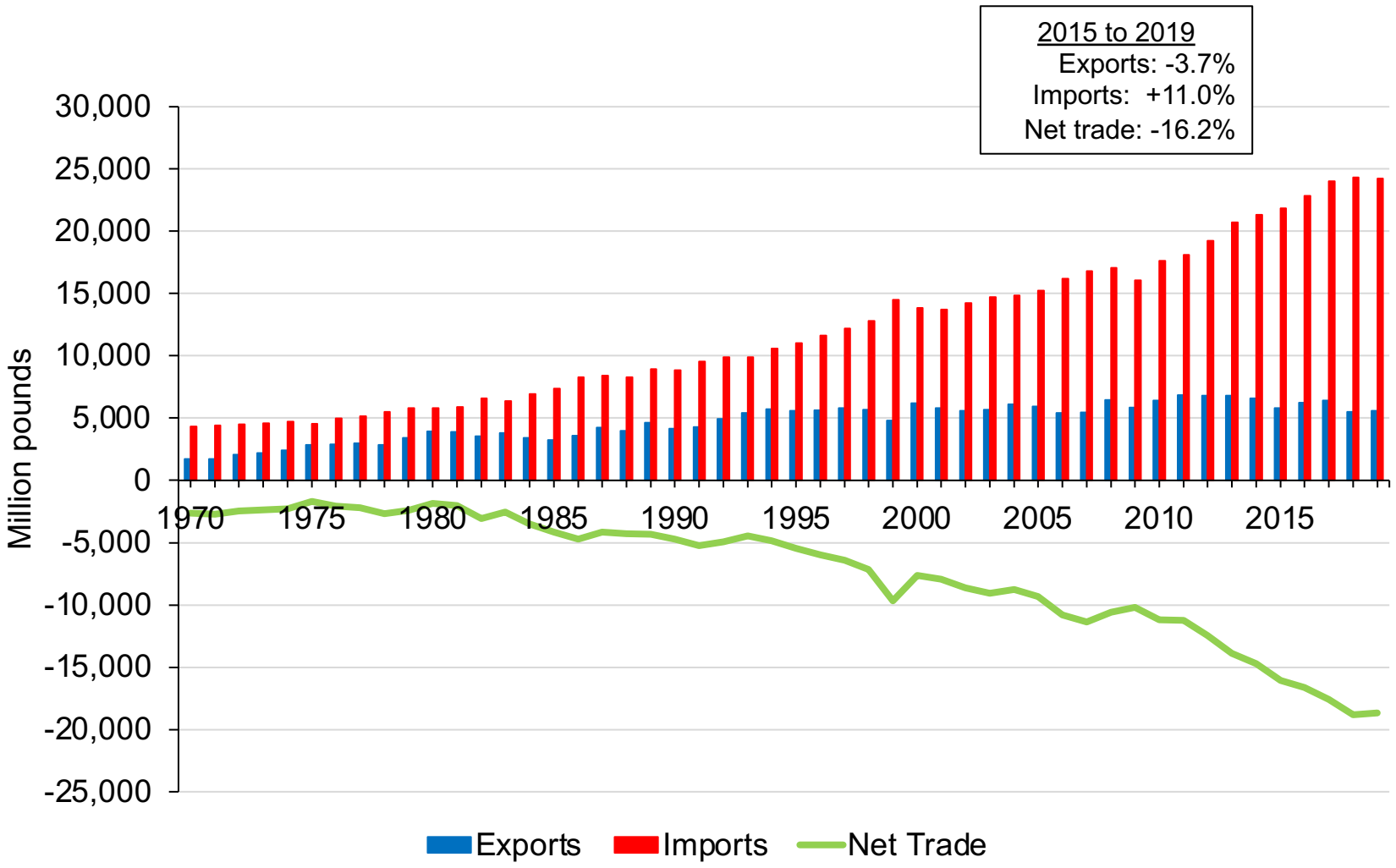


IMPORTS: $9,955M



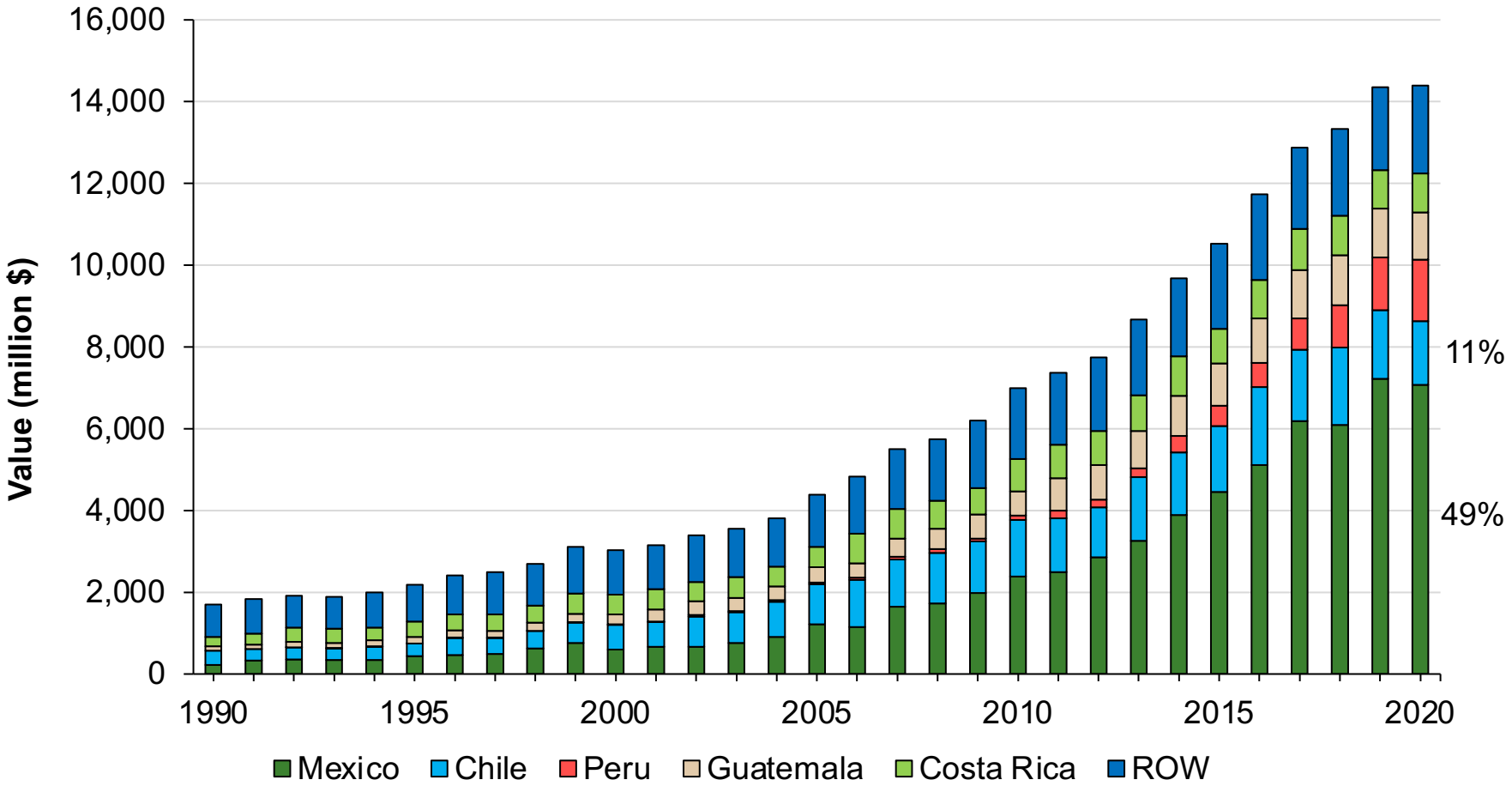
Source: USDA-FAS

U.S. Net Trade of Fresh Fruits



Source: USDA-ERS

U.S. Fresh Fruit Imports



Source: USDA-FAS

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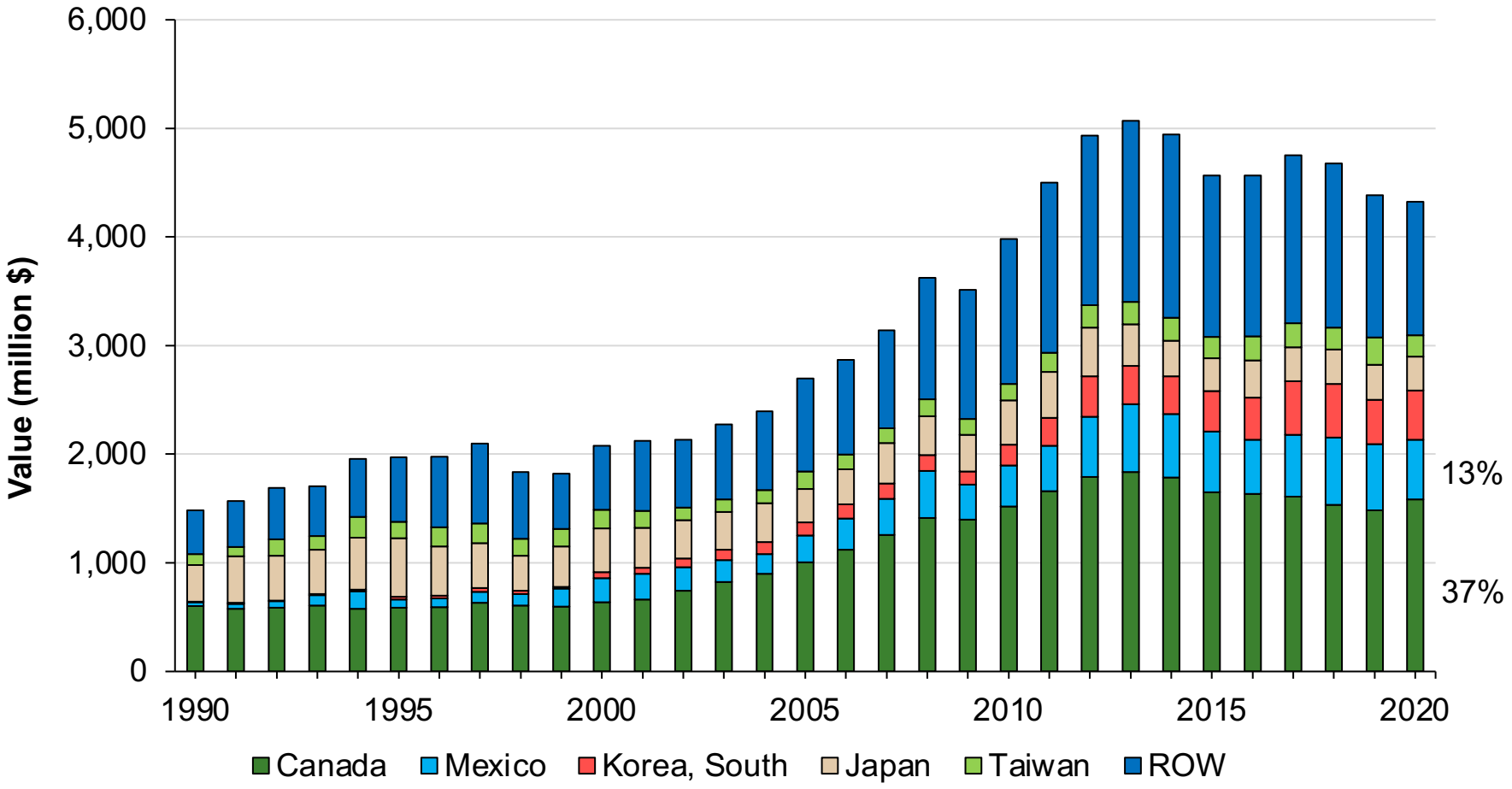
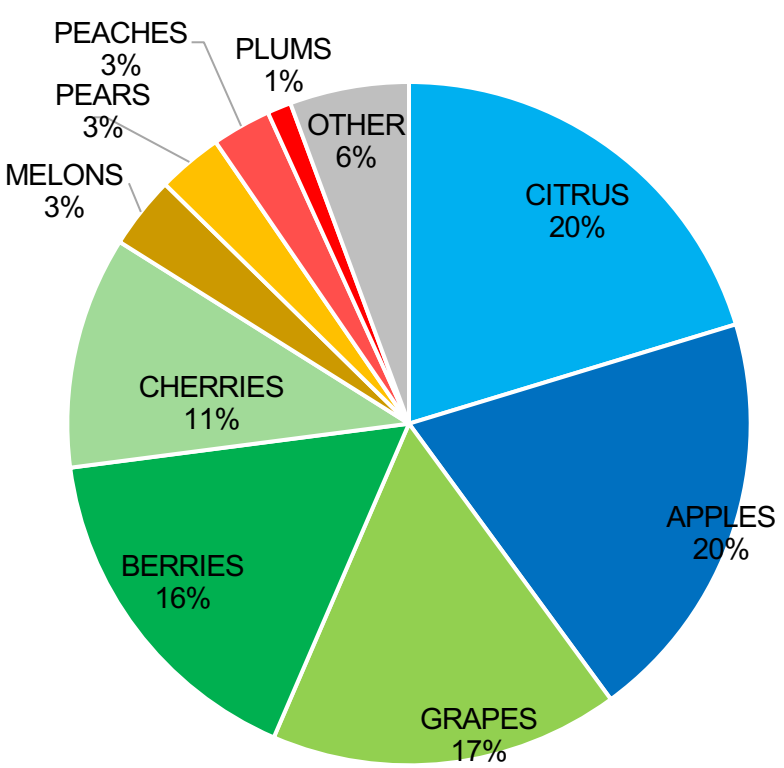
U.S. Fresh Fruit Exports



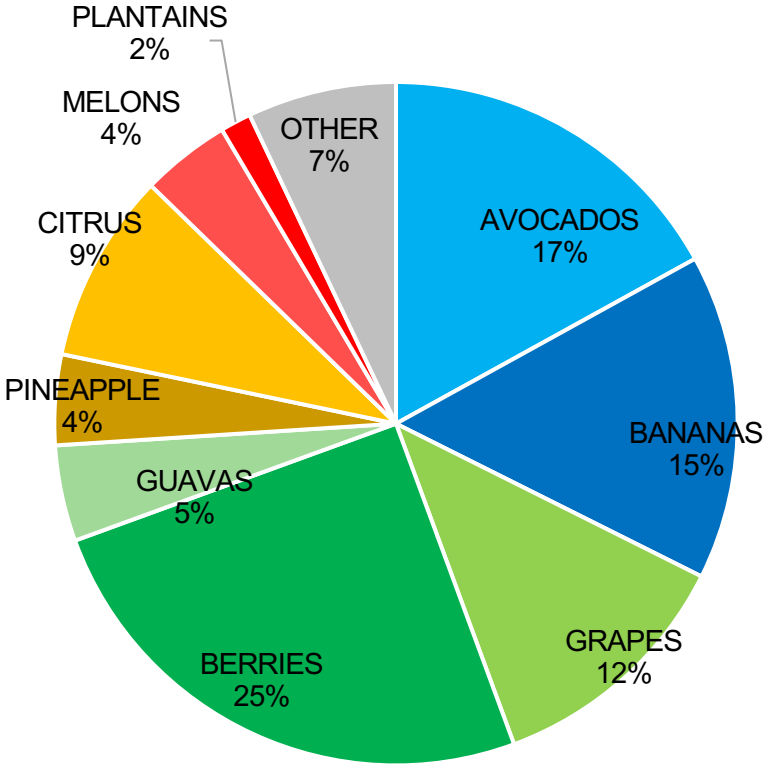
Source: USDA-FAS

Top Fresh Fruits Traded - 2020

EXPORTS: $4,324M

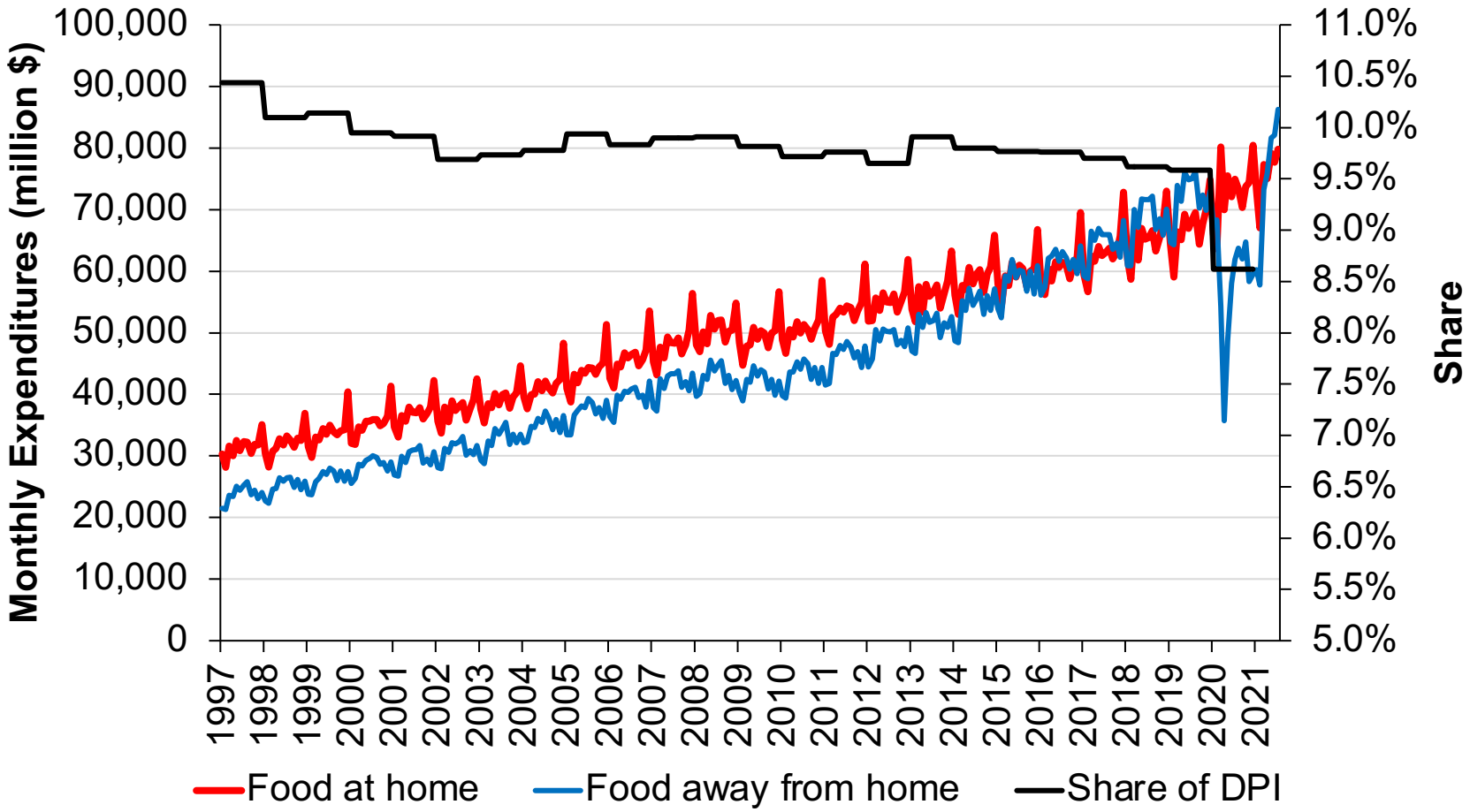


IMPORTS: $14,388M



Source: USDA-FAS

Food Expenditure



Data Source: USDA-ERS

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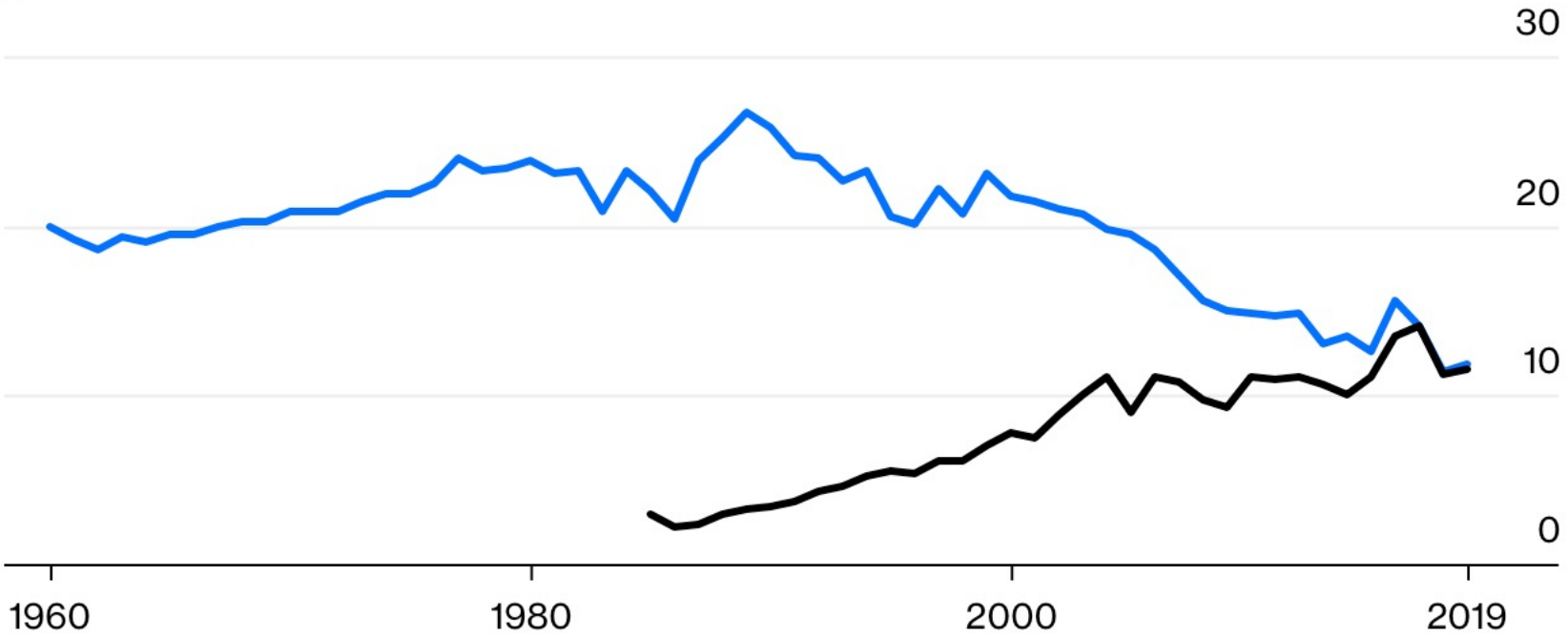
Lettuce Consumption

Per-capita U.S. availability of lettuce, in retail-weight pounds*

Head lettuce (iceberg, Bibb, Boston and butterhead) Romaine and leaf lettuce



Source: U.S. Department of Agriculture Economic Research Service
*Romaine and leaf lettuce data not available before 1985

Adapted: Bloomberg Opinion

Production Input Prices

Table 12. Selected U.S. indices of prices paid by farmers, 2016-21

Input	2016	2017	2018	2019	2020	2021f	Change
	---------- *Index, 2011 = 100* ----------						*Percent*
Seeds and plants	121.4	119.9	118.5	116.0	113.4	112.9	-0.4
Fertilizer, nitrogen	71.6	66.5	66.5	71.4	73.7	84.2	14.3
Fertilizer, potash/phosphate	70.5	64.4	62.9	63.0	70.0	91.5	30.6
Chemicals, insecticides	107.7	103.1	100.9	99.2	93.6	99.0	5.8
Chemicals, herbicides	109.7	106.4	101.7	101.8	100.9	105.0	4.1
Chemicals, fungicides/other	98.7	95.1	95.7	99.5	101.0	104.0	3.0
Fuels, diesel	51.8	57.6	67.4	71.5	62.3	70.4	12.9
Fuels, gasoline	59.0	64.5	70.9	75.1	67.0	80.2	19.7
Farm machinery	115.4	117.7	120.0	124.1	123.9	127.6	3.0
Farm supplies	106.3	107.6	111.6	115.5	117.4	120.0	2.2
Custom services	111.6	114.3	113.3	118.4	119.6	119.6	0.0
Buliding materials	107.6	110.4	116.1	118.1	120.8	128.0	6.0
Cash rent	130.4	130.4	126.1	123.3	124.7	123.3	-1.1
Interest	103.9	108.3	114.7	115.1	100.9	101.4	0.5
Taxes	110.7	115.5	117.1	117.9	118.7	120.4	1.4
Wage rates	115.9	119.1	126.3	133.2	135.2	140.6	4.0
Crop sector 2/	106.6	108.0	110.2	111.7	111.4	115.9	4.1

f = forecast. 1/ Change from 2020 to 2021. 2/ Input items common to crop production.

Source: USDA, National Agricultural Statistics Service except 2021 projections by USDA, Economic Research Service.

Source: Vegetable and Pulses Outlook: April 2021

Fertilizers Use

Table 1. Fertilizers Applied to Selected Vegetables, by percent of planted acres, 2014 Crop Year

	% of Planted Acres	Avg. Rate for Year (lbs/acre)	Total Applied (mil lbs)
Corn, sweet (FM)			
Nitrogen	98	190	34.1
Phosphate	87	83	13.2
Potash	85	175	26.9
Cucumbers (FM)			
Nitrogen	97	130	4.7
Phosphate	94	44	1.6
Potash	96	125	4.5
Onions			
Nitrogen	98	211	24.2
Phosphate	91	122	12.8
Potash	68	134	10.0
Snap beans (PR)			
Nitrogen	88	94	10.5
Phosphate	84	91	9.6
Potash	84	50	5.2
Watermelons			
Nitrogen	94	133	10.8
Phosphate	85	80	5.9
Potash	94	146	12.0

FM = fresh market. PR = processing.

vs.

Table 1. Fertilizer Applied to Cotton Planted Acres, 2015 Crop Year

	% of Planted Acres	Avg. Rate for Year (lbs/acre)	Total Applied (mil lbs)
Nitrogen (N)	78	79	503.7
Phosphate (P_2O_5)	56	41	187.7
Potash (K_2O)	42	74	250.3

Table 1. Fertilizer Applied to Corn Planted Acres, 2014 Crop Year

	% of Planted Acres	Avg. Rate for Year (lbs/acre)	Total Applied (bil lbs)
Nitrogen (N)	97	144	11.2
Phosphate (P_2O_5)	80	64	4.1
Potash (K_2O)	65	82	4.3

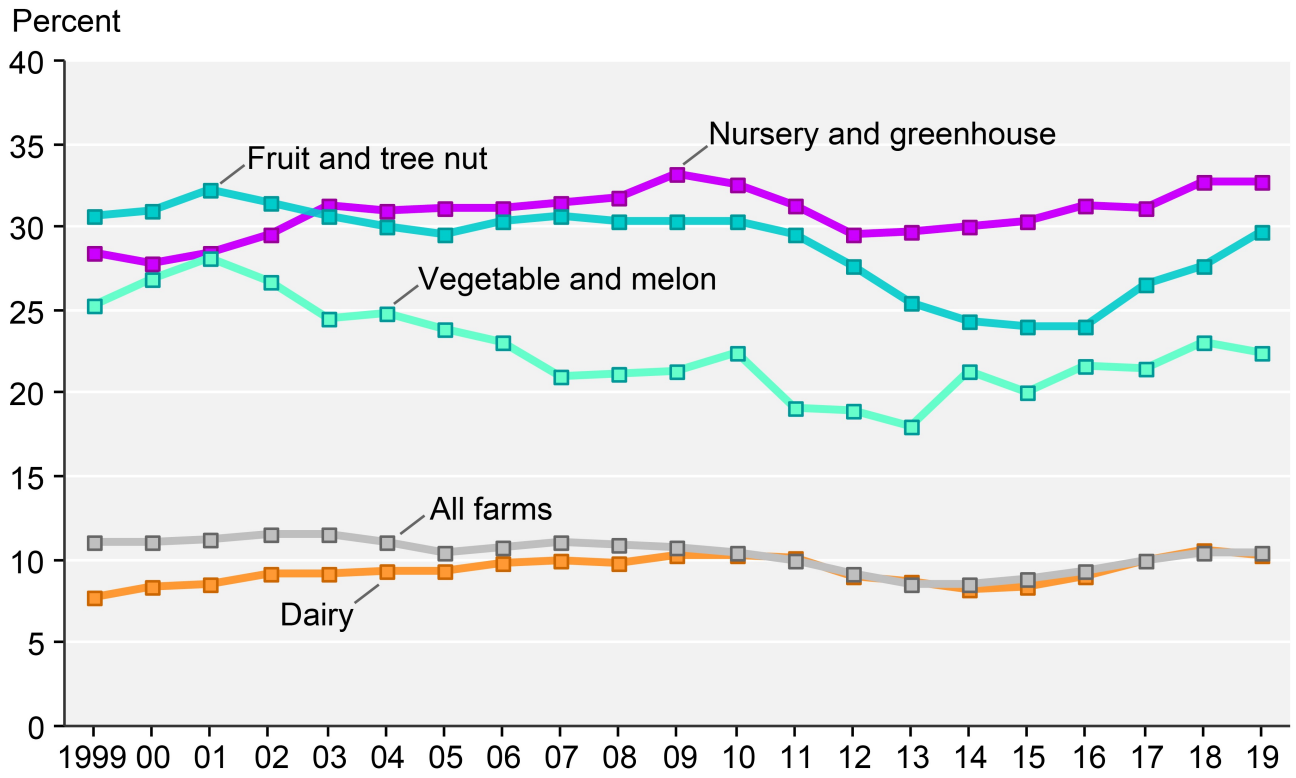
Table 1. Fertilizer Applied to Soybean Planted Acres, 2015 Crop Year

	% of Planted Acres	Avg. Rate for Year (lbs/acre)	Total Applied (mil lbs)
Nitrogen (N)	28	17	382.3
Phosphate (P_2O_5)	39	51	1,563.1
Potash (K_2O)	38	83	2,503.5

Source: USDA-NASS

Labor Costs

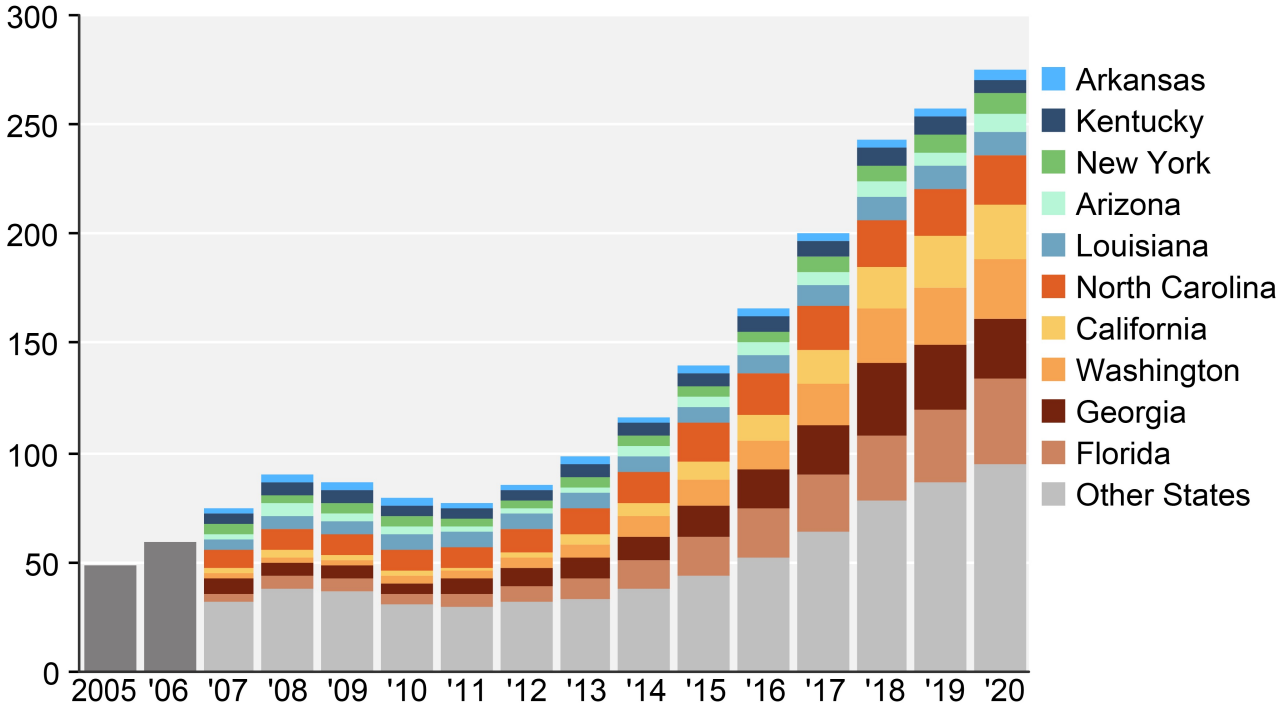
Labor costs as a share of total gross cash farm income for selected farm specializations, 1999-2019



Note: Values for each year are 3-year moving averages to smooth fluctuations because of small sample sizes, e.g., the estimate reported for 2019 is the average over 2017-19.
Source: USDA, Economic Research Service and USDA, National Agricultural Statistics Service, Agricultural Resource Management Surveys, selected years.

Temporary Farmworkers (H2-A)

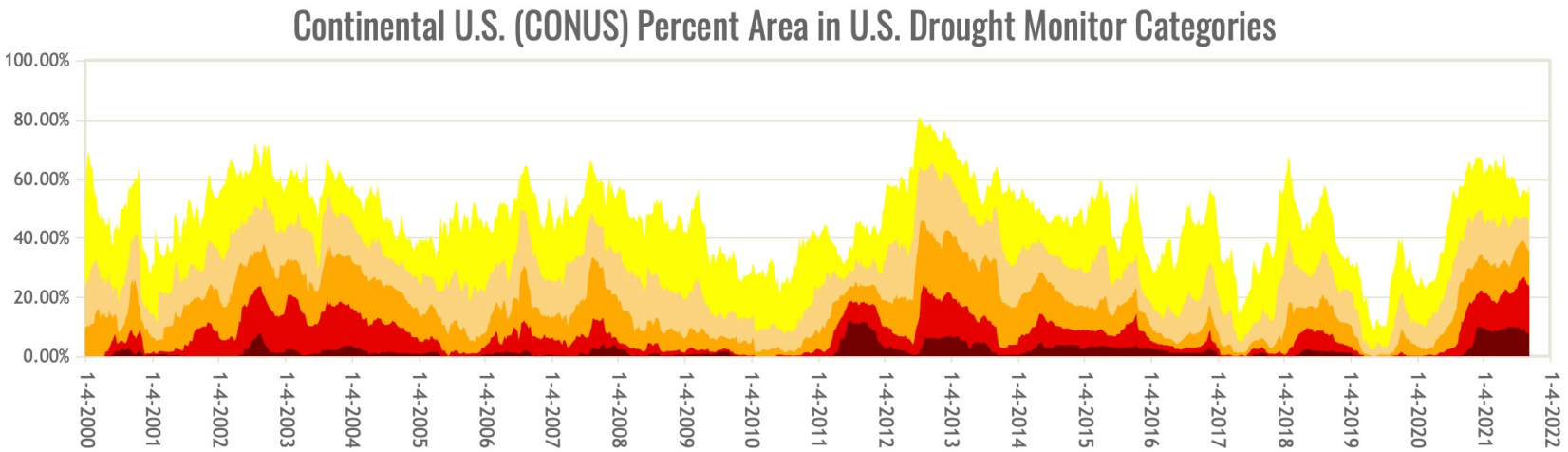
U.S. H-2A (temporary agricultural employment of foreign workers) positions certified by State, fiscal years 2005-20

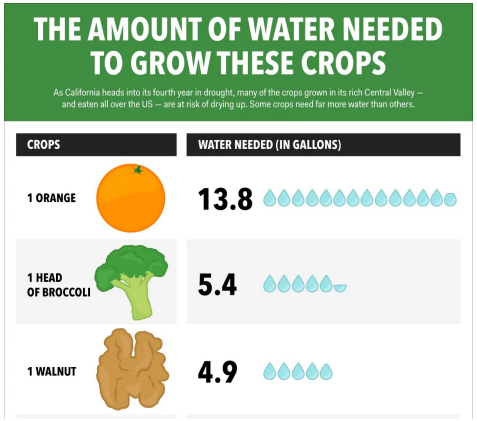


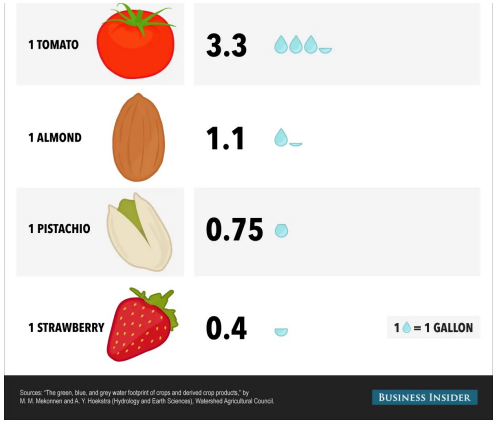
Note: State-level data are not available for fiscal years 2005-06. The individual States included in the chart had more than 2,000 H-2A positions certified in fiscal year 2010.
Source: USDA, Economic Research Service using data from U.S. Department of Labor, Office of Foreign Labor Certification.

Drought Conditions

2000 - 2021







Source: National Drought Mitigation Center

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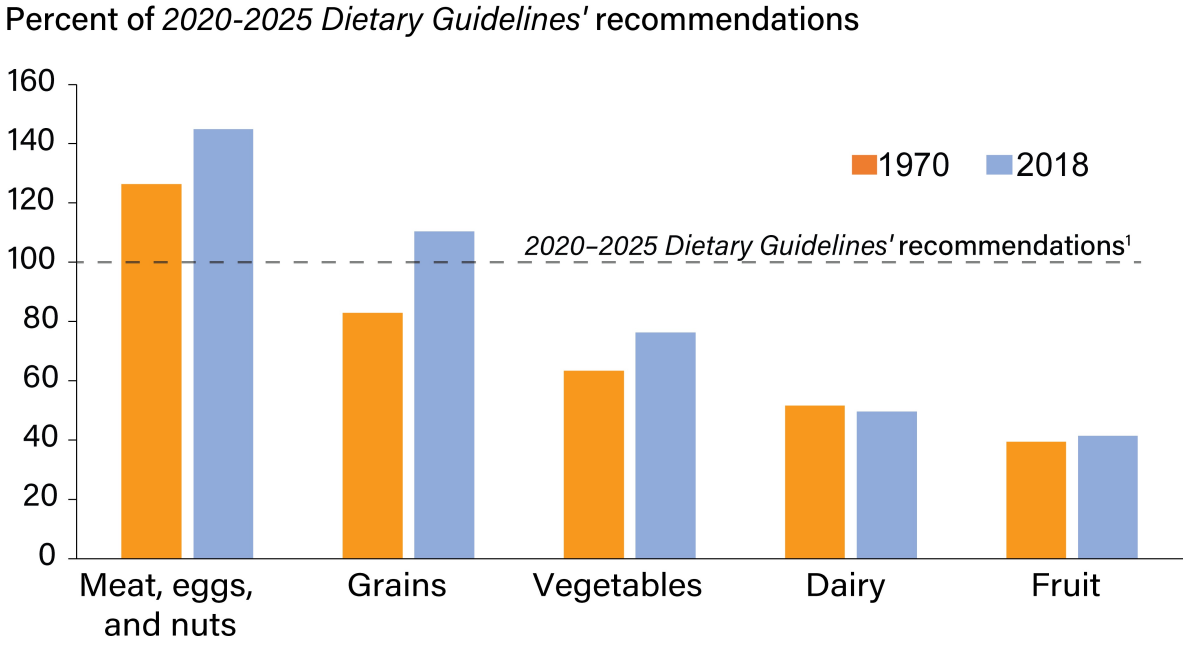
Make Mama proud, eat your vegetables!

Estimated average U.S. consumption compared to recommendations, 1970 and 2018



[1]Based on a 2,000 calorie-per-day diet.
Notes: Loss-adjusted food availability data are proxies for consumption. Rice availability data were discontinued in 2010 and thus are not included in the grains group.
Source: USDA, Economic Research Service, Loss-Adjusted Food Availability Data and *2020–2025 Dietary Guidelines*.

Source: USDA ERS

Questions

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