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Slovakia

Fresh Deciduous Fruit

Annual

2000

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Report Highlights:

The 2000 apple crop is expected to increase. The government supports the creation of new intensive orchards which will result in production rise and improved quality in the future. New modern storage facilities are under construction.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
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Executive Summary

The 2000 apple crop is expected to increase compared to 1999. According to a government program, the creation of new orchard area or replanting of old orchard areas with modern varieties is supported. This will result in rising apple and other fruit production in the future. Apples and other fruits from the new orchards are of high quality. In summer 2000, the first large producer organization for fruit marketing was established. New, modern storage facilities are under construction. Apple imports come predominantly from EU countries and the Czech Republic. Due to the expected larger crop, 2000 apple imports should drop slightly. As in 1999, exports will be small and include only apples for industrial purposes. End summary.

Production

General

Climate and soil conditions in west Slovakia are particularly favourable for apple and other fruit production. About 70% of apples are produced in this part, 10% in central Slovakia and 20% in east Slovakia. As in other agricultural sectors, apple production has also been affected by the general economic crisis after the political changes. However, slow improvement in apple production, storing, and marketing is taking place.

Area

The decline in apple and other orchard area, which began after the political changes, has probably stopped. For some time the Agricultural Ministry has been supporting the creation of improved orchard area, which is finally showing effect. In contrast to the traditional areas, where input and yields are low and yields strongly fluctuate, the reconstructed or new areas correspond in input intensity, varieties, and yields to modern European standards. The share of new created area is small and probably corresponds to the area eliminated from fruit production. The intensive areas are planted with modern varieties such as gold delicious, jona gold, gala, braeburn, and elstar. All are small stems, predominantly hedge; usually 2000 or more trees per hectare. Many of the trees are resistant to mildew and other diseases.

In 1999, the intensive "modern area" was 2,600 ha. In 2000, the carrying area is expected to be around 3000 ha.

According to the 1995 Government program, the modern, intensive fruit area shall be expanded to 8,000 ha by

2005. Probably about half of this area is expected to be apple orchards.

Although the neighboring countries are already infested with erwinia amylovora, Slovakia is still free of this disease.

Yields

Although there is improvement, the majority of apple trees is still overaged. Due to lack of capital, fertilizer and pesticide application is still low. Frequently, old orchards are neglected. However, reconstructed orchards are managed well.

In 1999, the smaller carrying, intensive area and more unfavorable weather conditions caused an 18% output decline.

2000 is a carrier year. This, and the fact that a larger share of the increased intensive area has now bearing trees, will result in a production rise of possibly 17%. Due to the extraordinarily warm periods, ripening was faster than usual. Harvesting began two weeks earlier than in a normal year.

Slovakia's domestic production goal is 60 - 70,000 MT of table apples to cover domestic consumption (included are 10,000 MT imports and 10,000 MT exports). Thus, the country will need storage facilities for around 60,000 MT. So far, there is cold storage for around 2,000 MT and ULO storage for about 1,000 MT. According to the Slovak fruit producer organization, a large fruit trading company Fructostractive in Ostrastice (central Slovakia) intends to construct a modern ULO storage for 13,000 MT fruits. In the first phase the storage capacity will be 3 - 4,000 MT.

In July 2000, the first producer organization "Eska-Fruit" was founded by 10 large fruit growers. As producer organizations in EU countries, Eska-Fruit is supported by the Government with declining payments during a three year period. (Slovakia is eager to join the EU with the first group and thus has been adjusting to EU regulation in each sector.)

Crop Quality

The quality of apples from new orchards with modern varieties is good and corresponds to western standards. However, the majority of apples is still produced in non-intensive areas. Due to insufficient fertilizer and pesticide application, post harvest handling, and storage, the quality of these apples is poor.

Production Policy

The 1995 government program to improve fruit production is still effective. It includes subsidies up to 40% of total costs for the creation of new orchards or reconstruction of old orchards. In addition, credits of 40% of total costs can be given at only 3% annual interest, payable during a 10 year period. The purchase of machinery and equipment can be subsidized and up to 20% of the crop insurance premium can be refunded.

Packaging of processed products follows EU regulations.

Prices

Prices of apples vary during the year based on market conditions. In September 1999, the producer price was Skr 10 - 16 Skr/kg (\$ 0.60 - 0.90). Due to the larger availability, in September 2000, the producer price declined to Skr 8 - 12/kg (\$ 0.5 - 0.70)

Consumption

The rising availability of higher quality apples has stimulated a consumption growth. This seems to be confirmed by larger 1999 imports. The availability of larger quantities of somewhat cheaper domestic good quality apples should cause a further slight rise in apple consumption in 2000.

Use of apples for industrial purposes is in general small. There are two fruit pulp factories which use a few thousand tons of apples each year. In addition, a small quantity is used for the production of compotes, jams, and infant food. However, the production of concentrated apple juice is minimal.

Trade

Due to the relatively small production of high quality table apples and the lack of good storage facilities, a considerable volume of apples has to be imported each year. Particularly the period March - June is covered mostly by imports. All imported apples are of high quality and competitive in price. In general, imports are carried out in small quantities which can be sold without long storage.

In 1999, the lower production resulted in larger imports. In 2000, production is expected to rise which should cause an import drop. As in 1999, imports will come predominantly from EU countries and the Czech Republic.

Exports, which consist primarily of industry apples, will again be minimal in 2000.

Policy

The new Customs Tariff Book for 2000 entered into force on January 1, 2000. The customs duty for apples is 19.0% and the preferential duty 15.0%. Both duties are the same as in 1999. Duty is applied only from September 16 through December 15.

Apple imports require an import license ("automatic license"). Interested importers apply each quarter for the quantity they intend to import. Exports of apples do not require any license.

Marketing

Due to lack of controlled atmosphere storage facilities and to avoid costs of long term storage, import quantities are usually small and are distributed quickly. As a consequence of the still limited purchasing power of the population, competition from closer European suppliers, and the generally low levels of imports, there is practically no market potential for U.S. apples.

PSD Table						
Country	Slovakia					
Commodity	Fresh Apples				(HA)(1000 TREES)(MT)	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		07/1998		07/1999		07/2000
Area Planted	6050	6050	6000	6000	0	0
Area Harvested	6000	6000	6000	6000	0	0
Bearing Trees	7100	7100	7200	7500	0	8100
Non-Bearing Trees	600	600	800	800	0	500
Total Trees	7700	7700	8000	8300	0	8600
Commercial Production	78000	78000	78000	63300	0	74400
Non-Comm. Production	5500	5500	5300	5000	0	5600
TOTAL Production	83500	83500	83300	68300	0	80000
TOTAL Imports	30400	30400	25000	34200	0	27000
TOTAL SUPPLY	113900	113900	108300	102500	0	107000
Domestic Fresh Consump	75000	75000	80000	76000	0	78000
Exports, Fresh Only	2200	2200	5000	2900	0	4000
For Processing	36000	36000	23300	23600	0	25000
Withdrawal From Market	700	700	0	0	0	
TOTAL UTILIZATION	113900	113900	108300	102500	0	107000

Import Trade Matrix			
Country	Slovakia		
Commodity	Fresh Apples		
Time period	MY	Units:	MY
Imports for:	1998	MT	1999
U.S.		U.S.	
Others		Others	
Italy	17500	Italy	18200
Poland	2900	Czech Republic	6600
France	2500	Belgium	3400
Slovenia	2000	Austria	2300
Austria	1700	Poland	2000
Netherlands	1700	France	900
New Zealand	1400	Netherlands	200
Belgium	200	Hungary	200
		Slovenia	100
Total for Others	29900		33900
Others not Listed	500		300
Grand Total	30400		34200

Export Trade Matrix			
Country	Slovakia		
Commodity	Fresh Apples		
Time period	MY	Units:	MY
Exports for:	1998	MT	1999
U.S.		U.S.	
Others		Others	
Austria	1000	Poland	2000
Czech Republic	800	Austria	700
Spain	200	Czech Republic	200
Total for Others	2000		2900
Others not Listed	200		
Grand Total	2200		2900