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Portugal

Kiwifruit

Annual

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Report Highlights:

Portugal's kiwifruit production for 2001/2002 is forecast at 4,500 MT, 10 percent below 2000/2001 levels. Imports are forecast to increase slightly to 10,000 MT.

Marketing prospects for U.S. kiwifruit are not promising, due to greater availability and stiff competition from EU suppliers.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Unscheduled Report
Madrid [SP1], PO

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Production

Kiwifruit PS&D Table

PSD Table						
Country	Portugal					
Commodity	Kiwifruit				(HA)(MT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		10/1999		10/2000		10/2001
Bearing Area	1100	1220	0	1225	0	1200
Non-Bearing Area	15	18	0	18	0	13
TOTAL Area Planted	1115	1238	0	1243	0	1213
TOTAL Area Harvested	1100	1220	0	1225	0	1200
TOTAL Production	9000	4500	0	5000	0	4500
Imports	10000	9627	0	9062	0	9800
TOTAL SUPPLY	19000	14127	0	14062	0	14300
Exports	1200	750	0	533	0	750
Domestic Consumption	17800	13377	0	13529	0	13550
TOTAL DISTRIBUTION	19000	14127	0	14062	0	14300

The 2000/2001 kiwifruit production (marketing year - October 2000 - September 2001) is estimated to have been 5,000 MT, 11 percent above 1999/2000 levels. In spite the increase, production areas were affected negatively by the continued deterioration, verified in the last years, of the weather conditions in the Region of Entre-Douro e Minho. Production areas were negatively affected by poor pollination during the blooming season due to "late" frost followed by heavy rains that lasted through mid May. Reportedly, fruit quality, color and size were considered below normal standards. Farmers are faced with low prices and stiff competition from other EU countries, mainly Italy, Spain and Belgium, and also from Chile. The 2001/2002 production is forecast at about 4,500 MT, 11 percent below 2000/2001 levels. Bearing area is expected to be maintained at roughly 2000/2001 levels at 1,200 hectares (HA) . The sector is facing some pessimism due to the fact that some "old" farmers are retiring and cannot find someone within their families who could replace them. As a consequence, their crops are being abandoned. This situation is darkening the optimism the sector has had in the last couple of years due to the strong interest of some "young" farmers in kiwifruit production. Therefore, in the long run, further area expansions are not anticipated unless younger farmers replace the increasingly aging group of current producers. Also, price competition from other EU countries and new consumer eating habits with a wider choice of other tropical and semi-tropical fruits are negatively affecting the economic attractiveness of kiwi production.

Production is regionally concentrated in the Northern "Entre-Douro-e-Minho" region. The dominant kiwifruit variety

produced in Portugal is "Hayward", which accounts for 90 percent of total kiwifruit production. Vine density averages 400 vines/ha (females) on a normal density crop and 650 vines/ha (females) on a high density crop. There are currently no disease/pest problems associated with kiwifruit production owing to the crop's recent introduction into the country.

Producer prices have been on a downward trend since 1989 when they peaked at an average of 300 esc/kg. Prices in 2000/2001 averaged about 100 esc/kg, and in 2001/2002, prices are expected to be similar to 2000/2001 levels depending on competition from other EU exporting countries.

Exchange Rate: US\$1 = P.Escudos 224
US\$1 = Euros 1,134

Consumption

Domestic kiwi consumption during 2000/2001 was 13,529 MT, similar to 1999/2000 levels. This was mainly due to lower availability of fresh product due to lower domestic production levels. Domestic consumption for 2001/2002 is estimated to be similar to 2000/2001 levels reflecting the stagnation of the sector.

Trade

In 2000, imports are estimated to have been 9,062 MT, slightly below 1999 levels. For 2001, imports are forecast to increase slightly to 10,000 MT.

The Portuguese import market is dominated by EU suppliers, with Italy (3,196 MT) and Spain (2,850 MT) as the leading suppliers in 2000, competing with Chile (1,068 MT), which alone accounts for 12 percent of total imports. New Zealand kiwis are also sold in the Portuguese market. However, kiwi traders report that they are not able to import directly from New Zealand as New Zealand exporters only sell to "specific" importers in Europe who are then the sole distributors of New Zealand kiwis around Europe. Therefore, Portuguese importers must purchase New Zealand kiwis in Belgium, Germany and Spain, which for statistical purposes, are considered EU kiwis when entering Portugal.

Portuguese kiwifruit exports decreased slightly to 533 MT in 2000.

Import Trade Matrix

Import Trade Matrix			
Country	Portugal		
Commodity	Kiwifruit		
Time period	10/1999	Units:	MT
Imports for:	1999		2000
U.S.		U.S.	
Others		Others	
Italy	2989	Italy	3196
Spain	2931	Spain	2850
Belgium	1346	Germany	817
Germany	1017	Belgium	770
France	249	France	229
Netherlands	42	Greece	69
Chile	1053	Netherlands	63
		Chile	1068
Total for Others	9627		9062
Others not Listed			
Grand Total	9627		9062

Export Trade Matrix

Export Trade Matrix			
Country	Portugal		
Commodity	Kiwifruit		
Time period	10/1999	Units:	MT
Exports for:	1999		2000
U.S.		U.S.	
Others		Others	
Netherlands	640	Netherlands	420
Spain	23	Spain	38
Canada	53	Canada	47
Cape Verde	17	Cape Verde	22
Venezuela	10		
Total for Others	743		527
Others not Listed	7		6
Grand Total	750		533

Marketing

Market opportunities for the United States are less than promising owing to abundant domestic and EU kiwifruit supplies and strong competition from the EU kiwifruit industry.

The bulk of domestic kiwifruit production is marketed through four companies (Frutas Douro ao Minho, Sokiwi, Kiwisol and Kiwicoop). They primarily act as the main distributors of domestic production, dealing directly with retailers, wholesalers and importers, establishing prices in accordance with supply and demand. Together, these four companies have a market share of about 6,000-7,000 MT of total supply.

In addition, kiwis are also sold at the wholesale markets directly by producers and wholesalers. As is the case with other consumer food items, kiwi retailing is being increasingly dominated by the super and hypermarkets, which are estimated to account for almost 70 percent of all kiwifruit sold in Portugal.