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## EU-27

## Market Development Reports

## Fruit and Vegetables

## 2007

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**Report Highlights:**

The first part of this report outlines different aspects of the fruit and vegetables (F&V) sector in the EU, including the new rules established by [Council Regulation 1182/2007](#) to reform the Common Market Organization (CMO) for F&V. The second part focuses on trade aspects, with EU-27 as the world's largest importer of F&V, and bilateral trade being dominated by U.S. almonds and EU olives.

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## I. EU Policy

### The Fruit and Vegetables CMO Reform

[Council Regulation 1182/2007](#), laying down specific rules to reform the Common Market Organization (CMO) for fruit and vegetables (F&V), was published on October 17, 2007. The reform aims to bring the F&V sector in line with other agricultural sectors that have already been reformed under the Common Agricultural Policy (CAP). The old-style production-linked payments are to be replaced by decoupled payments. The shift from production support to direct aid to producers is designed to improve the competitiveness, market orientation and sustainability of the sector. The new CMO will enter into force January 1, 2008. [Commission Regulation 1580/2007](#) lays down rules for the implementation of the reform.

The major objectives of the reform are to:

- improve the competitiveness and market orientation of the F&V sector
- crisis management to reduce income fluctuation
- promote consumption of F&V to encourage a healthy lifestyle
- enhance environmental protection

Details of the reform include:

- Improve attractiveness of Producer Organizations (PO)
- Organize Crisis Management through POs
- Integration of F&V in the Single Payment Scheme (SPS)
- Environmental measures
- Promotion
- Abolish export refunds
- Separate payments for Single Area Payment Scheme (SAPS) countries

These tools will be explained in the following sections.

### Producer Organizations

Producer Organizations (POs) were already one of the key elements in the previous reform in 1996. The main objective of the POs is to stabilize prices by organizing supply to better balance market conditions without resorting to intervention. Measures to improve quality, reduce production costs and improve environmental practices within so-called 'operational programs' are eligible for community aid at 50 percent of the costs (financed on a 50/50 basis, by the PO and the European Union), and limited to 4.1 percent of the value of marketed production.

Typical elements included in an operational program are

- Purchase of sorting and packing equipment
- Employment of quality control staff and marketing staff
- Investments in irrigation facilities and greenhouses
- Subsidies to growers for replanting fruit trees
- Costs of natural pest and disease control approaches

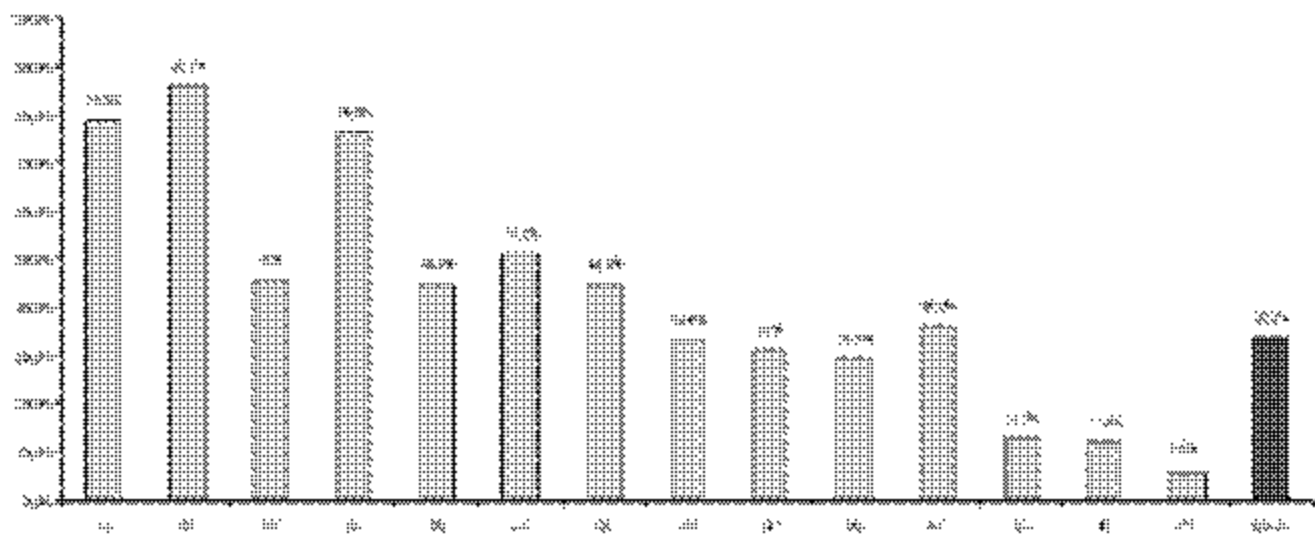
POs have been successful in some Member States (MS). At the same time, a high percentage of growers in the main producing MS have traditionally chosen not to market

their production through POs. The latest reform aims to increase farmer membership up to 60 percent by 2013 under the new CMO (compared to an average of 40 percent at present).

The total value of marketed production in different POs varies by country, ranging from 10 percent in Poland, to over 80 percent in Belgium, Ireland and the Netherlands. Belgium and the Netherlands have a strong history in terms of organization, which is reflected in a limited number of very large POs. In most other MS, POs have a limited size which resulted in a large number of POs within the EU (currently numbering 1,528). The southern and new MS have less developed cooperative structures, with fewer incentives to cooperate in applying for EU funding (structural funds and rural development funds are alternative funding sources that are less available in the richer regions of northern Europe).

The EU reform includes measures to improve the POs' attractiveness to growers. POs will gain greater flexibility and their rules will be simplified. Under the reform, additional EU support (60 percent of total operational funds rather than 50 percent) will be available to regions where less than 20 percent of F&V production is marketed through POs. To encourage the creation of POs in the new MS, national and Community financial support will be available during a transitional period. The regulations also allow for greater flexibility recognizing POs of one single product, and allowing multi-membership in different POs, making it possible to sell directly to third parties.

#### Importance of Producer organizations in the Member States (% of total production marketed through POs)



Source: European Commission

**Number of producer organizations (POs) and associations of POs per Member States (MS)**

Member State	PO and APO
CY	6
MT	2
PL	7
FI	6
HU	8
CZ	8
DA	5
SE	7
AT	5
EL	127
PT	60
IE	16
DE	37
BE	18
NL	14
FR	311
UK	75
ES	594
IT	222
<b>EU-25</b>	<b>1528</b>

Source: European Commission

**Crisis management**

The F&V market has traditionally been very sensitive to crises, as many perishable products are difficult to store for long periods of time. Weather conditions often determine volume and quality of the fruit and vegetables produced, but can also have an influence on consumption patterns.

To reduce fluctuations in the income of the fruit and vegetable producers, a wide range of tools for crisis management will be organized through POs. The POs role in crisis management will include: market withdrawal, green harvesting or non-harvesting, promotion and communication in times of crisis, training, harvest insurance, financing and financial aid.

POs will carry out market withdrawals with 50 percent co-financing from the EU. Withdrawals for free distribution to schools for example are the only withdrawals that will qualify for 100 percent EU financing.

The level of Community aid to POs will remain at 4.1 percent of the total value of the PO's marketed production (see section I.3.). However, this can be increased to 4.6 percent if the additional 0.5 percent is used only for crisis prevention and management.

Although crisis management is only provided to members of the POs (and is limited to a maximum of 33 percent of the total Operational Fund), state aid can be granted to non-members if they enter into a contract with a PO for 3 years. Compensation for non-members cannot exceed 75 percent of the Community support received by PO members.

**Other reform details:**

- **Integration of F&V in the Single Payment Scheme (SPS):** Land utilized for F&V production (including orchards and potatoes for human consumption) will be eligible for payments under the decoupled aid scheme which already applies in other farm sectors.

All existing support for processed F&V (tomatoes, citrus fruit, peaches, pears, prunes, figs and dried grapes) will be decoupled and MS budgetary ceilings for the SPS will be increased accordingly. MS will be allowed to apply transitional payments for a four-year transitional period (2008-2011) for tomatoes, provided that the coupled proportion of the payment does not exceed 50 percent of the national ceiling. A five-year transitional period will be allowed for multi-annual crops, provided that after December 31, 2010, the coupled proportion does not exceed 75 percent of the national ceiling. MS may choose to postpone the distribution of F&V entitlements for up to three years.

- **Environmental measures:** The integration of F&V in the SPS means that the cross-compliance rules (i.e. mandatory environmental standards) will be compulsory for all F&V producers receiving direct payments. At least 20 percent of a PO's operational program must go to environmental measures. A 60 percent Community co-financing is being introduced for organic production.
- **Separate payments for SAPS countries:** MS applying the Single Area Payment Scheme (SAPS) will be able to introduce a decoupled F&V payment to historical producers of F&V. The amount to be deducted from the SAPS envelope to cover this and the criteria used for the allocation of the F&V payment had to be established by November 1, 2007.
- **Export refunds:** F&V exports with refunds represent less than one third of total exports. As the value of export refunds is situated between 0.8 and 8.9 percent of the price of the products in question, the Commission has proposed to make better use of these funds and to abolish export refunds.

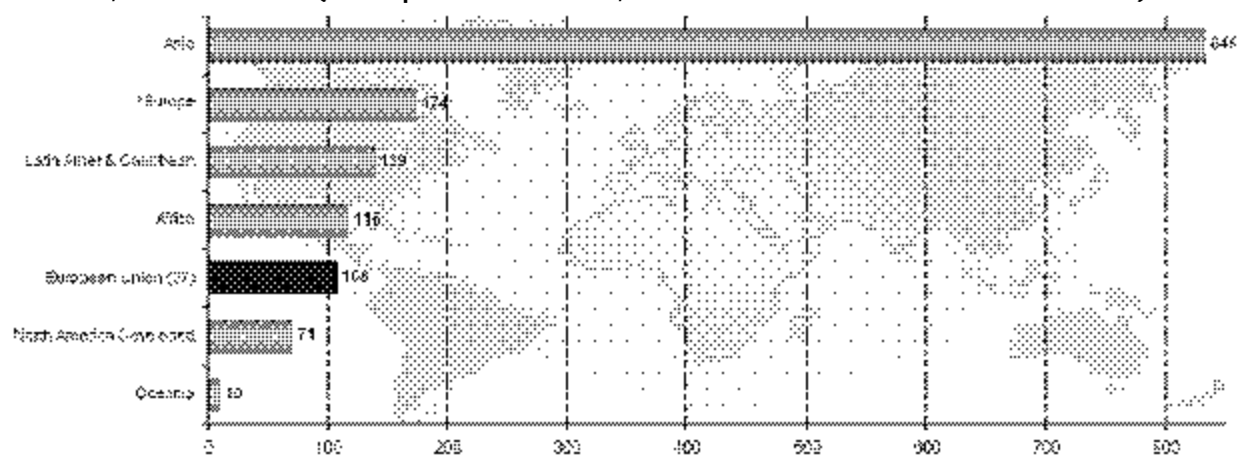
## 1.2. Production of Fruit and Vegetables within the EU-27

The total production of fruit and vegetables within EU 27 amounted to 108 million MT, which is about 8 percent of the total world production (1.134 million MT) (average of 2003-2005). The F&V sector accounts for 17% of total EU agricultural production in terms of value, utilizing 3.1 percent of the Community budget.

Approximately 67 percent (or 72 million MT) of the EU-27 production consists of vegetables, while fruit accounted for 33 percent million tons (or 36.3 million MT).

**Main world production by regions (in million MT, average 2003-2005\*)**

**World: 1,314 million MT (\*except Latin America, North America and Oceania 2002-2004)**



\*EU-27 + Albania; Andorra; Belarus; Faeroe Islands; Bosnia and Herzegovina; Gibraltar; Holy See; Iceland; Liechtenstein; Monaco; Moldova; Republic of Macedonia; The Faroe Islands; Norway; Croatia; Russian Federation; Serbia; Montenegro; San Marino; Switzerland; Ukraine; Channel Islands; Guernsey and the Isle of Man.

Source: FAO

The most important vegetables in terms of production are tomatoes (15.8 million MT), carrots (5.3 million MT) and onions (5 million MT). The main producers of tomatoes are Italy and Spain. The 4 most important producers of carrots, in terms of volume, are Poland, United Kingdom, France and Italy. The production of onions is mainly located in Spain, the Netherlands and Poland.

The most important fruits are apples (11.8 million MT), oranges (6.87 million MT) and pears (2.8 million MT). Orange production is located in the Mediterranean countries, with Spain and Italy again as the main producers (for pears as well). Poland, France and Italy are responsible for more than 60 percent of the apple production within EU-27.

### Harvested production (1000 MT) of selected fruit and vegetables, 2006

	Tomatoes <sup>1</sup>	Carrots <sup>2</sup>	Onions <sup>3</sup>	Apples <sup>4</sup>	Pears <sup>5</sup>	Oranges <sup>6</sup>
BE	229.61	239.40	53.02	371.21	229.15	0.00
BG	212.97	13.27	20.27	26.13	..	0.00
CZ	15.01	22.77	50.61	134.09	..	0.00
DK	17.64	69.10	55.67	31.78	9.02	0.00
DE	53.24	504.16	337.27	857.03	..	0.00
EE	1.22	9.96	0.20	4.29	..	0.00
IE	..	..	..	..	..	0.00
EL	1550.00	36.90	199.10	262.93	55.39	880.00
ES	3679.80	..	1151.20	660.70	590.00	3210.90
FR	750.74	614.83	337.04	2246.35	224.71	0.65
IT	6357.22	640.08	361.09	2164.32	897.81	2470.66
CY	34.50	1.80	7.00	10.80	1.10	28.80
LV	0.31	31.64	13.57	33.90	1.31	0.00
LT	0.84	33.46	7.57	75.05	0.06	0.00
LU	0.07	0.28	0.04	3.82	0.21	0.00
HU	204.56	83.80	94.74	537.35	32.84	0.00
MT	15.91	1.24	7.29	0.10	0.19	1.09
NL	675.00	541.00	920.00	365.00	222.00	0.00
AT	39.11	77.20	99.74	2304.89	117.24	0.00
PL	246.66	833.22	590.20	239.67	59.30	0.00
PT	..	..	..	579.44	168.98	227.97
RO	571.54	193.87	251.26	119.18	60.06	0.00
SI	4.61	2.95	5.39	30.78	11.45	0.00
SK	35.56	12.97	13.12	3.26	0.52	0.00
FI	38.74	56.65	17.68	..	..	0.00
SE	18.26	100.61	..	19.23	1.69	0.00
UK	83.09	632.54	373.35	234.70	29.14	0.00
<b>EU-27</b>	<b>15828.69</b>	<b>5255.27</b>	<b>5033.60</b>	<b>11771.13</b>	<b>2762.13</b>	<b>6820.07</b>

Source: Eurostat

- 1) tomatoes: 2005 data for BE, CZ, EE
- 2) carrots: 2005 data for BE, EE
- 3) onions: 2005 data for BE, EE
- 4) apples: 2005 data for BE, BG, CZ, EE, FR
- 5) pears: 2005 data for BE, FR, SE
- 6) oranges: 2005 data for FR

### I.3. Marketing Standards

Detailed implementing measures that will be adopted at a later date include simplified provisions for marketing standards. The existing regulations establishing marketing standards for different products would eventually be replaced by one single regulation based on United Nations Economic Commission to Europe (UNECE) standards. UNECE standards for fruit and vegetables can be found at

[http://www.unece.org/trade/agr/standard/fresh/fresh\\_e.htm](http://www.unece.org/trade/agr/standard/fresh/fresh_e.htm)

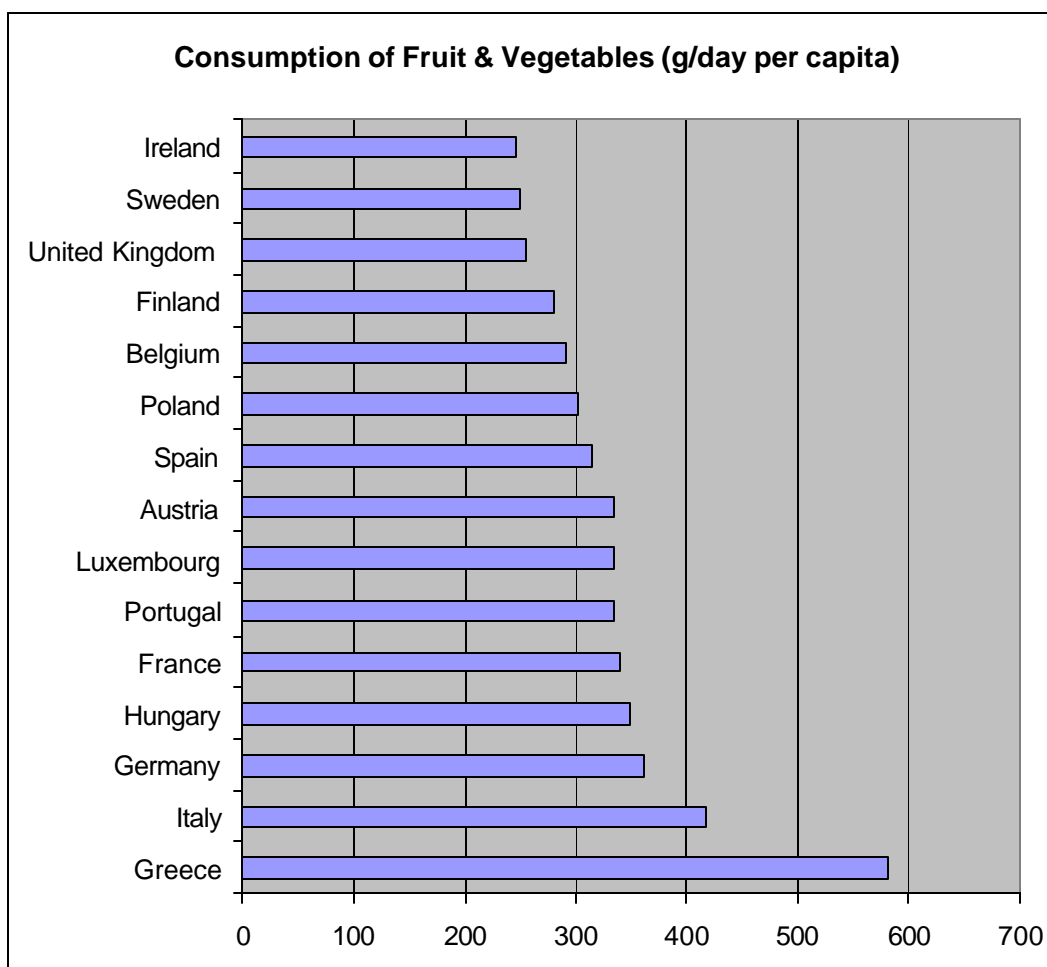
#### I.4. Consumption & Nutrition

According to the World Health Organization (WHO), the inadequate intake of fruits and vegetables is one of the leading causes of avoidable illnesses and premature death in Europe. In May 2004, the World Health Assembly adopted the "WHO Global Strategy on diet, physical activity and health" which underlines that the consumption of fats, sugars and salt should be reduced and that fruits, vegetables, grains and nuts are major components of a balanced diet. The WHO recommends consumption of 400 grams per person per day of fruit and vegetables as a minimum requirement for a healthy diet. Fruit and vegetable intake varies significantly among EU Member States, ranging from a little above 200 g in the U.K. and Sweden to more than 500 g in Greece. Currently only Greece and Italy meet the recommended WHO level.

Regular consumption of fruit and vegetables tends to be higher in higher socio-economic groups. In a European Parliamentary symposium on obesity it was stressed that there is a link between obesity and poverty. Due to a lack of financial means, many European households can no longer afford expensive nutritious food products such as high quality fruit and vegetables and too little information is made available on their nutritive value. The CAP has often been criticized for subsidizing fat- and sugar-rich foods which have a devastating impact on public health. In May 2007, the European Commission presented its "White Paper on a strategy for Europe on nutrition, overweight, and obesity related health issues". The Paper highlights the Commission's commitment to promoting public health goals within the CAP and its role in helping shape the European diet. Under the heading "Making the healthy option available", reference is made to the reform of the CMO for fruit and vegetables as the most recent example to achieve these goals. The White Paper can be downloaded from our website at <http://useu.usmission.gov/agri/obesity.html>.

In the context of the F&V CMO reform, the Council launched a Declaration stating that "in light of the dramatic increase in obesity amongst school children, the Council invites the Commission to come forward with a proposal for a school fruit scheme as soon as possible based on an impact assessment of the benefits, practicability and administrative costs involved". The Commission recently (November 2007) launched a new website ([http://ec.europa.eu/agriculture/markets/fruitveg/sfs/index\\_en.htm](http://ec.europa.eu/agriculture/markets/fruitveg/sfs/index_en.htm)) to start an extensive consultation on such a new scheme. The final report on the outcome of the consultation is expected early 2008 which means that a Commission proposal will only be presented by mid-2008.





Source: European Commission

### I.5. Promotional Measures

Increasing consumption of fruit and vegetables is one of the goals identified in the White Paper on Nutrition. The new fruit and vegetables CMO includes measures to promote the consumption of fruit and vegetables by Europeans with a special focus on promotion campaigns targeted at young people. Producer Organizations will continue to be able to include promotional activities in their operational programs for which the EU provides 50 percent co-funding. EU co-financing will be increased to 60 percent for promotion projects aimed specifically at children in educational establishments representing 6 million euros under the general promotion regulation. There will be an additional budget of 8 million euros for surplus production withdrawn from the market to be distributed for free to educational institutions, children's holiday centers, hospitals and charitable organizations. These actions will be 100 percent financed by the EU up to a limit of 5 percent of the quantity marketed by a PO.

An overview of promotional programs authorized for 2007 under Regulation 2000/2826 (Promotion of EU agricultural products on the internal market) is available on DG Agri's website at [http://ec.europa.eu/agriculture/prom/intern/2007\\_en.pdf](http://ec.europa.eu/agriculture/prom/intern/2007_en.pdf). Despite the focus on increasing consumption of fruit and vegetables in the F&V CMO, only two out of 23 programs were approved for promoting fresh fruit and vegetables.

## I.6. Budget

Fruit and vegetables represent about 17 percent of total EU agricultural production but only 3 percent of the total EU agricultural budget goes to the fruit and vegetables sector. Although the new CMO includes measures to increase the POs attractiveness to producers, the maximum financial assistance to operational programs is not being increased and the existing ceiling of 4.1 percent is being maintained. The impact of the new CMO on the total budget for fruit and vegetables will be neutral due to the abolition of EU withdrawals and export refunds starting January 1, 2008.

<b>EU Budget F&amp;V (million Euros)</b>	<b>2008* Appropriations</b>	<b>2007 Appropriations</b>	<b>2006 Outturn</b>
Export refunds	-	28	26
Compensation for withdrawals and buying-in	-	29	30
Operational funds for POs	695	644	584
Production aid for processed tomatoes	280	279	345
Production aid for fruit-based products	77	77	84
Intervention for dried grapes and figs	1	1	0.2
Compensation to encourage processing of citrus fruits	234	241	267
Free distribution of F&V	8	6	7
Aid to producer groups for preliminary recognition	30	15	14
Other measures	-	-	14
<b>Total F&amp;V</b>	<b>1 325</b>	<b>1 320</b>	<b>1 372</b>

Source: EU Budget published in Official Journal L 77

\* Draft Preliminary Budget

(Average exchange rates for 2006: 1 Euro = 1.2556 USD - source: European Central Bank)

2007: 1 Euro = 1.3705 USD

2008: 1 Euro = 1.4723 USD

<b>EU Budget for Fruit and Vegetables – Breakdown by Member State (FY 2005)</b>	
<b>Member State</b>	<b>Million Euros</b>
Italy	511.2
Spain	485.9
France	262.1
Greece	222.5
Netherlands	74.6
Portugal	58
U.K.	37.8
Belgium	37.7
Germany	25.7
Poland	7
Ireland	5.6
Hungary	5
Austria	3.5
Sweden	3.5
Denmark	3.3
Cyprus	1.9
Czech Republic	1.5
Slovakia	1.1
Malta	0.3
Finland	0.3
Slovenia	0.1
Estonia	-
Latvia	-
Lithuania	-
Luxembourg	-
<b>Total</b>	<b>1,748.4</b>

Source: European Commission – DG Agri – 35<sup>th</sup> Financial Report  
(Average exchange rates for 2005: 1 Euro = 1.2441 USD - source: European Central Bank)

## II. US/EU trade

### II.1. TRADE WITH THIRD COUNTRIES

In 2006, EU-27 imported more than 20 billion MT of fruit and vegetables, processed fruit and vegetables included. In terms of volume, 3.7 percent of the total EU F&V imports originate from the U.S. Overall, bilateral trade between the U.S. and the EU is dominated by U.S. almonds and olives.

The U.S. exports mainly to the Netherlands, U.K., Spain and Germany, both in terms of quantity and value.

#### Total EU Import of Fruit & Vegetables – by Member State - Volume

EU Imports – Fruit & Vegetables (HS codes 07+08+20) – CY 2006			
Quantity : Metric Tons			
Member State	Extra-EU	U.S.	% Market Share
Netherlands	3 700 867	132 096	3.6
U.K.	3 330 811	135 390	4
Belgium	2 900 468	60 109	2
Germany	2 448 459	91 205	3.7
Spain	2 053 237	145 070	7
Italy	1 772 355	48 857	2.8
France	1 666 710	41 933	2.5
Austria	355 293	3 454	1
Greece	319 134	12 906	4
Portugal	308 601	3 026	1
Sweden	280 237	22 273	8
Poland	260 730	2 969	1
Slovenia	115 782	47	-
Denmark	115 471	15 176	13
Ireland	115 190	3 253	2.8
Hungary	101 069	2 738	2.7
Czech Republic	83 727	1 922	2.3
Lithuania	65 591	437	0.7
Finland	61 180	4 919	8
Latvia	37 497	423	1.1
Slovakia	29 793	1 782	6
Cyprus	15 547	1 201	7.3
Luxembourg	14 224	9 505	66.8
Estonia	13 309	374	2.8
Malta	12 095	110	1
<b>TOTAL EU-25</b>	<b>20 177 375</b>	<b>7 411 174</b>	<b>3.7</b>

Source : Eurostat

**EU Total Fruit & Vegetables Imports – by Member State – Value** (Average exchange rate for 2006: 1 Euro = 1.2556 USD - source: European Central Bank)

<b>EU Imports – Fruit &amp; Vegetables (HS codes 07+08+20) – CY 2006</b> <b>Value : 1 000 USD</b>			
<b>Member State</b>	<b>Extra-EU</b>	<b>U.S.</b>	<b>% Market Share</b>
Netherlands	4 438 788	316 145	7.1
U.K.	3 847 741	310 085	8
Germany	3 215 585	393 557	12.2
Belgium	3 028 197	120 098	4
France	2 250 811	164 764	7.3
Italy	1 994 385	205 879	10.3
Spain	1 742 024	364 445	20.9
Austria	511 372	9 240	1.8
Sweden	357 365	58 889	16.5
Poland	340 467	7 439	2.2
Greece	328 874	63 604	19.3
Portugal	236 905	8 258	3.5
Denmark	152 284	45 605	30
Hungary	110 696	5 782	5.2
Ireland	101 155	8 994	8.9
Slovenia	98 902	183	0.2
Lithuania	98 233	2 953	3
Finland	84 251	12 051	14.3
Czech Republic	81 409	8 095	10
Luxembourg	53 274	39 853	75
Slovakia	39 322	7 601	19.3
Latvia	32 088	2 060	6.4
Cyprus	26 640	6 252	23.5
Estonia	17 133	1 531	8.9
Malta	10 187	357	3.5
<b>TOTAL EU-25</b>	<b>23 198 089</b>	<b>2 163 720</b>	<b>9.3</b>

Source : Eurostat

EU-27 is a net importer of both fresh and processed fruit and vegetables: 4.6 billion MT of fresh vegetables, 12.1 billion MT of fruit (HS codes 07 & 08). The main markets for EU-25 exports are Russia (apples, pears and peaches), Switzerland (oranges, lettuce), Norway (apple, pears, mandarins, pepper and tomatoes) and the United States (olives, mandarins, sweet pepper).

In terms of quantity, Morocco and Canada are the main suppliers to the EU of fresh vegetables. In terms of value, China takes the first position.

EU27 - Import Statistics						
Edible Vegetables And Certain Roots And Tubers (HS code 07)						
CY 2004-2006						
Partner Country	2004		2005		2006	
	1 000 USD	Quantity (MT)	1 000 USD	Quantity (MT)	1 000 USD	Quantity (MT)
World	3 336 692	6 279 690	3 519 189	4 890 414	3 803 253	4 667 710
1. China	323 851	339 766	389 981	379 235	508 231	407 509
2. Morocco	431 728	422 633	530 361	459 922	498 715	483 211
3. Israel	299 158	330 080	333 592	356 674	358 117	392 864
4. Turkey	272 220	388 981	309 075	373 566	306 755	366 931
5. Canada	307 123	1 015 574	290 423	1 106 306	287 394	953 978
6. Egypt	195 796	339 896	219 489	355 456	233 162	352 085
7. Kenya	178 916	50 563	189 414	51 748	222 444	55 959
8. United States	130 169	115 559	171 667	266 700	156 300	180 107
9. Argentina	94 930	145 560	98 050	135 079	140 952	204 652
10. Peru	93 711	32 270	109 190	33 162	140 733	43 931

Source: GTIS

The United States is the main supplier to the EU of fresh fruit (especially almonds, but also other nuts, dried grapes), followed by Turkey (hazelnuts, dried grapes and apricots, cherries, lemons), South Africa (fresh grapes, oranges, apples and pears) and Costa Rica (fresh grapes, apples, kiwi).

The main imports from the United States are tree nuts, mainly almonds, followed by pistachios and walnuts, dried fruit (grapes and prunes), fresh apples and grapefruit. Spain and Germany are the main destinations for tree nuts.

EU27 - Import Statistics						
Edible Fruit And Nuts; Peel Of Citrus Fruit Or Melons (HS code 08)						
CY 2004-2006						
Partner Country	2004		2005		2006	
	1 000 USD	Quantity (MT)	1 000 USD	Quantity (MT)	1 000 USD	Quantity (MT)
World	12 529 332	10 926 185	14 241 897	11 637 199	14 771 599	12 129 078
1. United States	1 453 539	533 384	1 761 669	444 355	1 829 609	452 619
2. Turkey	1 262 806	752 254	1 492 230	858 955	1 555 533	879 397
3. South Africa	1 103 974	971 052	1 240 791	1 094 191	1 214 679	995 981
4. Costa Rica	1 015 674	1 211 816	955 384	1 107 395	1 094 798	1 452 461
5. Chile	764 359	563 066	927 861	658 648	1 069 626	707 251
6. Ecuador	825 280	1 191 739	947 607	1 326 164	864 731	1 292 902
7. Colombia	678 280	792 024	771 684	916 295	788 071	989 049
8. Brazil	488 838	543 433	607 814	570 230	659 705	629 042
9. Argentina	507 805	597 844	649 100	742 970	598 354	643 732
10. New Zealand	485 528	374 115	496 248	386 516	461 578	334 747

Source: GTIS

With 90 percent of the market share, the United States is the EU's main trade partner in the tree nuts market. The United States' main competitors are Iran (pistachios), Turkey (dried grapes). South Hemisphere countries, which are not direct competitors because of seasonal differences in harvest times, dominate the apple market, but China has increased its market share in few years, exceeding United States exports.

EU-27 - Import Statistics - From United States							
Edible Fruit And Nuts; Peel Of Citrus Fruit Or Melons (HS code 08)							
CY 2004 - 2006							
HS code	Description	2004		2005		2006	
		1 000 USD	Quantity (MT)	1 000 USD	Quantity (MT)	1 000 USD	Quantity (MT)
08	Edible Fruit and Nuts	1 453 539	533 384	1 761 669	444 355	1 829 609	452 619
0802	Almonds, walnuts, hazelnuts, chestnuts, pistachios, macadamia and other	1 092 503	273 465	1 422 515	252 465	1 474 510	264 805
0806	Grapes, Fresh Or Dried	104 429	60 809	97 226	49 773	96 147	48 864
0813	Fruit Dried (other than heading 0801 to 0806); Mixtures Of Nuts Or Dried Fruit	71 320	31 382	57 828	17 853	69 448	18 599
0805	Citrus Fruit, Fresh Or Dried	75 129	100 355	55 383	54 926	55 292	55 680
0808	Apples, Pears And Quinces, Fresh	53 437	45 190	59 521	47 076	46 701	35 499
0810	Other Fruit, Fresh (strawberries, raspberries, cranberries, ...)	12 037	4 697	25 739	5 709	38 067	8 919
0809	Apricots, Cherries, Peaches, Plums & Sloes, Fresh	17 300	5 871	15 950	4 576	21 757	6 290
0804	Dates, Figs, Pineapples, Avocados Etc, Fr Or Dried	12 972	8 663	12 224	7 759	13 581	7 834
0811	Fruit & Nuts (Raw Or Cooked By Steam Etc), Frozen	3 872	2 213	5 205	3 726	8 743	5 079

Source: GTIS

EU-27 main imports of **Processed Fruit and Vegetables** (HS 20) originate from Turkey (nuts, cucumbers & peppers in vinegar, olives), Brazil (orange juice), China (asparagus, apple juice, tomato paste, mushrooms) and Thailand (pineapples, pineapple juice, sweet corn). The most significant import product from the U.S. is fruit juice.

The EU exports processed fruit and vegetables mainly to the U.S. (olives, artichokes, tomato paste and jams), Russia (olives, sweet corn and peas), Japan (prepared tomatoes, jams and apple juices) and Switzerland (nuts and tomato paste).

EU- 27 - Import Statistics							
Preparations Of Vegetables, Fruit, Nuts, Or Other Parts Of Plants (HS code 20)							
CY 2004-2006							
	Partner Country	2004		2005		2006	
		1 000 USD	Quantity (MT)	1 000 USD	Quantity (MT)	1 000 USD	Quantity (MT)
	World	4 058 253	n/a	4 390 426	n/a	4 716 549	n/a
1	Turkey	832 881	389 755	1 082 371	364 140	1 018 254	367 351
2	Brazil	761 616	1 005 975	737 495	1 103 414	832 668	968 479
3	China	507 985	667 798	558 320	700 502	604 962	585 124
4	Thailand	324 077	377 844	313 765	351 897	354 720	417 183
5	Peru	114 143	57 160	120 688	59 057	138 080	63 597
6	United States	141 344	131 121	111 334	98 478	137 192	91 887
7	South Africa	125 702	108 524	114 143	92 985	124 789	96 527
8	Switzerland	101 035	247 827	100 836	248 021	114 376	227 300
9	Morocco	105 403	72 889	98 318	63 838	113 424	68 454
10	Israel	80 412	88 323	99 202	102 946	108 009	99 878

Source: GTIS

EU27 - Import Statistics - From United States							
Preparations Of Vegetables, Fruit, Nuts, Or Other Parts Of Plants (HS code 20)							
CY 2004-2006							
HS code	Description	2004		2005		2006	
		1 000 USD	Quantity (MT)	1 000 USD	Quantity (MT)	1 000 USD	Quantity (MT)
20	Preserved Food	n/a	n/a	n/a	n/a	n/a	n/a
2009	Fruit Juice and Vegetable Juice No added Spirit	59 915	83 567	47 730	66 194	59 268	60 009
2008	Fruit, Nuts Etc Prepared Or Preserved Nesoi	44 928	20 423	4 243	15 301	52 818	18 056
2009	Fruit Juice Nt Frtd W Vit/Mnl Veg Juice No Spirit	48 323	43 992	43 101	0	42 982	0
2005	Vegetables Nesoi Prepared Etc Nesoi, Not Frozen	20 942	15 474	10 870	7 606	12 292	7 520
2001	Vegetables, Fruit, Nuts Etc, Prep Or Pres By Vinegar Etc	3 104	2 227	3 597	2 111	4 594	2 700
2004	Vegetables Nesoi Prepared Or Preserv Nesoi, Frozen	4 021	1 837	2 486	1 439	4 244	2 156
2007	Jams, Fruit Jellies, Marmalades Etc, Cooked	1 429	815	1 941	1 052	2 296	1 005
2002	Tomatoes Prepared Or Preserved Nesoi	4 714	6 441	1 884	4 748	943	362

NESOI= Not Elsewhere Specified or Included

Source: GTIS

## II.2. Tariffs

Imports of fresh fruit and vegetables are subject to the Entry Price System (EPS) which has been in place in its current form since the Uruguay Round. It is a complex tariff system that provides a high level of protection to EU producers. A study assessing the impact of changing the EPS is currently being conducted and the result of the impact assessment is expected by the end of this year. Whether or not the EU will maintain the EPS will be discussed in the context of the Doha Round trade talks. The EPS is not necessarily



discriminatory for the U.S. The U.S. tends to sell high quality products, which means that the goods come at a relatively high entry price and do not face any additional duty. Replacing the EPS with fixed tariffs could result in higher ad valorem duties.

### II.3. Problems affecting F&V trade / Rapid Alert System Food & Feed

Even though the U.S. is still the principal exporter in the tree nuts market with a market share of 90 %, the EU has rejected a number of U.S. almond shipments over the last few years during port of entry inspections due to high levels of aflatoxins. When a potential risk is identified, details on the origin of the notifications, the products and countries involved and the identified risks are registered and notified by the EU-Rapid Alert System for Food and Feed (RASFF) and follow-up actions are carried out.

The high number of notifications on aflatoxins in almonds originating from the United States in 2005 (28) and 2006 (37) and the outcome of an Food and Veterinary Office inspection triggered the discussion within the EU on imposing special conditions on the import of almonds from the United States. On August 18, 2007, [Commission Decision 2007/563/EC](#) was published, establishing special conditions for the import of U.S. almonds into the EU. Following this Commission Decision, product which has not been tested for aflatoxin in the U.S. is subject to 100 percent mandatory testing upon import into Europe, while product that was tested in the U.S. under the voluntary aflatoxin sampling program (VASP) is subject to approximately 5 percent testing at EU border. The measure applies on shipments that left the U.S. after September 1, 2007.

### II.4. EU Trade Agreements

The EU's trade agreements fall into three general categories: with the immediate European neighbors, those with Middle Eastern countries and others elsewhere in the world. Only EU trade agreements that are of importance to trade in F&V are considered in this short non-exhaustive list, since the EU is one of the world's largest importers of fruits and vegetables.

**Mediterranean Countries** - The Barcelona Process has been ongoing since 1995 in the Mediterranean area. It aims to establish a free trade area for 2010 in the Mediterranean Basin. Full liberalization concerns industrial products trade whereas agriculture remains sensitive. Among agricultural products, the fruit and vegetables (F&V) sector is essential for Mediterranean countries, and the EU is their first trading partner. The Euro-Mediterranean Partnership consist of 25 EU Member States and 10 Mediterranean Partners (Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, Palestinian Authority, Syria, Tunisia and Turkey).

**Mexico** – 80 percent of EU imports and 42 percent of Mexico's imports for agricultural products will be liberalized by 2010. The agreement provides access for Mexican fruit and orchard products including avocado, tomato, limes, grapefruit, coffee, chickpeas, mango, guayaba, beer and tequila. Tariff quotas for certain agricultural products, such as cut flowers and fruit juices, as well as review clauses for further liberalization are included in the agreement.

**Chile** - The EU and Chile Association Agreement is in force since March 2005. A full liberalization of 100 percent bilateral trade (80.9 percent of agricultural trade and 90.8 percent of fisheries trade) should be reached within a transitional period of 10 years, including rules to facilitate trade in wines and spirits, trade in animals and animal products, plants and plant products.

Trade agreements under negotiation and more detailed information concerning these preferential trade agreements can be found on our website:

<http://useu.usmission.gov/agri/tarreduc.html>

## II.5. BEST PROSPECTS / NEW PRODUCTS

Health issues and a change in life styles are the main drivers behind product innovation. New fruit and vegetable juice based drinks provide an easy way to meet the “five-a-day” fruit and vegetable intake target. Most of the Exporter Guides prepared by the different Member State Offices include fruit juices, fresh and processed fruit and vegetables, and nuts in the “Best High-Value Products Prospects” category. Exporter Guides can be downloaded from our website at <http://useu.usmission.gov/agri/fairs.html>.

### Sources:

European Commission (DG Agri & DG Sanco)

World Health Organization

Freshfel

Statistics: GTIS – Eurostat

Food and Agricultural Organization of the United Nations (FAO)

### Useful links:

- European Commission Impact assessment report:

[http://ec.europa.eu/agriculture/capreform/fruitveg/sumimpact\\_en.pdf](http://ec.europa.eu/agriculture/capreform/fruitveg/sumimpact_en.pdf)

- European Commission website on the F&V reform:

[http://ec.europa.eu/agriculture/capreform/fruitveg/index\\_en.htm](http://ec.europa.eu/agriculture/capreform/fruitveg/index_en.htm)

- USEU website: <http://useu.usmission.gov/agri/F&V.html>

**Visit our website:** our website [www.useu.be/agri/usda.html](http://www.useu.be/agri/usda.html) provides a broad range of useful information on EU import rules and food laws and allows easy access to USEU reports, trade information and other practical information. More information on Horticultural products can be found at <http://www.useu.be/agri/hortireps.html>. E-mail: [AgUSEUBrussels@usda.gov](mailto:AgUSEUBrussels@usda.gov)

### Related reports from USEU Brussels:

Report Number	Title	Date Released
<a href="#">E47058</a>	Reform of the EU Fruit & Vegetables Regime	July 2007
<a href="#">E47023</a>	Responses to European Commission Fruit and Vegetable Reform Proposal	March 2007
<a href="#">E36133</a>	EU safeguard trigger volume calculations for fruit and vegetables - revised data on apple import	October 2006
<a href="#">E36022</a>	Bananas – WTO Update Report	February 2006
<a href="#">E36009</a>	EU Import License System for Apples	January 2006
<a href="#">E35210</a>	Second WTO award in the banana dispute	November 2005
These reports can be accessed through our website <a href="http://www.useu.be/agri">www.useu.be/agri</a> or through the FAS website <a href="http://www.fas.usda.gov/scriptsw/attacherep/default.asp">http://www.fas.usda.gov/scriptsw/attacherep/default.asp</a> .		