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Fresh Deciduous Fruit

Fresh Deciduous Fruit Annual Report

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Report Highlights: France apple and pear production is expected to remain at average levels in MY 1998/99. While consumption is likely to remain stable, apple and pear exports are likely to suffer from the Russian financial turmoil and the economic recession in southeast Asia. Nevertheless, France will remain the largest EU apple producer and exporter. France produces less than half of its table grape consumption and exports only a minor volume.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Annual Report
, FR

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EXECUTIVE SUMMARY

French apple production in MY 1998/99 is forecast to remain stable at 1.94 million MT (MMT). Pear production may drop to 0.256 MMT. French table grape production in MY 1999 is projected to decrease to 0.107 MMT. All those decreases are mainly due to a frost in April 98 that affected the southern half of France, the main French fruit production area.

Apple, pear and table grape consumption in MY 1997/98 remained stable.

In MY 1997/98 France remained the largest EU exporter of apples, mostly to the United Kingdom (U.K.) and Germany. But France had also been successful in recently penetrating other markets such as Scandinavia, Eastern Europe, Russia and South East Asia, thanks to continuous efforts on quality and marketing. However, France's apple exports are expected to decrease significantly in MY 1998/99 due to the likely suspension of French apple exports to Russia following the financial turmoil that hit this country in August 1998. France's apple exports to other EU countries may also suffer from increased competition from Italy and Netherlands, looking for new market for their exports previously targeted towards Russia. France's pear imports exceeded exports in MY 1997/98 without any significant changes in the trade pattern. Pear imports from the Southern Hemisphere remained at roughly 30 percent of total imports. Table grape exports in MY 1996 consisted of 10,000 MT, less than 11 percent of total imports, with three fourths of imported table grapes coming from Italy.

Notes: For apples and pears, MY 1997/98 refers to the July 97 to June 98 period. For table grapes, MY 1997 refers to the January 97 to December 97 period.

Source:

Data in this report are gathered from the Ministry of Agriculture and Fisheries (MinAg), the French Board for Fruits, Vegetables and Horticulture (ONIFLHOR), the Interprofessionnal Organization for Fruits and Vegetables (INTERFEL), the Technical Center for Fruits and Vegetables (CTIFL), the French Fruit Producers Association (FNPF) and the French Board for Foreign Trade (CFCE)

Note that the annual report published usually in early summer jointly by the various French fruit association has not been released by mid-September 1998.

PRODUCTION

PSD Table						
Country:	France					
Commodity:	Apples					
		1996		1997		1998
	Old	New	Old	New	Old	New
Market Year Begin		07/1996		07/1997		07/1998
Area Planted	62000	63000	63000	63600	0	63000
Area Harvested	56400	56300	57600	56100	0	55500
Bearing Trees	62700	62700	63400	62400	0	61700
Non-Bearing Trees	6000	6000	6000	6000	0	6000

Total Trees	68700	68700	69400	68400	0	67700
Commercial Production	2012400	2012400	1917500	1987000	0	1800000
Non-Comm. Production	35000	35000	35000	40000	0	40000
TOTAL Production	2047400	2047400	1952500	2027000	0	1840000
TOTAL Imports	60000	74100	60000	90000	0	100000
TOTAL SUPPLY	2107400	2121500	2012500	2117000	0	1940000
Domestic Fresh Consump	950400	977700	887500	902000	0	825000
Exports, Fresh Only	800000	758800	825000	880000	0	790000
For Processing	275000	275000	275000	275000	0	275000
Withdrawal From Market	82000	110000	25000	60000	0	50000
TOTAL UTILIZATION	2107400	2121500	2012500	2117000	0	1940000

PSD Table						
Country:	France					
Commodity:	Fresh Pears					
		1996		1997		1998
	Old	New	Old	New	Old	New
Market Year Begin		07/1996		07/1997		07/1998
Area Planted	14800	14800	14400	14400	0	13800
Area Harvested	13450	13450	13000	13000	0	12400
Bearing Trees	14800	14800	14300	14300	0	13800
Non-Bearing Trees	1500	1500	1500	1500	0	1500
Total Trees	16300	16300	15800	15800	0	15300
Commercial Production	347600	347600	247600	253800	0	250000
Non-Comm. Production	6700	6700	5000	5000	0	6000
TOTAL Production	354300	354300	252600	258800	0	256000
TOTAL Imports	80000	84100	100000	80000	0	90000
TOTAL SUPPLY	434300	438400	352600	338800	0	346000
Domestic Fresh Consump	254300	256400	227600	213800	0	221000
Exports, Fresh Only	90000	82000	75000	75000	0	65000
For Processing	45000	45000	45000	45000	0	45000

PSD Table						
Country:	France					
Commodity:	Fresh Table Grapes					
		1996		1997		1998
	Old	New	Old	New	Old	New
Market Year Begin		01/1996		01/1997		01/1998
Area Planted	14700	0	14100	14200	0	14100
Area Harvested	14100	0	13500	13500	0	13400
Commercial Production	117000	0	91700	93700	0	100000

Non-Comm. Production	9000	0	7000	7000	0	7000
TOTAL Production	126000	0	98700	100700	0	107000
TOTAL Imports	130900	0	150000	120000	0	120000
TOTAL SUPPLY	256900	0	248700	220700	0	227000
Domestic Fresh Consump	242100	0	236700	210700	0	215000
Exports, Fresh Only	14800	0	12000	10000	0	12000
For Processing	0	0	0	0	0	0
Withdrawal From Market	0	0	0	0	0	0
TOTAL UTILIZATION	256900	0	248700	220700	0	227000

Apple Production, General

According to latest estimates, the French apple crop for MY 1998/99 is expected to decrease by 10 percent from the previous year, because of a frost in mid-April in the southern half of France. However, the damage was less than previously anticipated, as the summer's weather has been beneficial to the apples' growth.

The major apple varieties grown in France in MY 1998/99 are Golden Delicious (760,000 MT), Granny Smith (215,000 MT) and Red American varieties (132,000 MT). Gala is becoming a major variety with 146,000 MT.

Pear Production, General

The MY 1998/99 pear production is estimated to be down by 4 percent, compared to the MY 1997/98 level. This is the result of late frosts in March and April which damaged pear orchards in southern France.

The major summer pear varieties grown in France in MY 1998/99 are Williams (75,000 MT) and Jules Guyot (62,000 MT). Autumn pears account for 65,000 MT and winter pears account for 18,000 MT.

Table Grape Production, General

The "Total Production" category in the table grape PS&D table pertains to table grapes harvested for the fresh market only and does not include table grapes harvested for processing, such as those used for juice or wine production. Three varieties represent more than 75 percent of the crop: Chasselas and Muscat (25,000 MT each), followed by Alphonse Lavallee (15,000 MT).

Crop Area

French apple production is concentrated in the southern and southwest region of France, which account for 85 percent of the crop. The Provence-Cote d'Azur is the major apple producing region, producing more than 25 percent of the total apple production (on 15 percent of the total apple area). The Loire Valley generally produces about 15 percent of the total apple output (on about 10 percent of the total apple area). Among the producing regions, Limousin is the only one that can supply apples in June and July of the year following the harvest. These apples, which are mostly the Golden Delicious variety, last longer due to the higher altitude of the orchards and can

maintain their color and taste until the following summer, if cold stored in a controlled atmosphere. Some Limousin producers have recently petitioned the MinAg for an “Appellation controllee” (controlled certificate of origin) label for Limousin apples, believing it could add value to their production and expand their share of the export market.

According to the Ministry of Agriculture (MinAg), most apple orchards are young, especially in the Loire Valley, where 56 percent of apple trees are less than 10 years old. In France, 47 percent of apple trees are currently less than 10 years old.

The type of apple grown in France has changed since the 1980's, with the trend now towards bi-color varieties. Total area used to produce the Golden Delicious variety has fallen from 60 percent to less than 50 percent over the last ten years. Varieties that have been recently popular include Royal Gala, Elstar, Fuji, Idared, and Braeburn.

France's southern regions supply more than 80 percent of the pear crop, with the Cote d'Azur Provence region alone providing nearly 40 percent of the crop. Since the mid-1970's, the area of commercial pear orchards in France has declined. The Williams variety covers 31 percent of the total pear area, followed by Jules Guyot with 25 percent. Summer pears comprise more than 59 percent of the pear orchards area.

Current area planted to table grapes is estimated at 15,500 hectares, mostly in the Provence Cote d'Azur region, and has decreased by 55 percent since the end of the 1970's.

CONSUMPTION

Apple Consumption, General

Apples are the leading fruit consumed in France, with an average annual per capita consumption of 15 KG, far ahead of oranges (11 KG) and bananas (7.5 KG). Each year, on average, 800,000 to 900,000 MT of apples are purchased for domestic consumption, including 100,000 to 120,000 MT for catering. According to market sources, apple consumption in MY 1997/98 has remained stable. (Note: Fresh consumption data in the apple PS&D take into account stock variations; therefore, they do not always reflect the real consumption level).

The volume of apples processed in France is not precisely known. Some estimates report up to 290,000 MT but more conservative estimates put it at 270-280,000 MT. Of this quantity, 100,000 to 150,000 MT are processed as compote, 80,000 MT as apple juice and concentrate, and the remaining amount is used for pastry, frozen apples and various other products.

Pear Consumption, General

French pear consumption remained stable in 1997/98. The average per capita consumption in MY 1996/97 was close to 3.3 KG. (Note: Fresh consumption data in the pear PS&D take into account stock variations; therefore, they do not always reflect the real consumption level.)

It is difficult to accurately assess the quantity of pears processed by the food industry. It is probably close to 45,000 MT, of which 25,000 are processed into canned pears, 10,000 MT are distilled for pear brandy, and the rest made into other products.

Table Grape Consumption, General

About 65 percent of the table grapes consumed in France are white varieties. Italia represents 40 percent of the consumption, followed by Chasselas (15 percent). Italia is perceived as an "easy" variety, fitting well with the new consumption patterns of snacking and quick lunches. The main black variety is Muscat (20 percent of the consumption). In MY 1996, The table grape consumption per capita was estimated at 2.4 KG. According to market studies, table grape consumers are often older than the average population and have higher incomes.

Fresh Deciduous Fruit Utilization Patterns

According to SECODIP, despite declining popularity, the Golden Delicious variety constitutes 46 percent of total household apple purchases, still ahead of the bi-color varieties that comprise 21 percent of purchases. Other varieties are Red American (17 percent), Granny Smith (10 percent) and Reinette (7 percent). More than 30 percent of apple purchases occur in autumn, 32 percent in winter and 24 percent in the spring.

More than 60 percent of the domestic sales of pears occur in the August to December period. The breakdown of household consumption of pears by major varieties is as follows: Williams, 27 percent; Conference, 15 percent; and Comice, 12 percent.

TRADE

Note: The trade matrix below is for the first 11 months of MY year 97/98. Customs data for June 98 are not yet available.

Apple Trade

Export Trade Matrix			
Country:		Units:	MT
Commodity :			
Time period:	June 97 - May 98		
Exports for	1996		1997
U.S.		U.S.	44
Others		Others	
		United Kingdom	232192
		Germany	122298
		Netherlands	109834
		Spain	64227
		Belgium/Lux	52340
		Russia	39631
		Sweden	27730
		Finland	26698
		Ireland	19047
		Italy	8432
Total for Others	0		702429
Others not listed			172584
Grand Total	0		875057

Import Trade Matrix			
Country:		Units:	MT
Commodity :			
Time period:	June 97 - May 98		
Imports for	1996		1997
U.S.		U.S.	412
Others		Others	
		Belgium/Lux	16718
		Netherlands	10235
		Italy	9741
		Chile	7105
		Spain	6161
		South Africa	5149
		Germany	3385
		New Zealand	3148
		Argentina	1761
Total for Others	0		63403
Others not listed			23328
Grand Total	0		87143

France is the largest apple exporter in the EU. In CY 1997, apple exports contributed FF 2.8 billion (USD 479 million with the average exchange rate in CY 1997 of FF 5.84 to one USD) to the French agricultural trade surplus. Apples exports constituted close to 50 percent of all French fresh fruit exports, in value, during CY 1997.

French apple exports to Russia in MY 1997/98 slightly decreased from MY 1996/97. Intense competition from Italian and Dutch apple exporters is held to be the main reason for this decrease. While there are only a handful of Dutch and Italian companies exporting to Russia, there were more than 15 French apple exporters to Russia. Some were so small that to compete on price, they were shipping low quality apples which were rejected by Russian buyers.

The recent financial turmoil in Russia is likely to cut dramatically French apple exports to the region. It has been reported that apple shipments to Russia have been suspended since mid-August. Several French exporters will face buyers credit failures as most deals were not covered by COFACE, the French Export Credit agency. However, to avoid financial risks, some French apple exporters were using Dutch brokers, which limited their direct losses.

French apple exports to South-East Asia have also been hit by the recession in this region. However, Gala and Bi-colored varieties are increasingly being consumed in some countries such as Japan and Taiwan. Profits from apple exports to Asia are rumored to be large, partly because these markets demand the highest quality.

However, French apple exporters also enjoy the higher profitability of the EU markets. For example, the United Kingdom buys less than 25 percent of French apple exports in volume, but pays more than 30 percent of the value.

French apple exports in MY 1998/99 may be hurt by both lower (or even nil) exports to Russia as well as an increased competition in EU markets from Italy and Netherlands who face the same problems on the Russian market. French apple exporters also mention that a lower dollar will hurt the price competitiveness of French apples in importing countries such as the United Kingdom.

France imports fresh apples from the Southern Hemisphere in the winter. The Granny Smith variety is the most often imported variety, with 20 percent of the import volume. However, consumers are now looking for more exotic apples, so imports of previously rare varieties, such as the Cox, are increasing.

Note: Some imports of apples reported from Belgium or the Netherlands are in fact apples from the U.S. or the Southern Hemisphere, which are shipped to France through the ports of Rotterdam or Antwerp, making it difficult to fully capture all imports from the United States.

Pear Trade

Export Trade Matrix			
Country:		Units:	MT
Commodity :			
Time period:	June-May		
Exports for	1996		1997
U.S.		U.S.	
Others		Others	
		Germany	18941
		Netherlands	13310
		Italy	13085
		United Kingdom	8414
		Sweden	3086
		Belgium/Lux	5533
		Russia	1719
		Spain	781
		Austria	591
		Ireland	469
Total for Others	0		65929
Others not listed			5837
Grand Total	0		71766

Import Trade Matrix			
Country:		Units:	MT
Commodity :			
Time period:	June-May		
Imports for	1996		1997
U.S.		U.S.	55
Others		Others	
		South Africa	14334
		Spain	11954
		Italy	11164
		Belgium/Lux	10309
		Argentina	9808
		Portugal	7363
		Netherlands	6479
		Chile	6240
Total for Others	0		77651
Others not listed			686
Grand Total	0		78392

France's pear imports are expected to exceed its exports in MY 1997/97. Imports from the Southern Hemisphere remained at roughly 30 percent of total imports. Southern Hemisphere pears do not compete with domestically grown EU pears.

Note that the trade matrix data reflect July 97/May 98 data. Customs data for June 98 were not yet available by early September.

Table Grape Trade

Export Trade Matrix			
Country:		Units:	MT
Commodity :			
Time period:			
Exports for	1996		1997
U.S.		U.S.	
Others		Others	
Belgium/Lux	1631	Belgium/Lux	1507
Netherlands	1458	Netherlands	832
Germany	3997	Germany	2182
		Italy	401
		United Kingdom	94
Spain	1831	Spain	148
Switzerland	3276	Switzerland	2088
Total for Others	12193		7252
Others not listed	2610		513
Grand Total	14803		7765

Import Trade Matrix			
Country:		Units:	MT
Commodity :			
Time period:	MY 1997		
Imports for	1996		1997
U.S.		U.S.	64
Others		Others	
Italy	90769	Italy	37870
Spain	21152	Spain	14814
Israel	6510	Israel	3615
South Africa	2487	South Africa	2457
Chile	6344	Chile	5550
		Argentina	228
Total for Others	127262		64534
Others not listed	3666		213
Grand Total	130928		64811

France traditionally imports more table grapes than it produces, with most coming from Italy. However, the size of imports depends on the volume of the French production. As its domestic production of seedless table grapes is very low, France also imports seedless table grapes, most of them of the Italia variety. Muscat and Chasselas varieties are traditionally exported to French speaking countries such as Switzerland and Belgium.

Note: the CY 97 Trade matrix above has been calculated from Customs data. It shows a 50 percent drop from CY 1996 which should be disregarded. Analysts estimate table grape imports at close to 120,000 MT and exports at 10-12,000 MT. Such discrepancies remain mostly unexplained but it is believed that table grape trade figures and non-table grape trade figures have been combined in the Customs data under the non-table grape category.

MARKETING

Market Development Opportunities

French customers are increasingly looking for larger and more flavorful apples of high quality. Therefore, there is potential for expanding U.S. apple exports to France, particularly in short crop years. Expansion would require promotional and marketing activities, which are currently insignificant.

French pear imports are usually inversely associated with the size of the domestic crop. However, general demand for imports is rising slowly and French consumers have now developed a taste for Southern Hemisphere varieties. For summer fruits there is strong competition from EU countries, such as Italy and Spain, and consumers lack information about U.S. varieties. Price competitiveness and marketing campaigns are needed to help U.S. exporters gain market share in France. Note that U.S. apples have found a small niche market in France through British retail chains including Marks and Spencer, and Tesco.

With the implementation of the single European Market, the U.S. can now export table grapes to France any time of the year. French consumers seem to have two different preferences for table grapes. They prefer sweet and tasty high quality grapes (with seeds) for dinner (or any full meal), but they also appreciate large seedless grapes for snacks or quick lunch. Because the French market is not accustomed to American varieties, U.S. exporters need to educate consumers via market promotions and trade shows, as well as keeping prices competitive.