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Belgium-Luxembourg

Fresh Deciduous Fruit

Annual

2002

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Report Highlights:

Adverse weather conditions led to lower Belgian and European apple production for the second year in a row, 2002 Belgian production is estimated 8.8 percent lower than 2001. Prices are therefore anticipated to remain firm. Belgian and European 2002 pear production is expected to equal the five year average level. With Belgian pear production up 60 percent over 2001, import demand is forecast lower and exports higher than last year.

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

For MY2002, Belgian apple production is forecast at 307,000 MT, an 8.8 percent decrease compared to MY 2001 and almost 30 percent below the five year average. As European apple production is forecast to be low for a second consecutive year, prices are expected to maintain high levels. High prices led to a 5 percent increase in Belgian household expenses for fresh fruits during the past year. For this reason, Belgian total fresh fruit consumption decreased by 6 percent, while fresh apple consumption decreased by more than 10 percent to 185,000 MT.

Belgian pear production for MY 2002 is forecast at 145,000 MT, which equals the five year average. As European pear production is forecast to be at normal levels, the high MY 2001 prices will probably not be maintained. Fresh pear consumption was stable at 45,500 MT in MY 2001 and is expected to maintain that level. As pear production has been more profitable than apple production in recent years, a recent 3 percent per year increase in pear production area is expected to continue, with exports expected to increase.

Exchange Rate		
Year	U.S. \$	Euro
1999	1	0.91
2000	1	1.085
2001	1	1.12

Fresh Apples

PSD Table						
Country	Belgium-Luxembourg					
Commodity	Fresh Apples				(HA)(1000 TREES)(MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		07/2000		07/2001		07/2002
Area Planted	17100	17100	11900	11900	0	12000
Area Harvested	10285	10285	9500	9500	0	10900
Bearing Trees	18550	18550	18000	20000	0	20000
Non-Bearing Trees	0	0	0	0	0	0
Total Trees	18550	18550	18000	20000	0	20000
Commercial Production	506640	506640	358690	340064	0	310460
Non-Comm. Production	5000	5000	3500	3500	0	3500
TOTAL Production	511640	511640	362190	343564	0	313960
TOTAL Imports	229941	229941	225000	235000	0	250000
TOTAL SUPPLY	741581	741581	587190	578564	0	563960
Domestic Fresh Consump	206551	206551	213090	184478	0	183860
Exports, Fresh Only	354285	354285	295000	331500	0	320000
For Processing	140000	140000	79000	62500	0	60000
Withdrawal From Market	40745	40745	100	86	0	100
TOTAL UTILIZATION	741581	741581	587190	578564	0	563960

Production

2002 Belgian apple production is forecast at 306,960 MT, an 8.8 percent decrease compared to 2001 production and 28.4 percent below the five year average. This decrease is due to frost damage, poor flowering conditions and thunderstorms during the growing season.

The Ministry of Agriculture has reduced its official estimates of apple production area from more than 17,000 Ha in 2000 to 12,000 Ha in 2002 as a result of evidence that apple producers were inflating production areas for tax valuation reasons. This reduction does not reflect a substantial change in actual production area (see Area Harvested). The number of trees has also been revised upwards because renewed orchards tend to have higher tree densities. Higher tree densities should allow dwarf apple orchards to be fully productive from the third year after planting. Commercial dwarf apple tree production area nowadays count on average 1,700 trees per hectare. New more red pedigrees of Jonagold are increasing market share.

In Luxembourg, commercial apple production area is limited to 30 hectares. Furthermore, a few hundred hectares of tall apple trees are left, serving as shade trees in pastures. This non-commercial production is negligible.

Due to the lower European production, producer apple price in the auction markets averaged 317 Euro/MT in MY

2001, compared to 250 Euro/MT in MY 2000 and 224 Euro/MT in MY 1999.

Reportedly, due to low prices, producers have been looking to increase direct marketing opportunities. Estimates are that for 2002 about one third of total Belgian apple production is sold on stem or directly from farm to processors or for export. Producers thus avoid marketing expenses through the auction markets.

Belgium - Apple Production (metric tons)					
	1998	1999	2000	2001*	2002**
Golden Delicious	40,500	45,000	44,900	26,350	22,950
Jonagold	221,000	290,500	270,600	184,800	168,000
Jonagored	52,380	73,500	72,600	57,350	53,650
Boskoop	29,700	41,600	44,000	31,000	24,000
Cox Orange	11,800	11,000	9,350	5,200	5,200
Gloster	8,760	11,050	8,250	3,900	3,770
Elstar	19,690	23,220	19,250	12,000	12,000
Other	20,500	36,070	28,250	15,964	17,390
TOTAL APPLES	406,730	533,940	500,000	336,564	306,960

Source: Prognosfruit * Revised ** Preliminary

Luxembourg - Apple Production (metric tons)					
	1998	1999	2000	2001*	2002**
TOTAL APPLES	10,500	11,000	11,950	3,000	7,000
Commercialized	7,000	6,750	6,640	1,000	3,500

Source: Luxembourg Ministry of Agriculture * Preliminary ** OAA Estimate

Belgian Auction Markets: Apple Production and Value			
Calendar Year	Volume in MT	Price in Euro/MT	Value in Million Euro
1999	314,777	224	70.5
2000	290,724	250	72.7
2001	239,190	317	75.8

Consumption

In 2001, fresh fruit consumption as a whole decreased by 6 percent to 80 kg per capita compared to 2000, while expenditures increased by 5 percent. Apples remained the top fruit with a consumption of 17.9 kg per capita in 2001, down from 20 kg in 2000. Oranges narrowed the gap to 17 kg per capita while banana consumption was 10 kg. Jonagold remained the most popular variety with 52 percent market share but the variety lost further market share. Golden Delicious and Granny Smith, which are imported, each held a 10 percent share. Supermarkets continued to increase their market share of fruit sales to 71.5 percent, from 60 percent five years ago.

Market Shares of the Most Important Fruits in 2001 (in percentage)	
Apples	23
Oranges	22
Bananas	12
Mandarins	6
Pears	6
Grapes	5
Grapefruit	3
Strawberries	3
Other	20

Reportedly, the quantity of apples destined for processing varies widely from year to year. Calculations suggest that in high production years more than 50 percent of Belgian apple production is for processing, in-country or abroad. All direct sales by producers are considered to be for processing. In MY 2001, an estimated 150,000 MT or about 45 percent of production were processed. Of that amount roughly 50 percent are made into apple sauce, with apple juice, cider production, jam, canned fruit and apple cuts for bakeries accounting for the other 50 percent. Reliable production statistics for these products are not available. It appears that more Belgian apples are processed in The Netherlands than in Belgium.

Trade

Import Trade Matrix					
Country	Belgium- Luxembourg				
Commodity	Fresh Apples		Units:	Metric Tons	
Time period	Jul99-Jun00	Jul00-Jun01		Jul00-May01	Jul01-May02
Imports for:	MY1999	MY 2000		MY2000	MY2001
U.S.					
Others					
France	52,699	50,700		48,446	44,158
Netherlands	33,296	41,509		36,314	34,546
Germany	3,717	4,852		4,750	2,606
Italy	14,421	14,387		12,939	11,319
South Africa	9,490	10,080		7,555	9,495
New-Zealand	72,161	76,919		59,022	59,086
Argentina	19,423	21,536		17,012	25,238
Total for Others	205,207	219,983		186,038	186,448
Others not Listed	10,201	9,958		8,491	14,552
Grand Total	215,408	229,941		194,529	201,000
Source: National Bank of Belgium / STATEC (Luxembourg)					

Export Trade Matrix					
Country	Belgium- Luxembourg				
Commodity	Fresh Apples		Units:	Metric Tons	
Time period	Jul99-Jun00	Jul00-Jun01		Jul00-May01	Jul01-May02
Exports for:	MY1999	MY2000		MY2000	MY2001
U.S.					
Others					
France	31,024	36,933		32,498	34,672
Netherlands	79,025	67,077		60,754	58,778
Germany	200,376	134,460		117,687	114,028
United Kingdom	9,590	7,037		6,141	4,641
Russia	59,476	56,847		51,871	28,441
Total for Others	379,491	302,354		268,951	240,560
Others not Listed	52,985	51,931		40,059	50,886
Grand Total	432,476	354,285		309,010	291,446

Source: National Bank of Belgium / STATEC (Luxembourg)

Belgian apple imports for MY 2001 accounted for 41 percent of total supply of 578,564 MT and exports represent 57 percent of total utilization. Yearly, seasonal imports from the southern hemisphere for consumption in Belgium or re-export to Germany exceed 100,000 MT. About 50 percent of Belgian apple exports go to Germany, followed by The Netherlands.

Marketing

In MY 2001, as production was low and prices went up, virtually no apples were offered for intervention/ withdrawal from the market.

Policy

The GOB program to promote environment friendly "integrated" - reduced chemical input - production has attracted continued interest from fruit growers and under this program, controlled apple and pear area increased to 10,223 Ha in 2001, from 6,276 Ha in 2000. Producers, who apply for the five year program in 2002, receive 200 Euro/Ha for the first year, 125 Euro/Ha for the second, third and fourth year and 65 Euro/Ha for the fifth year. Fifty percent of the program is EU sponsored.

Integrated Fruit Production Area				
Number	Growers	Ha apples	Ha pears	Ha total
Fully registered	289	2,571	2,048	4,619
Registered 2 nd year	102	1,295	607	1,902
Registered 1 st year	316	1,971	1,731	3,702
Total under control in 2001	707	5,837	4,386	10,223
Total under control in 2000	408	3,734	2,542	6,276
Increase from 2000 to 2001	73 %	56 %	73 %	35 %

Fresh Pears

PSD Table						
Country	Belgium-Luxembourg					
Commodity	Fresh Pears				(HA)(1000 TREES)(MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		07/2000		07/2001		07/2002
Area Planted	6888	6888	7100	7135	0	7350
Area Harvested	5762	5762	6000	6600	0	6850
Bearing Trees	8480	8480	8900	9500	0	9800
Non-Bearing Trees	0	0	0	0	0	0
Total Trees	8480	8480	8900	9500	0	9800
Commercial Production	181259	181259	88676	88676	0	146190
Non-Comm. Production	1800	1800	1000	1000	0	1200
TOTAL Production	183059	183059	89676	89676	0	147390
TOTAL Imports	63957	63957	90000	90000	0	70000
TOTAL SUPPLY	247016	247016	179676	179676	0	217390
Domestic Fresh Consump	45471	45471	45636	45408	0	45500
Exports, Fresh Only	195194	195194	132000	132500	0	168000
For Processing	2500	2500	2000	1500	0	2000
Withdrawal From Market	3851	3851	40	268	0	1890
TOTAL UTILIZATION	247016	247016	179676	179676	0	217390

Production

For MY 2002, Belgian pear production is forecast at 145,000 MT, which is equal to the five year average and 64 percent higher than in MY 2001. All commercial pear production is from dwarf trees, which are planted at a density of 1370 trees per hectare on average. Pear production area has increased about 3 percent per year in recent years. All new area is planted to the Conference variety, which accounts almost 80 percent of total pear area in Belgium now.

Due to the low Belgian and European 2001 production, MY pear prices almost doubled to 905 Euro/MT in MY 2001 compared to 471 Euro/MT in MY 2000.

Belgium Pear Production (metric tons)					
	1998	1999	2,000	2001*	2002**
Conference	117,500	142,100	140,400	81,240	113,736
Doyenné du Comice	19,110	10,175	23,760	2,640	17,600
Durondeau	10,350	9,345	12,325	3,400	10,200
Beurre Hardy	1,360	720	1,840	240	1,120
Triomphe de Vienne	1,040	1,040	1,840	400	1,520
Other	1,050	840	1,950	585	975
TOTAL PEARS	150,585	162,720	180,336	88,505	145,151

Source: Prognosfruit * Revised ** Forecast

Luxembourg Pear Production (metric Tons)					
	1998	1999	2000	2001*	2002*
TOTAL PEARS	2,075	2,500	2,150	500	2,000
(Commercialized)	900	1,200	923	0	1000

Source: Luxembourg Ministry of Agriculture * OAA Estimates

Belgian Auction Markets: Pear Production and Value			
Calendar Year	Volume in MT	Price in Euro/MT	Value in Million Euro
1999	128,442	505	64.9
2000	135,730	520	70.6
2001	128,122	599	76.7

Consumption

In 2001, pear consumption was stable at 4,7 kg per capita, similar to recent years. Conference is the most popular variety with 53 percent market share, followed by Doyenné du Comice with 23 percent and Durondeau with 9 percent. Unlike apples, there is no significant processing of pears.

Marketing

For pears also, intervention/withdrawal from market was insignificant in MY 2001 due to the high price level.

Trade

Import Trade Matrix					
Country	Belgium- Luxembourg				
Commodity	Fresh Pears		Units:	Metric Tons	
Time period	Jul99-Jun00	Jul00-Jun01		Jul00-May01	Jul01-May02
Imports for:	MY1999	MY2000		MY2000	MY2001
U.S.					
Others					
France	7,660	7,094		7,039	11,130
Netherlands	9,534	10,851		9,599	7,604
Spain	2,492	2,957		2,933	8,390
Argentina	26,061	28,023		23,428	32,154
South Africa	15,721	10,887		9,627	13,202
Total for Others	187,726	59,812		52,626	72,480
Others not Listed	(121,301)	4,145		3,828	6,865
Grand Total	66,425	63,957		56,454	79,345
Source: National Bank of Belgium					
STATEC (Luxembourg)					

Export Trade Matrix					
Country	Belgium- Luxembourg				
Commodity	Fresh Pears		Units:	Metric Tons	
Time period	Jul99-Jun00	Jul00-Jun01		Jul00-May01	Jul01-May02
Exports for:	MY1999	MY2000		MY2000	MY2001
U.S.					
Others					
France	22,354	29,158		27,440	18,524
Netherlands	45,349	29,800		27,476	22,278
Germany	33,466	38,164		34,940	25,816
United Kingdom	21,886	21,062		19,156	8,960
Norway	8,385	7,201		6,728	7,265
Spain	11,031	24,630		20,420	6,359
Russia	11,810	21,583		21,120	19,446
Total for Others	154,281	171,598		157,280	108,648
Others not Listed	16,924	23,596		21,293	13,334
Grand Total	171,205	195,194		178,573	121,982
Source: National Bank of Belgium					
STATEC (Luxembourg)					

Belgian pear imports for MY 2001 accounted for 50 percent of total supply of 180,000 MT and fresh pear exports represent 74 percent of total utilization. Yearly seasonal imports from the southern hemisphere are about 40,000 MT, part of which is for re-export. Major export markets include Germany, France, The Netherlands, United Kingdom, Spain and Russia.