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Italy

Canned Deciduous Fruit

Canned Deciduous Fruit Annual Report 1999

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Report Highlights: Italian canned deciduous fruit production for 1998/99 was officially set at 27,000 tons of canned peaches 63,000 tons of canned pears and 78,000 tons of canned mixtures. Canned pear production in 1999/2000, is expected to return to average levels of 42,000 mt. While Greece (75%) is the main supplier of canned peaches to Italy, recently, some peach and pear imports have come in from Spain and even 1,000 mt from the United States, based on price competitiveness.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
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SECTION I. SITUATION AND OUTLOOK

PRODUCTION

GENERAL

Italian canned deciduous fruit production for 1998/99 was officially set at 27,000 tons of canned peaches 63,000 tons of canned pears and 78,000 tons of canned mixtures. Since there are no official statistics available for canned fruit, production data are estimated on the basis of subsidy claim data provided by the Ministry of Agriculture. Sometimes this data are updated late in the year, as this year, resulting in discrepancies between forecast data supplied in the semi-annual report due 3/10/99 and the present report.

Final data for 1998 showed an increase in canned production due to larger fresh fruit crops, especially for pears. An exceptionally high level of pear production in 1998 resulted in a 50% increase in canned pear production. For 1999/2000, a significant decline is expected for Italian canned pears production as it returns to average levels as in 1997. Processing pear planted area is remaining stable. No changes are expected for Italian fruit canned mixture output.

Canned peach and mixture output increased in 1998/99, by 8% and 3% respectively from 1997/98 levels. For peaches, this is a continuation of a trend where Italian canned peach production is rebounding from a catastrophic year in 1997 due to unfavorable weather conditions. The Italian peach planted area has declined (-10% from 1991 to 1998) both for fresh consumption and for processing. For processing peach planted area the decline is due to strong competition from the Greek canned peach industry. However, favorable weather conditions in 1999 are expected to increase the amount of peaches available for canning production by 15% with a corresponding increase expected for final canned peach production.

CONSUMPTION

GENERAL

Consumption of canned fruit, especially canned peaches, continues to decline in Italy as the consumers' preference for fresh fruit increases. This trend is compounded by an increasing supply and variety of fruits available throughout the year. Catering companies and restaurants remain the major users of Italian canned fruit.

TRADE

Italian imports of canned peaches remained large in 1998/99. About 75% of Italian canned peach imports come from Greece which are replacing domestic supply due to their low price. Most of the peaches arrive in bulk and are further processed, including into canned mixtures, in which the Italian producers are considered to be more efficient than Greek producers.

Italian canned fruit exports remain large and in 1998/99 are expected to increase, especially for canned pears (about 20%) due to a large supply. Almost all Italian canned fruit exports are delivered to EU markets. Germany is the main market, absorbing 34 percent of total Italian exports in 1998. The decline in Italian exports that appear in CY 1998 trade matrix reflects the poor fresh production in 1997.

PRICES

For the 1999/00 marketing year the European Union reduced minimum prices and processing subsidies for canned peaches and pears.

Peaches:

Minimum price (paid to farmers) 28.36 EURO/100 Kg. or 54,912 Lire/100 Kg. (-10%)

Processing price (paid to processors) 6.10 EURO/100 Kg or 11,811 Lire/100 Kg. (-1.4%)

Pears:

Minimum price 35.55 ECU/100 Kg or 68,834 Lire/100 Kg. (-11%)

Processing price 11.881 ECU/100 Kg or 23,000 Lire/100 Kg. (-7%)

Exchange rate on 9/2/99:1 EURO=1936.27 Lire.

Italian processors have again expressed concern about the subsidy reduction, fearing that it will result in increased competition from the Greek canned fruit sector. Although the Greek industry is subject to the same reduction in EU subsidies, domestic producers believe that Greece is more "creative" in finding other ways to bolster its industry.

MARKETING

Canned mixtures are the core product for the Italian canning industry both for output and export. This product is the most requested by the catering industry and can easily compete against fresh fruit for their purposes. In other areas, particularly in consumer preferences, canned fruit has become a low value product.

Production is concentrated with a few companies packing most of the Italian canned fruit. There are, however, several small companies which produce private label goods for supermarket chains and other food companies. The Italian packers generally base their purchases on price, with most product coming from Greece. However, recently, some peach and pear imports have come in from Spain and even 1,000 mt from the United States, probably based on price competitiveness.

The recent trade Agreement between the European Union and South Africa (see Report IT8039) could improve import opportunities of canned pears and mixture from South Africa due to its ability to produce canned fruit at very low costs.

SECTION II. PSD TABLES

CANNED PEACHES

PSD Table						
Country:	Italy					
Commodity:	Canned Peaches					
		1997		1998		1999
	Old	New	Old	New	Old	New
Market Year Begin		7/97		7/98		7/99
Deliv. To Processors	22000	22000	21000	25000	0	26000
Beginning Stocks	3000	3000	0	0	0	1000
Production	25000	25000	22000	27000	0	29000
Imports	27000	27000	28000	27000	0	24000
TOTAL SUPPLY	55000	55000	50000	54000	0	54000
Exports	35000	35000	33000	36000	0	38000
Domestic Consumption	20000	20000	17000	17000	0	15000
Ending Stocks	0	0	0	1000	0	1000
TOTAL DISTRIBUTION	55000	55000	50000	54000	0	54000

CANNED PEARS

PSD Table						
Country:	Italy					
Commodity:	Canned Pears					
		1997		1998		1999
	Old	New	Old	New	Old	New
Market Year Begin		7/97		7/98		7/99
Deliv. To Processors	38000	38000	36000	56000	0	38000
Beginning Stocks	12000	12000	6000	6000	0	16000
Production	42000	42000	37000	63000	0	42000
Imports	400	400	1000	1000	0	0
TOTAL SUPPLY	54400	54400	44000	70000	0	58000
Exports	36000	36000	33000	43000	0	40000
Domestic Consumption	12400	12400	11000	11000	0	10000
Ending Stocks	6000	6000	0	16000	0	8000
TOTAL DISTRIBUTION	54400	54400	44000	70000	0	58000

CANNED MIXTURES

PSD Table						
Country:	Italy					
Commodity:	Canned Mixtures					
		1997		1998		1999
	Old	New	Old	New	Old	New
Market Year Begin		7/97		7/98		7/99
Deliv. To Processors	69000	69000	65000	69000	0	69000
Beginning Stocks	800	800	0	0	0	0
Production	76000	76000	72000	78000	0	78000
Imports	4000	4000	5000	4000	0	4000
TOTAL SUPPLY	80800	80800	77000	82000	0	82000
Exports	72000	72000	69000	76000	0	74000
Domestic Consumption	8800	8800	8000	8000	0	8000
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	80800	80800	77000	84000	0	82000

TRADE MATRIXES

CANNED PEACHES

Export Trade Matrix			
Country:		Units:	MT
Commodity:			
Time period:	1998		
Exports for	1997		1998
U.S.		U.S.	
Others		Others	
Germany	17900		16000
U.K.	3600		2500
Netherlands	2700		3500
France			3700
Other EU	8100		
Total for Others	32300		25700
Others not listed	4100		8300
Grand Total	36400		34000

Import Trade Matrix			
Country:		Units:	MT
Commodity:			
Time period:	1998		
Imports for	1997		1998
U.S.	280	U.S.	1600
Others		Others	
Greece	14800		23000
Spain	6400		1000
Total for Others	21200		24000
Others not listed	8020		4400
Grand Total	29500		30000

CANNED PEARS

Export Trade Matrix			
Country:		Units:	MT
Commodity:			
Time period:	1998		
Exports for	1997		1998
U.S.		U.S.	
Others		Others	
Germany	19700		12900
U.K.	3300		2800
France	12600		14300
Netherlands	3000		2400
Other EU	3300		
Total for Others	41900		32400
Others not listed	600		3300
Grand Total	42500		35700

Import Trade Matrix			
Country:		Units:	MT
Commodity:			
Time period:	1998		
Imports for	1997		1998
U.S.		U.S.	
Others		Others	
Other	185		
Spain			315
Greece			285
Total for Others	185		600
Others not listed	58		500
Grand Total	243		1100

CANNED MIXTURES

Export Trade Matrix			
Country:		Units:	MT
Commodity:			
Time period:	1998		
Exports for	1997		1998
U.S.	124	U.S.	1
Others		Others	
Germany	25400		21400
U.K.	15800		18000
France	22400		21400
Other EU	16700		
Total for Others	80300		60800
Others not listed	1976		14199
Grand Total	82400		75000

Import Trade Matrix			
Country:		Units:	MT
Commodity:			
Time period:	1998		
Imports for	1997		1998
U.S.		U.S.	
Others		Others	
Total EU	3000		
France			1500
Total for Others	3000		1500
Others not listed	200		1400
Grand Total	3200		2900