**Fruit Industry Outlook – 2008 (Retrospective) / 2009**

by Harold J. Larsen, Ph.D., Interim Manager, Colorado State University - Western Colorado Research Center, Grand Junction, CO.

**Summary:** Colorado's fruit crop had a late start to the season with bud break and bloom about 2 weeks later than normal. Harvest of tree fruits also was about 2 weeks late, but wine grape harvest finished slightly earlier than usual although some late harvest vineyards suffered damage from fall frost. Tree fruit production was down about 10 - 30%, but Colorado's wine grape production set a new record (estimated at near 2,000 tons) with a full crop and young vineyards reaching production. Stone fruit production was 85 - 90% of a full crop while pears were about 75 - 80% of a full crop and apples were about 70% of a full crop. Sweet cherry prices led the way with up to $50 - 60 / box and demand was good; pear prices also were better than average for packed fruit, but prices for other fruit crops were down 10% from those in 2007. Estimated crop values ranged from $11 million for peaches to $4 million for apples to $1.2 million for pears and $2.4 - 2.8 million for grapes. Value of 2008 wine vintage is projected to be around $24 - 28 million based on use of a conservative 10x multiplier. Challenges for 2009 include agricultural labor availability, increased potential costs for fuel and fertilizer, maintaining fruit quality and size, marketing, and continued vigilance to minimize crop injury and loss from cold, pests, and birds. Peaches continue to lead all fruit in acreage (~2,100 acres), apples are a distant second at ~1,100 acres, and wine grapes a close third at ~ 950 - 1,000 acres.

---

Colorado's fruit crop experienced a late start in 2008 with bud break and bloom running about 2 weeks late across western Colorado. This resulted in a late harvest for tree fruit crops, but also helped most orchards and vineyards avoid serious spring frost injury and crop reduction. Wine grapes, in contrast, had an early finish to harvest and set a new production record of near 2,000 tons; winemakers were extremely pleased with the grape quality going in to the crush. Overall, Colorado's fruit industry experienced a good season in 2008 with low pest and disease pressure, moderate weather, and a reasonable labor supply. Fruit quality was excellent, and production was good with grapes setting a new record as noted previously; sweet cherries (90% crop), peaches (90% crop), apricots (85 - 90% crop), pears (75% crop), and apples (70% crop) followed in percentages of a full crop. Prices were good to down about 10% from 2007. Markets also were good until the end of the season when demand dropped off. Peaches, apples, grapes, pears, and sweet cherries continued to lead all Colorado fruit crops in crop acreage and valuation at this time.

Peaches and nectarines in Delta & Montrose Counties had good production, down only slightly from 2007. The late bloom (14 days) helped avoid spring frost damage, and incidence and severity of split-pits and soft-suture (premature ripening of the suture or crease portion of peach fruit) was low. Flavor and quality was excellent, but prices were down about 10% over 2007. Peaches continue to lead all fruit crops in acreage with an estimated 2,100 acres. Crop valuation was estimated at $11 million.

Apple acreage is estimated to be 1,100 acres in 2008. Spring frosts in Delta and Montrose areas and alternate bearing reduced apple production to about ~70% of a full crop. Pest control was good and prices were about the same as in 2007 until late in the year when Washington released a larger than expected volume of smaller apples that depressed prices for Colorado fruit. Crop valuation was estimated at $5-6 million.

Vineyard acreage of wine grapes continued to increase and is estimated to be 950 - 1,000 acres, with more acres reaching bearing age in 2008. The estimated 2,000 tons production (up from 1,000 tons in 2007) is a new record and represented approximately 95% of a full potential crop with the increase in acreage of vines of bearing age. Demand approximated supply, and 85% of all salable production was used in 2008. Harvest was earlier than normal despite the late start to the season, and winemakers report that the crop had excellent quality. Prices were comparable to those in 2007 and crop valuation was estimated at $2.2 - 2.8 million. With a conservative 10x value-added multiplier, valuation of the wine for the 2007 crop was estimated at $22 - 28 million. Interest is developing in planting cold-hardy grape hybrids along Colorado's Front Range. This could further increase grape acreage and production in the next several years. With continued expansion of grape acreage and decline in apple acreage, wine grapes could surpass apple in crop acreage and become Colorado's second largest acreage fruit crop within the next several years.

Pear acreage continued to hold at around 300 acres, and producers had ~75-80% of a full crop with excellent quality and reasonably good size. This allowed higher pack-outs for fresh market use rather than sending crop to processors. Prices were good to very good for fresh market fruit, and crop valuation was estimated at $1.2 million.

Sweet cherry acreage was estimated at 300 acres. There was only minor cold damage to fruit buds in 2008, with some significant localized exceptions. Overall production was about 85 - 90% of a full crop, and fruit quality was excellent. Demand and prices were excellent, especially for organic sweet cherries, with prices up to $60 / box. New control options for the primary sweet cherry pest, western cherry fruit fly, have proven to be very effective for both organic and conventional producers. As a consequence, impact of this pest has declined dramatically within the past several years.

Challenges likely to be faced by Colorado's fruit industry for 2009 include labor (obtaining needed agricultural labor for pruning / thinning / harvest), ensuring adequate fruit size in peaches and pears, maintaining fruit quality (all crops), and getting fruit buds through the spring cold injury risk period. Fruit size is critical in sales of peach and pear. There is no position in the fresh market for small peaches or pears even if they are top quality. Minimum size (diameter) now is 2¾ inches for peaches and 2½ inch for pears. Pears with more than 10% of the skin surface damaged are not salable in the fresh market and are diverted to the lower return processor market regardless of whether they are large or not. European paper wasp injury to sweet cherries and grapes was less of a problem in 2008, but attention to that pest is an issue that will need to be monitored. And better options to control bird damage to ripening fruit are needed. The increase in bearing acreage for wine grapes is likely to provide a new record production again in 2009 (2,000 to 2,400 tons is expected if cold injury in winter or spring does not interfere); finding an outlet for the additional production could be a challenge. All fruit crops entered the winter with adequate moisture and gradual cool-down to winter temperatures to minimize winter injury to buds. No severe cold temperatures were experienced through January, but unexpected spring frosts could impact 2009 production and quality.