

## **Demand for Tree Fruit Products**

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### ***Problem addressed***

Trade impacts every aspect of the specialty crop sector, including high valued tree fruit production in the Pacific Northwest (PNW). The recent tariff on PNW pears and cherries exported to Mexico is an important example of the problems faced by the tree fruit sector (Mexico Tariffs Freeze Pears, Capital Press, June 1, 2009). The focus of the current study will be to examine domestic and international demand for tree fruit (more specifically apples, pears, and cherries) to determine the impacts of prices, income, food safety events, variety/branding, and promotions/advertising (where possible). For example, this information is vital to understanding how consumers or importers may alter demand due to price and income changes (i.e., economic circumstances), changes in policies (i.e., taxes, tariffs), food safety outbreaks, and other factors. Alternatively, contingent on the economic behavior and structure, it can help to better understand how prices are formed at the retail level. As current research does not document well revealed consumption patterns of tree fruit products, this is particularly important information to provide industry and policymakers.

### ***Goal***

The long-term goals of this project are (1) to model domestic and international demand for tree fruit in the specialty crop sector (more specifically apples, pears, and cherries) in order to determine the welfare effects for each economic agent in the system associated with market events such as policy changes, food safety outbreaks, or pest or disease threats; (2) to provide the specialty crop industry and policy makers with information and additional guidance to anticipate the outcomes of such market events, and the tools to improve the competitiveness of the specialty crop sector.

### ***Expected Results***

After completing this project we will have a greater understanding of domestic and international preferences for tree fruit products, particularly by variety and brand where feasible. Understanding the underlying reasons and determinants for these preferences will provide valuable information to U.S. producers, packers, exporters, and policymakers. The information generated from the study will be disseminated to the tree fruit industry through IMPACT and SES reports, focused presentations of findings to industry participants, and in peer reviewed journal outlets.