

2025 Apple Outlook

Thursday, April 17, 2025



FARM CREDIT EAST

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U.S. Apple Industry Outlook

April 17, 2025

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USApple Roadmap

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Supply & Demand



Prices, Costs & Returns



Tariffs 101



Direct Effects: Imports

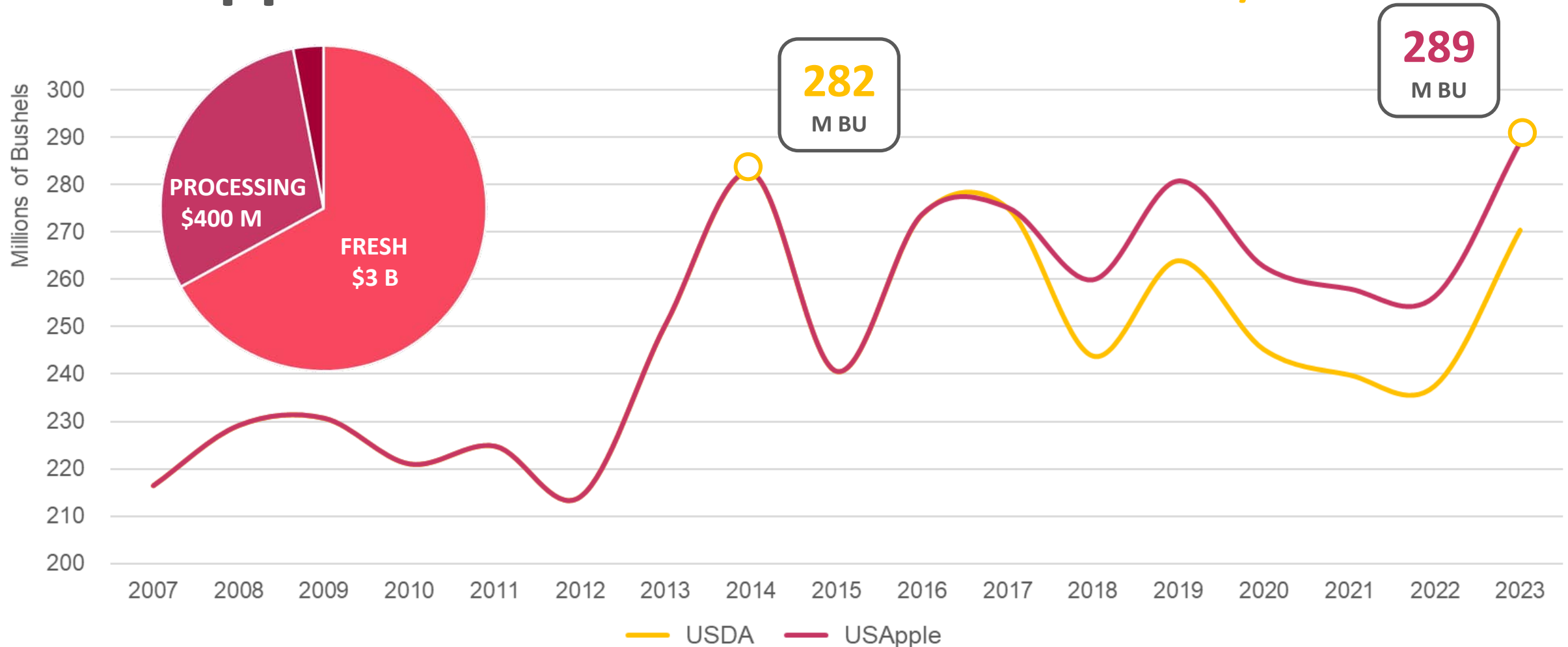


Indirect Effects: Exports



U.S. Apple Production Estimates: 2023/24

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Sources: USDA, NASS; USApple

USAppleTracker Storages: DEC 2024



Over the past five seasons, December storage volumes were around **56%** of total final USDA production.

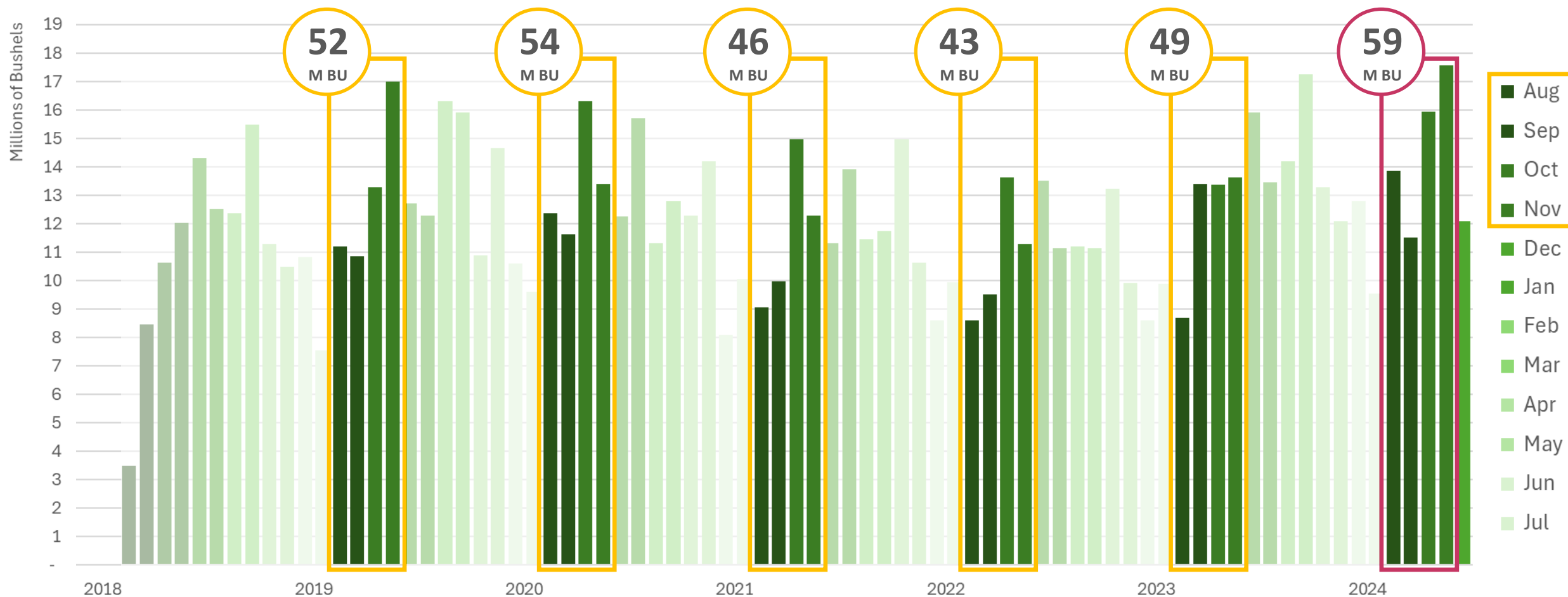
Conversely, on average, **44%** of U.S. apples produced, "move" prior to December 1st of any given year.

USApple August Estimate: 260 M BU

This season, either ...

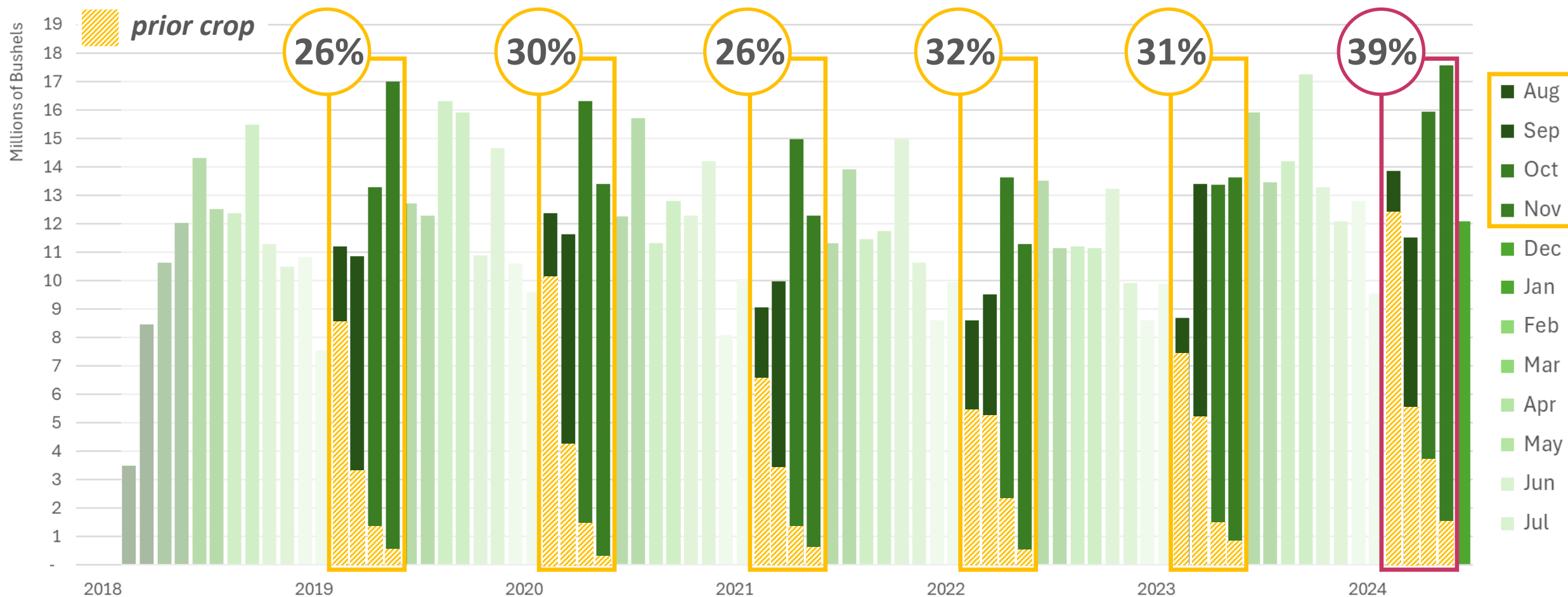
- ▶ pre-December movement has been relatively slow (**35%** vs. 44%), or
- ▶ pre-December movement is on pace, production estimates were low.*

U.S. Apple Movement: Harvest Season



Sources: USDA, AMS; USApple

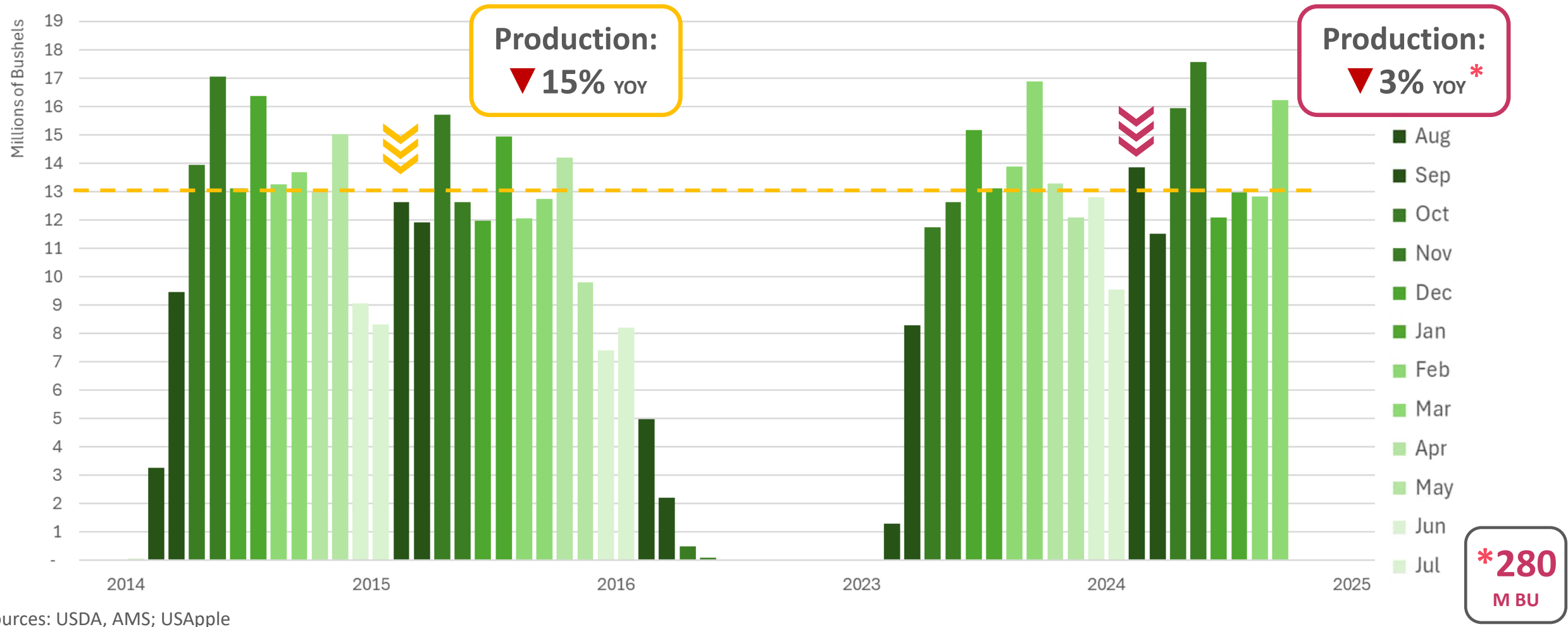
U.S. Apple Movement: Harvest Season



Sources: USDA, AMS; USApple

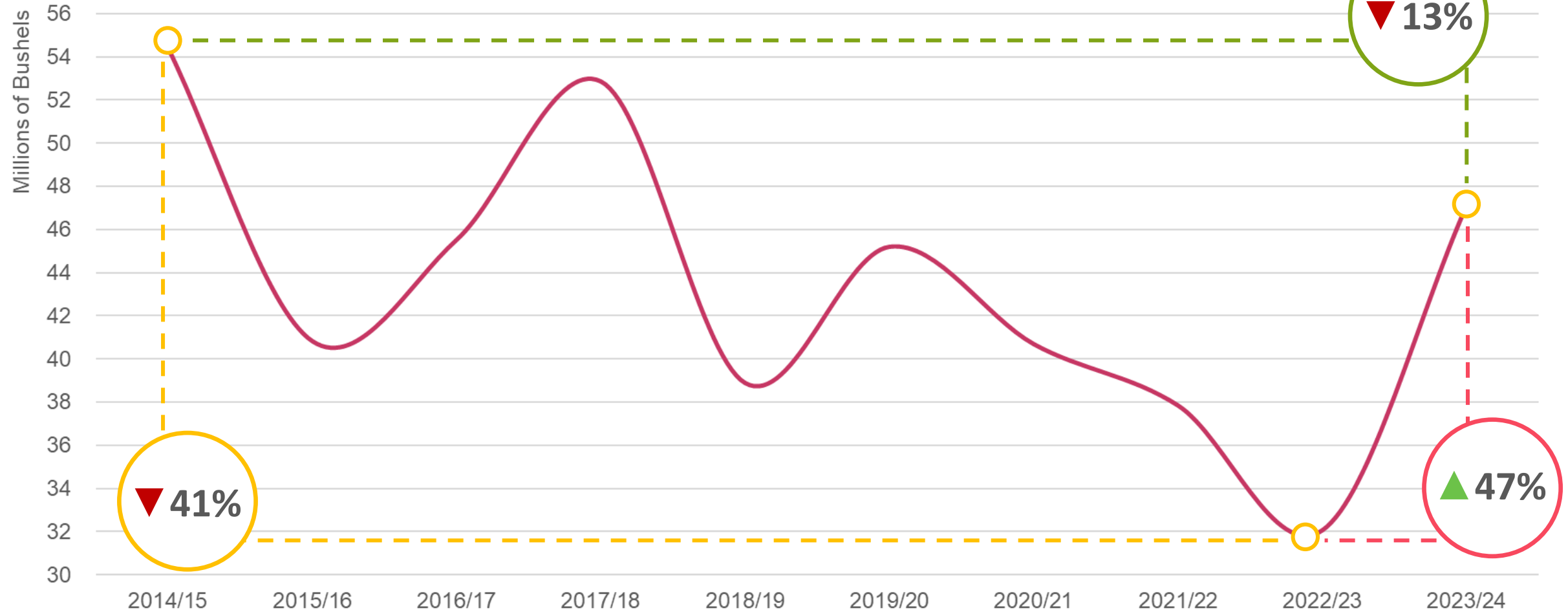
U.S. Apple Movement: 2014/15 vs. 2024/25

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U.S. Fresh Apple Exports

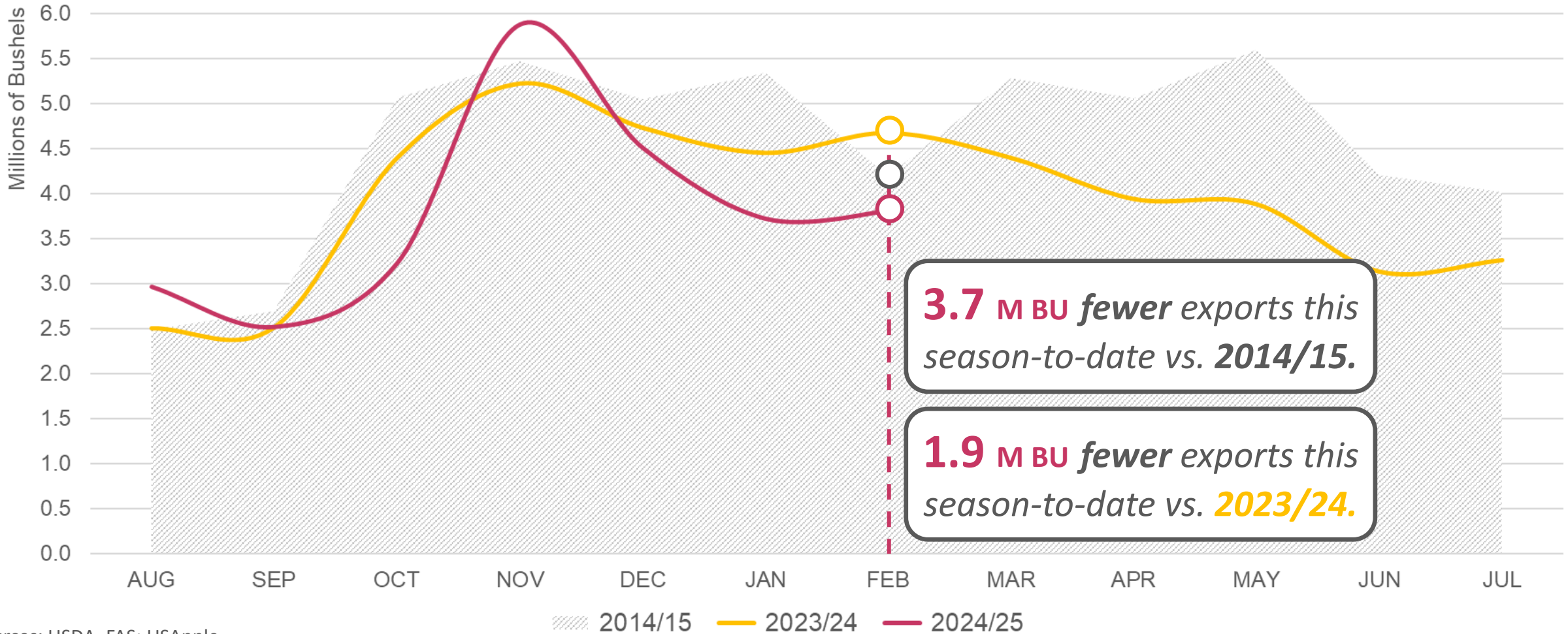
8



Sources: USDA, FAS; USApple

U.S. Fresh Apple Exports

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Sources: USDA, FAS; USApple

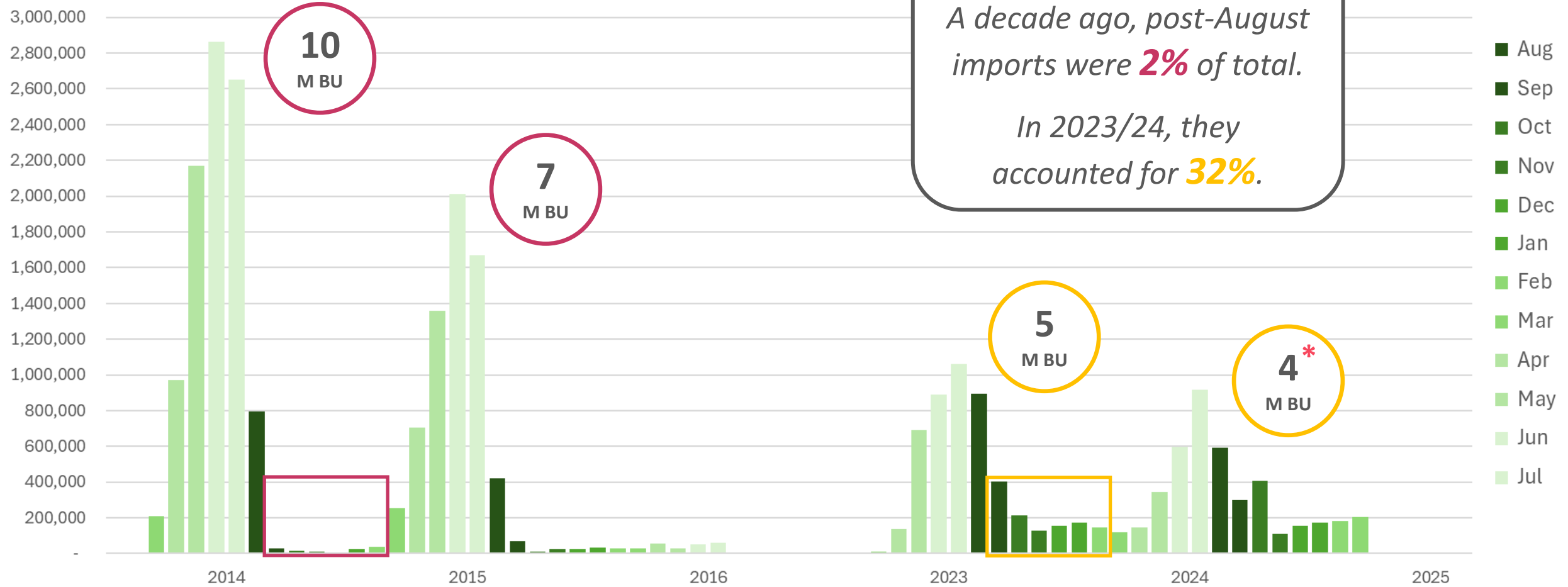
U.S. Fresh Apple Imports

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“Sticky” Imports

*A decade ago, post-August imports were **2%** of total.*

*In 2023/24, they accounted for **32%**.*



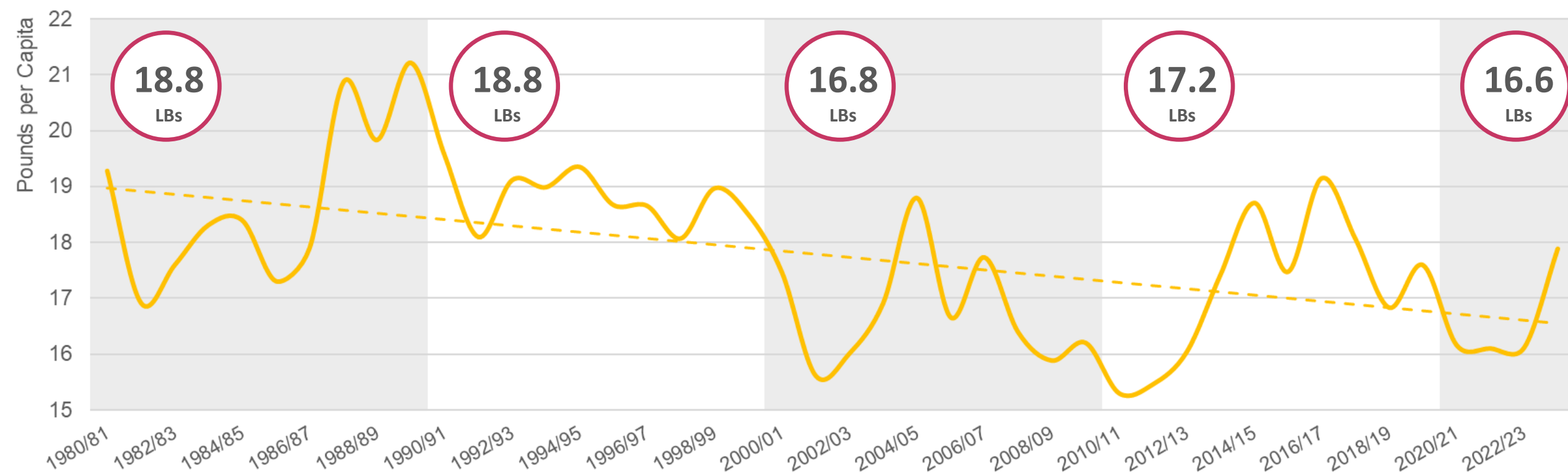
* season-to-date

Sources: USDA, AMS; USApple

U.S. Fresh Apple Consumption: Per Capita

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USDA's **Per Capita Food Availability** = Annual Food Supply* / U.S. Population



* **Annual Food Supply** = (Production + Imports + Beginning Stocks) – (Exports + Ending Stocks)

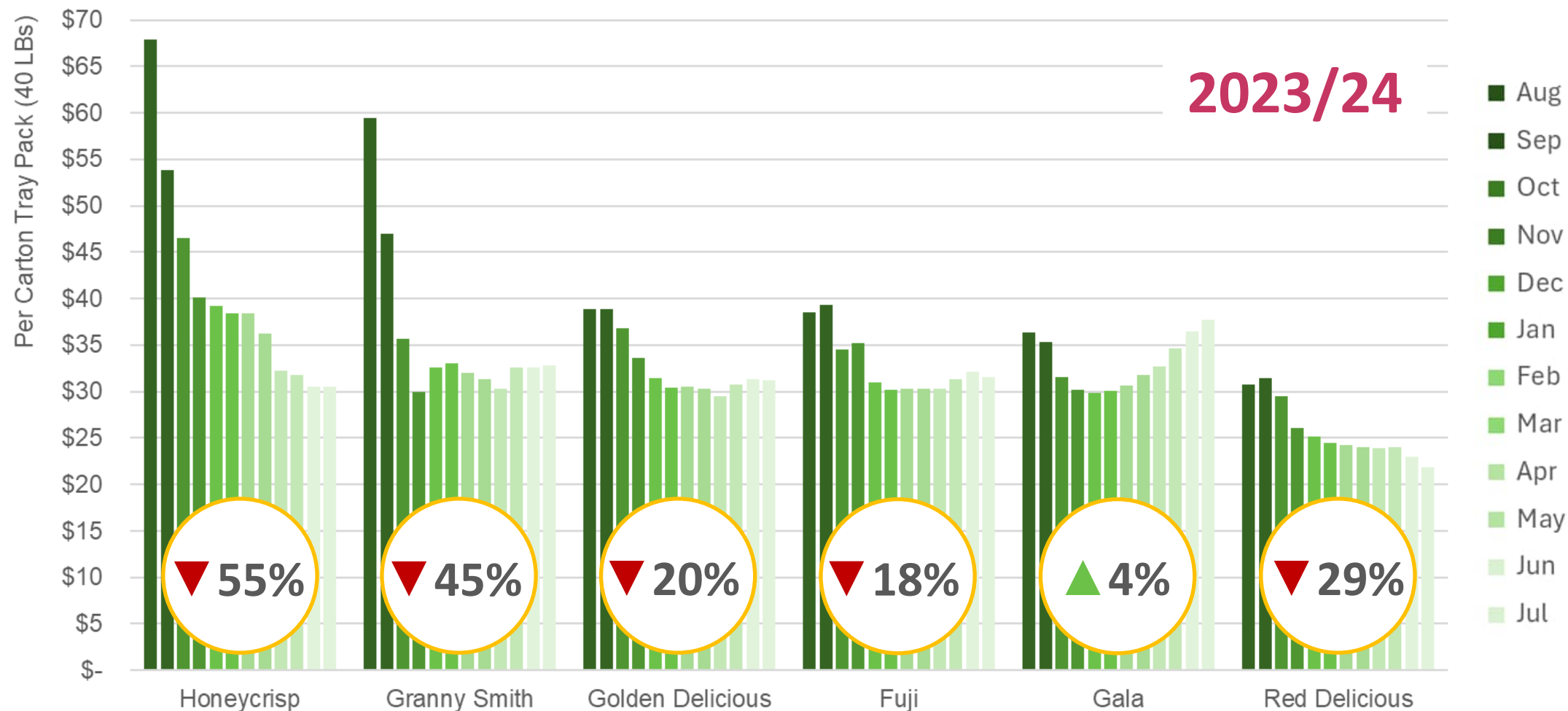
Sources: USDA, ERS; USApple

U.S. Apple Price Inflation: CPI



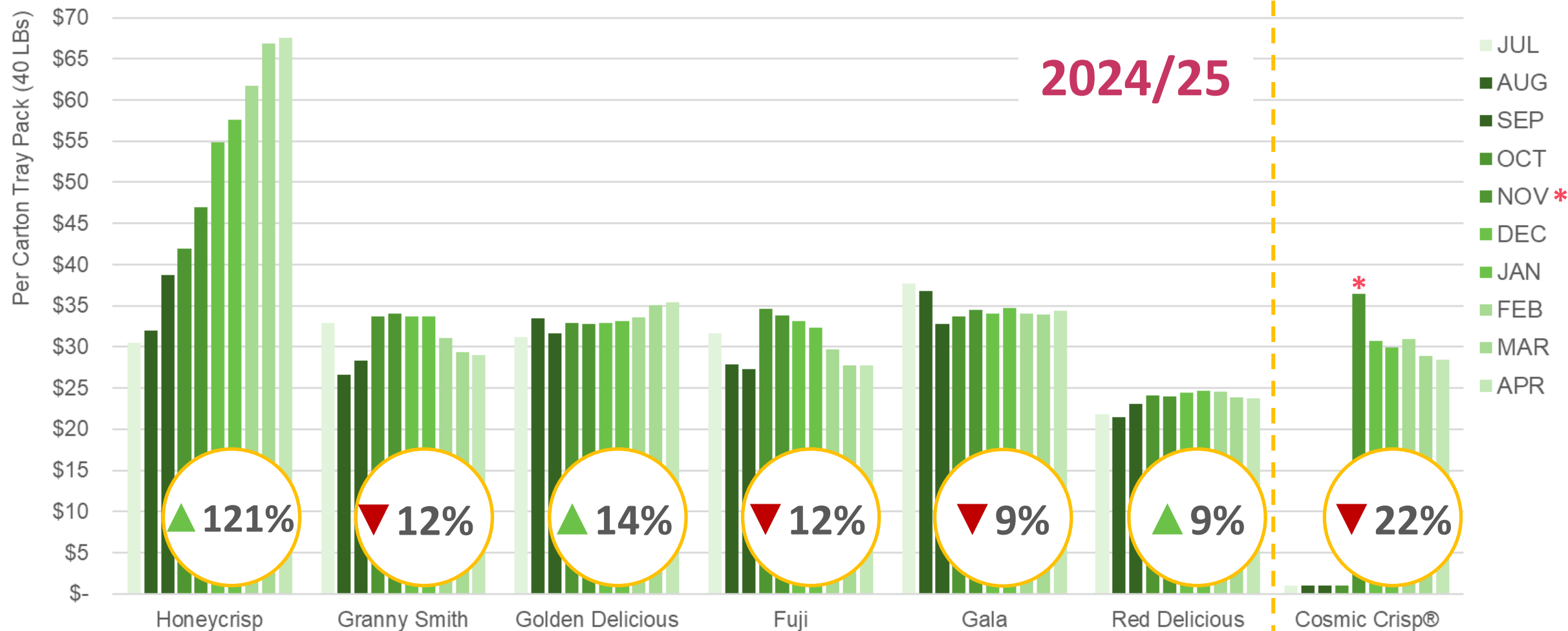
Sources: USDOL, BLS; USApple

U.S. Apple Prices: Shipping Point



Sources: USDA, AMS; USApple

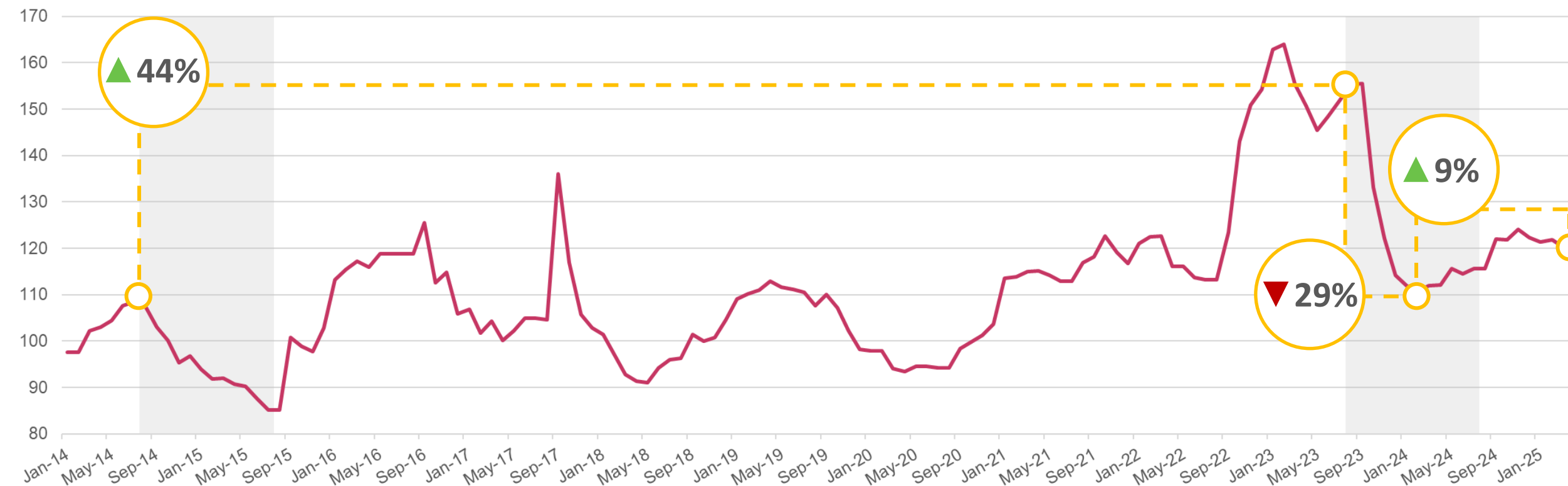
U.S. Apple Prices: Shipping Point



Sources: USDA, AMS; USApple

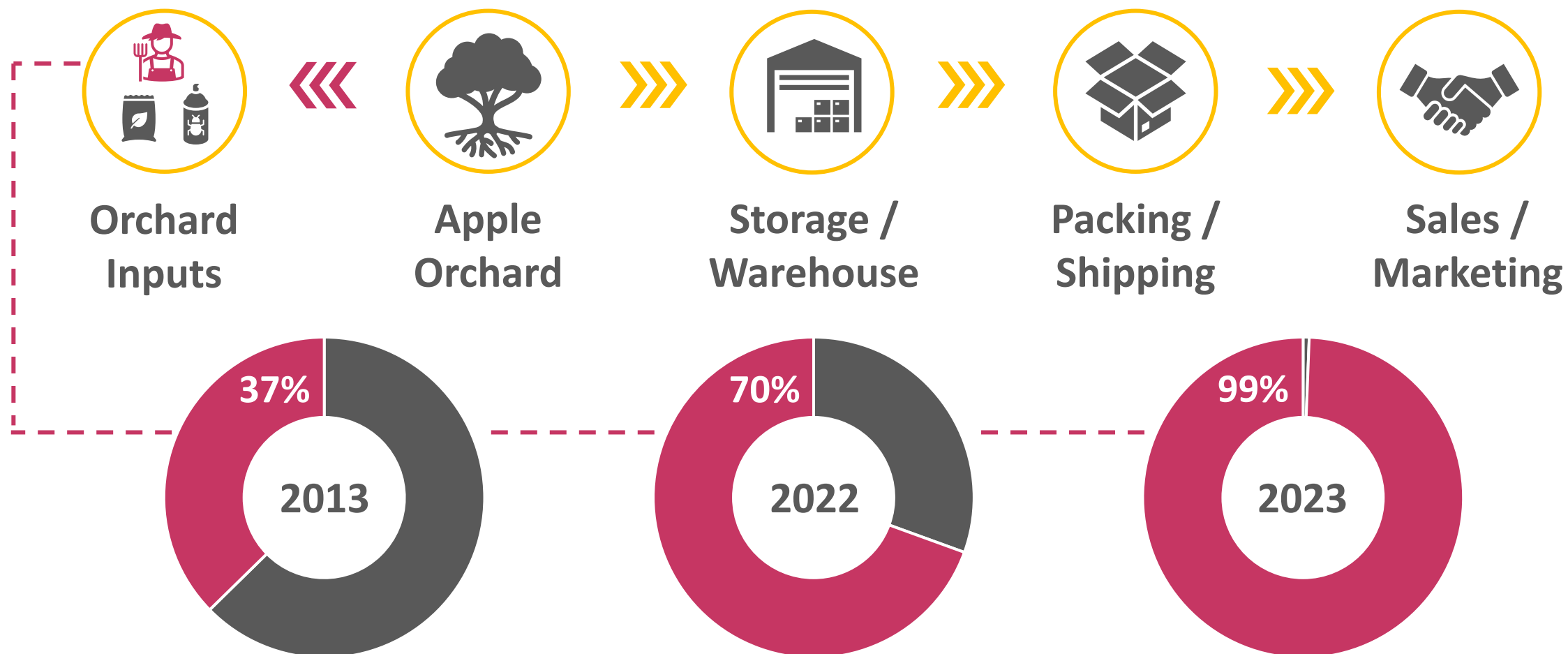
U.S. Apple Cost Inflation: Producer Price Index

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Sources: FRED; USApple

WA Apple Grower Financial Analysis



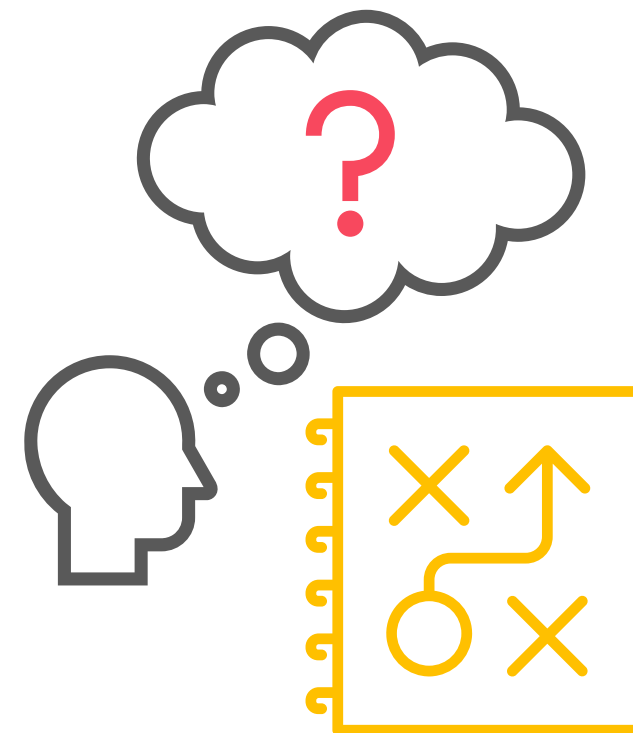
Sources: NHC; USApple

U.S. Apple Trade: Tariff Status

The only certainty is uncertainty.

In February 2025, the U.S. began imposing a series of tariffs on select imports from countries around the globe. These actions have prompted our trading partners to respond with tariffs of their own.

The details of this reciprocal trade war are constantly changing. As such, it is impossible to predict the full extent of the impact to American apple growers, processors, importers and the U.S. economy at-large.



As of April 17, 2025, here are three relevant developments ...

- ▶ USMCA-compliant goods to and from Canada and Mexico are likely* exempt from tariffs (including apples).
- ▶ Goods coming from China have a tariff of 145%; goods going to China have a tariff of 125%.
- ▶ Goods coming from (almost) every other country in the world have a tariff of 10% as negotiations proceed (July 9th).

U.S. Apple Trade: Tariffs 101

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Direct Effects on Imports

- ▶ *U.S. government places tariffs (taxes) on goods imported from foreign countries;*
- ▶ *U.S. companies importing goods pay tariff (tax) to U.S. government and reduce buying;*
- ▶ *U.S. companies pass along cost of tariff (tax) to their retailers or end consumers;*
- ▶ *U.S. retailers pass along higher costs to consumers in order to maintain margins;*
- ▶ *U.S. consumers face higher retail prices and are left to ultimately pay the tariff (tax).*

U.S. Apple Trade: Tariffs 101

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Indirect Effects on Exports

- ▶ *Foreign governments place “retaliatory” tariffs (taxes) on goods imported from U.S.;*
- ▶ *Foreign companies, now forced to pay higher costs for U.S. goods, stop buying U.S. goods;*
- ▶ *U.S. companies lose export sales, goods stay on-shore and compete domestically;*
- ▶ *U.S. retailers leverage excess supply and minimize costs by paying low prices to producers;*
- ▶ *U.S. retailers may pass along some of those savings to consumers in the form of lower prices.*

U.S. Apple Trade Summary



VOLUME

	Fresh Apples	Dried Apples	Apple Juice
Exports	46.8 M BU	1.6 M LB	16.3 M GA
Imports	4.0 M BU	12.9 M LB	427.8 M GA
Balance of Trade	42.8 M BU	(11.3) M LB	(411.4) M GA



VALUE

	Fresh Apples	Dried Apples	Apple Juice
Exports	\$1,082.0 M	\$5.9 M	\$66.6 M
Imports	\$127.5 M	\$42.2 M	\$687.3 M
Balance of Trade	\$954.4 M	(\$36.2) M	(\$620.7) M

Sources: USDA, FAS; USApple

Direct Effects: U.S. Tariffs on Imports

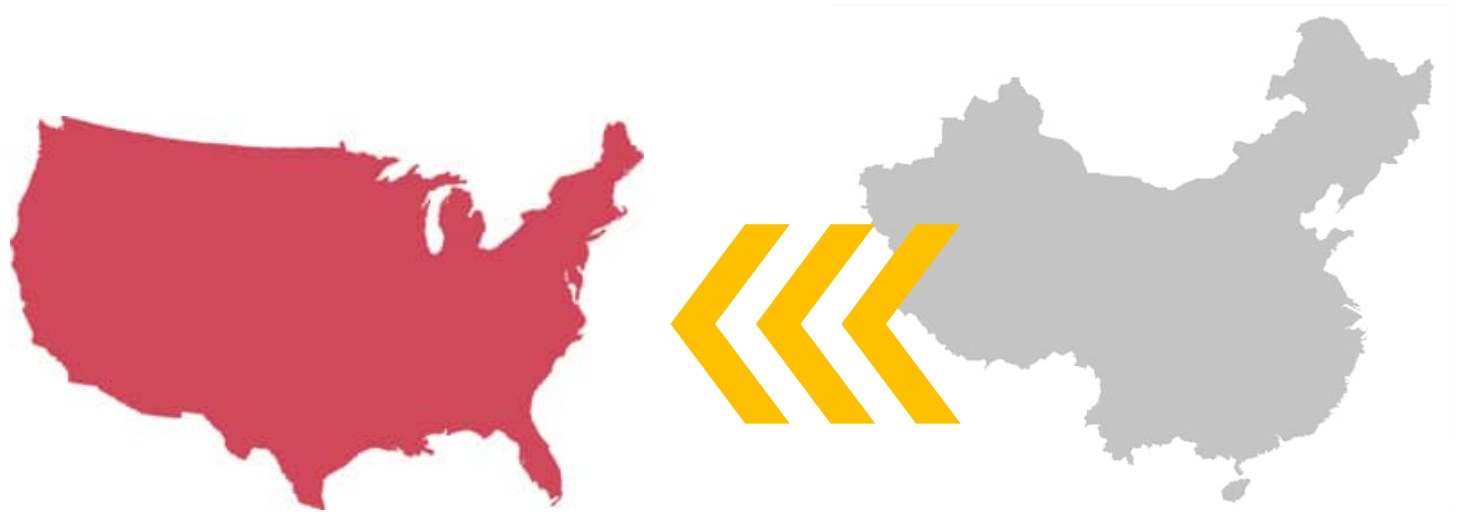
Challenges

- ▶ Prices will increase for importers of fresh apples and processed apple products.

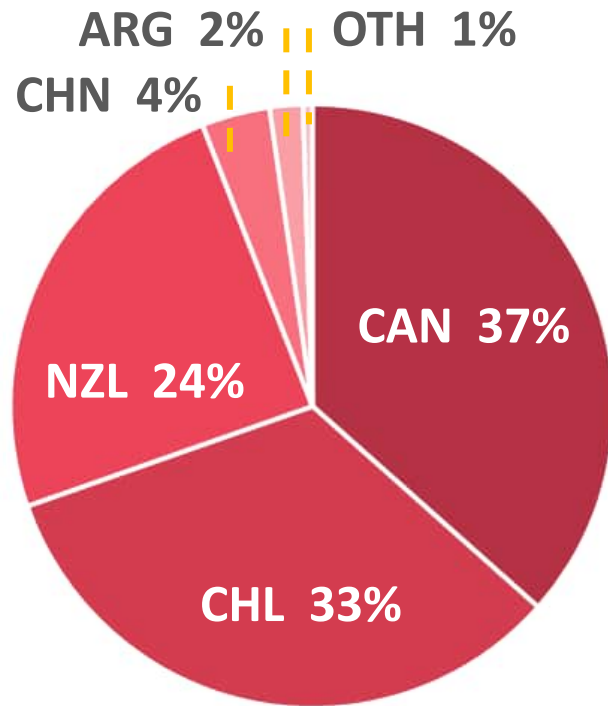
Opportunities

- ▶ Prices will increase for growers of domestic processing apples and domestic manufacturers of apple juice concentrate.

The severity of these impacts will be determined by the relative tariff levels, global supply and capacity constraints and the ease by which importers can switch from one producer or country to another.



Direct Effects: Fresh Apple Imports



* 2024 trade levels

** Tariff rates as of 4/11/2025

	Volume (BUs)	Value (\$)	T (%)	T (\$)
Canada	1,474,870	\$39,302,000	<i>exempt</i>	\$0
Chile	1,333,480	\$39,670,000	10%	\$3,967,000
New Zealand	984,977	\$43,698,000	10%	\$4,369,800
China	147,442	\$2,593,000	145%	\$3,759,850
Argentina	71,613	\$1,524,000	10%	\$152,400
Other (6)	20,199	\$732,000	~10%	\$57,600

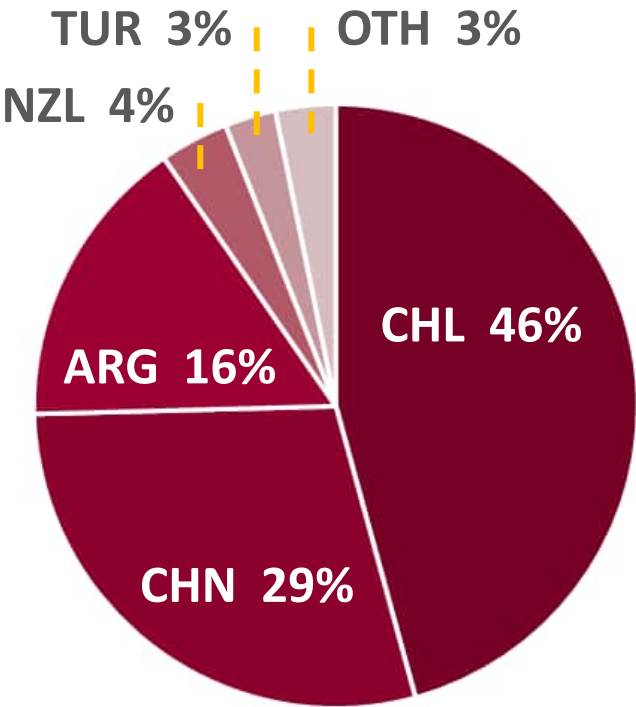
TOTAL FRESH APPLE IMPORT TARIFFS:

\$12.3 M

assumes no change in volumes

Sources: USDA, FAS; USApple

Direct Effects: Dried Apple Imports



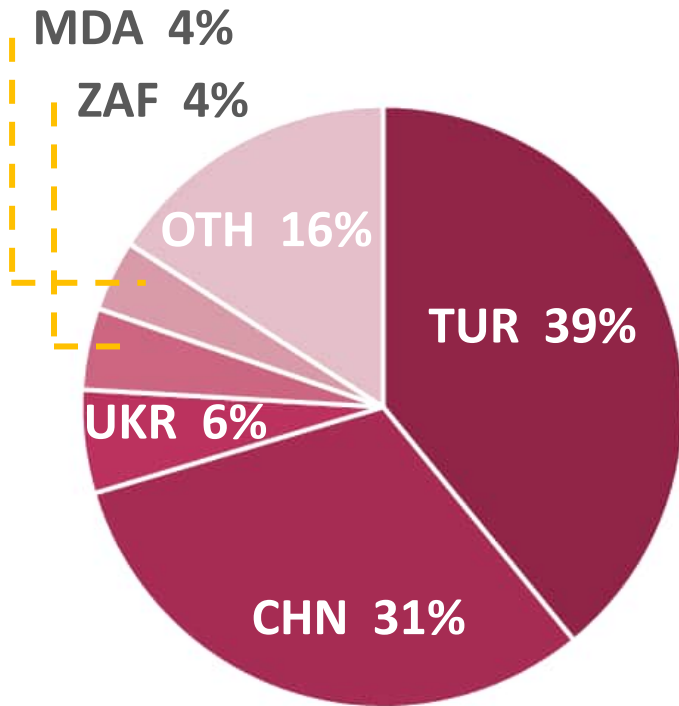
	Volume (LBs)	Value (\$)	T (%)	T (\$)
Chile	5,918,743	\$19,103,000	10%	\$1,910,300
China	3,728,233	\$13,184,000	145%	\$19,116,800
Argentina	2,039,935	\$6,019,000	10%	\$610,900
New Zealand	477,521	\$2,144,000	10%	\$214,400
Türkiye	354,062	\$621,000	10%	\$62,100
Other (17)	416,012	\$1,124,000	~10%	\$104,400

* 2024 trade levels
** Tariff rates as of 4/11/2025

TOTAL DRIED APPLE IMPORT TARIFFS: **\$22.0 M**
assumes no change in volumes

Sources: USDA, FAS; USApple

Direct Effects: Apple Juice Imports



* 2024 trade levels

** Tariff rates as of 4/11/2025

	Volume (GAs)	Value (\$)	T (%)	T (\$)
Türkiye	167,267,450	\$284,024,000	10%	\$28,402,400
China	133,741,355	\$151,196,000	145%	\$219,234,200
Ukraine	23,783,986	\$49,365,000	10%	\$4,936,500
South Africa	18,741,550	\$27,096,000	10%	\$2,709,600
Moldova	18,258,254	\$23,184,000	10%	\$2,318,400
Other (51)	67,975,524	\$152,463,000	~10%	\$13,641,400

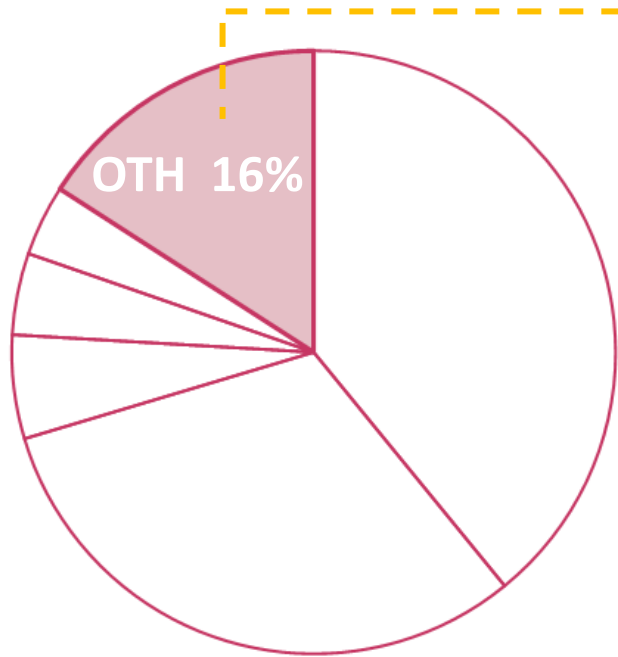
TOTAL APPLE JUICE IMPORT TARIFFS:

\$271.2 M

assumes no change in volumes

Sources: USDA, FAS; USApple

Direct Effects: Apple Juice Imports



* 2024 trade levels

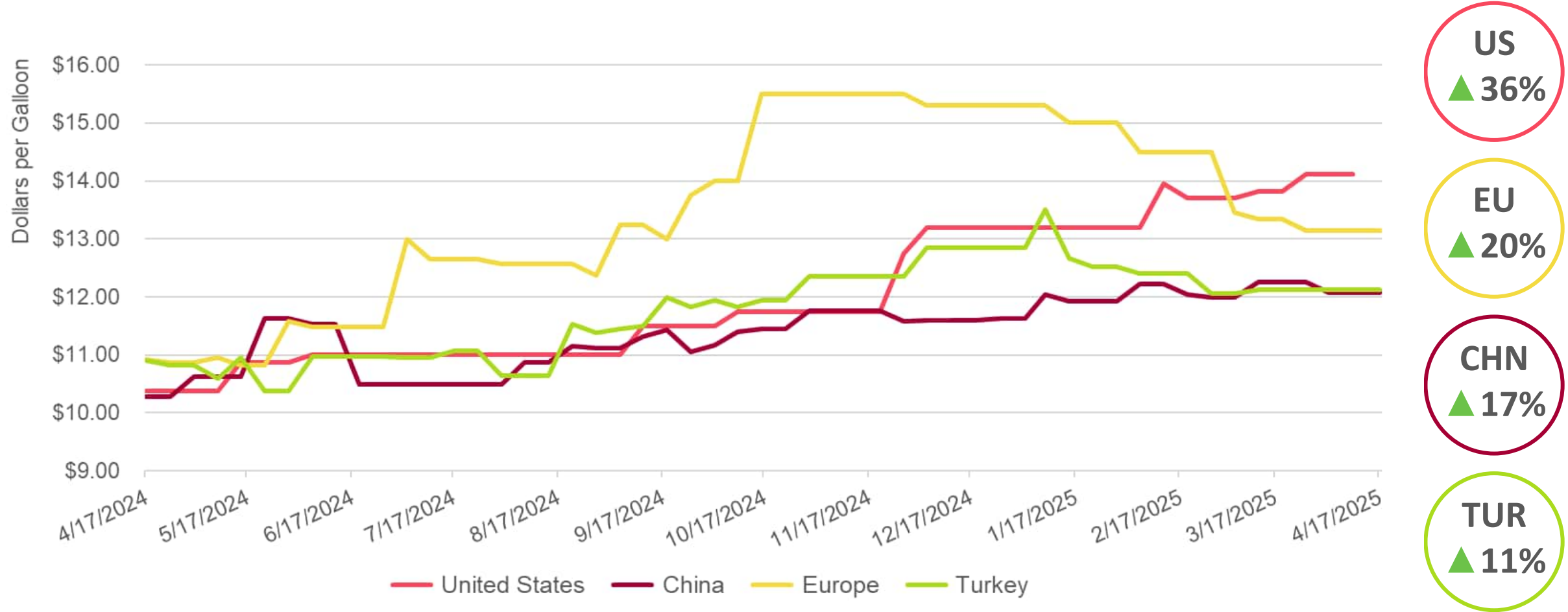
Volume (GAs)		
6. Chile	14,171,296	3%
7. Brazil	11,859,183	3%
8. Spain	11,190,326	3%
9. Argentina	8,342,103	2%
10. Poland	8,015,665	2%
11. New Zealand	4,810,651	1%
12. Canada	4,394,924	1%
13. Italy	2,851,446	0.7%
14. France	566,411	0.1%
15. Mexico	342,156	0.1%

Dollars / Gallon **\$1.61**

China	\$1.13
Moldova	\$1.43
Brazil	\$1.44
Hungary	\$1.44
Romania	\$1.45
South Africa	\$1.45
Afghanistan	\$1.46
Poland	\$1.53
Türkiye	\$1.70
New Zealand	\$1.90
Spain	\$1.98
Germany	\$2.02
Ukraine	\$2.08
Chile	\$2.16
Belarus	\$2.32

Sources: USDA, FAS; USApple

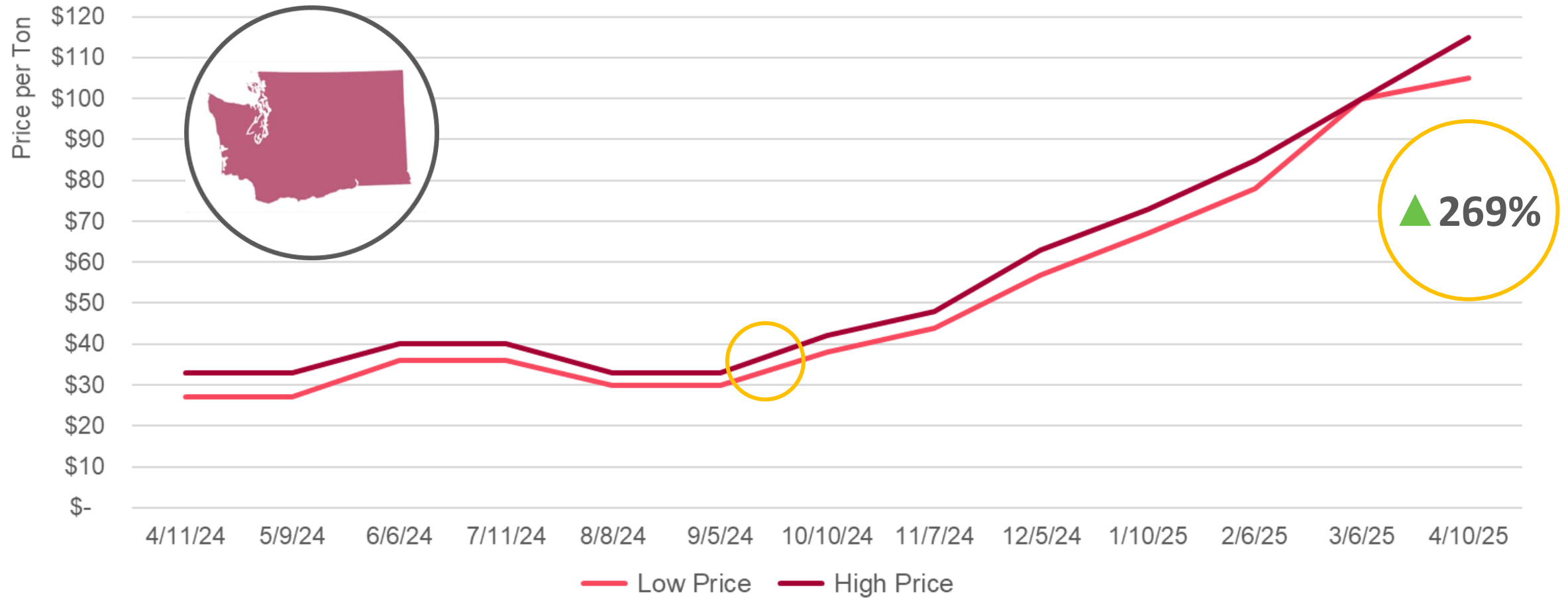
Direct Effects: AJC Prices



Sources: USDA, AMS; USApple

Direct Effects: WA Processing Apple Prices

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Sources: USDA, AMS; USApple

Indirect Effects: Foreign Tariffs on Exports

Challenges

▶ In markets that retaliate, sales will be lost, market share will be eroded and domestic supplies will increase putting downward pressure on prices.

Opportunities

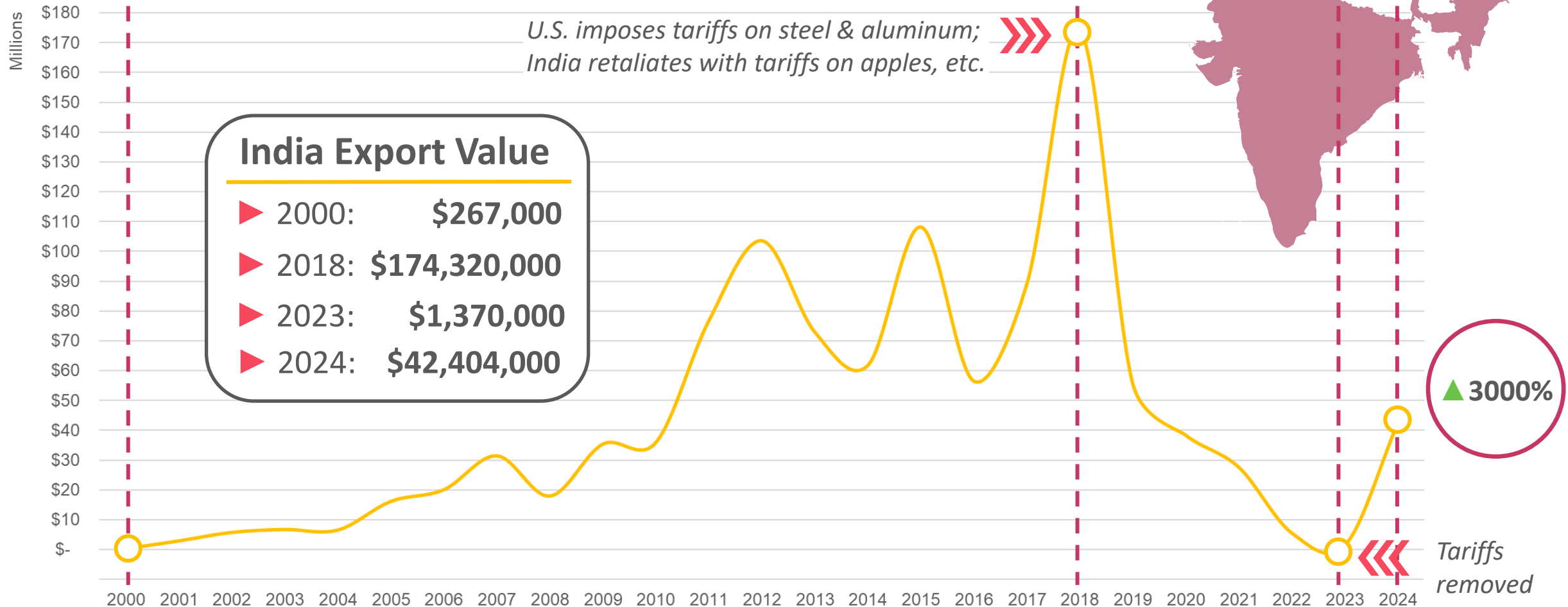
▶ In markets that negotiate, sales may be gained, market penetration may increase and domestic supplies may be lessened putting upward pressure on prices.

The severity of these impacts will be determined by the scale and scope of the retaliations or capitulations and the ability to develop new markets more quickly than older ones are lost.



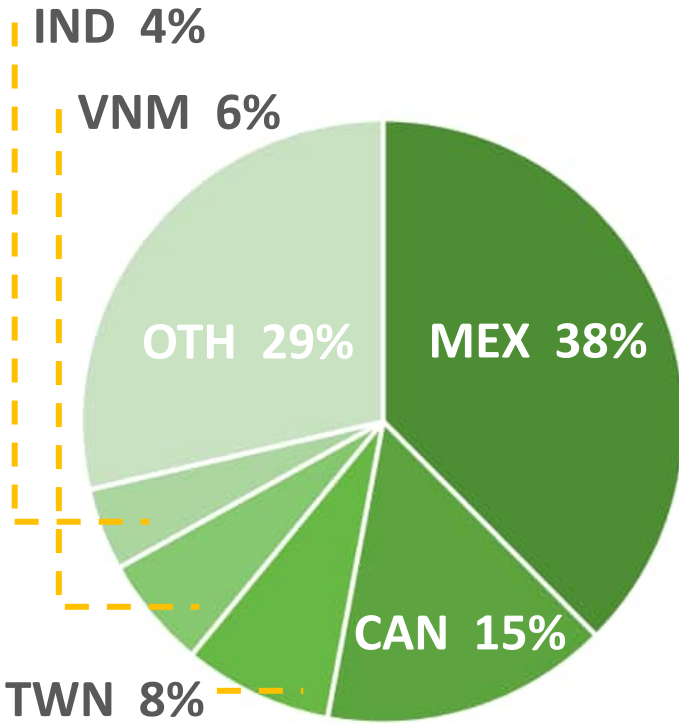
Indirect Effects: Exports to India

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Sources: USDA, FAS; USApple

Indirect Effects: Fresh Apple Exports



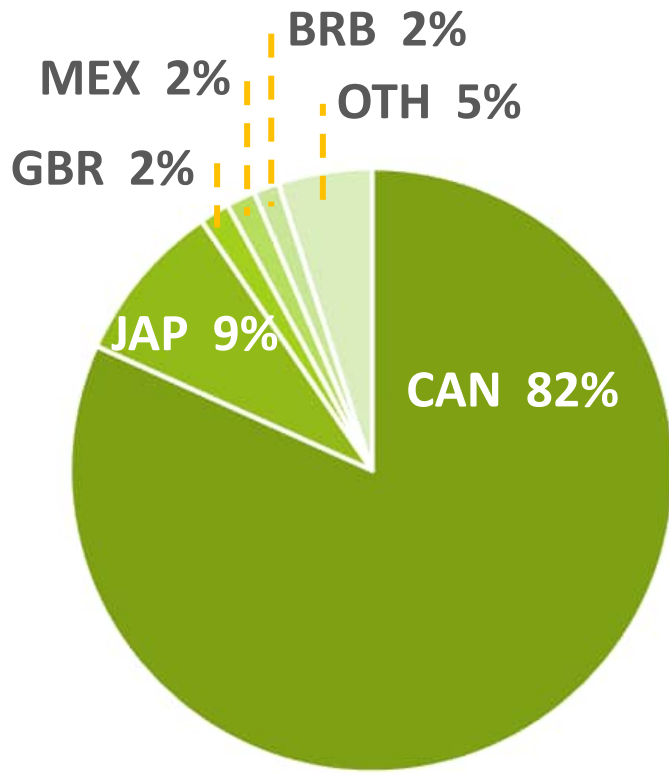
* 2024 trade levels

	Volume (BUs)	Value (\$)
Mexico	17,589,765	\$397,402,000
Canada	7,223,117	\$157,456,000
Taiwan	3,734,632	\$94,511,000
Viet Nam	2,819,620	\$74,074,000
India	2,069,970	\$38,433,000
Other (59)	13,410,735	\$320,095,000
China	432,599 BU	\$10.5 M

6. Dom. Rep.	\$35 M
7. Guatemala	\$30 M
8. Hong Kong	\$22 M
9. Colombia	\$19 M
10. Thailand	\$23 M
11. Peru	\$16 M
12. Israel	\$19 M
13. Indonesia	\$15 M
14. Honduras	\$12 M
15. El Salvador	\$11 M

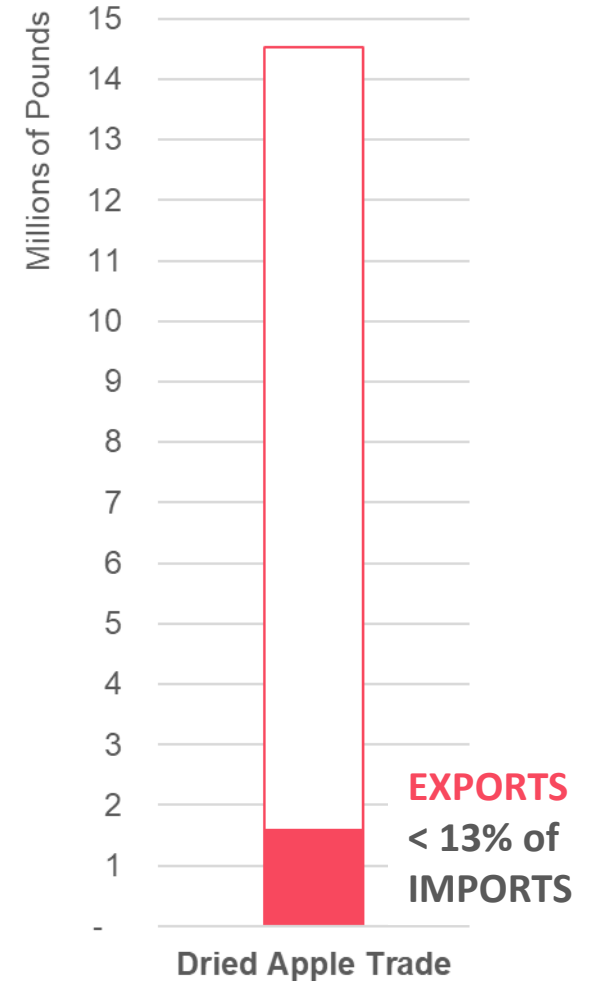
Sources: USDA, FAS; USApple

Indirect Effects: Dried Apple Exports



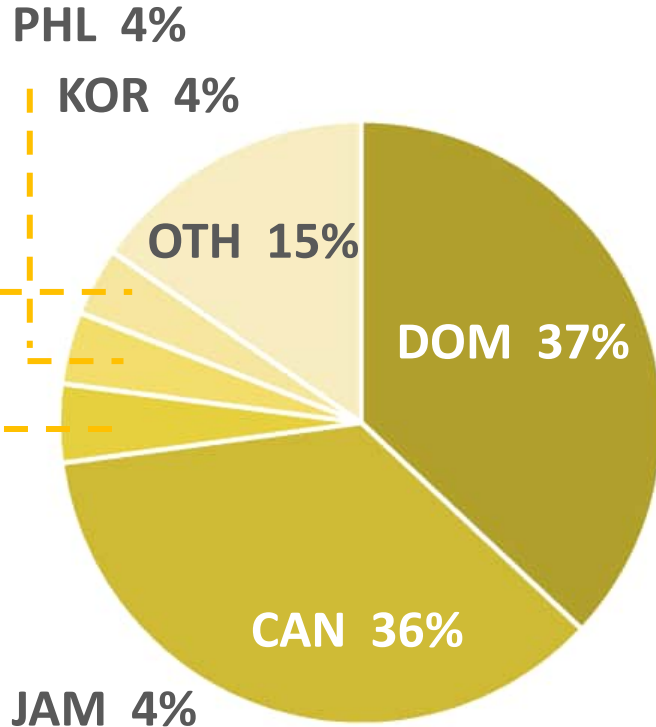
* 2024 trade levels

	Volume (LBs)	Value (\$)
Canada	1,303,151	\$4,974,000
Japan	138,891	\$417,000
United Kingdom	25,574	\$142,000
Mexico	24,912	\$87,000
Barbados	21,605	\$25,000
Other (9)	80,028	\$300,000
China	0 LB	\$0



Sources: USDA, FAS; USApple

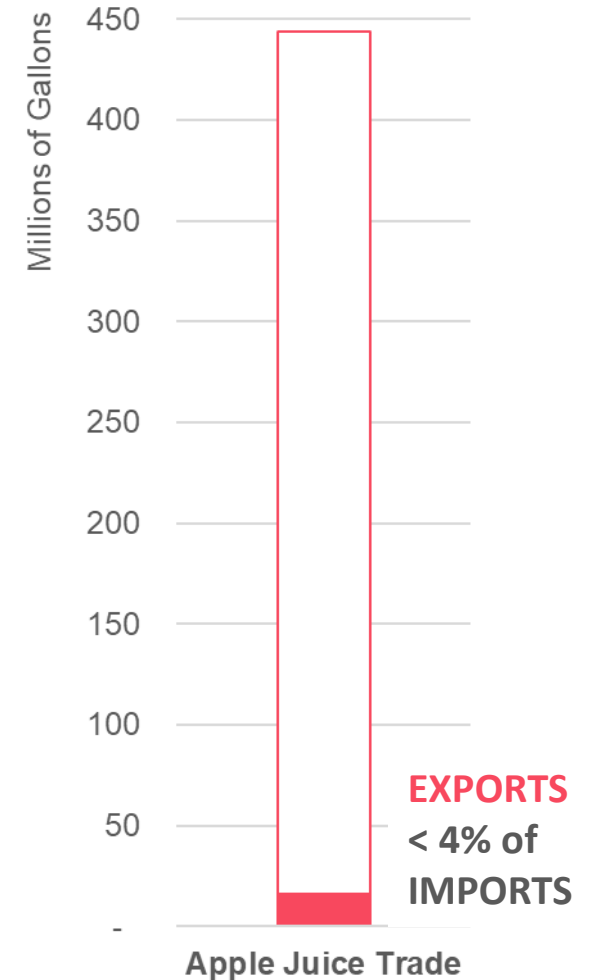
Indirect Effects: Apple Juice Exports



* 2024 trade levels

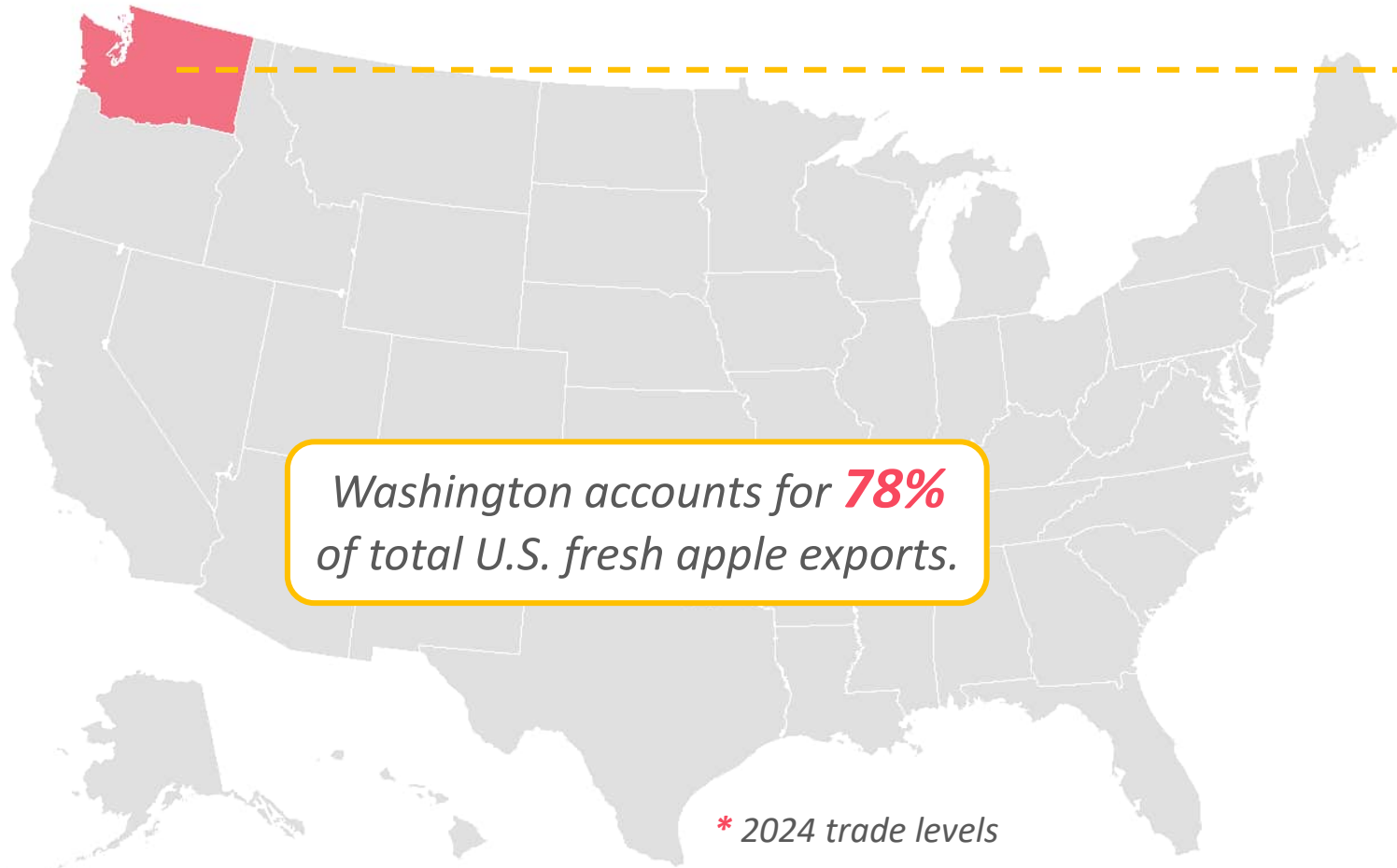
	Volume (GAs)	Value (\$)
Dom. Rep.	6,037,625	\$23,206,000
Canada	5,858,622	\$23,553,000
Jamaica	687,138	\$2,822,000
South Korea	631,847	\$3,095,000
Philippines	596,104	\$3,225,000
Other (44)	2,513,861	\$10,703,000

China **91,271 GA** **\$313,000**



Sources: USDA, FAS; USApple

Indirect Effects: Fresh Apple Exports by State

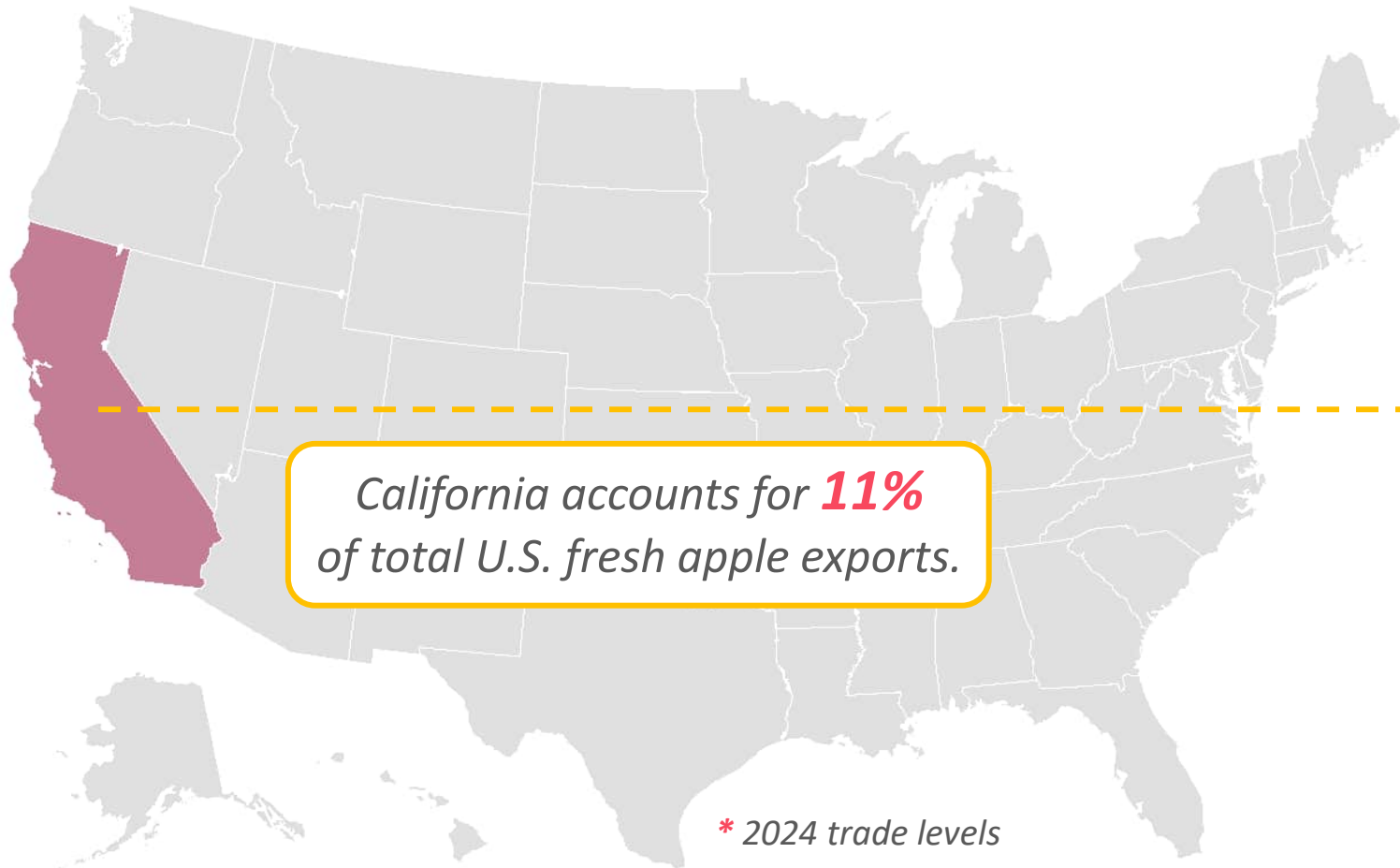


TOTAL: \$845.2 M

▶ Mexico	\$301.6 M
▶ Canada	\$120.3 M
Taiwan	\$86.0 M ◀
Viet Nam	\$69.5 M ◀
India	\$33.9 M ◀
Thailand	\$22.0 M ◀
Dom. Rep.	\$21.9 M
Hong Kong	\$21.1 M
Israel	\$17.7 M ◀
Colombia	\$15.6 M
Guatemala	\$15.3 M
Indonesia	\$14.9 M ◀
Peru	\$13.6 M
China	\$10.2 M
Other (36)	\$81.5 M

Sources: USDA, FAS; USApple

Indirect Effects: Fresh Apple Exports by State

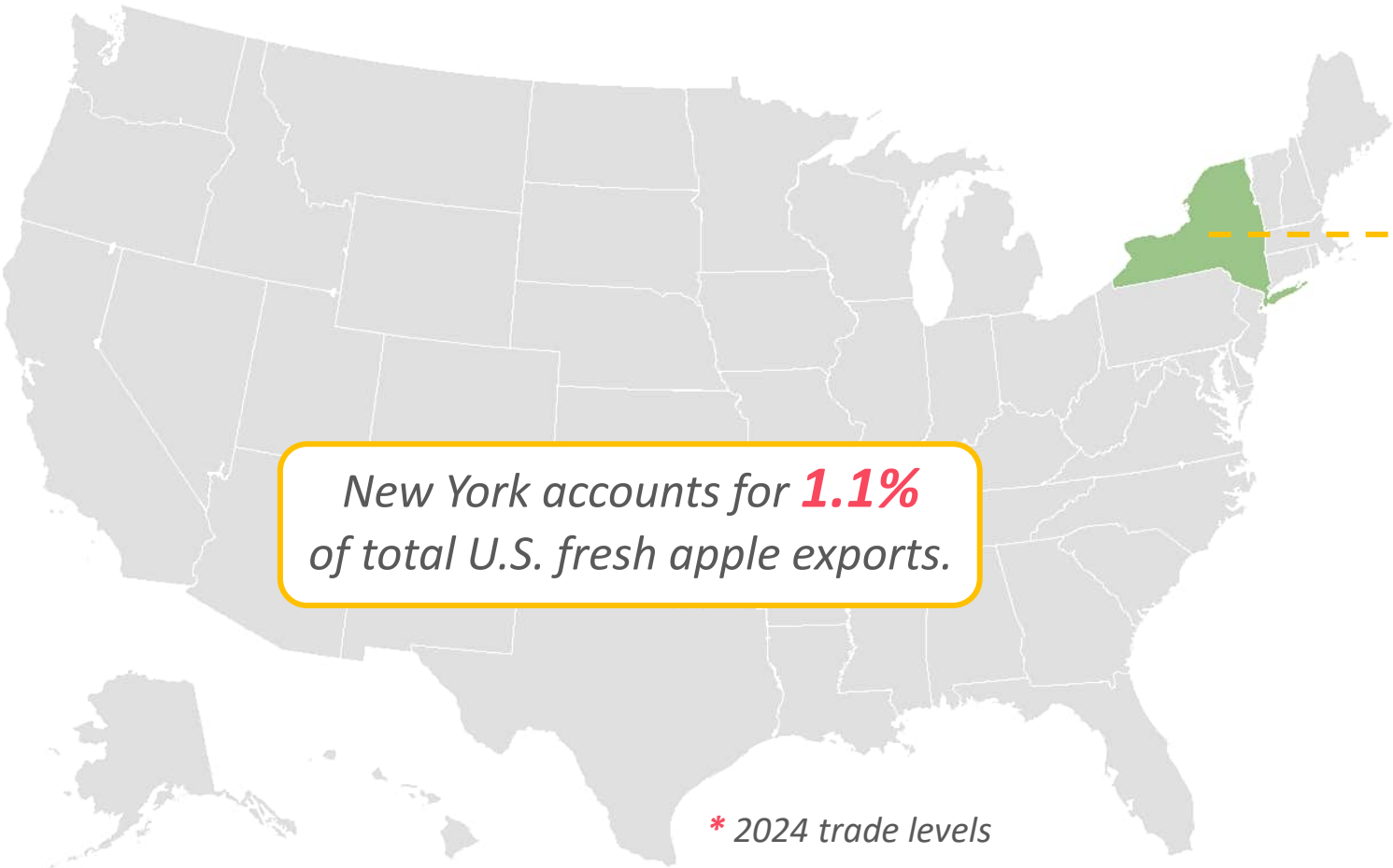


TOTAL: \$122.7 M

▶ Mexico	\$58.6 M
Guatemala	\$12.8 M
Taiwan	\$8.3 M ▼
Dom. Rep.	\$5.5 M
El Salvador	\$4.3 M
India	\$4.2 M ▼
Costa Rica	\$4.0 M
Viet Nam	\$3.7 M ▼
Honduras	\$2.7 M
UAE	\$2.3 M
Peru	\$2.3 M
Nicaragua	\$2.0 M
Colombia	\$1.9 M
▶ Canada	\$1.5 M
Other (27)	\$8.6 M

Sources: USDA, FAS; USApple

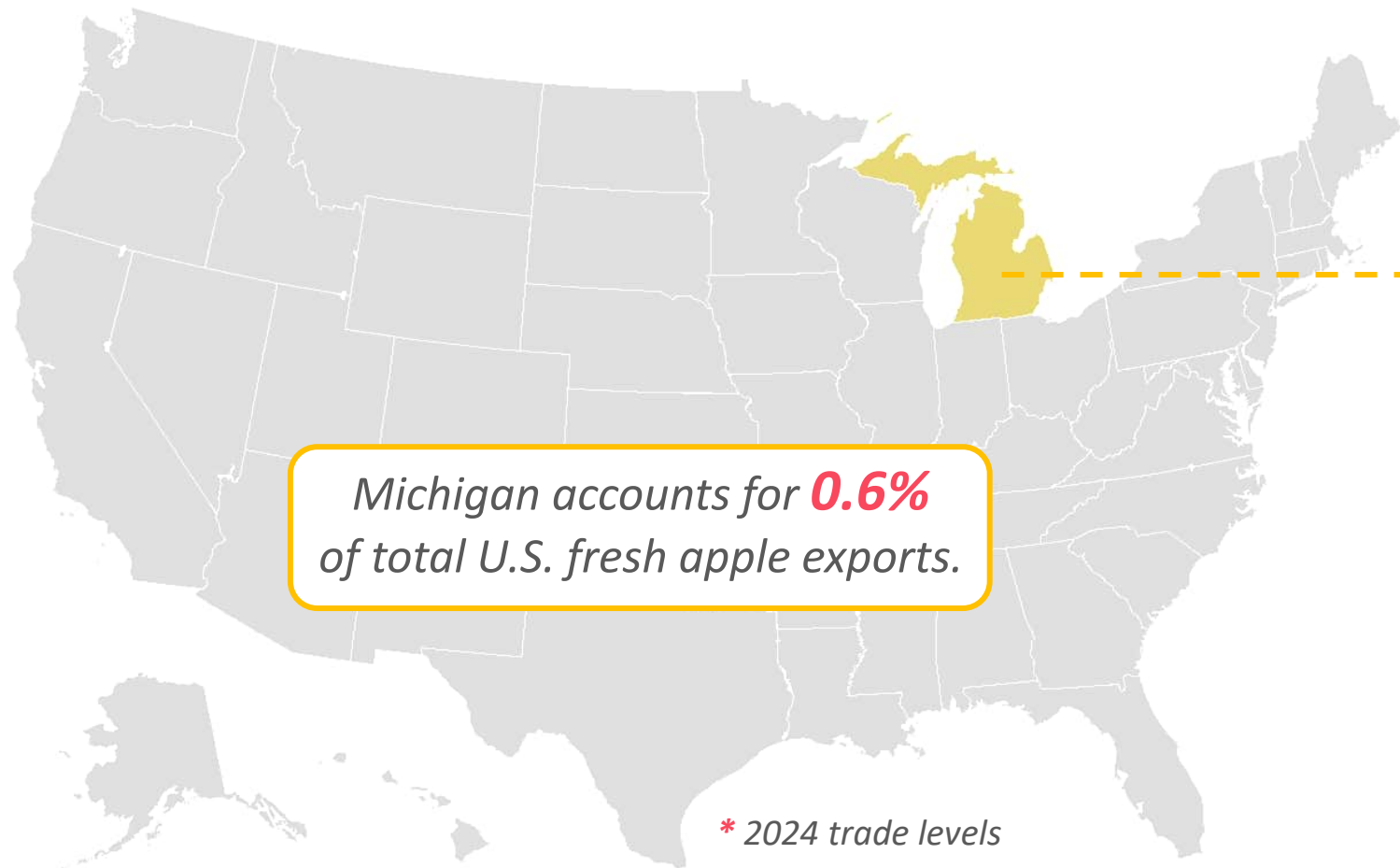
Indirect Effects: Fresh Apple Exports by State



TOTAL: \$11.7 M	
▶ Canada	\$9.6 M
Israel	\$1.1 M ◀
Dom. Rep.	\$342,000
Colombia	\$169,000
Viet Nam	\$137,000 ◀
Iceland	\$110,000
China	\$104,000
Singapore	\$31,000
India	\$30,000 ◀
Guyana	\$26,000
Panama	\$24,000
Peru	\$21,000
Honduras	\$19,000
Bahamas	\$16,000

Sources: USDA, FAS; USApple

Indirect Effects: Fresh Apple Exports by State



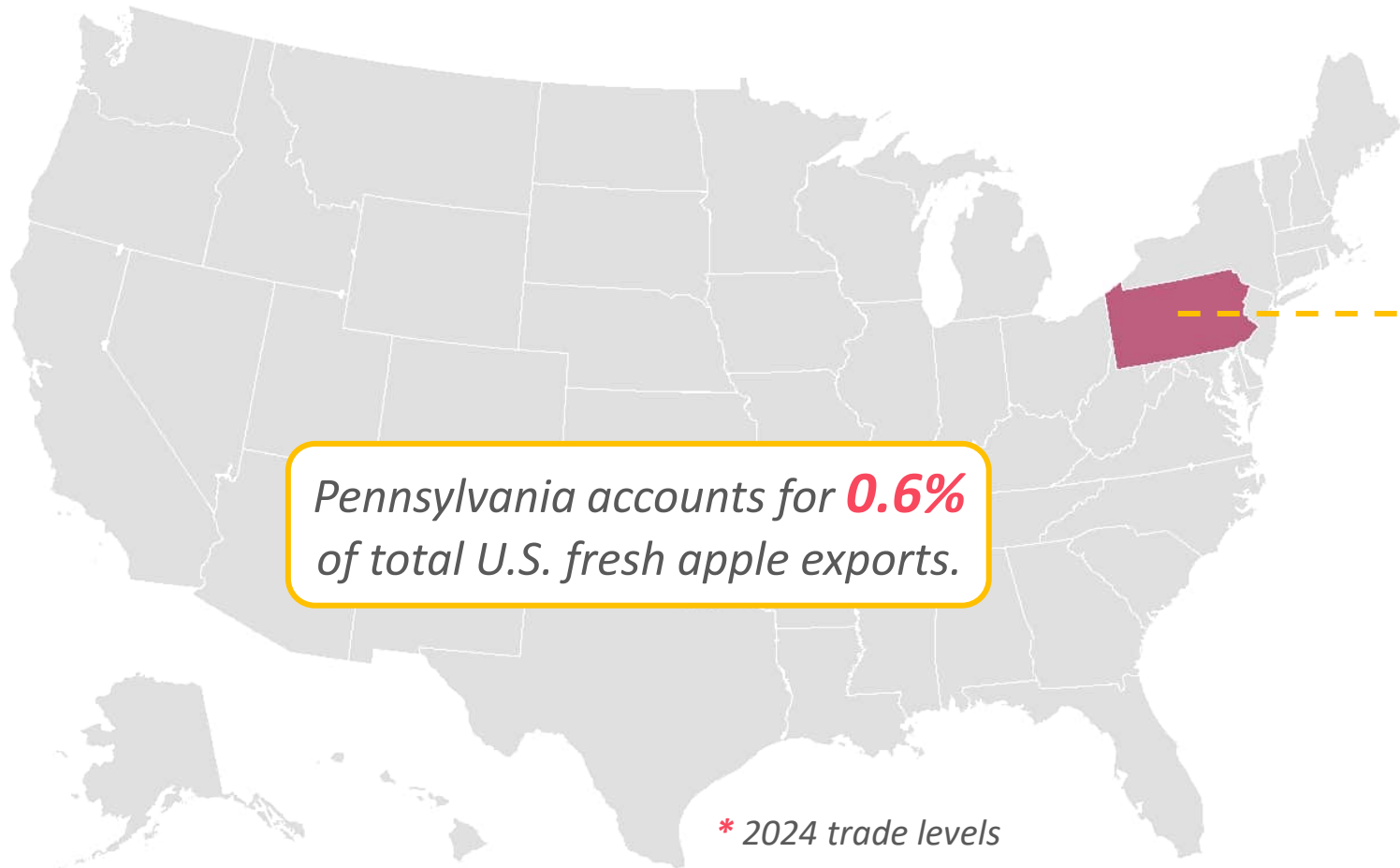
* 2024 trade levels

TOTAL: **\$6.3 M**

Dom. Rep.	\$2.3 M
Guatemala	\$1.3 M
▶ Canada	\$1.1 M
Honduras	\$532,000
Costa Rica	\$356,000
Colombia	\$233,000
El Salvador	\$211,000
Nicaragua	\$161,000
Trin. & Tob.	\$45,000
▶ Mexico	\$39,000
Peru	\$24,000

Sources: USDA, FAS; USApple

Indirect Effects: Fresh Apple Exports by State



* 2024 trade levels

TOTAL: **\$6.2 M**

Bermuda \$4.2 M

Dom. Rep. \$955,000

Philippines \$383,000

Colombia \$311,000

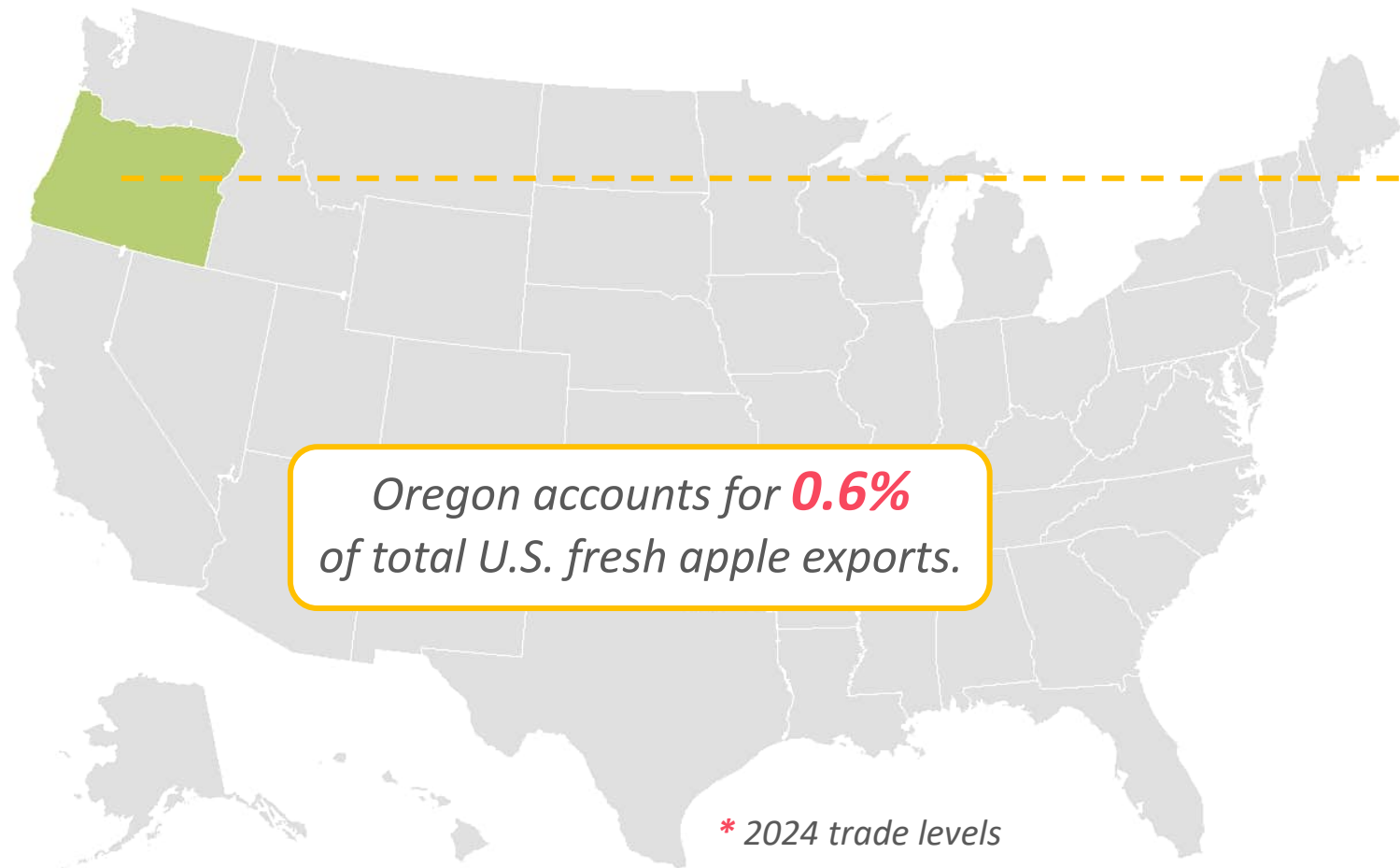
▶ Canada \$252,000

Malaysia \$109,000 ◀

Guyana \$76,000

Sources: USDA, FAS; USApple

Indirect Effects: Fresh Apple Exports by State

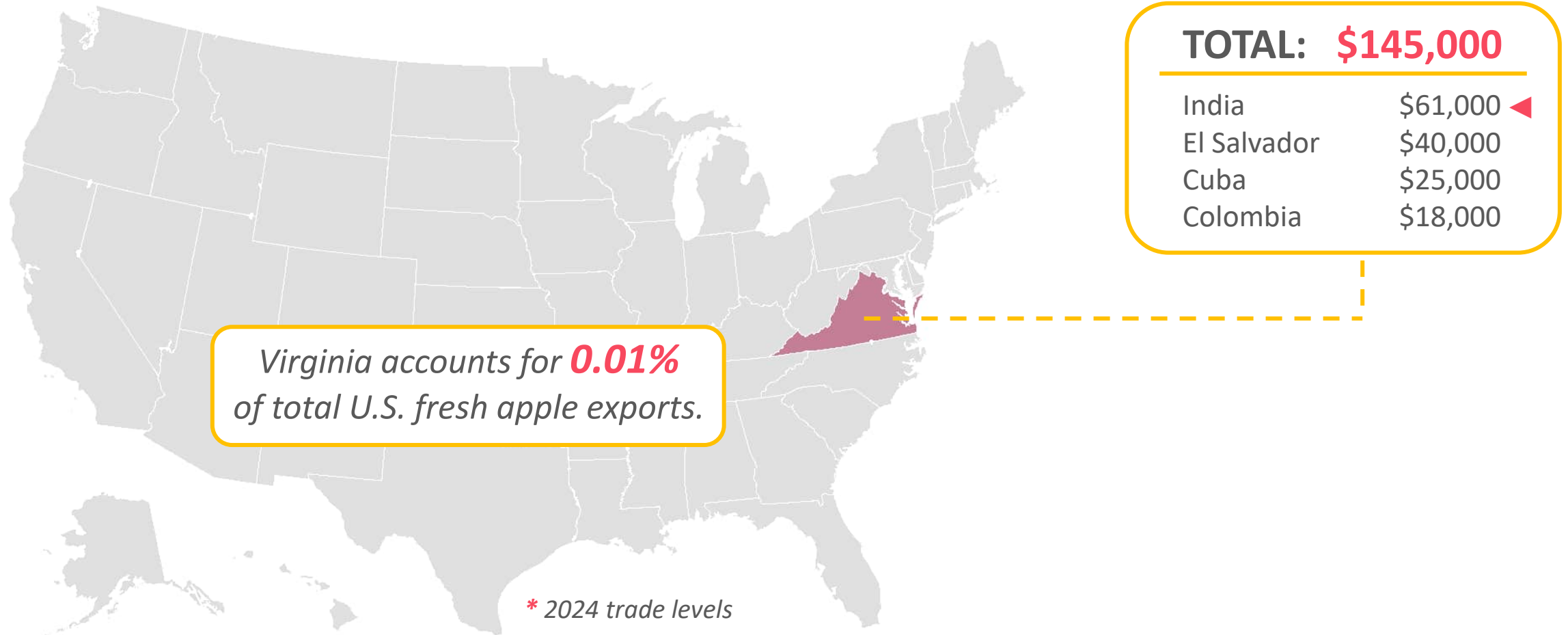


TOTAL: **\$6.1 m**

▶ Mexico	\$5.3 m
Viet Nam	\$298,000 ◀
▶ Canada	\$222,000
Guatemala	\$101,000
Taiwan	\$58,000 ◀
Honduras	\$49,000
El Salvador	\$25,000
Philippines	\$23,000

Sources: USDA, FAS; USApple

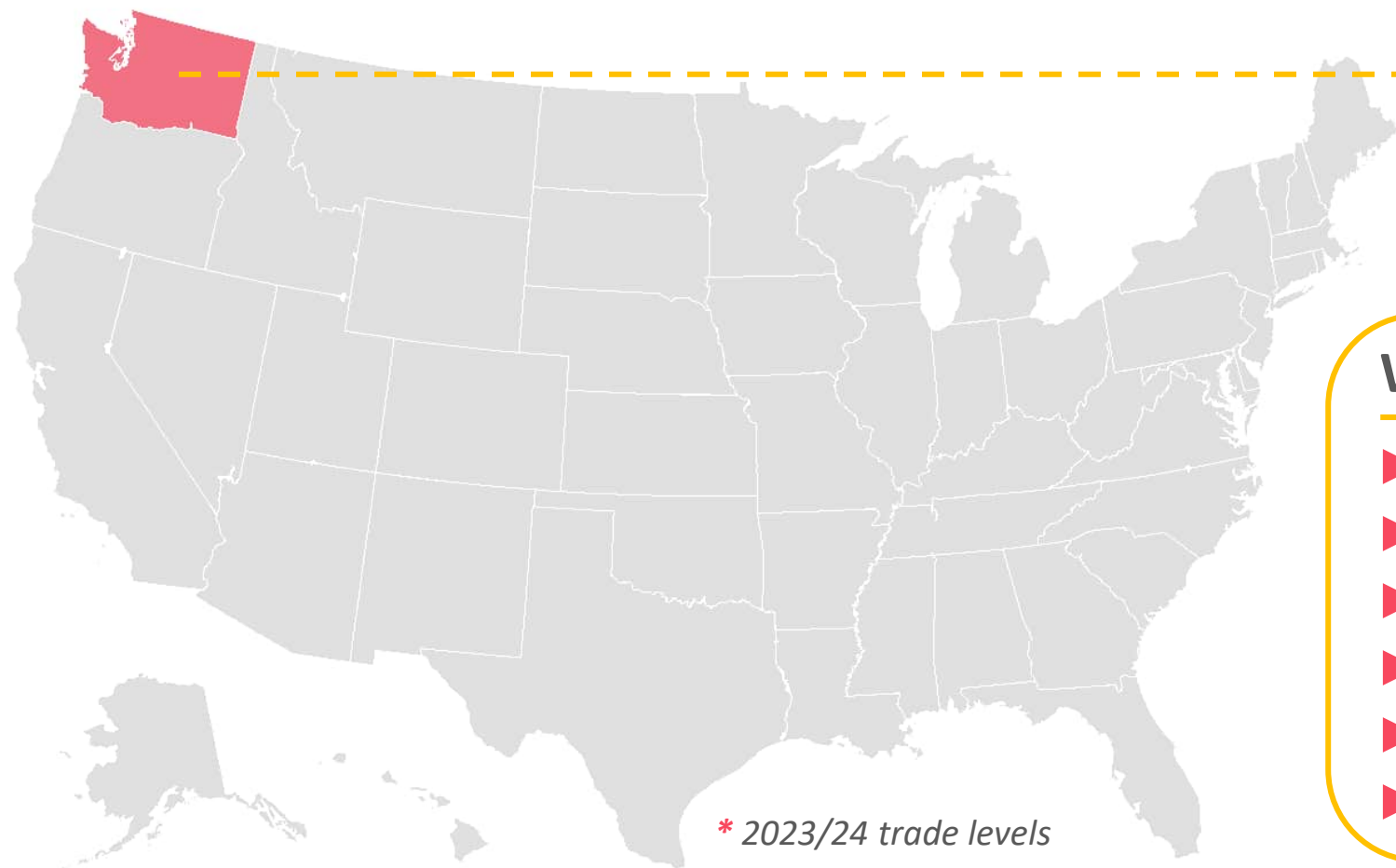
Indirect Effects: Fresh Apple Exports by State



Sources: USDA, FAS; USApple

Indirect Effects: Fresh Apple Exports by Variety

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* 2023/24 trade levels

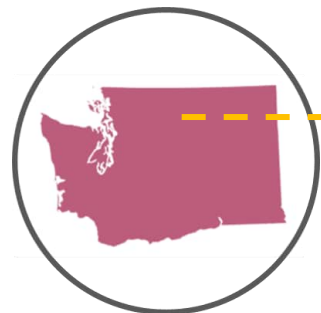
WASHINGTON TOTAL: 37.2 M BU

▶ Red Delicious	10.4 M BU	28%
▶ Gala	8.7 M BU	23%
▶ Other	6.7 M BU	18%
▶ Granny Smith	5.3 M BU	14%
▶ Fuji	3.6 M BU	10%
▶ Golden Delicious	2.5 M BU	7%

Sources: WSTFA; USApple

Indirect Effects: Fresh Apple Exports by Variety

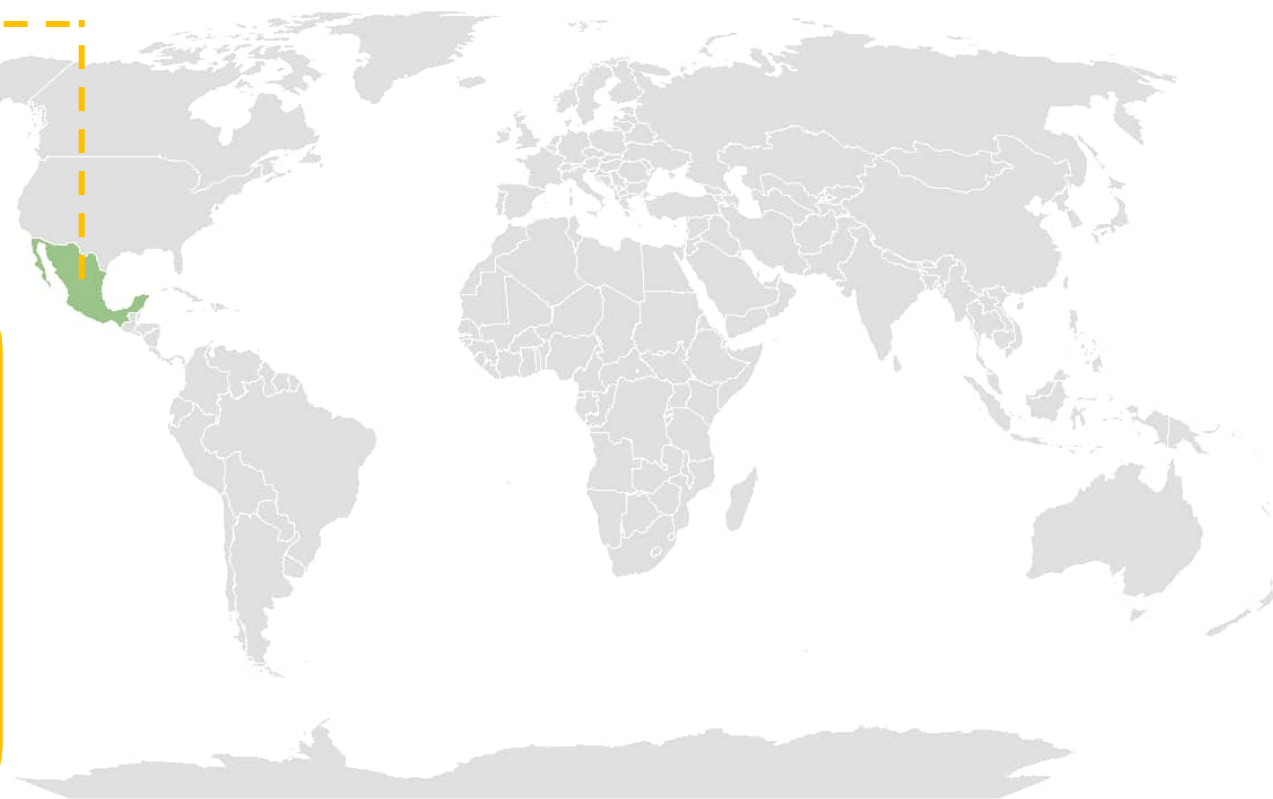
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WA to MEXICO:

14.9 M BU

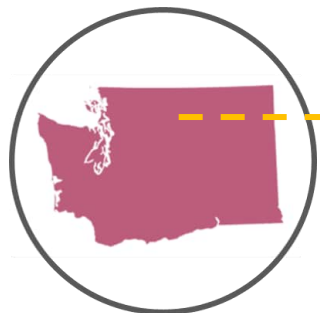
▶ Gala	4.6 M BU	31%
▶ Red Delicious	4.6 M BU	31%
▶ Golden Delicious	2.2 M BU	15%
▶ Granny Smith	2.2 M BU	15%
▶ Other	1.1 M BU	17%
▶ Fuji	198,903 BU	1%



* 2023/24 trade levels

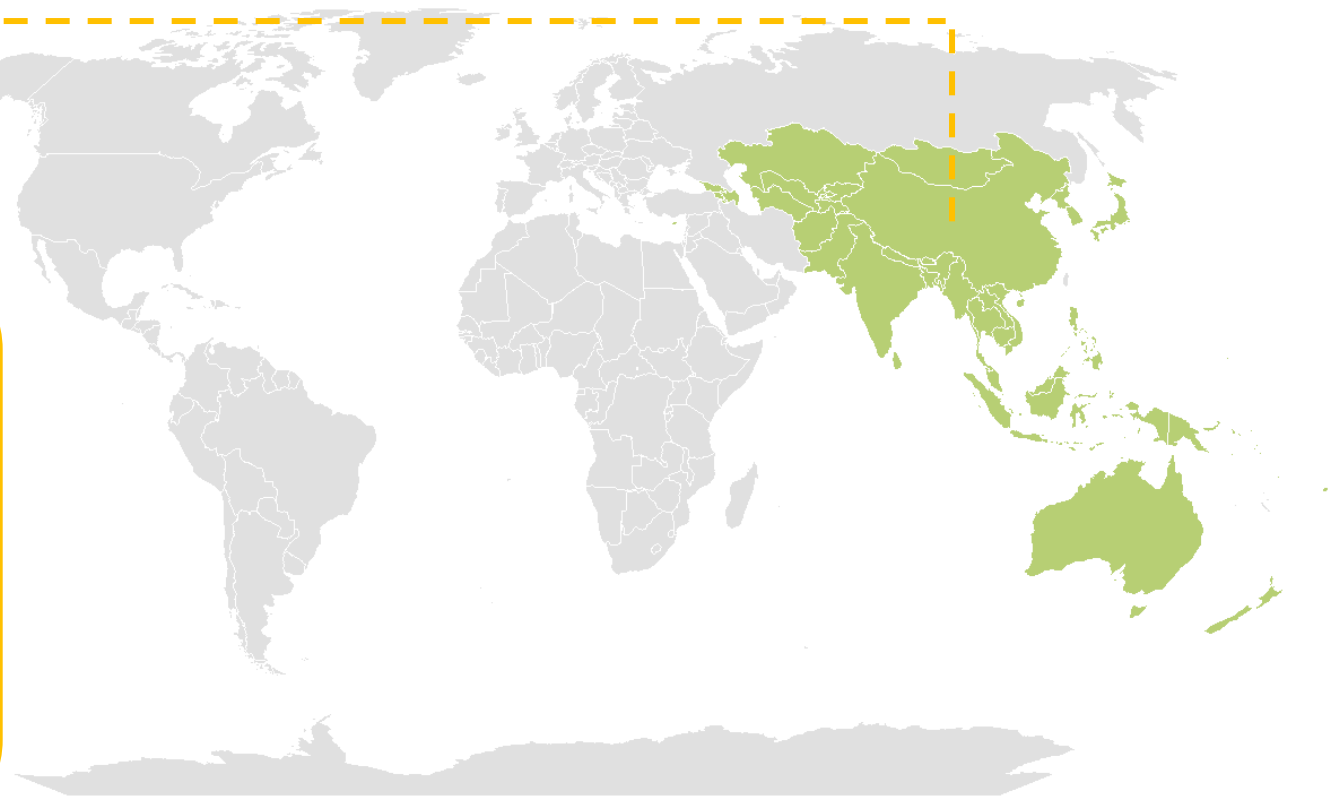
Sources: USDA, FAS; USApple

Indirect Effects: Fresh Apple Exports by Variety



WA to ASIA & PACIFIC: 7.7 M BU

▶ Fuji	2.8 M BU	36%
▶ Other	2.4 M BU	31%
▶ Red Delicious	1.2 M BU	15%
▶ Gala	960,935 BU	12%
▶ Granny Smith	434,952 BU	6%
▶ Golden Delicious	3,217 BU	0%

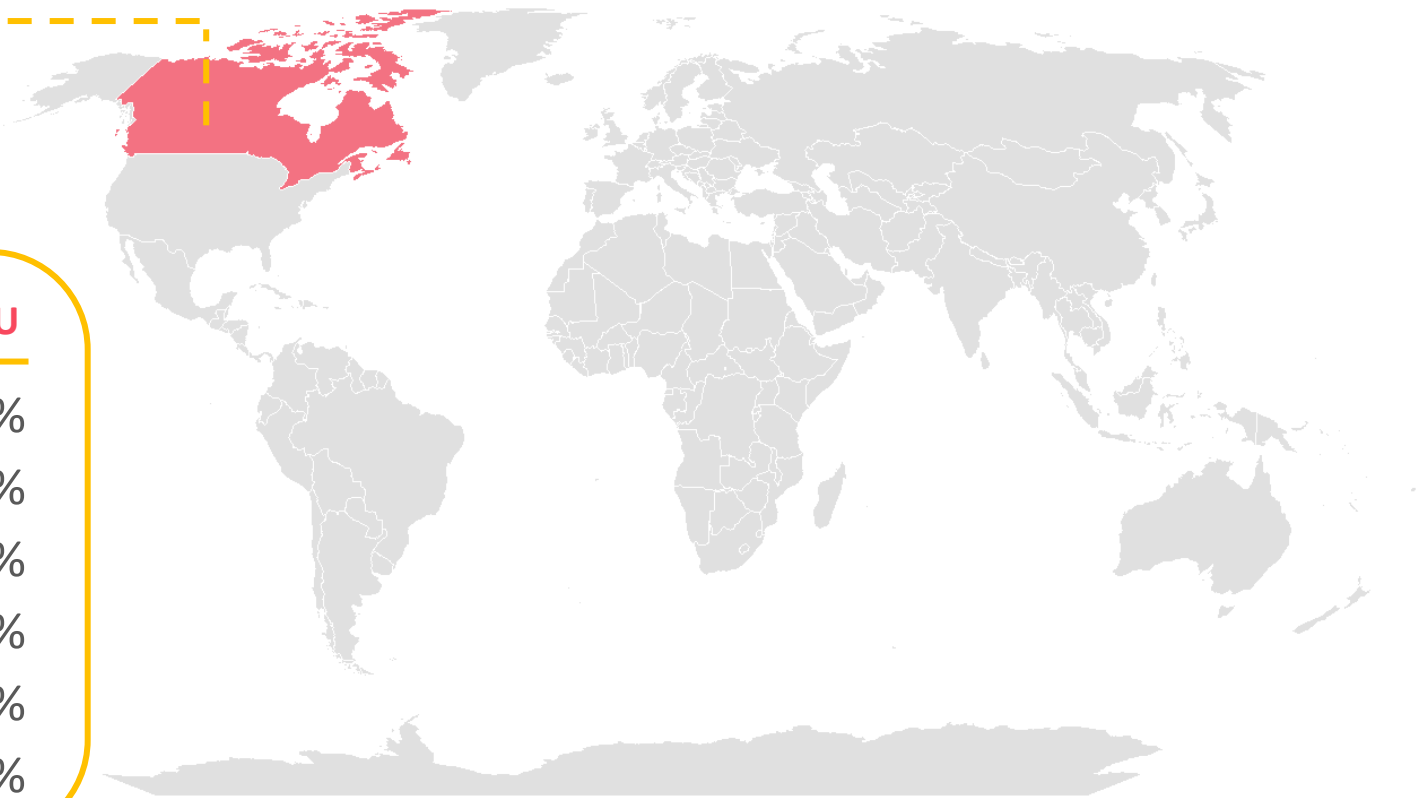
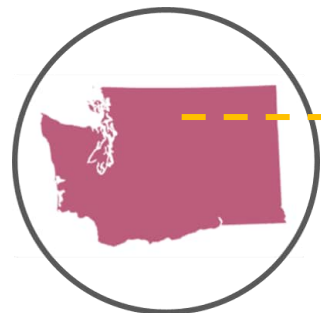


* 2023/24 trade levels

Sources: USDA, FAS; USApple

Indirect Effects: Fresh Apple Exports by Variety

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WA to CANADA:

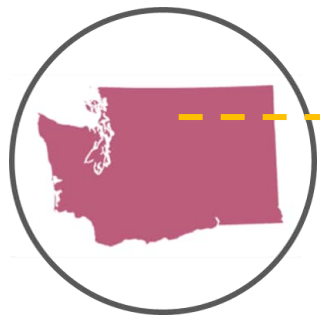
5.9 M BU

▶ Other	2.3 M BU	38%
▶ Gala	1.6 M BU	27%
▶ Granny Smith	1.0 M BU	17%
▶ Red Delicious	508,369 BU	9%
▶ Fuji	297,721 BU	5%
▶ Golden Delicious	182,358 BU	3%

* 2023/24 trade levels

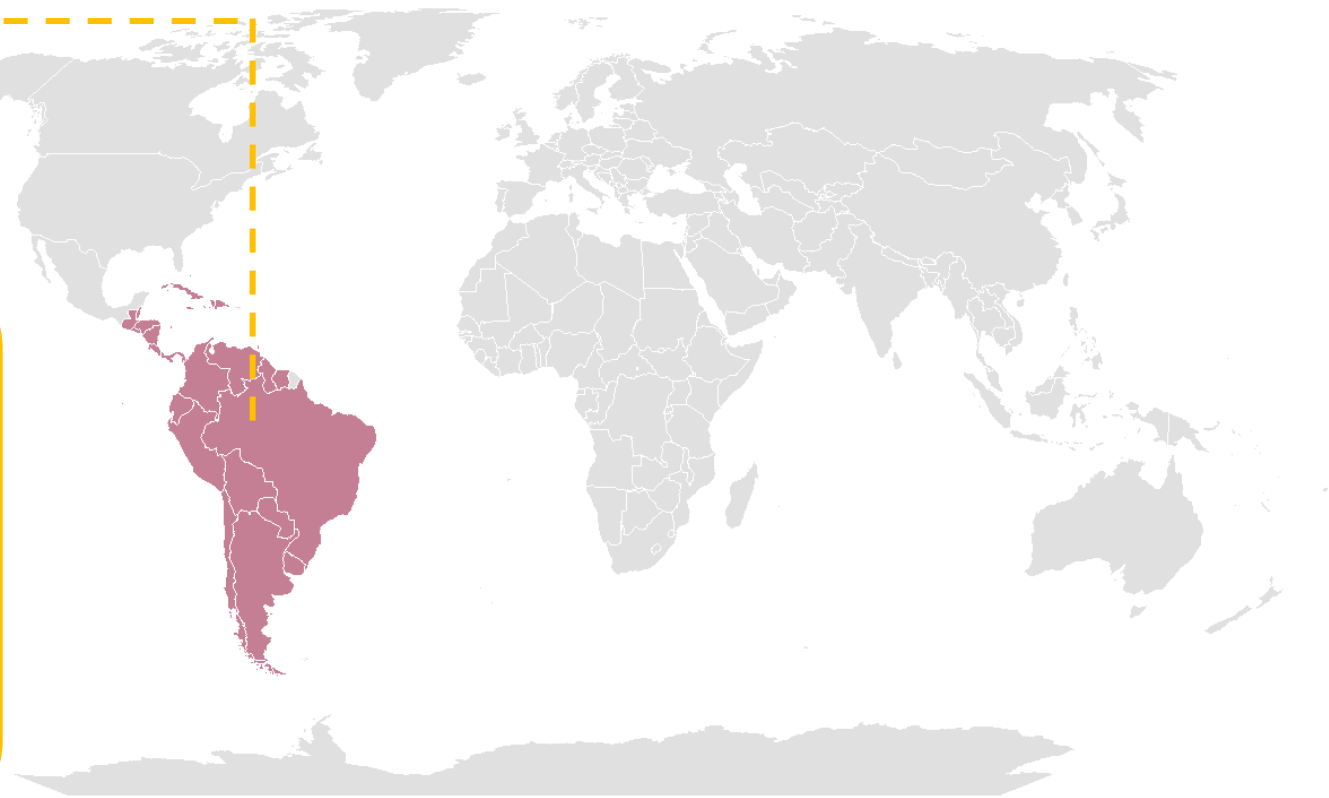
Sources: USDA, FAS; USApple

Indirect Effects: Fresh Apple Exports by Variety



WA to C & S AMERICA: 5.2 M BU

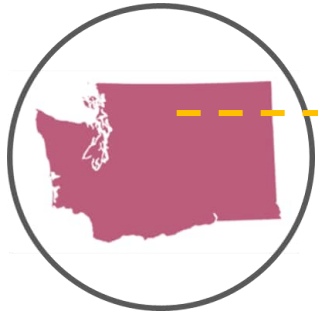
▶ Red Delicious	2.1 M BU	40%
▶ Granny Smith	1.4 M BU	27%
▶ Gala	1.1 M BU	21%
▶ Other	344,609 BU	7%
▶ Fuji	214,558 BU	4%
▶ Golden Delicious	57,583 BU	1%



* 2023/24 trade levels

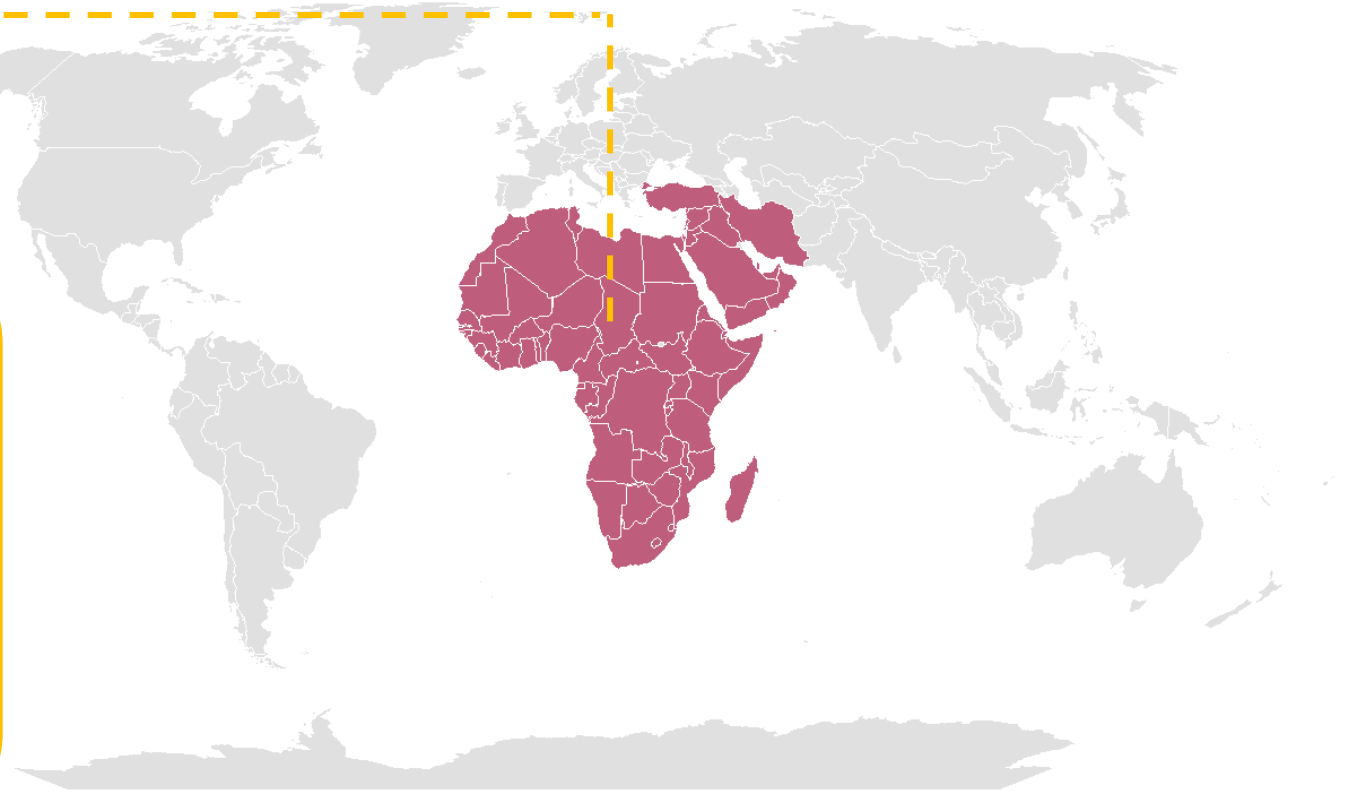
Sources: USDA, FAS; USApple

Indirect Effects: Fresh Apple Exports by Variety



WA to AFRICA & M EAST: 3.5 M BU

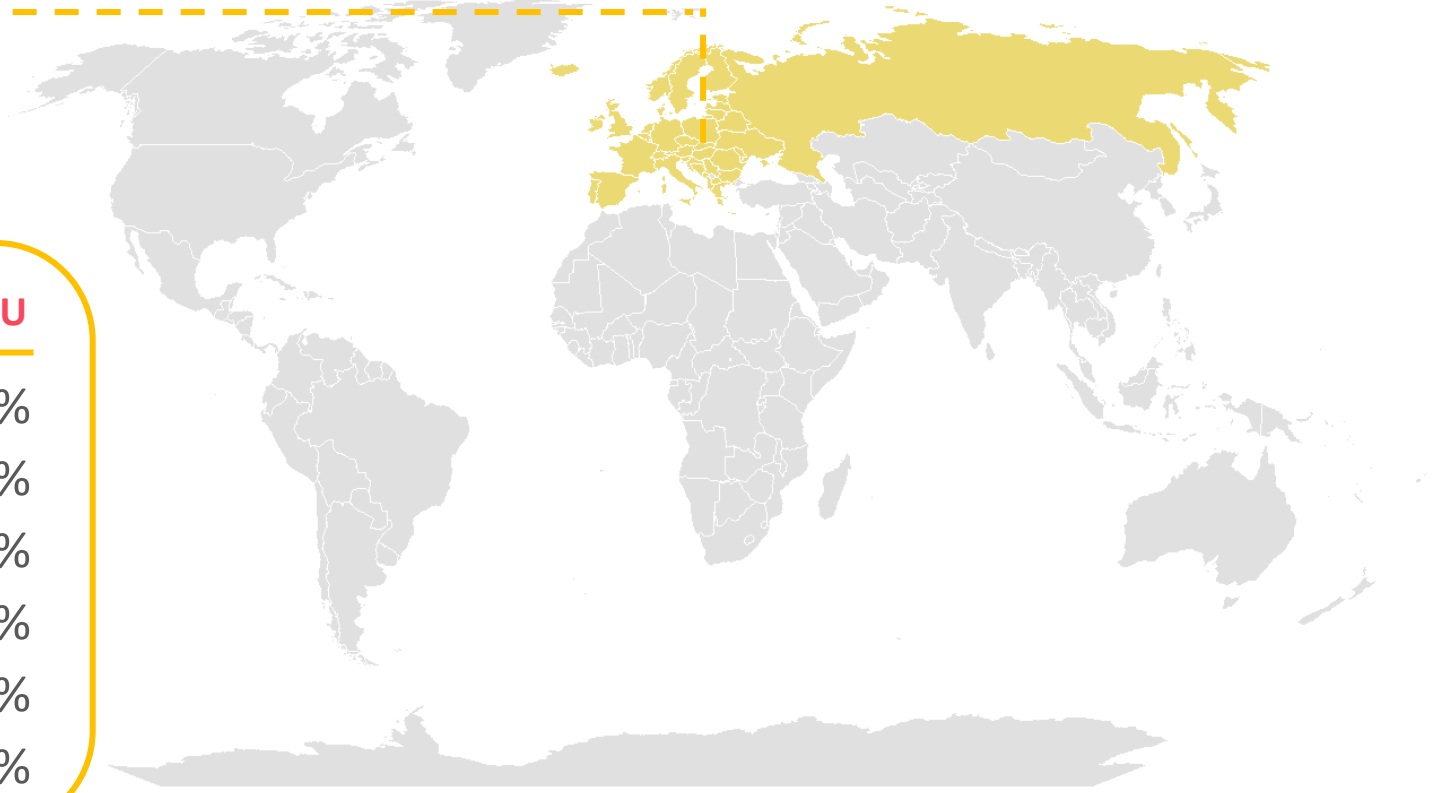
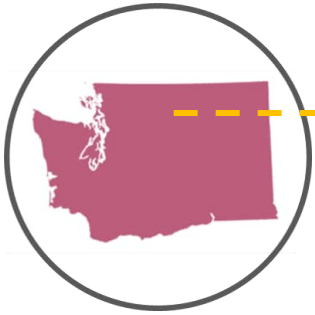
▶ Red Delicious	2.0 M BU	59%
▶ Other	621,200 BU	18%
▶ Gala	427,966 BU	12%
▶ Granny Smith	239,372 BU	7%
▶ Fuji	122,686 BU	4%
▶ Golden Delicious	4,610 BU	0%



* 2023/24 trade levels

Sources: USDA, FAS; USApple

Indirect Effects: Fresh Apple Exports by Variety



WA to EUROPE:

75,544 BU

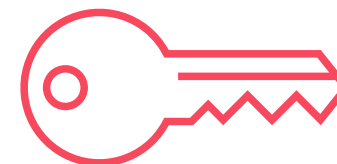
▶ Other	51,856 BU	69%
▶ Red Delicious	12,954 BU	17%
▶ Gala	10,331 BU	14%
▶ Fuji	261 BU	0%
▶ Granny Smith	141 BU	0%
▶ Golden Delicious	0 BU	0%

* 2023/24 trade levels

Sources: USDA, FAS; USApple

USApple Key Take-Aways

- ▶ *The U.S. apple industry is coming off a few tough years – these tariffs will add a layer of costs and uncertainty that will make planning and investing for the future more challenging and may lead to a wider economic downturn.*
- ▶ *If the tariffs on China and other important trading partners remain in place, the costs of AJC will continue to increase both globally and domestically – on the bright side for the growers, the price of domestic processing apples will also increase.*
- ▶ *If the relationship with Mexico and Canada is worsened and they retaliate against U.S. apples, it would be catastrophic for the industry without corresponding opportunities to increase exports in other existing or new markets.*



Thank You!

*Better data,
better decisions.*

Christopher Gerlach

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Outlook

August 13-15, 2025
Chicago, IL