



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Required Report - public distribution

Date: 11/7/2008

GAIN Report Number: E48129

EU-27

Strawberries

Annual

2008

Approved by:

Kate Snipes
U.S. Embassy

Prepared by:

Jolanta Figurska and Kacie Fritz FAS/Warsaw, with input from Arantxa Medina FAS/Madrid

Report Highlights:

Total EU production of strawberries in 2007 was 1,091,000 MT, making the EU one of the world's top producers of processed and fresh strawberries. Spain and Poland are the major producers in the EU. Poland is the leading producer of the EU's processed strawberries, while Spanish strawberry farmers lead production for the EU's fresh market. Production of strawberries in 2007 was slightly lower due to poor weather conditions, especially in Poland. Spain's strawberry industry is highly developed and maintains fairly stable production levels of about 264,000 MT per year. Poland's strawberry industry is more fragmented, and therefore output is more variable. Poland's production varied from 175,000 MT achieved in 2007 to 193,000 MT in 2006.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
Annual Report
Warsaw [PL1]
[E4]

Table of Contents

Executive Summary 3
Production 5
Consumption..... 15
Trade..... 16
Stocks 17
Policy 17
Marketing 19

DISCLAIMER

The PS&D numbers in this report are not official USDA numbers. The numbers are the result of a group effort by the individual FAS EU offices to consolidate PS&D's from other European Union Members.

The authors of this report wish to recognize colleague that helped with this report, and who provided the numbers and the report content. The collaboration of the following FAS colleague in the EU member state has been critical for the completion of this report:

Arantxa Medina from FAS Madrid covering Portugal and Spain

Executive Summary

Total EU production of strawberries in 2007 was 1,091,000 MT, with 250,000 MT directed toward strawberry processing and the remaining sold on the fresh market. Spain and Poland are the top strawberry producing countries within the EU, producing 264,000 MT and 175,000 MT respectively in 2007. Italy and Germany also produce over 100,000 MT of strawberries on average per year. Poland leads the EU-27 in processed strawberries, which consumes nearly 60 – 70 percent of total strawberry production in Poland, and supplies between 50 and 60 percent of the EU's processed strawberries. Spanish strawberry farmers lead production for the EU fresh market, with residual supplies going to the processing sector.

The EU is the world's largest producer of soft fruits for the processing industry even though soft fruit production takes up only a very limited share of land within the EU-27, about 0.25 percent of total arable land. Soft fruits, such as strawberries, are often part of small-scale farm production, found on less-favorable land regions, and are often harvested as an additional income source for part-time farmers. Soft fruit production in the EU is labor intensive. Prices for processed strawberries are lower than prices for fresh strawberries, so processed strawberry production is mainly found in countries or regions with lower labor costs. Soft fruits are often concentrated in specific regions within producing countries, thus contributing significantly to regional economies.

Spain is the leading producer of fresh market strawberries for the EU and the world's leading exporter of fresh strawberries, exporting nearly 190,000 MT of strawberries to the EU in 2007. France is the largest importer of Spanish fresh market strawberries. Spanish strawberry farmers are mostly located in one region of Spain, Huelva, where they produce approximately 90 percent of Spain's fresh production of strawberries. Prices in the fresh market are highly variable and very sensitive to production, so producers are always looking for the production point at which they can make a good profit while encouraging consumer demand. For this reason, farmers in Spain are reducing the hectares dedicated to production, but continue to increase yields through variety selection and improved horticulture practices. In 2008, 6,500 ha of strawberries were cultivated in Spain with production of 265,000 MT of strawberries.

Spanish strawberry production is characterized as well-developed, modern and efficient and the sector has organized itself to better market their products. The Producer Organization, FRESHUELVA, is the association of strawberry growers and marketers in Spain. Member companies account for 95 percent of the sector's output and growers. Many of FRESHUELVA members are also members of FEPEX, the Spanish Federation of Associations of Producers and Exporters of Fruits, Vegetables, Flowers, and Live Plants. Strawberry producers and processors do not receive any EU subsidies in Spain and FRESHUELVA, as a Producer Organization, receives some EU funding for promotion purposes.

Poland continues to be the major supplier of processed strawberries to the European Union. Strawberry production has a long history in Poland where it was traditionally grown as part of a crop rotation with grains, rapeseed, root crops, legumes and potatoes. The crop was more profitable than most other crops, especially on the light sandy soils which are abundant in Poland.

The area devoted to strawberry production in Poland has fluctuated wildly over the last 20 years, from a low of 38,000 ha to a high of 65,800 ha. After facing pockets of low producer prices, the latest being in 2004 and 2005, farmers began to plow up their strawberry plantations. Decreased strawberry production resulted in the 2007/2008 harvest. While

Polish strawberry production has dominated strawberry processing in Europe for nearly 20 years, it has also been characterized by fragmented production. Poland has almost 100,000 commercial strawberry farmers who produce on an average farm size of 0.36 ha, uneven post-harvest and marketing practices, virtually no Producer Organizations or Producer Groups, low practice of carrying out contracts, and a large number of processors. High sensitivity to the unpredictable weather also means year to year fluctuations in yields, quality and prices. The strawberry harvest in Poland is extremely short in duration, lasting only about three to four weeks in June and July.

Due to the fragmentation of Polish strawberry production, in the past 6 to 7 years Poland has seen a drop in its market share of the EU-15 processed strawberries. Larger imports are coming in from third countries, such as Morocco and China, as the food industry seeks greater diversification of strawberries for processing to secure supply and to mitigate price fluctuations.

Despite the fragmentation of Polish strawberry production, it still has a competitive advantage in processed strawberries. Poland's established strawberry industry, readily available labor, and proximity to the EU market still make it an attractive source of processed strawberries.

With continued improvements in the industry, Poland should remain the top supplier of processed strawberries within the EU. While some improvements are slow to come, there are beginning to be noticeable changes. Creation of POs/PGs would greatly help the Polish industry, as well as continued rural development, continued research on new strawberry varieties and a push to switch part of the commercial sector to fresh market strawberries. These changes, some of which are already happening, would all greatly increase the efficiency and profitability of the sector in Poland.

Fresh Strawberry Production

Most strawberry production in the EU-27 is used for the fresh market. Spain produces most of the fresh market strawberries, exporting around 85 to 90 percent of their fresh production to other EU Member States, with France, Germany, Italy and the UK as the largest importers.

Spanish strawberry farmers send 85-90 percent of their production to the fresh market, because it is almost always more profitable than the processing market. The price farmers receive from the fresh market are extremely sensitive to supply, so good weather and resulting increased production can mean low prices for farmers, as was the case in 2003, 2004 and 2005 in Spain. Because prices were low in these years for farmers, Spanish farmers have been forced to reduce plantings and become more productive and efficient. Spanish farmers are always searching for varieties that will improve yields in light of the recurring potential for low prices. Varieties with greater pest/mold, and heat/cold resistance to improve taste, shelf life and extend the marketing period are becoming more popular. Producers in Spain still use the *Camarosa* variety most frequently, because of its production consistency. Producers are also planting *Ventana*, *Festival* and *Candongra* and are experimenting with new varieties such as *Albi6n*, *Aguedilla* and *Coral*, which were all developed recently in Spain.

PSD Table									
Country	EU								
Commodity	Strawberries,								
	Fresh								
		2006		2007		(HA)(MT) 2008		UOM	
		USDA Official	Post Estimate New	USDA Official	Post Estimate New	USDA Official	Post Estimate New		
Market Year Begin			01/2007		01/2008		01/2009		MM/YYYY
Area Planted			107264		108000	0	108000		(HA)
Area Harvested			96500		96500	0	97000		(HA)
Production			1091000		1120000	0	1130000		(MT)
Extra EU27 imports			40453		41000	0	41000		(MT)
Total Supply		0	1131453	0	1161000	0	1171000		(MT)
Extra EU27 Exports			24564		29000	0	24000		(MT)
Fresh Dom. Consumption			856889		882000	0	896000		(MT)
For Processing			250000		250000	0	251000		(MT)
Total Distribution		0	1131453	0	1161000	0	1171000		(MT)

PSD Table									
Country	Spain								
Commodity	Fresh Strawberries								
								UOM	
		Post Estimate New	Post Estimate New	Post Estimate New	Post Estimate New	Post Estimate New	Post Estimate New		
Market Year Begin		Jan-07	Jan-08	Jan-09	Jan-09	Jan-09	Jan-09		MM/YYYY
Area Planted		6700	6500	6500	6500	6500	6500		(HA)
Area Harvested		6700	6500	6500	6500	6500	6500		(HA)
Production		264000	265000	264000	264000	264000	264000		(MT)
Imports		4000	5000	4000	4000	4000	4000		(MT)
Total Supply		268000	270000	268000	268000	268000	268000		(MT)
Exports, Fresh		185000	190000	185000	185000	185000	185000		(MT)
Fresh Dom. Consump		45000	46000	45000	45000	45000	45000		(MT)
For Processing		38000	34000	38000	38000	38000	38000		(MT)
Total Distribution		268000	270000	268000	268000	268000	268000		(MT)

Sources:

Area Planted/Area Harvested, and Production: MAPA through IY 2006

Import/Export: Global Trade Atlas (GTA) for IY 2005. FAS/Madrid IY 2006 and 2007

Domestic Consumption and Stocks: FAS/Madrid

EU27 (External Trade) Import Statistics								
Commodity: 081010, Strawberries, Fresh								
Year To Date: January - December								
Partner Country	Unit	Quantity			% Share			% Change 2007/2006
		2005	2006	2007	2005	2006	2007	
World	T	61531	41069	40453	100.00	100.00	100.00	-1.50
Morocco	T	28384	23031	20635	46.13	56.08	51.01	-10.40
Egypt	T	4544	5077	6740	7.39	12.36	16.66	32.77
Turkey	T	2893	3321	4880	4.70	8.09	12.06	46.95
United States	T	2596	5543	4647	4.22	13.50	11.49	-16.17
Israel	T	21614	2558	2020	35.13	6.23	4.99	-21.03
Serbia	T	0	0	345	0.00	0.00	0.85	8
Peru	T	220	300	320	0.36	0.73	0.79	6.81
West Bank	T	560	551	203	0.91	1.34	0.50	-63.16
Jordan	T	93	154	146	0.15	0.38	0.36	-5.32
South Africa	T	15	14	135	0.02	0.03	0.33	893.38
Mexico	T	236	168	122	0.38	0.41	0.30	-27.22
Non-EU Suppression	T	0	0	63	0.00	0.00	0.16	0.00
Switzerland	T	120	17	51	0.19	0.04	0.13	196.49
Argentina	T	72	69	41	0.12	0.17	0.10	-40.76
Ethiopia	T	9	50	26	0.01	0.12	0.06	-47.28
Norway	T	0	0	23	0.00	0.00	0.06	7466.67
Brazil	T	50	26	21	0.08	0.06	0.05	-17.51
Chile	T	15	51	19	0.02	0.12	0.05	-63.28
Croatia	T	8	1	7	0.01	0.00	0.02	842.86
Kenya	T	0	0	2	0.00	0.00	0.01	0.00
Gambia	T	0	0	2	0.00	0.00	0.01	0.00
Dominican Republic	T	0	0	2	0.00	0.00	0.00	0.00
United Arab Emirates	T	0	0	2	0.00	0.00	0.00	0.00
Guatemala	T	0	0	2	0.00	0.00	0.00	0.00
Bosnia & Herzegovina	T	1	15	0	0.00	0.04	0.00	-97.95
Uruguay	T	7	2	0	0.01	0.00	0.00	-100.00
Honduras	T	1	2	0	0.00	0.00	0.00	-100.00
Iceland	T	0	5	0	0.00	0.01	0.00	-100.00
India	T	1	0	0	0.00	0.00	0.00	0.00
Korea South	T	24	0	0	0.04	0.00	0.00	0.00
Australia	T	30	15	0	0.05	0.04	0.00	-100.00
China	T	1	0	0	0.00	0.00	0.00	0.00
Colombia	T	3	1	0	0.01	0.00	0.00	-100.00
Not Determin Extra EU Trade	T	0	1	0	0.00	0.00	0.00	-100.00
Not Determined	T	4	76	0	0.01	0.19	0.00	-100.00
Montserrat	T	0	1	0	0.00	0.00	0.00	-100.00
New Zealand	T	10	0	0	0.02	0.00	0.00	-100.00
Thailand	T	0	3	0	0.00	0.01	0.00	-100.00
Tunisia	T	2	18	0	0.00	0.04	0.00	-100.00
Sri Lanka	T	0	2	0	0.00	0.00	0.00	-100.00

Russia	T	0	1	0	0.00	0.00	0.00	-100.00
Serbia and Montenegro	T	18	0	0	0.03	0.00	0.00	0.00
EU27 (External Trade) Export Statistics Commodity: 081010, Strawberries, Fresh								
Year To Date: January - December								
Partner Country	Unit	Quantity			% Share			% Change 2007/2006
		2005	2006	2007	2005	2006	2007	
World	T	27680	27941	24564	100.00	100.00	100.00	-12.09
Russia	T	9536	11217	9241	34.45	40.14	37.62	-17.61
Switzerland	T	11291	9981	9052	40.79	35.72	36.85	-9.31
Norway	T	4305	4250	4607	15.55	15.21	18.75	8.41
Croatia	T	947	1032	451	3.42	3.69	1.83	-56.34
Iceland	T	501	443	403	1.81	1.58	1.64	-8.86
Belarus	T	417	372	224	1.51	1.33	0.91	-39.91
Ukraine	T	75	134	176	0.27	0.48	0.72	32.13
Macedonia	T	52	118	64	0.19	0.42	0.26	-45.87
Serbia	T	3	42	62	0.01	0.15	0.25	50.00
Bosnia & Herzegovina	T	337	22	53	1.22	0.08	0.21	141.74
Moldova	T	8	0	39	0.03	0.00	0.16	8
Albania	T	2	1	28	0.01	0.00	0.11	2030.77
United States	T	13	17	25	0.05	0.06	0.10	47.65
Gibraltar	T	9	11	20	0.03	0.04	0.08	72.81
United Arab Emirates	T	9	6	20	0.03	0.02	0.08	239.66
Faroe Islands	T	31	18	19	0.11	0.06	0.08	10.17
South Africa	T	0	0	14	0.00	0.00	0.06	8
Montenegro	T	0	2	13	0.00	0.01	0.05	557.89
Australia	T	0	0	11	0.00	0.00	0.04	0.00
Greenland	T	16	11	9	0.06	0.04	0.04	-15.32
Qatar	T	5	6	6	0.02	0.02	0.02	5.17
Andorra	T	15	8	5	0.05	0.03	0.02	-40.96
Kazakhstan	T	1	0	4	0.00	0.00	0.02	3800.00
Extra EU Stores & Provisions	T	0	4	4	0.00	0.02	0.02	-7.14
Cape Verde	T	2	1	4	0.01	0.00	0.02	208.33
Kosovo	T	0	1	3	0.00	0.01	0.01	85.71
Angola	T	2	2	2	0.01	0.01	0.01	6.67
Barbados	T	1	1	2	0.00	0.00	0.01	87.50
Hong Kong	T	0	0	1	0.00	0.00	0.00	1100.00
China	T	0	161	1	0.00	0.58	0.00	-99.26
Algeria	T	0	2	1	0.00	0.01	0.00	-73.91
Turkey	T	0	0	1	0.00	0.00	0.00	0.00
Malaysia	T	0	0	0	0.00	0.00	0.00	0.00
Congo Dem. Rep.	T	1	1	0	0.00	0.01	0.00	-71.43
Georgia	T	0	0	0	0.00	0.00	0.00	200.00
Ghana	T	0	0	0	0.00	0.00	0.00	0.00
Bahrain	T	0	0	0	0.00	0.00	0.00	0.00
NL Antilles (Curacao)	T	1	2	0	0.00	0.01	0.00	-86.67
Senegal	T	0	0	0	0.00	0.00	0.00	0.00
Serbia and	T	47	0	0	0.17	0.00	0.00	0.00

Montenegro								
Singapore	T	0	0	0	0.00	0.00	0.00	0.00
Sudan	T	0	0	0	0.00	0.00	0.00	0.00
Tanzania	T	0	0	0	0.00	0.00	0.00	0.00
Tunisia	T	49	0	0	0.18	0.00	0.00	0.00
Korea South	T	0	0	0	0.00	0.00	0.00	-100.00
Not Determin Extra EU Trade	T	0	0	0	0.00	0.00	0.00	0.00
Not Determined	T	0	0	0	0.00	0.00	0.00	0.00
Sao Tome & Principe	T	0	0	0	0.00	0.00	0.00	0.00
Saudi Arabia	T	0	1	0	0.00	0.00	0.00	-100.00
Mali	T	0	1	0	0.00	0.00	0.00	-100.00
Mauritania	T	0	0	0	0.00	0.00	0.00	0.00
Melilla	T	1	0	0	0.00	0.00	0.00	0.00
Morocco	T	0	48	0	0.00	0.17	0.00	-100.00
Namibia	T	0	0	0	0.00	0.00	0.00	0.00
Nigeria	T	1	0	0	0.00	0.00	0.00	-100.00
Bangladesh	T	0	2	0	0.00	0.01	0.00	-100.00
Afghanistan	T	0	0	0	0.00	0.00	0.00	0.00
Canada	T	0	1	0	0.00	0.00	0.00	-100.00
Bermuda	T	0	0	0	0.00	0.00	0.00	0.00
Bolivia	T	0	0	0	0.00	0.00	0.00	-100.00
Bahamas	T	0	0	0	0.00	0.00	0.00	0.00
Antigua & Barbuda	T	0	0	0	0.00	0.00	0.00	-100.00
Armenia	T	0	0	0	0.00	0.00	0.00	0.00
Egypt	T	0	0	0	0.00	0.00	0.00	0.00
Kuwait	T	0	0	0	0.00	0.00	0.00	0.00
Liberia	T	0	0	0	0.00	0.00	0.00	-100.00
Libya	T	0	0	0	0.00	0.00	0.00	-100.00
India	T	0	0	0	0.00	0.00	0.00	0.00
Israel	T	0	0	0	0.00	0.00	0.00	0.00
Japan	T	0	23	0	0.00	0.08	0.00	-100.00

Processed Strawberry Production

About 23 percent of total strawberry production within the EU-27 is used for processing purposes. Poland produces majority of the processed strawberries, supplying over 120,000 MT of strawberries for processing purposes in 2007.

Exports of Polish processing strawberries are primarily for the European Union, with Germany importing nearly two thirds of Polish exports. Germany is also the largest importer of processing strawberries from third countries, with France and the Netherlands at a more distant second and third.

Purchase price for processing of strawberries fluctuates from season to season depending on the supply. Average price in the EU for 2008 was Euro 0.76/kg as compared with Euro 0.80/kg in 2007.

The main uses of strawberries for the processing industry are in frozen fruit industry, the jam industry, the fruit preparation industry and the juice and drink industry. EU demand for semi-processed strawberries have increased dramatically since the 1990s. However, growth has been limited, to a large extent, to the fruit preparation and juice and drink industries. The needs of the jam industry have remained stable.

It is estimated that the EU produces around 820,000 MT of jams, jellies and marmalades on average per year. Germany is the largest producer of jams, followed by France. The Polish *Senga Sengana* is the preferred strawberry variety for jams.

Germany and France are the largest producers of fruit preparations, which include fruit yogurts, ice creams, and pastry fillings, in the EU. Germany averages an output of over 340,000 MT of fruit preparations per year. At the EU level, the output is about 600-650,000 MT per year. There is no one variety preferred by the processing industry for fruit preparations, however, *Camarosa* is the most used. This sector has seen a large and steady growth for the past few years.

The production of fruit juices, fruit drinks, and use as an ingredient in the drink industry is the third major use for processed strawberries in the EU. The largest markets are France, the Netherlands, Czech Republic and Romania. *Senga Sengana* is the most used variety for this sector.

PSD Table							
Country	EU						
Commodity	Strawberries,						
	Frozen						
		2006	2007	(MT)	2008		UOM
		USDA	Post	USDA	Post	USDA	Post
		Official	Estimate	Official	Estimate	Official	Estimate
			New		New		New
Market Year Begin		01/2007	01/2008	01/2009	MM/YYYY		
Deliv. To Processors		250000	250000	0	251000		(MT)
Beginning Stocks			0	0	0		(MT)
Production		195000	215000	0	215000		(MT)
Extra EU27 imports		120272	120000	0	120000		(MT)
Total Supply	0	315272	0	335000	0	335000	(MT)
Extra EU27 Exports		18417	18000	0	18000		(MT)
Domestic Consumption		296855	317000	0	317000		(MT)
Ending Stocks				0			(MT)
Total Distribution	0	315272	0	335000	0	335000	(MT)

PSD Table					
Country	Poland				
Commodity	Strawberries				
	Frozen				
		2006	2007	2008	UOM
		Post	Post	Post	
		Estimate	Estimate	Estimate	
		New	New	New	
Market Year Begin		01/2007	01/2008	01/2009	MM/YYYY
Deliv. To Processors		120000	150000	150000	(MT)
Beginning Stocks		0	0	0	(MT)
Production		105000	130000	130000	(MT)
Imports		7500	3000	3000	(MT)
Total Supply		112500	133000	133000	(MT)
Exports		104000	120000	120000	(MT)
Domestic Consumption		8500	13000	13000	(MT)
Ending Stocks		0	0	0	(MT)
Total Distribution		112500	133000	133000	(MT)

Sources:

Eurostat, FAO, ZMP, Institute of Agriculture in Warsaw, Poland

Import/Export: Global Trade Atlas (GTA)

Domestic Consumption and Stocks: FAS/Warsaw, Institute of Agriculture in Warsaw, Poland

EU27 (External Trade) Export Statistics								
Commodity: 081110, Strawberries, Uncooked Or Steamed Or Boiled In Water, Sweetened Or Not, Frozen								
Year To Date: January - December								
Partner Country	Unit	Quantity			% Share			% Change 2007/2006
		2005	2006	2007	2005	2006	2007	
World	T	15205	21079	18417	100.00	100.00	100.00	-12.63
Russia	T	7228	9880	9236	47.54	46.87	50.15	-6.52
Norway	T	3282	3013	3045	21.58	14.29	16.53	1.05
Switzerland	T	1387	3392	2874	9.12	16.09	15.61	-15.26
Ukraine	T	159	414	629	1.05	1.96	3.42	51.94
Japan	T	562	480	454	3.70	2.28	2.46	-5.54
Saudi Arabia	T	324	250	363	2.13	1.19	1.97	45.20
Non-EU Suppression	T	0	837	356	0.00	3.97	1.93	-57.42
Kuwait	T	332	248	275	2.19	1.18	1.50	10.87
Australia	T	67	108	140	0.44	0.51	0.76	29.74
Qatar	T	86	141	120	0.57	0.67	0.65	-14.98
Belarus	T	103	104	114	0.67	0.49	0.62	9.71
Iceland	T	58	79	87	0.38	0.37	0.47	10.29
Serbia	T	361	691	85	2.38	3.28	0.46	-87.69
Vietnam	T	0	41	82	0.00	0.19	0.45	102.96
South Africa	T	28	50	82	0.18	0.24	0.45	62.90
Croatia	T	48	45	72	0.32	0.21	0.39	60.94
Canada	T	56	49	72	0.37	0.23	0.39	46.52
Israel	T	58	67	62	0.38	0.32	0.33	-8.62
China	T	0	89	48	0.00	0.42	0.26	-46.81
Thailand	T	3	22	31	0.02	0.10	0.17	40.64
United Arab Emirates	T	16	55	26	0.10	0.26	0.14	-52.47
United States	T	408	615	23	2.69	2.92	0.13	-96.23
Greenland	T	19	22	23	0.12	0.11	0.12	0.89
Taiwan	T	8	9	18	0.05	0.04	0.10	102.27
Morocco	T	0	115	14	0.00	0.55	0.08	-87.84
Faroe Islands	T	16	16	13	0.10	0.07	0.07	-13.55
Korea South	T	0	17	11	0.00	0.08	0.06	-35.29
Not Determin Extra EU Trade	T	263	0	8	1.73	0.00	0.04	8000.00
Malaysia	T	0	4	8	0.00	0.02	0.04	120.00
Singapore	T	3	20	7	0.02	0.09	0.04	-65.00
Moldova	T	20	48	6	0.13	0.23	0.03	-87.66
Mauritius	T	1	6	5	0.01	0.03	0.02	-29.69
Gabon	T	3	1	4	0.02	0.01	0.02	192.31
Hong Kong	T	2	2	4	0.01	0.01	0.02	94.74
Kazakhstan	T	1	3	4	0.01	0.01	0.02	24.14
Bahrain	T	8	2	3	0.05	0.01	0.01	4.17
Sri Lanka	T	50	18	3	0.33	0.08	0.01	-85.80
Trinidad & Tobago	T	0	0	1	0.00	0.00	0.01	0.00
Egypt	T	0	0	1	0.00	0.00	0.01	0.00
Falkland Islands	T	0	0	1	0.00	0.00	0.01	0.00
Cape Verde	T	0	1	1	0.00	0.00	0.01	10.00

Jamaica	T	0	1	1	0.00	0.01	0.01	-8.33
Liberia	T	0	0	1	0.00	0.00	0.00	125.00
Indonesia	T	0	4	1	0.00	0.02	0.00	-80.00
Afghanistan	T	3	0	1	0.02	0.00	0.00	0.00
Andorra	T	0	2	1	0.00	0.01	0.00	-58.82
Congo	T	0	0	1	0.00	0.00	0.00	0.00
Ghana	T	0	0	1	0.00	0.00	0.00	0.00
Suriname	T	1	0	1	0.01	0.00	0.00	0.00
Turkey	T	59	43	1	0.39	0.20	0.00	-98.84
Albania	T	0	0	0	0.00	0.00	0.00	300.00
Bosnia & Herzegovina	T	44	1	0	0.29	0.01	0.00	-76.92
Bermuda	T	1	0	0	0.00	0.00	0.00	0.00
Extra EU Stores & Provisions	T	1	4	0	0.01	0.02	0.00	-94.59
Djibouti	T	0	0	0	0.00	0.00	0.00	0.00
Brunei Darussalam	T	0	0	0	0.00	0.00	0.00	0.00
NL Antilles (Curacao)	T	0	0	0	0.00	0.00	0.00	0.00
Sierra Leone	T	0	0	0	0.00	0.00	0.00	-33.33
Mexico	T	20	0	0	0.13	0.00	0.00	0.00
Maldives	T	0	0	0	0.00	0.00	0.00	0.00
Brazil	T	0	0	0	0.00	0.00	0.00	0.00
Antarctica	T	0	0	0	0.00	0.00	0.00	0.00
Aruba	T	0	1	0	0.00	0.00	0.00	-100.00
Angola	T	1	0	0	0.00	0.00	0.00	-100.00
Benin	T	0	0	0	0.00	0.00	0.00	-100.00
Cambodia	T	0	0	0	0.00	0.00	0.00	-100.00
Dominican Republic	T	1	0	0	0.01	0.00	0.00	0.00
Equatorial Guinea	T	0	0	0	0.00	0.00	0.00	-100.00
Cuba	T	1	0	0	0.01	0.00	0.00	0.00
Gambia	T	0	0	0	0.00	0.00	0.00	-100.00
Guinea	T	0	0	0	0.00	0.00	0.00	-100.00
Macedonia	T	1	0	0	0.00	0.00	0.00	0.00
Kosovo	T	0	1	0	0.00	0.01	0.00	-100.00
Kyrgyzstan	T	0	0	0	0.00	0.00	0.00	-100.00
India	T	0	2	0	0.00	0.01	0.00	-100.00
Jordan	T	0	0	0	0.00	0.00	0.00	0.00
New Zealand	T	0	11	0	0.00	0.05	0.00	-100.00
Nigeria	T	1	0	0	0.01	0.00	0.00	0.00
Not Determined	T	0	0	0	0.00	0.00	0.00	-100.00
Oman	T	0	1	0	0.00	0.00	0.00	-100.00
Peru	T	24	0	0	0.16	0.00	0.00	0.00
Philippines	T	4	0	0	0.03	0.00	0.00	0.00
Serbia and Montenegro	T	0	0	0	0.00	0.00	0.00	0.00
Sao Tome & Principe	T	0	0	0	0.00	0.00	0.00	0.00
Tunisia	T	82	54	0	0.54	0.25	0.00	-100.00

EU27 (External Trade) Import Statistics								
Commodity: 081110, Strawberries, Uncooked Or Steamed Or Boiled In Water, Sweetened Or Not, Frozen								
Year To Date: January - December								
Partner Country	Unit	Quantity			% Share			% Change 2007/2006
		2005	2006	2007	2005	2006	2007	
World	T	84993	73976	120272	100.00	100.00	100.00	62.58
China	T	43196	27818	47514	50.82	37.60	39.51	70.80
Morocco	T	30436	34294	45280	35.81	46.36	37.65	32.04
Egypt	T	238	1276	8423	0.28	1.72	7.00	560.27
Turkey	T	6121	7396	8179	7.20	10.00	6.80	10.59
Non-EU Suppression	T	2765	0	3752	3.25	0.00	3.12	0.00
Peru	T	24	288	2055	0.03	0.39	1.71	614.46
Chile	T	543	30	1834	0.64	0.04	1.52	5933.22
Serbia	T	242	772	1021	0.28	1.04	0.85	32.33
Argentina	T	130	23	813	0.15	0.03	0.68	3448.03
Tunisia	T	225	544	570	0.26	0.74	0.47	4.65
Norway	T	186	228	186	0.22	0.31	0.15	-18.52
Switzerland	T	0	57	109	0.00	0.08	0.09	90.07
Bosnia & Herzegovina	T	13	89	103	0.02	0.12	0.09	16.27
Macedonia	T	0	56	91	0.00	0.08	0.08	62.46
Ukraine	T	239	67	82	0.28	0.09	0.07	22.47
India	T	1	0	80	0.00	0.00	0.07	0.00
Mexico	T	0	103	76	0.00	0.14	0.06	-26.21
Brazil	T	24	0	26	0.03	0.00	0.02	0.00
Philippines	T	0	0	25	0.00	0.00	0.02	0.00
Ecuador	T	0	0	24	0.00	0.00	0.02	0.00
United States	T	189	807	21	0.22	1.09	0.02	-97.42
Montenegro	T	0	8	5	0.00	0.01	0.00	-32.47
Guatemala	T	0	0	3	0.00	0.00	0.00	0.00
Japan	T	48	16	0	0.06	0.02	0.00	-100.00
Moldova	T	19	38	0	0.02	0.05	0.00	-100.00
New Zealand	T	17	0	0	0.02	0.00	0.00	0.00
Colombia	T	0	1	0	0.00	0.00	0.00	-100.00
Canada	T	120	0	0	0.14	0.00	0.00	0.00
Vietnam	T	0	44	0	0.00	0.06	0.00	-100.00
Russia	T	5	19	0	0.01	0.03	0.00	-100.00
Serbia and Montenegro	T	127	0	0	0.15	0.00	0.00	0.00
South Africa	T	9	0	0	0.01	0.00	0.00	0.00
Not Determin Extra EU Trade	T	24	0	0	0.03	0.00	0.00	0.00
Not Determined	T	54	3	0	0.06	0.00	0.00	-100.00

Poland and *Senga Sengana*

Poland has been a leader in the processed strawberry industry due to established business relationships with food processors, historical low labor costs, extensive domestic frozen fruit and vegetable industry, and almost exclusive production of the strawberry variety *Senga Sengana*. *Senga Sengana*, although not suited for the fresh market, is the most preferred variety in the EU for strawberry processing, especially for jams and juices.

Senga Sengana is essential for the processing industry in the EU. Although the importance of the variety has diminished in the last years, it still represents around 50 percent of total strawberry production in the EU and 80 percent of the strawberries delivered to the processing industry. For a number of products, varieties grown for the fresh market cannot substitute the *Senga Sengana*. Due to its own features (flavor, strong red color) *Senga Sengana* is the preferred variety for the jam industry in Northern Europe and for the juice industry. The fruit preparation industry is less dependent on a specific variety.

The processing industry in the EU has started to diversify its supply of strawberry varieties in order to provide the full range of products currently on the market. Competition from other varieties and the somewhat delicate nature of *Senga Sengana* may affect the profitability of this variety in the future.

The future of *Senga Sengana* may see production diminishing for a number of reasons. First, profitability of cultivation of *Senga Sengana* is constrained by the facts that it cannot be sold on the fresh market and that it produces low yields. Second, supplies to the EU from third countries, which cannot produce *Senga Sengana*, continue to increase and are becoming a more permanent feature of the market. Finally, labor costs in Poland are rising alongside its growing economy. Historically, labor costs have always dictated the location of production of strawberries for processing in Europe.

Besides *Senga Sengana*, *Honeyoe*, *Dukat*, *Elsanta*, *Kent*, *Korona*, and *Marmolada*, other varieties that can be used for both the fresh market and the processing industry, are also cultivated in Poland, but at much lower levels.

Other EU Member States

Poland is the only EU Member State where the majority of strawberry production is intended for processing. In all EU Member States but Poland, the processing industry is the destination only for those fresh market strawberries that producers have not been able to sell on the fresh market. Due to this, the processing industry plays an important role in the regulation of the fresh market.

Production delivered to the processing industry includes irregular-shaped, over-ripped and other out-sorted fruits, or excessive production that cannot be absorbed by the market, or production of end of harvest season. The main countries involved include Belgium, Italy, the Netherlands, Spain, and to even lesser extents France and Germany.

In Spain the processing industry plays an important role in the regulation of the sector. Depending on the year, between 15 percent and almost 30 percent of total production of fresh strawberries, end up as raw materials for the processing industry. Out-sorted strawberries represent the largest part with amounts of around 8 to 10 percent of total production at all moments in the harvest season.

Consumption

Consumption of fresh strawberries is very sensitive to price. When production of fresh strawberries is good and prices are low, consumers respond. Fresh strawberries are popular in many EU Member States when prices are acceptable to the consumer. Harvest of fresh strawberries begins in Spain in January and continues until May. In Northern European countries, the harvest begins later and lasts until July. During the harvest season is when EU consumers buy most of the strawberries they will consume for the year. However, just as consumers respond to low prices, they also respond strongly to high prices by choosing other fresh fruit instead of strawberries.

During the past several years, annual consumption of fresh strawberries has remained stable in the EU-27 at around 3kg/per capita in Western Europe and at around 1kg/per capita in Eastern and Central Europe. Consumption is expected to remain constant in 2008. Annual consumption of processed strawberry products is lower at about 0.5-1kg/per capita.

Trade

Growth in EU demand for processed strawberries has meant an increase in imports from third countries. About 30 percent of the raw materials needed for strawberry processing are imported from third countries. Poland has not been able to meet the increase in demand alone. China and Morocco have developed significant exports of strawberries for processing to the EU.

Total supply in the EU-27 of strawberries for processing amounts to around 300,000 MT annually on average from 2001/2002 to 2003/2004. Of this, around 200,000 MT are frozen strawberries and around 85,000 MT are processed directly into purees, jams and concentrates. The share of EU-27 imports of frozen strawberries from third countries in the total supply of strawberries to the industry increased from less than 20 percent in 2001/2002 to over 30 percent in 2006/2007.

Due to large storage capacities, only Poland offers spread delivery of purchased frozen strawberries throughout the year. Large processors that buy Polish strawberries for processing purchase most of their needs in these conditions. However, to remain competitive against cheaper Chinese and Moroccan imports, Poland will also have to make further efforts, such as creating Producer Organizations or Groups, expand contract purchasing and improve the quality of planting material.

In October 2006, the EU Commission imposed temporary anti-dumping duties on imports of frozen strawberries from China. These duties were imposed to protect the European market from very low price imports of frozen strawberries. The Polish government submitted a request to the EU for a safeguard investigation because Polish officials suspected that frozen strawberries from China were being sold at dumping prices. In July 2005, in response to these demands from Poland, the European Commission initiated a nine-month safeguard investigation of frozen strawberry imports into the EU, which was later extended in October 2006. The anti-dumping protective measure against Chinese exports adds an additional custom duty of 34.2 percent, in addition to a regular tariff of 14.4 percent, for a total duty of 48.6 percent on most Chinese exports of frozen strawberries to the EU. At these duty rates the Chinese products are not competitive in the EU and exports are greatly reduced, to the advantage of Polish exports.

The EU Commission decided to extend the temporary duties for up to the 5-year maximum permitted under EU regulations. Five years of protection will hopefully give enough time to the Polish strawberry sector to create strong Producer Organizations and to establish contract production, which would help stabilize production levels and prices in Poland, and help Polish strawberry producers more easily compete with third country producers.

Introduction of EU anti-dumping duties forced Chinese exporters to seek out other markets, which could affect other world suppliers, such as the United States.

Stocks

With large storage capacities, Poland is the only country capable of holding stocks of strawberries for processing. The lower the price, the more likely frozen strawberries will be stored. It is estimated that there is about 0.9-1.2 million square meters of cold storage in Poland, most of which is capable of maintaining temperatures below minus 18 Celsius (-0.4F).

Policy

The EU has two policy instruments that it mobilizes to improve the functioning of the commodity chain in the sector of soft fruits and cherries. The common market organization for fruit and vegetables and the rural development programs both aid producers of strawberries in the EU-27 Member States.

Starting on January 1, 2008 a new common market organization for fruit and vegetables along with a new set of implementing rules went into effect in the EU. The purpose of the reformed CMO is to improve the competitiveness and market orientation of the fruit and vegetable sector, reduce income fluctuations resulting from crises, promote consumption, and enhance environmental safeguards. The main points of the of the new CMO are to encourage growers to join Producer Organizations which help growers mitigate crises, integrate the fruit and vegetable sector into the Single Payment Scheme, require a minimum level of environmental funding, increase EU funding for the promotion of organic production and abolish export subsidies for fruits and vegetables. These main points are outlined below:

Producer Organizations (POs): POs will gain greater flexibility and their rules will be simplified. There will be additional support (60 percent Community co-financing rather than of 50 percent) in areas where production covered by POs is less than 20 percent, and, in particular, in the new Member States, to encourage the creation of POs. Member States and POs will develop Operational Programs based on a national strategy.

Crisis Management: This will be organized through Producer Organizations (50 percent financed by the Community budget). Tools will include green harvesting/non-harvesting, promotion and communication tools in times of crisis, training, harvest insurance, help in securing bank loans and financing of the administrative costs of setting up mutual funds. Withdrawals can be carried out by POs with 50 percent co-financing. Withdrawals for free distribution to schools etc will be 100 percent paid by the Community. Community aid to POs will remain limited to 4.1 percent of the total value of marketed produce, but this may rise to 4.6 percent provided that the excess is used only for crisis prevention and management. For three years, state aid may be granted to extend crisis management measures to non members who enter into a contract with a PO. Compensation for non

members will be no more than 75 percent of the Community support received by PO members.

Inclusion of fruit and vegetables in the Single Payment Scheme (SPS): Land covered by fruit and vegetables will become eligible for payment entitlements under the decoupled aid scheme which applies in other farm sectors. All existing support for processed fruit and vegetables will be decoupled and the national budgetary ceilings for the SPS will be increased. The total amount that will be transferred to the SPS is around €800 million. For tomatoes, Member States will be allowed to apply transitional payments for a four-year transitional period (2008-2011), provided that the coupled proportion of the payment does not exceed 50 percent of the national ceiling. For non-annual crops, they will be allowed to apply transitional payments for five years, provided that after 31 December 2010, the coupled proportion does not exceed 75 percent of the national ceiling. Member States may if they so choose postpone the distribution of fruit and vegetable entitlements for up three years.

Environmental measures: The inclusion of fruit and vegetables in the SPS means that cross compliance (i.e. mandatory environmental standards) will be compulsory for those farmers receiving direct payments. In addition, POs must devote at least 10 percent of expenditure in each Operational Program to environmental measures. There will be a 60 percent Community co-financing rate for organic production in each Operational Program.

Encouraging greater consumption: Higher consumption of fruit and vegetables was one of the goals identified in the Commission's White Paper on Nutrition, published in May. POs will be able to include promotion of fruit and vegetable consumption in their operational programs. There will be an additional €6 million under the general promotion regulation for the promotion of fruit and vegetables targeted at children in educational establishments. There will be an €8 million budget for free distribution of fruit and vegetables to schools, hospitals and charitable bodies, which will be 100 percent financed by the Community up to a limit of 5 percent of the quantity marketed by a PO. The Council asked the Commission to carry out a feasibility study into the creation of a school fruit and vegetable scheme.

Separate fruit and vegetable payment for SAPS countries: Countries applying the Single Area Payment Scheme will be able to introduce a decoupled fruit and vegetable payment to historical producers of fruit and vegetables. They will have to decide by 1 November 2007 the amount to be deducted from the SAPS envelope to cover this and the criteria used for the allocation of the fruit and vegetable payment.

Transitional soft fruit payment: To allow producers of strawberries and raspberries for processing to adapt to market circumstances, they will receive a transitional direct payment worth €230 per hectare for maximum period of 5 years for a set number of hectares. Member states may pay a national top-up so that the total shall not exceed €400/hectare.

As a result of the reformed CMO, the EC, starting in 2008, lowered the minimum farm acreage for berry producers to receive support from .3 ha to .1 ha. For Polish strawberry farmers, who generally have farms that are quite small, the change will allow the inclusion of about 60,000 more Polish berry farms. These payments will be provided only to producers working under contracts from the processing industry; farmers would need to verify that the contracted deliveries actually took place.

Although these payments would be small, the EU funds will likely lead to on-farm investment and some modernization. Also, as berry producers are located in some of the poorest parts of Poland, even a slight increase in income can have a significant impact on smaller farms.

In Poland, in the context of higher levels of unemployment in rural areas and small farm structures, the sector of soft fruit for processing represents an important source of labor and income. Polish sources estimate that the overall fruit and vegetable sector provides the equivalent of 250,000 full time jobs (production, marketing, and processing). In the soft fruit and cherry sector only, this would amount to around 80,000 full time jobs.

From a social point of view, the sector plays a considerable role in rural areas in Poland. Funds directed toward rural development from the EU help play a role in improving the livelihoods of soft fruit producers, which in turn helps develop the industry.

Marketing

Marketing of fresh market strawberries is quite different across the EU Member States. In Spain, where the market is highly developed, the Producer Organization, FRESHUELVA, is highly involved in marketing activities, contracts with farmers are common, and produce is directed more toward wholesale suppliers. In Poland, fresh market strawberry marketing is not so developed. The farmers are not organized, contracts are not common, and during the harvest season, vendors traditionally sell fresh strawberries in 2kg containers from the back of trucks or from temporary stands. This is starting to change somewhat as large foreign direct investment is being made into the Polish soft fruit sector. Foreign companies (mostly German and Czech) either establish purchasing points in Poland or contract in advance with Polish farmers prior to planting. Polish firms, lacking financial resources, find it difficult to compete with the foreign firms.

For processing strawberries, the marketing activities are more developed in Poland. The growth of modern new retail outlets throughout Poland has increased cold storage capacity and increased distribution capabilities. Currently there are several distribution groups in the Polish market, including Frozen Food Group and KFD.

Both of these associations are comprised of several large distribution firms that work closely with individual freezing companies and frozen food processors. Transportation is by a specialized fleet of freezer trucks. Both organizations often provide smaller shops with storage freezers. Some of the recently privatized freezing companies are also trying to serve local markets with their products.

Additional information regarding EU import rules, food laws and trade is available at the USEU website <http://useu.usmission.gov/agri/>; E-mail: AgUSEUBrussels@usda.gov

Related reports from FAS EU offices

SP7031	Spain – Annual Report http://www.fas.usda.gov/gainfiles/200710/146292796.pdf	10/17/2007
SP7016	Spain – Voluntary Update http://www.fas.usda.gov/gainfiles/200704/146280722.pdf	04/04/2007
PL6067	Poland - Anti-dumping protective measures against Chinese frozen http://www.fas.usda.gov/gainfiles/200610/146249316.pdf	10/27/2006

These reports can be accessed through website <http://useu.usmission.gov/agri/> or through the FAS website <http://www.fas.usda.gov/scriptsw/attacherep/default.asp>.