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Sweden

Fresh Deciduous Fruit

Apples and Pears

1999

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Report Highlights:
Commercial apple production in 1999 is estimated at 22,400 tons up 8 percent from 1998, covering 0,3 percent of total production in the EU. Pear production is down by 13 percent compared to 1998. The U.S. supplied 3 percent of apple imports and 16 percent of pears. The U.S. Anjou pear has a strong market hold, and should keep its market share providing the dollar does not grow too strong. The U.S. apple outlook is less bright as it must compete with the strong and favored produce from EU markets.

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

This report covers apples and pears. The commercial apple and pear production is not adequate to cover domestic demand, thus by tradition Sweden is a large importer most of the year. Apple and pear imports cover approximately 80 percent of domestic utilization. The U.S. market share of apple imports range between 3-6 percent, and for pears between 10-15 percent. Exchange rates and the supply of fruit in the EU member states in the period when U.S. apples are exported are the main factors affecting the market and trade.

The domestic commercial apple crop for 1999 is estimated at 22,400 tons which is about 8 percent more than the year before and somewhat higher than a "normal" year. EU market production is expected to total 8.02 million tons this year, up 9 percent over 1 998. The large supply on the European market this year is expected to put pressure on prices. The strong dollar versus the Swedish krona will make it hard for U.S. apple exporters, who also have to compete with the free trade within the EU. European apples are indeed the strongest competitio n, although southern hemisphere production is also competitive, when in season, to the more expensive U.S. fruit stored under controlled atmospheric conditions.

Domestic pear production in 1999 is down by 13 percent compared to 1998, caused by frost bites during the spring, and insect damages. The U.S. Anjou pear is very popular in Sweden, and there is no real competition from EU countries.

On average, Swedes consume 14-15 kg per year of commercial apples and pears per capita. In addition, an estimated 40,000 - 50,000 tons of home production is consumed.

There is no change anticipated in the three to five year outlook in that domestic production will remain relatively stable. U.S. imports will continually depend on the European crop, and the dollar rate.

Exchange rates used in this report:
Average 1997: 1USD = SEK 7.64
Average 1998: 1USD = SEK 7.95
Exchange rate on 09/10/99: 1USD = SEK 8.121

Production

Apple Production

Apples are, by far, the most predominant fruit grown in Sweden, where the only other fruits grown commercially are pears, plums and cherries. Although compared with total production in the EU estimated at 8 million tons only about 0.3 percent are Swedish .

According to the Association for Fruit Growers and the major fruit grower organization, commercial apple crop in 1999 is estimated at 22,400 tons, up 8 percent compared to 1998. This figure might well be conservative, the final result will not be available until early November. The most common varieties are Ingrid Marie and Aroma which cover 50 percent of the commercial production. In the 1980's Swedish producers grew about 250 varieties, whereas today only about 15 varieties are grown. The 1999 crop is forecast to be exceptionally good with larger than normal fruits containing more sugar. The quality standards changed in connection with the adaption to the EU, and are now fully integrated with the EU regulations.

The commercial crop area, which decreased in 1995 (due to application of CAP clearing subsidies) is now relatively stable. Most of the plantings are irrigated. Every three years a more comprehensive horticultural production study is undertaken in Sweden. The most recent one was published in 1996, covering 1994 and some data on 1995. In the interim, data availability is limited and reliability cannot be ensured. Domestic production is not anticipated to increase significantly for the next couple of years. On the contrary, prosperous areas for fruit production are situated in the south, which are also very popular summer residence areas, commanding a good price, and thus constitute a major competitive drawback for increased fruit production.

There are no official estimates of home orchard apple production, but fruit setting has shown great variations. Based on previous years calculations, non-commercial harvest ranges between 40,000 to 50,000 tons. In the PSD, FAS/S has estimated the 1999 year crop at 47,000 tons as a result of the generally favorable spring conditions and the very warm summer.

Pear Production

Even in normal years, commercial pear production is very small in Sweden. Small yields often follow after a year with good yields, it seems as if the trees cannot recuperate after a good year. In 1999, thus the production is estimated at only 1,300 tons, caused also by frost bites in the early spring and some insect damages. Five varieties make up 75 percent of the pear crop, these are in order of importance, Conference, Herzogin Elsa, Clara Frijs, Alexander Lucas and Pierre Cornielle. The non-commercial harvest is again not officially estimated but we h ave estimated it at 11,000 tons down by 3,000 tons compared to 1998.

Consumption

The National Board of Agriculture (BoA) estimates food consumption each year, and the total consumption of commercial apples and pears together is shown below. On average a Swede consumes 14-15 kg of commercial apple and pears per year. In addition, an estimated 40,000 to 60,000 tons of home orchard production is consumed.

We have added bananas and melons in the table for comparison as decreased consumption of one fruit may lead to increased consumption of another. For example, when bananas became very expensive in 1995, pear sales picked up. This trend continued in 1996 and 1997, but turned in 1998, when banana prices decreased. Swedes and Finns are ranked among the largest banana consumers in the world with an annual consumption of approximately 20 kilograms per capita.
An estimated amount of 5,000 tons domestic apples are used for industry produced apple sauce. Both apple cider and apple wine are produced in Sweden, but production is mainly based on imported concentrate and pulp.

Consumption of commercial fruit according to the Swedish Board of Agriculture, metric tons

Product	1995	1996	1997	1998
Apples and Pears	119,300	123,000	135,400	126,600
Bananas and melons	174,200	164,500	176,900	188,300

Trade

In 1998, a total of 2,340 tons of apples were imported from the United States, or 2.7 percent of total imports. Varieties imported from the U.S. are Golden Delicious and Red Delicious. Imports mainly take place in November though March, when the southern hemisphere fresh crops come on the market. Imports from the U.S. have been declining during the past few years, which is due to the strong dollar, and also a loss in popularity for Red Delicious - the main variety imported from the U.S. Nonetheless, the U.S. is rated the 5th most important trade partner in the area of fresh or dried fruits and nuts.

U.S. Anjou pears keeps it strong hold in this market, and total imports from the U.S. increased in 1998 compared to 1997, although total pear imports declined. It can also be assumed on good grounds, that part of the Netherlands exports are actually U.S.pears. Imports from the Netherlands have almost doubled since Sweden joined the EU.

Note: Import/export data for 1998 are based on Swedish Statistics data and may have to be adjusted upwards when the official 1998 UN Trade Data for Sweden become available. The 1997 trade data in this report are based on the UN statistics.

Policy

The EU policies apply as stipulated in EU directive 2200/96, with the goal to strengthen the sector through support to processing and marketing. Growers' associations can apply for program support of an amount up to 4 percent of their sales - providing th e organization puts in the same amount of funding. The national limit is 2 percent of the turnover of all the growers' associations. In 1999 these percentages are proposed to increase to 4.5 and 2.5 percent, respectively.

Although support for apple/pear production itself is not offered, support of SEK 7,000 per hectare (USD354/acre) is available for organic fruit growers. The government has set a goal for 10 percent of the total crop area to be put to organic production, b ut so far only 2 percent of the Swedish fruit orchards are certified organic (by the Swedish regulating authority KRAV - also a member of IFOAM - International Federation of Organic Agriculture Movements).

Around 80 percent of the commercial fruit crop area is grown according to the concept of Integrated Production (IP), which aims at minimizing the risk for environment and health, although not being organic. As of 1999, IP fruit is required for the marketing label "SVENSKODLAT" (grown in Sweden).

Marketing

For reasons outlined above, the Swedish trade is somewhat pessimistic concerning the possibilities of marketing U.S. apples in Sweden. Duty-free imports from fellow EU member states, EU's trade barriers against third countries and the short shipping distances from EU countries compared to overseas shipping times have made the competitive environment difficult. Competitive pricing and quality advantages are the means to competing on this market. Significant for the Swedish market is the high degree of integration in the daily consumption g oods trade and distribution. Three organizations, ICA, KF and Dagab control about 80 percent of the market.

The Pear Bureau is consistently carrying out Anjou campaigns every year at retail level. Activities for U.S. Burre Bosc pears could also be worthwhile. The Washington Apple Commission (WAC) some years back decided to withdraw their promotion activities in Sweden, which unfortunately also reflects lower sales according to the trade. There is interest in promotional activities for U.S. apples as they are of excellent quality and do deserve to maintain their place on the market.

Although the market for organic fruit is very small, it is growing. Imports are expected to increase for IFOAM accredited certified organic fruit. Swedish consumers are getting more and more environment/health conscious in their choice of food. Distributors and retail try to achieve marketing advantages riding on this concern. The Integrated Production quality guaranty is one example.

STATISTICAL INFORMATION

PSD - FRESH APPLES

PSD Table						
Country	Sweden					
Commodity	Fresh Apples				(HA)(1000 TREES)(MT)	
	Revised	1997	Preliminary	1998	Forecast	1999
	Old	New	Old	New	Old	New
Market Year Begin		01/1997		01/1998		01/1999
Area Planted	1668	1668	1668	1668	0	1668
Area Harvested	1668	1668	1668	1668	0	1668
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
Total Trees	0	0	0	0	0	0
Commercial Production	22168	22168	20000	20800	0	22400
Non-Comm. Production	50000	50000	45000	45000	0	47000
TOTAL Production	72168	72168	65000	65800	0	69400
TOTAL Imports	91427	91427	92000	87421	0	90000
TOTAL SUPPLY	163595	163595	157000	153221	0	159400
Domestic Fresh Consume	157046	157046	150500	146982	0	152900
Exports, Fresh Only	1549	1549	1500	1239	0	1500
For Processing	5000	5000	5000	5000	0	5000
Withdrawal From Market	0	0	0	0	0	0
TOTAL UTILIZATION	163595	163595	157000	153221	0	159400

IMPORT MATRIX - FRESH APPLES

Import Trade Matrix			
Country	Sweden		
Commodity	Fresh Apples		
Time period	CY	Units:	Metric Tons
Imports for:	1997		1998
U.S.	2,623	U.S.	2,340
Others	88,804	Others	85,081
France	25,666	France	33,993
Netherlands	16,113	Netherlands	19,420
Italy	15,366	Italy	9,827
New Zealand	5,006	Germany	5,285
Argentina	5,902	Argentina	5,196
Chile	4,956	New Zealand	3,009
Belgium	1,916	Chile	2,290
Austria	2,067	Denmark	1,532
Germany	6,563	Belgium	1,467
		Austria	548
Total for Others	83555		82,567
Others not Listed	5,249		2,514
Grand Total	91427		87421

EXPORT MATRIX - FRESH APPLES

Export Trade Matrix			
Country	Sweden		
Commodity	Fresh Apples		
Time period	CY	Units:	Metric Tons
Exports for:	1997		1998
U.S.		U.S.	
Others	1,549	Others	1,239
Finland	1,152	Norway	449
Norway	252	Finland	380
United Kingdom	134	Netherlands	231
Netherlands	11	United Kingdom	73
		Denmark	62
		France	37
Total for Others	1549		1232
Others not Listed			7
Grand Total	1549		1239

PRICES TABLE - FRESH APPLES

Prices Table			
Country	Sweden		
Commodity	Fresh Apples		
Prices in	SEK	per uom	Kilogram
Average for the year			
Year	1997	1998	% Change
Dec	5.088	5.617	10.40%
Exchange Rate	SEK 8.121	Local currency/US $	

PSD - FRESH PEARS

PSD Table						
Country	Sweden					
Commodity	Fresh Pears				(HA)(1000 TREES)(MT)	
	Revised	1997	Preliminary	1998	Forecast	1999
	Old	New	Old	New	Old	New
Market Year Begin		01/1997		01/1998		01/1999
Area Planted	242	242	242	242	0	242
Area Harvested	242	242	242	242	0	242
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
Total Trees	0	0	0	0	0	0
Commercial Production	1076	1076	1500	1500	0	1300
Non-Comm. Production	10000	10000	14000	14000	0	11000
TOTAL Production	11076	11076	15500	15500	0	12300
TOTAL Imports	34503	34503	31000	33386	0	35000
TOTAL SUPPLY	45579	45579	46500	48886	0	47300
Domestic Fresh Consume	45465	45465	46400	48658	0	47200
Exports, Fresh Only	114	114	100	228	0	100
For Processing	0	0	0	0	0	0
Withdrawal From Market	0	0	0	0	0	0
TOTAL UTILIZATION	45579	45579	46500	48886	0	47300

IMPORT MATRIX - FRESH PEARS

Import Trade Matrix			
Country	Sweden		
Commodity	Fresh Pears		
Time period	CY	Units:	Metric Tons
Imports for:	1997		1998
U.S.	4,893	U.S.	5,277
Others	29,610	Others	28,109
Netherlands	12,601	Netherlands	12,477
Belgium	3,277	Italy	3,725
Chile	3,137	Argentina	3,030
France	2,966	France	2,682
Italy	2,790	Belgium	2,434
Argentina	2,159	Germany	1,254
Spain	1,053	Chile	1,603
Germany	973		
Finland	202		
Total for Others	29158		27205
Others not Listed	452		904
Grand Total	34503		33386

EXPORT MATRIX - FRESH PEARS

Export Trade Matrix			
Country	Sweden		
Commodity	Fresh Pears		
Time period	CY	Units:	CY
Exports for:	1997		1998
U.S.		U.S.	
Others	114	Others	228
Norway	58	Norway	86
Finland	42	Finland	85
France	10	Netherlands	57
Estonia	4		
Total for Others	114		228
Others not Listed			
Grand Total	114		228

PRICES TABLE - FRESH PEARS

Prices Table			
Country	Sweden		
Commodity	Fresh Pears		
Prices in	SEK	per uom	Kilogram
Average for the year			
Year	1997	1998	% Change
Dec	5.784	5.617	-2.89%
Exchange Rate	SEK 8.121	Local currency/US $	