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KIWIFRUIT REPORT

Kiwi Annual Report

2000

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Report Highlights: Italian kiwifruit output for the 1999/2000 marketing year is preliminary set at 330,000 tons due to favorable weather conditions. After two low yielding producing seasons, Italian kiwi exports for the 1999/00 marketing year will return to normal levels with up to 260,000 mt forecast to be exported, mainly to other European Union countries. A significant increase in kiwi exports to Eastern European countries, North and South America and the Far East is expected for 1999/00 due to the large supplies and competitive prices.

Includes PSD changes: Yes

Includes Trade Matrix: Yes

Annual Report

Rome [IT2], IT0005

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SITUATION AND OUTLOOK

General

Italian kiwifruit output for the 1999/2000 marketing year is preliminary set at 330,000 tons. The large increase in the Italian kiwi output is due to favorable weather conditions after two consecutive seasons of poor yields seasons due to unfavorable weather conditions. As Italian kiwi planted area remains stable, no change is expected in the next few years, assuming regular weather conditions. AgOffice estimates are based on information from the Centro Servizi Ortofrutticoli or CSO (Horticultural Service Center). CSO has recently replaced CIK, the Italian Kiwi Consortium, as the domestic kiwi producer association.

The crop quality for 1999/2000 marketing year is considered to be good with satisfactory fruit size despite the large quantities produced. Following the harvesting season of October-November, kiwifruit is generally held in cooperative cold storage facilities at controlled temperatures, and is usually kept separate from other fruit because it is so perishable. As usual, no stocks are expected to remain at the end of the marketing year as the products perishability make it difficult to keep for extended periods. Almost all of Italy's kiwi crop (95 percent) is comprised of the Hayward variety.

Consumption

For MY 1999/00, Italian kiwi consumption is forecast to grow to due to the large supply. Despite the relatively high consumption, a recent poll showed that only 46% of Italian families routinely eat kiwis, leaving a large potential market for increased consumption in the future. Almost all kiwis are sold on the fresh fruit market because kiwis do not lend themselves to further processing. However, the use of kiwis by confectionary industry for producing cakes and ice-cream is growing although use of kiwis for this purpose is still presently below 2% of domestic consumption.

Prices

Wholesale prices for kiwis during the 1998/99 marketing year declined from the previous year due to a larger supply but recovered some during the last part of the marketing year. For 1999/00 kiwi prices will decline even further due to the large supply. At the beginning of the marketing year prices were still fairly high due to the lack of kiwis from New Zealand, the traditional supplier for that part of the year. In November 1999, wholesale prices averaged between \$0.90/Kg and \$1.25/ Kg. Prices began to decline due to imports from Greece who also had a large crop of competitively priced kiwis. Greek traders traditionally sell their kiwi output as quickly as possible due to a poor storage capacity. In January 2000, wholesale prices for Italian kiwis (100–120 grams) averaged between \$0.85/Kg to \$1.20/ Kg.

Trade

After two low yielding producing seasons, Italian kiwi exports for the 1999/00 marketing year will return to 1996/97 levels with up to 260,000 mt forecast to be exported, mainly to other European Union countries. Italy traditionally exports most of its domestic kiwi output, with about 80% being exported in 1998/99. In 1998/99, EU countries accounted for 72.4% of all exports with Germany taking the largest share with 26.3%. A significant increase in kiwi exports to Eastern European countries, North and South America and the Far East is expected for 1999/00 due to the large supplies and competitive prices.

Due to the large supplies, Italian imports of kiwis from Chile are expected to be reduced. Chilean kiwis normally start to be imported in April when Italian supplies are finished. This year, however, Italian traders forecast that domestic kiwis will be marketed through spring of 2000.

Marketing

Italian kiwi producers restructured their marketing protocol under their new CSO organization. In the new agreement, producers confirmed commitments with the cooperatives, set November 15th as the starting date for marketing, and set the Brix grade (marketing level) of kiwis destined to European Union market (9.5 degrees) and to overseas markets (6.2 degrees). A minimum weight of fruit to be marketed was also set at 70 grams per individual fruit. Finally the kiwi producer organization established a marketing control system including a fee to be paid when a violation is found. The CSO is also charged with promoting Italian kiwis in the major international horticultural fairs such as the Berlin fruit show, Macfruit in Italy and PMA in the U.S. CSO plans to improve Italian kiwi exports to East Europe, North America and Far East in the coming years.

PSD TABLE

| | | | | | | |
|----------------------|-----------|--------|--------|--------|-----|--------|
| PSD Table | | | | | | |
| Country: | Italy | | | | | |
| Commodity: | Kiwifruit | | | | | |
| | | 1997 | | 1998 | | 1999 |
| | Old | New | Old | New | Old | New |
| Market Year Begin | | 10/96 | | 10/97 | | 10/98 |
| Bearing Area | 19500 | 19500 | 19500 | 19500 | 0 | 19500 |
| Non-Bearing Area | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL Area Planted | 19500 | 19500 | 19500 | 19500 | 0 | 19500 |
| TOTAL Area Harvested | 19000 | 19000 | 19500 | 19000 | 0 | 19000 |
| TOTAL Production | 320000 | 320000 | 220000 | 230000 | 0 | 260000 |
| Imports | 20000 | 20000 | 30000 | 28000 | 0 | 28000 |
| TOTAL SUPPLY | 340000 | 340000 | 250000 | 258000 | 0 | 288000 |
| Exports | 257000 | 257000 | 180000 | 177000 | 0 | 210000 |
| Domestic Consumption | 83000 | 83000 | 70000 | 81000 | 0 | 78000 |
| TOTAL DISTRIBUTION | 340000 | 340000 | 250000 | 258000 | 0 | 288000 |

TRADE MATRIXES

Export

| | | | |
|---------------------|--------|-------------|-------------|
| Export Trade Matrix | | | |
| Country: | | Units: | Metric Tons |
| Commodity: | | | |
| Time period: | | | |
| Exports for | 1997 | | 1998 |
| U.S. | 3655 | U.S. | 2478 |
| Others | | Others | |
| Germany | 74741 | Germany | 49646 |
| Spain | 33629 | Spain | 31289 |
| France | 10861 | France | 11149 |
| Netherlands | 19357 | Netherlands | 14154 |
| U.K. | 12348 | U.K. | 10449 |
| Belgium Lux | 7625 | Belgium Lux | 5138 |
| Austria | 8718 | Austria | 6539 |
| Other EU | 15095 | | |
| Poland | 14302 | Poland | 9175 |
| Canada | 3613 | Canada | 3089 |
| Total for Others | 200289 | | 140628 |
| Others not listed | 47310 | | 51689 |
| Grand Total | 251254 | | 194795 |

Imports

| | | | |
|---------------------|-------|-------------|-------------|
| Import Trade Matrix | | | |
| Country: | | Units: | Metric Tons |
| Commodity: | | | |
| Time period: | | | |
| Imports for | 1997 | | 1998 |
| U.S. | | U.S. | |
| Others | | Others | |
| France | 2994 | France | 1272 |
| Belgium Lux | 5262 | Belgium Lux | 3996 |
| Netherlands | 6815 | Other EU | 4571 |
| Spain | 11678 | Chile | 16556 |
| Greece | 1908 | New Zealand | 7922 |
| Other EU | | | |
| Chile | | | |
| New Zealand | | | |
| | | | |
| | | | |
| Total for Others | 28657 | | 34317 |
| Others not listed | 40 | | 3329 |
| Grand Total | 28697 | | 37646 |

Prices

| | | | | | |
|----------------------|------|-----------|----------|--|--|
| Prices Table | | | | | |
| Country: | | | | | |
| Commodity: | | | | | |
| Year: | 1999 | | | | |
| | | | | | |
| Prices in (currency) | Lire | per (uom) | Kg | | |
| | | | | | |
| Year | 1998 | 1999 | % Change | | |
| Jan | 2465 | 2230 | -9.5% | | |
| Feb | 2699 | 2230 | -17.4% | | |
| Mar | 2699 | 2240 | -17.0% | | |
| Apr | 2151 | 2433 | 13.1% | | |
| May | 2899 | 2886 | -0.4% | | |
| Jun | 2939 | 3081 | 4.8% | | |
| Jul | 0 | 0 | ERR | | |
| Aug | 0 | 0 | ERR | | |
| Sep | 0 | 0 | ERR | | |
| Oct | 2941 | | -100.0% | | |
| Nov | 2543 | | -100.0% | | |
| Dec | 2268 | | -100.0% | | |