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Germany

Fresh Deciduous Fruit

Semi-Annual

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Report Highlights:

In the summer of 2000, German apple growers harvested a bumper crop of 2.5 million tons. As a result, domestic fresh apple consumption will rise to 1.8 million tons. Also, CAJ production is forecast to grow to 140,000 tons versus 98,000 tons in 1999. U.S. shipments of fresh apples and pears to Germany are marginal.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Semi-Annual Report
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Executive Summary

Favorable growing conditions in summer 2000 resulted in a bumper apple crop of good quality of about 2.5 million tons, of which one million were from commercial production. Domestic fresh consumption is forecast to jump to 1.8 million tons because of the large non-commercial crop. Concentrated apple juice production (70.5 degrees brix) is forecast at 140,000 tons, which is 41,440 tons more than in MY 1999/2000. The pear harvest is reported at 55,000 tons, a similar level to previous years.

U.S. exports of apples and pears to Germany have a small window during the winter months of January and February, just before apples from the southern hemisphere enter the market. Quantities have been very small during recent years. The outlook for MY 2000/01 is also pessimistic because of the current strength of the U.S. dollar versus the Euro. German consumer preference is for apples of an average size between 70 and 80 millimeters in diameter, dual-colored varieties and with a sweet/sour taste.

Note: In recent years the US\$ / DM exchange rate has been as follows.

1995: \$1 = DM 1.4338	1998: \$1 = 1.7582
1996: \$1 = DM 1.5037	1999: \$1 = 1.8351
1997: \$1 = DM 1.7348	Oct. 2000: \$1 = DM 2.2870

\$1 = Euro 1.1693

Apples

Favorable growing conditions in the summer of 2000 resulted in a sizeable apple crop of 2.5 million tons, of which non-commercial production was 1.5 million tons and about one million tons commercial. In CY 1999, commercial production was 36,000 tons higher, but non-commercial production was only 900,000 tons. Hail damage in the early summer of 2000 significantly cut back the outlook for record commercial production. The 2000 apple crop is of good quality and can be stored without difficulty. The majority of non-commercial production, about 1.7 million tons, ended up in apple juice and applesauce production.

Domestic fresh consumption of apples is forecast at 1.8 million tons, an increase of eight percent over MY 1999/2000 due to the significantly higher non-commercial crop. Intervention is forecast to reach 10,000 tons compared to 2,589 tons in MY 1999/2000.

The German fresh apple trade, as well as consumers, prefer apples of about 70 to 80 millimeters in diameter. Larger fruit calibers are less attractive. Best market opportunities are for dual-colored apples, such as Gala, Jonagold and Braeburn varieties. Golden Delicious is continuously losing market share. Sweet/sour varieties are of the strongest interest in Germany, although sweet apples with low acid levels are also gaining in popularity.

Imports of apples in MY 1999/2000 are estimated at 770,000 tons, of which one-third came from Italy. Due to the estimated higher domestic production in CY 2000, imports in MY 2000/01 are forecast to drop to 650,000 tons. Imports from the United States are generally marginal, amounting to only 193 tons in MY 1999/2000. The currently high value of the US\$ and low domestic prices for apples are causing additional hurdles for U.S. shipments to Germany. The majority of U.S. apples are normally shipped during the winter months of January and February.

German exports of apples are mainly to Denmark and other EU countries. During recent years, the German fruit industry has increased its marketing efforts in the Central and Eastern European markets, mainly Russia. These markets are growing slowly.

Pears

German commercial production of pears in the summer of 2000 is estimated at 55,000 tons. Reliable data about non-commercial production are not available. Fresh consumption of pears is forecast at 236,000 tons in MY 2000/01, the majority of which will come from Italy, Argentina and Spain. U.S. shipments to Germany in MY 1999/2000 amounted to 1,797 tons. Most of the U.S. pears come to Germany during the months December through March. Beginning in March, an increasing volume of southern hemisphere pears arrives in Germany.

Concentrated Apple Juice

In the summer of 2000, German apple must producers processed about 1.2 million tons of apples, about 50 percent more than in 1999. The increase was due to a very sizeable non-commercial apple crop of about 1.6 million tons. Juice producers, however, report that the processing quality of the apples was somewhat lower

than in normal years. Total concentrated apple juice (CAJ) output is forecast at 140,000 tons in MY 2000/01, compared to 98,560 tons in 1999/2000. About 15 to 20 pct of the apple juice is produced as single strength juice. Of growing interest to German customers is unfiltered apple juice, which is assumed to have additional health advantages.

Besides national production of CAJ, the domestic apple juice industry also depends heavily on imported CAJ, mainly from Poland, which supplies similar high acid qualities as produced domestically. Imports in MY are forecast to fall considerably to about 200,000 tons versus 280,000 tons in MY 1999/2000. Imports from the United States are only marginal, amounting to 32 tons in MY 1999/2000. Of growing interest might be the demand for organic juice. The recent announcement of the National Organic Program for the United States will most likely support organic sales to Germany and other European markets. Domestic organic markets are currently growing continuously, and are particularly spurred by the mad-cow disease crisis, which has brought many new customers looking for organically produced beef into organic stores.

The United States is the single biggest export market for German CAJ. Nearly 20,000 tons - 25 pct of total exports - were exported to the United States. In MY 2000/01, these shipments are forecast to grow because of the favorable currency situation for German exporters.

Table: Apples, PSD

PSD Table						
Country	Germany					
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	35793	35793	35793	35793	0	35793
Area Harvested	35793	35793	35793	35793	0	35793
Bearing Trees	58412	58412	58412	58412	0	58412
Non-Bearing Trees	0	0	0	0	0	0
Total Trees	58412	58412	58412	58412	0	58412
Commercial Production	850000	880000	910000	1036000	0	1000000
Non-Comm. Production	1100000	1100000	900000	900000	0	1500000
TOTAL Production	1950000	1980000	1810000	1936000	0	2500000
TOTAL Imports	650000	641021	700000	787692	0	650000
TOTAL SUPPLY	2600000	2621021	2510000	2723692	0	3150000
Domestic Fresh Consump	1734758	1690306	1655000	1665149	0	1800000
Exports, Fresh Only	57000	65473	50000	67954	0	75000
For Processing	800000	857000	800000	988000	0	1265000
Withdrawal From Market	8242	8242	5000	2589	0	10000
TOTAL UTILIZATION	2600000	2621021	2510000	2723692	0	3150000

Table: Apples, Trade

Import Trade Matrix			
Country	Germany		
Commodity	Fresh Apples		
Time period	Jul/Jun	Units:	Metric Tons
Imports for:	1998		1999
U.S.	767	U.S.	193
Others		Others	
Italy	251808	Italy	254926
Netherlands	96674	Netherlands	185241
New Zealand	58558	New Zealand	59441
France	58155	France	106623
Czech Republic	32827	Czech Republic	15631
South Africa	31732	South Africa	17011
Argentina	30503	Argentina	23174
Chile	19161	Chile	14880
Belgium	17903	Belgium	69299
Austria	10785	Brazil	17155
Total for Others	608106		763381
Others not Listed	32148		24118
Grand Total	641021		787692

Export Trade Matrix			
Country	Germany		
Commodity	Fresh Apples		
Time period	Jul/Jun	Units:	Metric Tons
Exports for:	1998		1999
U.S.	0	U.S.	0
Others		Others	
Denmark	10722	Denmark	11761
Netherlands	9018	Netherlands	5662
France	7164	France	4216
Finland	5668	Finland	6141
Sweden	5420	Sweden	4055
Great Britain	4677	Great Britain	4446
Russia	3966	Russia	5026
Belgium	3606	Belgium	3267
Czech Republic	2604	Lithuania	3534
Spain	1635	Belarus	3317
Total for Others	54480		51425
Others not Listed	10993		16529
Grand Total	65473		67954

Table: Concentrated Apple Juice, PSD + Prices

PSD Table						
Country	Germany					
Commodity	Concentrated Apple Juice				(MT)	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		07/1998		07/1999		07/2000
Deliv. To Processors	800000	857000	800000	988000	0	1265000
Beginning Stocks	111206	115000	100000	128903	0	171294
Production	74000	81974	0	98560	0	140000
Imports	265000	261362	0	279690	0	200000
TOTAL SUPPLY	450206	458336	100000	507153	0	511294
Exports	100000	77800	0	79536	0	85000
Domestic Consumption	250206	251633	0	256323	0	255000
Ending Stocks	100000	128903	0	171294	0	171294
TOTAL DISTRIBUTION	450206	458336	0	507153	0	511294

Prices Table			
Country	Germany		
Commodity	Concentrated Apple Juice		
Prices in	DM	per uom	Metric Ton
Year	1999	2000	% Change
Jan	1276	1839	44.12%
Feb	1291	1938	50.12%
Mar	1334	1798	34.78%
Apr	1214	1890	55.68%
May	1195	1831	53.22%
Jun	1141	1711	49.96%
Jul	1185	1750	47.68%
Aug	1386	1787	28.93%
Sep	1660	1654	-0.36%
Oct	1994		-100.00%
Nov	2045		-100.00%
Dec	1924		-100.00%
Exchange Rate	2.1526	Local currency/US \$	

Table: Concentrated Apple Juice, Trade

Import Trade Matrix			
Country	Germany		
Commodity	Concentrated Apple Juice		
Time period	Jul/Jun	Units:	Metric Tons
Imports for:	1998		1999
U.S.	141	U.S.	32
Others		Others	
Poland	66602	Poland	66476
Italy	45922	Italy	38123
Turkey	33039	Turkey	27753
Switzerland	20197	Switzerland	21116
Czech Republic	16662	Czech Republic	18830
Hungary	15003	Hungary	13951
Iran	15372	Iran	14377
Ukraine	12185	China	21334
Austria	12205	Austria	15950
Moldavia	7982	Spain	12007
Total for Others	245169		249917
Others not Listed	16052		29741
Grand Total	261362		279690

Export Trade Matrix			
Country	Germany		
Commodity	Concentrated Apple Juice		
Time period	Jul/Jun	Units:	Metric Tons
Exports for:	1998		1999
U.S.	23355	U.S.	19662
Others		Others	
Netherlands	15338	Netherlands	14596
Great Britain	11764	Great Britain	10137
France	3333	France	2824
Belgium	5218	Belgium	6464
Denmark	4302	Denmark	2447
Finland	2741	Finland	3710
Sweden	1562	Italy	5866
Japan	2702	Japan	3426
Norway	1877	Norway	2810
		Austria	1982
Total for Others	48837		54262
Others not Listed	5608		5612
Grand Total	77800		79536

Table: Fresh Pears, PSD

PSD Table						
Country	Germany					
Commodity	Fresh Pears				(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	2372	2372	2372	2372	0	2372
Area Harvested	2372	2372	2372	2372	0	2372
Bearing Trees	2342	2342	2342	2342	0	2342
Non-Bearing Trees	0	0	0	0	0	0
Total Trees	2342	2342	2342	2342	0	2342
Commercial Production	55000	55000	49000	54000	0	55000
Non-Comm. Production	0	0	0	0	0	0
TOTAL Production	55000	55000	49000	54000	0	55000
TOTAL Imports	210000	190946	215000	170328	0	190000
TOTAL SUPPLY	265000	245946	264000	224328	0	245000
Domestic Fresh Consump	255649	235746	255000	214339	0	235790
Exports, Fresh Only	7672	8501	8000	8814	0	8000
For Processing	1679	1679	1000	1172	0	1200
Withdrawal From Market	0	20	0	3	0	10
TOTAL UTILIZATION	265000	245946	264000	224328	0	245000

Table: Fresh Pears, Trade

Import Trade Matrix			
Country	Germany		
Commodity	Fresh Pears		
Time period	Jul/Jun	Units:	Metric Tons
Imports for:	1998		1999
U.S.	5054	U.S.	1797
Others		Others	
Italy	86678	Italy	66874
Argentina	30992	Argentina	31203
South Africa	19092	South Africa	8930
Spain	12107	Spain	22550
France	11763	France	12537
Chile	9217	Chile	9114
Netherlands	5725	Netherlands	6244
Belgium	5609	Belgium	6781
Turkey	3605	Turkey	2929
		New Zealand	331
Total for Others	184788		167493
Others not Listed	1104		1038
Grand Total	190946		170328

Export Trade Matrix			
Country	Germany		
Commodity	Fresh Pears		
Time period	Jul/Jun	Units:	Metric Tons
Exports for:	1998		1999
U.S.	0	U.S.	0
Others		Others	
Denmark	1799	Denmark	2099
Netherlands	1290	Netherlands	1342
France	1208	France	940
Sweden	698	Spain	897
Italy	650	Italy	772
Austria	520	Austria	764
Poland	496	Poland	698
Great Britain	486	Great Britain	222
Norway	316	Finland	180
Portugal	308	Portugal	240
Total for Others	7771		8154
Others not Listed	730		660
Grand Total	8501		8814

Table: Commercial Production of Apples by Variety

Commercial Production of Apples by Variety, MT					
	1996	1997	1998	1999	2000*
Boskop	78	76	91	96	89
Braeburn	2	4	7	8	10
Cox Orange	50	56	58	65	49
Elstar	102	98	116	147	130
Gala	12	15	21	24	26
Gloster	129	88	99	86	75
Golden Delicious	73	69	80	72	69
Idared	57	45	68	62	62
Jonagold	154	138	188	198	186
Jonagored	46	45	63	78	78
other	175	131	186	200	196
Total	878	765	977	1,036	970
* Forecast					
Source: ZMP					

Table: Consumption of Commercially Handled Fresh Fruit

Consumption of Commercially Handled Fresh Fruit, 1,000MT					
	1995/96	1996/97	1997/98	1998/99	1999/00*
Apples	1,362	1,369	1,477	1,427	1,603
Pears	195	201	190	214	210
Cherries	104	120	84	94	122
Plums	66	79	89	86	90
Apricots	32	41	39	30	44
Peaches	270	296	238	248	293
Currents/Goose/Raspberries	19	27	15	21	22
Strawberries	180	191	195	198	214
Black/Blue/Cranberries	23	35	40	38	32
Table Grapes	292	345	309	304	313
Bananas	1,200	1,116	916	814	886
Oranges	552	486	524	447	455
Citrus Crossbreeds	397	377	430	326	311
Lemons	131	121	124	118	122
Grapefruit	96	74	76	71	75
Other	425	390	412	392	434
Total	5,344	5,268	5,158	4,828	5,226
* Forecast					
Source: ZMP					

Table: German Beverage Consumption

German Beverage Consumption, Liter per Capita				
	1996	1997	1998	1999
Alcoholic Beverage	161.3	160.3	156.3	156.3
- Beer	131.9	131.2	127.5	127.5
- Wine	18.3	18.1	18.1	18.0
- Sparkling Wine	4.8	4.9	4.7	4.9
- Spirits	6.3	6.1	6.0	5.9
Non-alcoholic Bev.	230.9	239.9	240.7	248.4
- Mineral Water	97.0	100.0	100.1	104.2
- Soft Drinks	92.7	98.7	99.6	103.7
- Fruit Juice	41.2	41.2	41.0	40.5
- - Apple Juice	11.6	11.8	11.7	12.0
- - Orange Juice	9.0	9.8	9.8	9.5
- - Multi-Vitamin		2.6	3.0	3.5
- - Grape Juice	1.2	1.2	1.3	1.3
Hot Drinks + Other	271.1	266.0	268.1	271.9
- Coffee	163.5	160.0	159.1	159.4
- Coffee Substitute	3.3	3.4	3.2	3.0
- Black Tea	24.7	24.8	27.1	28.2
- Milk	79.6	77.8	78.7	81.3
Grand Total	663.3	666.2	665.1	676.6
Source: Ifo Institut Muenchen				