



Washington State Tree Fruit Association

Agriculture's Growing Transportation Needs

The case of Tree Fruit

Industry Associations

Washington State Tree Fruit Association forming from a merger of:

- Yakima Valley Growers-Shippers Assn.
- Wenatchee Valley Traffic Assn.
- Washington Growers Clearing House Assn.
- Washington State Horticultural Assn.

WSTFA will represent the growers, packers, and marketers of tree fruit in WA.

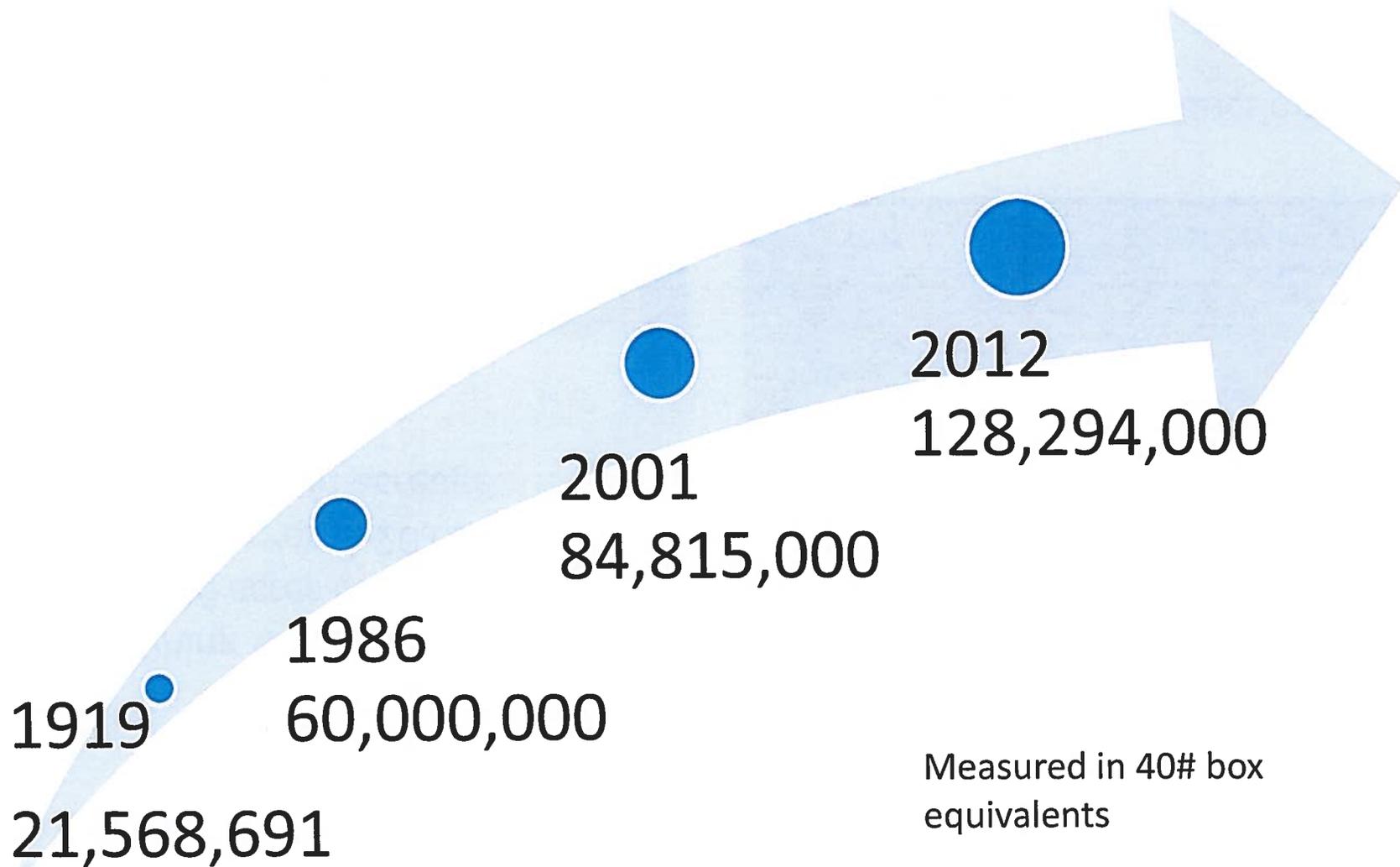
Agriculture in Washington

- \$9.89 billion in production in 2012.
 - 2012 top crops:
 1. Apples \$2.25 billion (23% of state's ag value)
 2. Wheat \$1.18 billion
 3. Milk \$1.16 billion
 4. Potatoes \$700 million
 5. Hay \$679 million
 7. Cherries \$499 million
 10. Pears \$206 millionAll Tree fruit \$2.97 billion (30% of state's ag value)
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The Big Apple (2012)

- \$3.4 billion in value after packing
 - \$7.5 billion in total economic impact
 - 39,340 direct jobs (orchard to packing)
 - 21,870 indirect jobs (transportation, suppliers)
 - \$955 million in direct employee compensation
 - \$1 billion in indirect employee compensation
 - \$254.4 million in state and local taxes
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WA Apple Production: Spot the Trend



Productivity Drives Growth

Declining WA Apple Acreage:
172,000 acres in 1993
167,489 acres in 2011
2.6% decline in acreage.



Growth of Apple Production
in the same period:
83,088,000 boxes in 1993
128,294,000 boxes in 2012
An increase of 54.4%.

2013-14 Apple Export Markets

* In standard 40 pound boxes

1. Mexico 10,537,036
2. Canada 6,024,639
3. Dubai 2,603,112
4. Taiwan 2,476,736
5. India 2,383,788
6. Indonesia 1,787,304
7. Vietnam 1,706,698
8. Hong Kong 1,612,955
9. Saudi Arabia 988,094
10. Thailand 895,679
11. Russia 598,028



Rest of Europe: 405,064

2013 Pear and Cherry Exports

1. Mexico 3,422,801
2. Canada 1,405,749
3. Russia 496,139
4. UAE (Dubai) 313,599
5. Colombia 271,260
6. China 184,840



1. Canada 2,599,113
2. Korea 1,080,820
3. China 1,006,365
4. Hong Kong 718,613
5. Taiwan 553,370
6. Japan 328,411



2011 World Apple Production

Production in Metric Tons:

1. China 35,987,221
2. U.S. 4,272,840
3. India 2,891,000
4. Turkey 2,680,080
5. Poland 2,493,080
6. Italy 2,411,200
7. France 1,858,880

- Overseas markets are good customers, but are also competitors.
 - NY and MI are also major apple producers, and are much closer to domestic population centers.
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Conclusion:

- Reliable transportation connections are vital to an industry shipping to consumers around the world.
- In a highly competitive environment, there is little flexibility to pass on higher transport costs to the end customer.