

MARKET SNAPSHOT
CHERRIES



Sept. 30, 2022

Executive Summary

Drivers for the cherry industry include a very short 2022 crop, high prices supported by solid demand and rising operating costs.

- The 2022 cherry season will end with about 12 million 20-pound boxes, the smallest crop in 14 years.
- Prices increased significantly over 2021 to account for limited supply and higher operating costs.
- Consumer demand remained stable despite higher prices and persistently high inflation.

12-Month Profitability Outlook

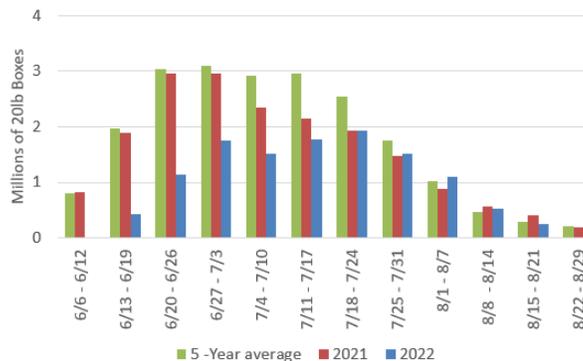


Northwest FCS' 12-month outlook foresees slightly profitable conditions for the Northwest cherry industry. Challenging weather conditions led to a very small crop, which more significantly impacted growers with early season varieties. Crop insurance will help to offset losses. Stronger than expected consumer demand supported prices, but higher operating costs will pressure margins for many growers.

Supply

The 2022 cherry season came to an end with an estimated 12 million 20-lb box crop, the lowest volume since 2008 (the five-year average is about 21 million boxes). Unseasonably cold, wet weather along with hailstorms delayed bloom, limited pollination and damaged crops in the Northwest. Many growers faced increased operating costs due to fruit maturing at different rates. In addition, input costs remain significantly above pre-pandemic levels. Early season varieties (Chelan, Tieton, Bing, Rainier and Early Robin) experienced significantly lower volumes than later season varieties (Lapins, Skeena, Sweetheart and Regina) as seen in the chart below. Quality was highly variable based on site, harvest timing and variety. Labor availability improved over last year given the smaller crop, minimal overlap with Californian cherry harvest and reduced COVID-19 restrictions.

Weekly Cherry Shipments



Source: WSTFA Daily Cherry Shipment Comparison Report

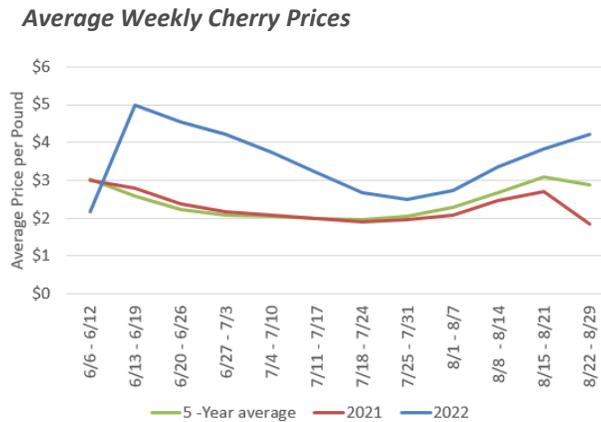
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Demand

Demand for cherries remained stable considering higher prices, variable fruit quality and the negative impact of high inflation on consumer wealth.

Pricing

Prices rose rapidly early in the season reaching double the five-year average before decreasing gradually as more supply entered the market. From late July through August, prices tracked more closely to historical averages.



Source: WSTFA Daily Cherry Pricing Comparison Report

Profitability

Profitability will be variable this season. Growers with a greater proportion of late season varieties in their orchards likely saw adequate volumes with average to good quality fruit. Crop insurance will be important for others impacted by challenging weather conditions. While consumers generally showed a willingness to absorb higher prices, rising operating costs will pressure margins. Overall expect slightly profitable conditions for the cherry industry.

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Additional Information

Northwest FCS Business Management Center

www.northwestfcs.com/Resources/Industry-Insights

USDA Agricultural Marketing Service

www.ams.usda.gov

Washington State Tree Fruit Association

www.wstfa.org

Learn More

For more information or to share your thoughts and opinions, contact the Business Management Center at 866.552.9193 or bmc@northwestfcs.com.

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