

MARKET SNAPSHOT

Pears

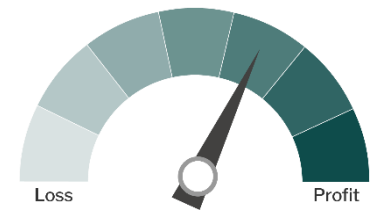
March 31, 2023

Executive summary

AgWest Farm Credit’s 12-month outlook sees pear growers as slightly profitable.

Drivers include steady demand, greater competition from Argentina, challenges with labor costs and availability, supply chain issues, and uncertainty regarding the 2023 crop.

12-Month Profitability Outlook



Industry drivers

Demand strong

Strong demand is supporting prices. Consumers value pears and with good fruit quality, most expect this trend to continue to finish out the season.

Season-to-Date Prices by Variety

Variety	Conventional			Organic
	2020/21	2021/22	2022/23	2022/23
Bartlett	\$31.29	\$31.31	\$34.28	N / A
Anjou	\$27.67	\$28.32	\$31.19	\$40.93
Bosc	\$30.32	\$30.35	\$36.68	\$43.51
Red Anjou	\$27.69	\$28.43	\$31.77	\$41.96

Source: WSTFA March 14, 2023 Weekly Summary Bulletin Report.

Imports from Argentina to increase

Northwest producers may experience greater competition from Argentinian imports in the first half of 2023. USDA estimates Argentinian production grew by 25% this season due to favorable weather conditions. Argentina exported approximately 4.2 million 20-lb boxes to the U.S. in 2022, roughly 27% the size of the Northwest crop.

Labor availability and costs are increasing concerns

Growing regions located near large population centers are facing increasing labor costs and availability pressures, particularly for orchards. Anecdotal reports suggest domestic labor is harder to come by than foreign labor. The presence of H-2A labor continues to increase across the West Coast, particularly in Washington and California; however, it does not appear to be matching demand. See the **Crop Inputs Snapshot** for further analysis of labor conditions.

Supply chain challenges persist

Packers may need to adopt alternative packaging methods and materials. Anecdotal reports suggest packers face increasing logistical challenges in procuring goods, particularly plastic bags, from China and this represents a new challenge to the industry and retailers. For a deeper analysis of supply chain and crop input conditions, see our **Crop Inputs Snapshot**.

Industry uncertain about 2023 crop

It remains too early for reliable pear crop estimates. Northwest growers are experiencing high levels of bud set, and this suggests a potentially large 2023 crop. Currently, there are several concerns:

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1. Total yields will depend on weather and access to labor during harvest.
2. Frost and heat damage in 2022 could lead to quality issues in 2023.
3. A relatively high proportion of trees in some locations retained leaves during winter and this may increase pruning and thinning costs.

Profitability

Pear producers will likely see slightly profitable conditions on average for the 2022 crop. Strong demand is supporting prices, and this should continue to finish out the season. While competition from Argentina may increase, the impact on Northwest growers should be minimal. A high level of bud set suggests the potential for a very large 2023 crop, but again, it remains too early for reliable estimates.

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Additional information

AgWest Business Management Center

www.AgWestFC.com/Industry-Insights

USA Pears

www.usapears.org

USDA Agricultural Marketing Service

www.ams.usda.gov

USDA National Agricultural Statistics Service

www.nass.usda.gov

Washington State Tree Fruit Association

www.wstfa.org

Learn more

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