

CAPESPAN NORTH AMERICA

MARKET REPORT

Vol.: 2017 Week 46

Friday, 17 November, 2017

\$1 U.S. Dollar Equal To:	
1.277	Canadian Dollars
0.848	Euros
0.757	British Pounds
13.973	South African Rands
626.0	Chilean Pesos
3.243	Peruvian Nuevo Sols
3.264	Brazilian Reals



WEATHER		
Philadelphia	Montréal	Bakersfield
		
Low 2° C High 9° C	Low -5° C High 0° C	Low 9° C High 17° C

Table Grapes:

As the California table grape harvest draws to a close it is an appropriate time to look at how the transition to imported (Southern Hemisphere) sources will play out.

Most California producers will complete their grape harvests by the end of Week 47. The Grape Cold Storage Summary shows substantially more white seedless (Autumn Kings) in storage than a year ago but a lighter volume of red seedless varieties. There has been no rain in the San Joaquin Valley for the last month, so product condition is not expected to be an issue with the fruit that has been building in storage for sale over the next few weeks.

The prevailing wisdom is that California table grapes will remain in the market until Christmas. Pricing for domestic table grapes is today US\$ 22-24 (both colours) and Red Globes are selling at US\$ 22-26. California growers are intent on remaining in the market beyond Christmas and appear to feel no inclination to clear the market earlier, in spite of the impending arrival of early Peruvian grapes. Indeed, there is little promotional activity on domestic table grapes and there is some expectation that domestic seedless grape prices will push upward following Thanksgiving which will be celebrated late next week.

The California growers' strategy to remain in the market through December is likely informed to some extent by continued reports that early Peruvian fruit will be in short supply and that Chile's early table grape crop is running two to three weeks later than last season. This is in stark contrast to last season where early fruit from all origins was running well ahead of schedule.

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Brazilian white seedless grapes have arrived on the USEC in light volume. That fruit is selling, slowly, at US\$ 26 - 28 on very light demand.

Peruvian sources have been loading light volumes of Red Globes to the US market since early October. White seedless grapes from Peru began to load in Week 42 and red seedless (principally Crimsons) began to load in Week 44. Through Week 45, Peruvian growers have shipped 311 000 cases of seedless grapes to North America as compared to 1.1 million cases over the same period last season. The earliest arriving Peruvian fruit will likely be held in storage until market conditions improve.

Chilean table grapes will start late. The first bulk vessel of the Chilean season is scheduled to depart Valparaiso / Caldera in Week 49 with arrival at Philadelphia on December 21, just in time for the winter solstice - but barely in time for Christmas. In fact, there seems to be some doubt about whether the vessel will be able to accumulate sufficient cargo (stone fruit and grapes) to depart as planned. If early grape growers load containers to try to get to market for Christmas, that will only set back the vessel's departure further.

Finally, SATI (the organization that speaks for the South African table grape industry) issued a report that forecasts a 12.7% decrease in expected table grape shipments from South Africa this coming season. Table grape production in the earliest regions in South Africa - the Northern Province and the Northern Cape - is forecast to rise by over 5%. The decline in South Africa's table grape volume will come from lower production in the Western Cape which has been suffering from a persistent drought.

As in Chile and Peru, the early South African crop is running late. This will interfere with growers' ability to take advantage of an expected strong early European market and the sales opportunity that Christmas brings.

Mark Greenberg