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**Italy**

## **KIWIFRUIT REPORT**

**1999**

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**Report Highlights: 1998 Kiwi production recovers to 260,000 mt but is still 15-20% below normal due to unfavorable weather conditions. Exports increase slightly to 210,000 mt, but imports (mainly from Chile) remain high at 28,000 mt.**

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Includes PSD changes: Yes  
Includes Trade Matrix: Yes  
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## EXECUTIVE SUMMARY

Italian kiwi production for the 1998/99 marketing year is forecast at 260,000 MT. Although this represents a 15% increase from the very low yield of last year, it is still 15% to 20% below average yields. The lower production is due to unfavorable weather conditions during the 1998 production season.

As a result of low supply and high prices, in 1998/99 kiwi consumption will decline to 78,000 mt. Exports will increase slightly to 210,000 MT, but still remain 20% below normal.

The poor Italian kiwi supply resulted in a 28,000 MT increase in Italian imports (mainly from Chile) and increased export opportunities for other kiwi producing countries to European markets.

PSD Table						
Country:	Italy					
Commodity:	Kiwifruit					
		1996		1997		1998
	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

## COMMODITY OUTLOOK, PRODUCTION

### GENERAL

Using the CIK (the Italian Kiwi Consortium) estimates as a base, AgOffice estimates Italian kiwifruit production for the 1998/99 marketing year to be 260,000 metric tons. (NOTE: CIK figures are used as opposed to the National Statistical Institute because they give a more accurate picture of after harvest stocks. (However, CIK's estimate of 230,000 mt is increased about 12% to take into account kiwis sold at the farm level and lower quality fruit that does not enter the normal marketing chain).

Although this estimate for 1998/99 is 15% more than in 1997/98, it is still below the average production level of 300,000 tons. Low temperatures during the spring, and a hot and dry summer in 1998 resulted in lower yields and smaller fruit size. Lazio, the central Italian region accounting for the largest kiwi planted area (6000 hectares), was also affected by severe hail damage.

For the next 3-5 years the Italian kiwi planted area is forecast to remain stable or increase very slightly.

The harvesting season in Italy is October-November. Kiwifruit generally is held in cooperative cold storage facilities at controlled temperatures, and usually is kept separate from other fruit because it is so perishable. Even during years of average yields, no kiwi stocks remain at the end of the marketing year. Almost all of Italy's kiwi crop (95 percent) is comprised of the Haiward variety.

### QUALITY

The crop quality for the 1998/99 marketing year is considered to be fair due to the small size of the fruit.

## CONSUMPTION

For 1998/99, Italian kiwi consumption is forecast to be 78,000 MT (4% less than the previous year) due to the poor supply and relatively high prices. During regular marketing years the average per capita consumption is 1.8-2.0 Kg. With the poor harvest in 1997/98, it dropped to about 1.4 Kg. Almost all kiwis are sold on the fresh fruit market because kiwis do not lend themselves to further processing. However, small quantities (1.5%) are used by confectioners and frozen fruit juice manufacturers.

## PRICES

Wholesale prices for kiwis at the beginning of the 1998/99 marketing year averaged 2,500 Lire per kg (\$1.50/Kg).

On-farm prices during the harvesting season (October - November 1998) averaged at about 1,300 Lire per Kg (\$0.80/Kg).

Export price for Italian kiwi in 1998 averaged 2,150 Lire/kg (\$1.30/Kg).

## TRADE

Italian kiwifruit exports were reduced to 177,000 mt during the 1997/98 market year due to the small harvest. Italy exports most of its domestic kiwi production, or about 80% in 1996/97 and 79% in 1997/98. In 1997, 74% of Italian kiwi exports were destined for other EU countries, mainly Germany, which accounted for 30% of total exports.

For MY1998/99, exports are expected to recover some to 210,000 mt, which is still almost 20% below exports in MY 1996/97. The increased exports are due to more available stocks from the larger crop and increased demand from countries such as Poland and Russia.

Italian kiwifruit imports are normally around 20,000 tons per year, usually from Chile and New Zealand. However, for 1998/99 an increase in imports is expected, similar to 1997/98, due to the low domestic output. Import estimates for Jan-June 1998 are 22,000 MT total, with 16,000 MT from Chile and 1,000 MT from New Zealand. Another 2,000 MY are imported from Belgium/Luxemburg of which most are probably transshipments from New Zealand.

## MARKETING

The Italian and European kiwi market is still characterized by high prices due to the poor Italian supply both in 1998 and 1999. The higher domestic prices favored New Zealand kiwis during the first part of marketing year (October-November) and Chilean kiwis during the last part of the season (spring) when the Italian stocks are finished. However, initially in MY 1998/99, imports from New Zealand are expected to be lower than the previous year because of a lack of supply due to larger than normal exports earlier in CY 1998.

Normally, the price of New Zealand kiwis is much higher than the price of Italian kiwis (New Zealand kiwis' retail price averages around 3,000 Lire/Kg(1.66 US dollars).

According to EU regulations, kiwis cannot be marketed before November 15, unless they are being exported overseas in which case they can be shipped as of November 1. The Brix level (sugar content) must be at least 9.5 degrees for European consumption or 6.2 degrees for kiwis exported overseas.

Some Italian regions have established quality standards for kiwis. Kiwis found to be in conformity with these standards are distinguished by a quality label put on the package and, in some cases, on the fruit itself.

Market promotion programs in Italy are usually undertaken by individual private companies. The programs most frequently target traders and distribution chains, and are used to promote the quality and nutritional aspects of the fruit, as well as to advertise additional services and price incentives.

Prices Table					
Country:	Italy				
Commodity:	Kiwi				
Year:	1998				
Prices in (currency)	Lire	per (uom)	Kg		
Year	1997	1998	% Change		
Jan	1661	2465	48.4%		
Feb	1684	2699	60.3%		
Mar	1704	2699	58.4%		
Apr	1817	2151	18.4%		
May	2151	2899	34.8%		
Jun	2581	2939	13.9%		
Jul	2650	0	-100.0%		
Aug	0	0	ERR		
Sep	0	0	ERR		
Oct	2706	2941	8.7%		
Nov	2180	2543	16.7%		
Dec	2292	2268	-1.0%		



Export Trade Matrix			
Country:	Italy	Units:	Metric Tons
Commodity:	Kiwi		
Time period:			
Exports for	1996		1997
U.S.	3856	U.S.	
Others		Others	
Germany	65649	Germany	74741
Spain	27014	Spain	33629
France	9292	France	10861
Netherlands	15932	Netherlands	19357
U.K.	9656	U.K.	12348
Belgium Lux	5382	Belgium Lux	7625
Austria	9961	Austria	8718
Other EU	9934	Other EU	15095
Poland	12192	Poland	14302
		Canada	3613
Total for Others	165012		200289
Others not listed	50464		47310
Grand Total	219332		247599

Import Trade Matrix			
Country:	Italy	Units:	Metric Tons
Commodity:	Kiwi		
Time period:			
Imports for	1996		1997
U.S.		U.S.	
Others		Others	
France	298	France	2994
Belgium Lux	4962	Belgium Lux	5262
Netherlands	1786	Other EU	6815
Spain	185	Chile	11678
Greece	26	New Zealand	1908
Other EU	81		
Chile	10352		
New Zealand	5325		
Total for Others	23015		28657
Others not listed	251		40
Grand Total	23266		28697