



Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Required Report - public distribution

Date: 9/8/2000

GAIN Report #SW0012

Sweden

Fresh Deciduous Fruit

Annual

2000

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Report Highlights:

U.S. apple imports to Sweden increased by almost 60 percent in 1999 compared to 1998, despite the strong dollar and the fact that such trade had to compete with the strong and favored produce from EU markets. However, the U.S. market share in Sweden at 4.2 percent is still low. U.S. pear imports decreased by 5% in 1999 compared to 1998. Duty-free imports from fellow EU member states, EU's trade barriers against third countries and the short shipping distances from EU countries compared to overseas shipping times have made the competitive environment difficult. Competitive pricing and quality advantages are the means to competing on this market.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Annual Report
Stockholm [SW1], SW

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Executive Summary

This report covers apples and pears. The commercial apple and pear production is not adequate to cover domestic demand, thus by tradition Sweden is a large importer most of the year. Apple and pear imports cover approximately 80 percent of domestic utilization. The U.S. market share of apple imports ranges between 3-6 percent, and for pears between 10-15 percent. Exchange rates and the supply of fruit sourced from EU member states during the period when U.S. apples are exported are the main factors affecting the market and trade.

The domestic commercial apple crop for 2000 is estimated at 19,230 tons which is about 1 percent more than the year before. EU market production reached record level at 8.5 million tons last year, this year production is expected to reach normal levels or just above normal. Although lower production, the market will most likely be pressured since there is a structural over supply within the EU. Furthermore, the large crop in 1999 will affect the market for some more time, the storage level in June this year was the highest in many years. Two thirds of the storage apples were of the variety Golden Delicious. The Nordic countries were the only member states that did not have any storage left in June. The strong dollar versus the Swedish krona makes it hard for U.S. apple exporters, who also have to compete with the free trade within EU. European apples are indeed the strongest competition, although southern hemisphere production is also competitive, when in season, to the more expensive fruit stored under controlled atmospheric conditions.

Domestic pear production in 2000 is estimated to 2,260 tons, compared to 1,771 tons in 1999, The U.S. pear Anjo is very popular in Sweden, and there is no real competition from EU countries.

On average, Swedes consume 13-16 kg per year of commercial apples and pears per capita. In addition, an estimated 40,000-50,000 tons of home production is consumed. The successful campaign in the U.S. "5 a day" has been spread to Europe. The campaign is supported by cancer organizations as well as governments.

There is no change anticipated in the 2001 year outlook in that domestic production will remain relatively stable. U.S. imports will continually depend on the European crop, and the dollar rate.

Exchanges rates used in this report:

Average 1998: 1 USD = SEK 7.95

Average 1999: 1 USD = SEK 8.26

Exchange rate on 09/08/00: 1 USD = SEK 9.56

Production

Apple Production

Apples are, by far, the most predominant fruit grown in Sweden, where the only other fruits grown commercially are pears, plums and cherries. Although compared with total production in the EU estimated at 8 million tons only about 0.3 percent are Swedish.

Every three years a more comprehensive horticultural study is undertaken in Sweden. The most recent one was published in 1996, covering 1994 and some data on 1995. In the interim, data availability is limited and reliability can not be assured. The next study will be published later this year. According to the Association for Fruit Growers and the major grower organization, the commercial apple crop in 2000 is estimated at 19,230 tons, 230 tons up compared to 1999. The most common varieties are Ingrid Marie and Aroma with over 50 percent of the commercial production. In the 1980's Swedish producers grew about 250 varieties, whereas today only about 15 varieties are grown. The quality standards changed in connection with the adaption to the EU, and are now fully integrated with the EU regulations.

The commercial crop area, which decreased in 1995 (due to application of CAP clearing subsidies) is now relatively stable. Most of the plantings are irrigated. Domestic production is not anticipated to increase significantly for the next couple of years. On the contrary, prosperous areas for fruit production are situated in the south, which are also very popular summer residence areas, commanding a good price, and thus constitute a major competitive drawback for increased fruit production.

There are no official estimates of home orchard apple production, but fruit setting has shown great variations. Based on previous years calculations, non-commercial harvest ranges between 40,000 to 50,000 tons. In the PSD, FAS/S has estimated 2000 year crop at 45,000 tons. The weather conditions was not as favorable as last year, the summer started early in April and lasted until May, then June and July were extremely wet with low temperatures. These conditions will affect the apple crop, this year in terms of quality and next year in in terms of number of flowers.

Pear Production

Even in normal years, commercial pear production is very small in Sweden. Small yields often follow after a year with good yields, it seems as if the trees cannot recuperate after a good year. In 2000, production is estimated at 2,260. Five varieties make up 75 percent of the pear crop, these are in order of importance, Conference, Herzogin Elsa, Clara Frijs, Alexander Lucas and Pierre Cornielle. The non-commercial harvest is again not officially estimated but we have estimated it at 13,000 tons , up by 2,000 tons compared to 1999.

Consumption

The National Board of Agriculture (BoA) estimates food consumption each year. On average a Swede consumes 13-16 kg of commercial apple and pears per year. In addition, an estimated 40,000 to 60,000 tons of home orchard production is consumed.

For comparison, the consumption of citrus fruits amount to 13 kg per capita and year. Swedes and Finns are ranked among the largest banana consumers in the world with an annual consumption of approximately 20 kg per capita. An estimated amount of 5,000 tons domestic cider and apple wine are produced in Sweden, but production is mainly based on imported concentrate and pulp.

Trade

In 1999, a total of 3,701 tons of apples (up 1,361 compared to 1998) were imported from the U.S. or 4.2 percent of total imports (up from 2.7 percent in 1998). Varieties imported from the U.S. are Golden Delicious and Red Delicious. Imports mainly takes place in November through March, at which time the southern hemisphere fresh crops come on the market. Imports from the U.S. have been declining during the past few years, reflecting the U.S. dollars appreciation. In 1999 however, imports from the U.S. increased despite the even stronger dollar against the Swedish krona. At the same time the Swedish krona has strenghten against Euro, which makes European imports even more competetive. On the other hand, the U.S. dollar is stronger against the euro than the Swedish krona, which makes it more favorable to export to Sweden than to countries that use the euro. The U.S. is rated the fifth most important trade partner in the area of fresh or dried fruits and nuts.

Policy

The EU policies apply as stipulated in EU directive 2200/96, with the goal to strengthen the sector through support to processing and marketing. Growers' associations can apply for program support of an amount up to 4.5 percent of their sales- providing the organizations puts in the same amount of funding. The national limit is 2.5 percent of the turnover of all the growers' associations. Until 1999 these percentages have been 4.0 percent and 2.0 percent respectively.

Although support for apple/pear production itself is not offered, support of 7,000 per hectare (USD 423/acre) is available for organic fruit growers. The government has set a goal for 10 percent of the total crop area to be put to organic production, but so far only a neglective part of the Swedish orchards are certified organic (by the Swedish regulating authority KRAV- also a member of IFOAM- International Federation of Organic Agriculture Movements).

Around 80 percent of the commercial fruit crop area is grown according to the concept of Integrated Production (IP), which aims at minimizing the risk for the environment and health, although not being organic. As of 1999, IP fruit is required for the marketing label "SVENSKODLAT" (grown in Sweden).

Marketing

For reasons outlined above, the Swedish trade is somewhat pessimistic concerning the possibilities of marketing U.S. apples in Sweden. Duty-free imports from fellow EU member states, EU's trade barriers against third countries and the short shipping distances from EU countries compared to overseas shipping times have made the competetive environment difficult. Competetive pricing and quality advantages are the means to competing on this market. Significant for the Swedish market is the high degree of integration in the daily consumption

goods trade and distribution. Three organizations, ICA, KF and D&D Dagligvaror control about 80 percent of the market.

The Pear Bureau is consistently carrying out Anjo campaigns every year at retail level. Activities for U.S. Burre Bosc pears could also be worthwhile. There is interest in promotional activities for U.S. apples as they are of excellent quality and do deserve to maintain their place on the market.

The market for organic fruit is very small. However, Swedish consumers are getting more and more environmental/health concious in their choice of food. Distributors and retail try to achieve marketing advantages riding in this concern. The Integrated Production quality guaranty is one example.

Statistical Information

PSD- Fresh Apples

PSD Table						
Country	Sweden					
Commodity	Fresh Apples					(HA)(1000 TREES)(MT)
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		01/1998		01/1999		01/2000
Area Planted	1668	1668	1668	1668	0	1668
Area Harvested	1668	1668	1668	1668	0	1668
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
Total Trees	0	0	0	0	0	0
Commercial Production	20800	15600	22400	19000	0	19230
Non-Comm. Production	45000	45000	47000	47000	0	45000
TOTAL Production	65800	60600	69400	66000	0	64230
TOTAL Imports	87421	87421	90000	86655	0	90000
TOTAL SUPPLY	153221	148021	159400	152655	0	154230
Domestic Fresh Consump	146982	141782	152900	143154	0	146230
Exports, Fresh Only	1239	1239	1500	4501	0	3000
For Processing	5000	5000	5000	5000	0	5000
Withdrawal From Market	0	0	0	0	0	0
TOTAL UTILIZATION	153221	148021	159400	152655	0	154230

Import Matrix- Fresh Apples

Import Trade Matrix			
Country	Sweden		
Commodity	Fresh Apples		
Time period	CY	Units:	Metric tons
Imports for:	1998		1999
U.S.	2340	U.S.	3701
Others		Others	
France	33993	France	26601
Netherlands	19420	Netherlands	19583
Italy	9827	Italy	12779
Germany	5285	Argentina	4962
Argentina	5196	Germany	4621
New Zealand	3009	Chile	3600
Chile	2290	New Zealand	1803
Denmark	1532	Belgium	1472
Belgium	1467	Austria	1259
Austria	548		
Total for Others	82567		76680
Others not Listed	2514		6274
Grand Total	87421		86655

Export Matrix- Fresh Apples

Export Trade Matrix			
Country	Sweden		
Commodity	Fresh Apples		
Time period	CY	Units:	Metric tons
Exports for:	1998		1999
U.S.	0	U.S.	0
Others		Others	
Norway	449	Netherlands	3692
Finland	380	Norway	359
Netherlands	231	Finland	224
United Kingdom	73	United Kingdom	23
Denmark	62		
France	37		
Total for Others	1232		4298
Others not Listed	7		203
Grand Total	1239		4501

Prices Table- Fresh Apples

Prices Table			
Country	Sweden		
Commodity	Fresh Apples		
Prices in	SEK	per uom	Kilogram
Average for the year			
Year	1998	1999	% Change
Dec	5.47	5.32	-2.74%
Exchange Rate	SEK 8.26	Local currency/US \$	

PSD- Fresh Pears

PSD Table						
Country	Sweden					
Commodity	Fresh Pears				(HA)(1000 TREES)(MT)	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		01/1998		01/1999		01/2000
Area Planted	242	242	242	242	0	242
Area Harvested	242	242	242	242	0	242
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
Total Trees	0	0	0	0	0	0
Commercial Production	1500	2300	1300	1771	0	2260
Non-Comm. Production	14000	14000	11000	11000	0	13000
TOTAL Production	15500	16300	12300	12771	0	15260
TOTAL Imports	33386	33386	35000	31684	0	30000
TOTAL SUPPLY	48886	49686	47300	44455	0	45260
Domestic Fresh Consump	48658	49458	47200	44326	0	45160
Exports, Fresh Only	228	228	100	129	0	100
For Processing	0	0	0	0	0	0
Withdrawal From Market	0	0	0	0	0	0
TOTAL UTILIZATION	48886	49686	47300	44455	0	45260

Import Matrix- Fresh Pears

Import Trade Matrix			
Country	Sweden		
Commodity	Fresh Pears		
Time period	CY	Units:	metric tons
Imports for:	1998		1999
U.S.	5277	U.S.	4472
Others		Others	
Netherlands	12477	Netherlands	11135
Italy	3725	Italy	3265
Argentina	3030	Argentina	3121
France	2682	France	3065
Belgium	2434	Belgium	2491
Germany	1254	Chile	1959
Chile	1603	Spain	1120
		Germany	696
Total for Others	27205		26852
Others not Listed	904		360
Grand Total	33386		31684

Export Matrix- Fresh Pears

Export Trade Matrix			
Country	Sweden		
Commodity	Fresh Pears		
Time period	CY	Units:	metric tons
Exports for:	1998		1999
U.S.	0	U.S.	0
Others		Others	
Norway	86	Norway	124
Finland	85	Netherlands	2
Netherlands	57	Estonia	2
Total for Others	228		128
Others not Listed	0		1
Grand Total	228		129

Prices Table- Fresh Pears

Prices Table			
Country	Sweden		
Commodity	Fresh Pears		
Prices in	SEK	per uom	Kilogram
Average for year			
Year	1998	1999	% Change
Dec	5.63	5.68	0.89%
Exchange Rate	SEK 8.26	Local currency/US \$	