USDA Foreign Agricultural Service
GAIN Report
Global Agricultural Information Network

Required Report - public distribution

Date: 8/24/2018
GAIN Report Number: SP1820

EU-28

Stone Fruit Annual

2018

Approved By:
Jennifer Clever, Agricultural Attaché

Prepared By:
Carmen Valverde, Agricultural Specialist

Report Highlights:
EU-28 production of peaches and nectarines in MY 2018/19 is estimated at 3.5 million MT, 12 percent lower compared to the previous campaign due to unfavorable weather conditions in most of the major producing countries. Total cherry production in MY 2018/19 is projected to grow to 793,058 MT, a 30 percent increase compared with last season. This increase is supported by expected strong growth in Poland and Germany. The value of EU-28 stone fruit exports continues to decline as a result of the 2014 Russian embargo imposed on agricultural and food products, including stone fruit, from the European Union. During MY 2017/18, EU imports of U.S. cherries increased significantly, valued at $ 9.4 million, and reinstated the United States as the fourth largest non-EU supplier of cherries.

Disclaimer: This report presents the situation and outlook for stone fruit including peaches, nectarines and cherries in the EU-28. The report presents the views of the authors and does not reflect the official view of the U.S. Department of Agriculture (USDA). The data are not official USDA data.

This report was written with the contributions of the following Foreign Agricultural Service analysts:
Ornella Bettini FAS/Rome covering Italy
Dimosthenis Faniadis FAS/Rome covering Greece
Xavier Audran FAS/Paris covering France
Mila Boshnakova FAS/Sofia covering Bulgaria
Mira Kobuszynska FAS/Warsaw covering Poland
Sabine Lieberz FAS/ Berlin covering Germany
Gellert Golya FAS/Budapest covering Hungary
Carmen Valverde FAS/Madrid covering Spain and Portugal
Tania de Belder FAS/USEU Brussels covering the EU policy section

Harmonized System (HS) Codes:
Peaches and nectarines HS Code 080930
Cherries HS Code 080921, 080929

Abbreviations and definitions used in this report

CAP Common Agricultural Policy
CMO Common Market Organization
EC European Commission
EU European Union
FAS Foreign Agricultural Service
GTA Global Trade Atlas
MY Marketing year: January/December
MS EU Member State
MT Metric ton (1,000 kg)
MMT Million Metric Tons
PS&D Production, Supply and Demand
USD U.S. Dollar

Note: The European Union Member States (MS) are mandated to annually provide the EU Commission with data concerning the "production area" of permanent crops. This means "the area that can potentially be harvested in the reference harvest year. It excludes all non-producing areas, such as new plantations that have not yet started to produce" (Regulation (EC) No 543/2009 of the European Parliament and of the Council of 18 June 2009, Article 2 (f)). In this report, this corresponds to the line

"Planted Area." Not all MS publish harvested data. Hence, in this report, the line "Area Harvested" is a FAS Post estimate.

Executive Summary

Production of peaches and nectarines in MY 2018/19 for the EU-28 is estimated at 3.5 million MT, 12 percent lower compared to the previous campaign due to expected lower production in most of the major producing countries due to unfavorable weather conditions, with a long winter and a wet and cold spring, which reduced the volume harvested. According to FAS post projections, the area planted is projected to remain stable in MY 2018/19 at around 228,000 ha.
In MY 2018/19 fresh consumption of peaches and nectarines is projected to decrease to 2.6 MMT. Use of peaches and nectarines for processing may also decrease to 711,480 MT as a result of the lower supply compared to previous year.

In the first half of 2018 EU-28 imports of peaches and nectarines rose 23 percent with increased imports from Chile and Turkey. Imports may increase further due to lower production forecasts in MY 2018/19. In MY 2017/18, the EU's imports of peaches and nectarines were 27,124 MT, 13 percent lower than the previous year due to the decrease in production valued at $66 million mainly from South Africa, Chile and Morocco.

The EU is a net exporter of peaches and nectarines with exports largely exceeding imports. During the first half of 2018, EU-28 exports of peaches and nectarines declined 37 percent due to lower production forecasts in MY 2018/19. In MY 2017/18, the EU's exports of peaches and nectarines were valued at $180 million, a 10 percent increase with 11 percent higher volume exported from the previous year reaching 250,906 MT. The main destination for EU-28 peaches and nectarines in MY 2017/18 was Belarus followed by Switzerland and Ukraine.

On August 7, 2014, the Russian government implemented a one year ban on a range of agricultural and food products, including stone fruit, from the United States, the European Union, Canada, Australia, and Norway. This ban has been extended at least until the end of 2018. After two years of the implementation of the Russian embargo, EU-28 peaches and nectarines exports to Russia continue to be negligible costing an estimated $170 million.

Total cherry production in MY 2018/19 is projected at 793,058 MT, a 30 percent increase compared with last season, due to the expected strong growth in Poland and Germany. According to FAS projections, the updated data for the total EU planted area for cherries is estimated at around 158,000 ha in MY 2018/19. In the main producing regions of France, there were reports of heavy pest and fungal infestation, especially Drosophila Suzukii and Moniliosis in several production areas. France's 2016 decision to ban a pesticide (Dimethoate) efficient against Drosophila Suzukii has enhanced crop losses.

Consumption of fresh cherries in the EU may rise with an estimated volume of around 481,000 MT in MY 2018/19. Also cherries for processing may also increase in MY 2018/19 recovering to normal levels primarily due to the rebound in Polish production, the EU's largest cherry processor.

In the last two years, the EU has become a net importer of cherries sourced mostly from Turkey, the world's leading cherry producer. In MY 2017/18, the EU imports of fresh cherries dropped 17 percent, valued at $181 million with a total volume of 48,657 MT. As a result of lower EU cherry production in 2017, the United States recovered its position as the fourth largest non-EU supplier of cherries to EU-28, valued at $9.4 million. However, in MY 2018/19, EU-28 imports of cherries may lower due to the expected growth in EU cherry production.

The EU exports of fresh cherries in MY 2017/18 were valued at $30 million, a 15 percent decrease from the previous year with 44 percent lower volume, reaching 13,989 MT. This is the lowest level of exports in the last five years. The main destinations for EU-28 cherries in MY 2017/18 were Serbia, Switzerland and Belarus as EU-28 cherry exports to Russia were negligible due to the Russian embargo after two consecutive years, costing $41 million.

Commodities

Fresh Peaches & Nectarines

The main EU-28 producers of peaches and nectarines are Spain, Italy, Greece and France, in this order. There is also limited production in other EU MS, including Hungary, Portugal, Bulgaria and Poland. Italy used to be the EU's largest producer but in recent years Spain has become the biggest producer and exporter due to its early season harvest and yielding varieties. Greece is the leading EU peach processor.

Production

Production of peaches and nectarines in MY 2018/19 for the EU-28 is estimated at 3.5 million MT, 12 percent lower compared to the previous campaign due to an expected decrease in most of the major producing countries. Fruit quality is expected to be good. Production in the main producing countries is shown in Table 1 below.

The EU area planted of peaches and nectarines in MY 2017/18 is around 228,000 ha. According to FAS post projections, the area planted is projected to remain stable in MY 2018/19 at around 228,000 ha. This is the result of productivity gains achieved with the introduction of new and higher yielding varieties that bring more diversity in the types of fruit and spread in harvest dates.

Table 1. Major EU Fresh Peach & Nectarine Producers by Volume in MT

Country	MY 2016/17	MY 2017/18	MY 2018/19
Spain	1,421,678	1,480,000	1,204,000
Italy	1,262,127	1,362,054	1,161,000
Greece	774,568	902,000	915,000
France	207,004	221,800	182,500

Source: FAS EU offices

Over the last five years, Spain has become the largest peach and nectarine producer in EU-28. Area planted and production growth for both peaches and nectarines in the country's most important regions, Aragón, Cataluña and Murcia, together with the important increases in Extremadura, Andalusia and Region of Valencia, are the main factor for the overall expansion in Spanish production of peaches and nectarines in the last years. Spanish stone fruit has an important advantage in terms of quality due to the vast varietal renewal that has taken place in recent years. Newer varieties with more intense flavors and color have been planted.

According to the Spanish industry, latest estimates of Spanish production peach and nectarine production for MY 2018/19 is projected to lower slightly to 1.2 MMT but still accounting for almost 35 percent share of the total EU-28 peach and nectarine production. This is 18.6 percent lower volume

compared to the previous season due to unfavorable weather conditions, with a long winter and a wet and cold spring, which reduced the volume harvested.

In Italy, Campania, Emilia-Romagna, Piemonte, Sicilia, Puglia, Calabria, Basilicata, and Veneto are the main producing regions. Italy's MY 2018/19 peach and nectarine production is forecast at 1,161,000 MT, 15 percent lower than the previous campaign due to the end of February frost that affected the South. In addition, further area reductions in Emilia-Romagna, Piemonte, Veneto, and Basilicata due to the Sharka disease also support the lower forecast. Italian crop area is around 67,000 ha.

According to the Greek industry, there are approximately 50,000 hectares currently cultivated for peaches and nectarines. The main producing areas include four areas (Imathia, Pella, Pieria, and Kozani) of Central Macedonia located in northern Greece, and the area of Larissa, in Thessaly, Central Greece. Most of the crop is harvested in June and July. Greece's MY 2018/19 peach and nectarine production is preliminary forecasted to slightly increase by 1.4 percent. July rains did not affect early peach and nectarine varieties but significantly reduced the yields of the late varieties. Greece's MY2018/19 cling peach crop is forecast to increase by 5.3 percent (400,000 MT), due to new plantations entering production.

2018 France's peaches and nectarines crop is expected to be down 18 percent from 2017 due to unfavorable weather condition in the spring (late frost followed by excess of moisture), and down 17 percent from the 5 years average due to lower production area. Peach and Nectarine orchards continued to shrink due to poor economic conditions for peach producers in recent years combined with losses of trees due to the Sharka disease.

Consumption

In MY 2018/19 fresh consumption of peaches and nectarines is projected to decrease to 2.6 MMT. Use of peaches and nectarines for processing may also decrease to 711,480 MT as a result of the lower supply compared to previous year.

Most Italian and Spanish peaches and nectarines are consumed fresh. Consumers in southern countries generally prefer large, sweet, and pulpy fruits, while the North European markets prefer smaller, slightly sour, and crunchy fruits.

Greece is the major peach processor in the EU followed by Spain. Greek nectarine production is destined mainly for the fresh market; Freestone peach varieties are used for fresh consumption, while clingstone varieties are predominantly used in processing.

Trade

The EU is a net exporter of peaches and nectarines with exports largely exceeding imports.

Imports

As seen in Table 2 below, the main suppliers of peaches and nectarines to the EU-28 in MY 2017/18 were South Africa, Chile and Morocco. Morocco's main destination of peaches and nectarines to the EU is mainly France. France has a massive peaches and nectarines trade deficit, with more than half of total imports sourced in the southern hemisphere and imported during the European off-season. In MY 2017/18, the EU's imports of peaches and nectarines were 27,124 MT, 13 percent lower than previous year due to the decrease in production valued at $66 million.
In the first half of 2018 EU-28 imports of peaches and nectarines rose 23 percent with increased imports from Chile and Turkey. Imports may increase further due to a reduction of production forecasts in MY 2018/19.

Table 2. EU-28 Imports of Fresh Peaches & Nectarines by Origin in MT

Country of Origin	MY 2015/16	MY 2017/18	MY 2018/19
South Africa	8,881	11,327	10,023
Chile	9,924	10,208	8,775
Morocco	4,791	3,626	3,963
Turkey	1,580	3,363	2,283
Others	3,054	2,674	2,080
Total Imports	**28,230**	**31,198**	**27,124**

Source: GTA

Exports

In MY 2017/18, the EU's exports of peaches and nectarines were valued at $180 million, a 10 percent increase with 11 percent higher volume exported from the previous year reaching 250,906 MT. The main destination for EU-28 peaches and nectarines in MY 2017/18 was Belarus followed by Switzerland and Ukraine (See Table 3). Exports of peaches and nectarines to Serbia grew significantly in MY 2016/17 and continued growing in MY 2017/18, primarily from Greece. EU-28 peaches and nectarines exports to Russia were negligible due to the Russian embargo imposed on agricultural and food products, including stone fruit, from the European Union (See Policy Section) after two consecutive years, costing $170 million.

The EU's major producers compete for sales within the European market. Thanks to an earlier harvesting period with high quality products, Spain continues to dominate the European market. Spanish total exports in 2017 were 930,681 MT, 95 percent of which went mainly to the EU-28. The loss of the Russian market due to the 2014 Russian embargo was compensated by an increase of exports to other Member States and to third countries such as Switzerland or Brazil. Also exports to Canada grew significantly in MY 2017/18. In July 2016, China authorized imports of peaches from Spain, but year-to-date Spanish peach exports to China are negligible.

In 2017, Italy exported 222,235 MT of peaches and nectarines, 2.7 percent lower than the previous year due to reduced volumes sent to Germany (-16 percent), the leading destination, representing 36 percent of total exports.

In the first half of 2018, EU-28 exports of peaches and nectarines declined 37 percent due to the drop in production forecasts in MY 2018/19. Due to a reduction of production forecasts in MY 2018/19 exports may decrease.

Table 3. EU-28 Exports of Fresh Peaches & Nectarines by Destination in MT

Country of Destination	MY 2015/16	MY 2015/17	MY 2017/18
Belarus	158,682	99,280	100,882
Switzerland	32,150	29,768	30,945
Ukraine	15,838	21,911	30,847
Serbia	4,021	14,349	19,430
Brazil	10,839	11,568	11,311
Macedonia	2,619	4,681	9,105
Norway	9,821	6,859	8,636
Others	62,707	37,536	39,750
Total Exports	**296,677**	**225,952**	**250,906**

Source: GTA

Production, Supply and Demand Data

Table 4. Production, Supply and Demand Data Statistics

Fresh Peaches & Nectarines	2016/2017		2017/2018		2018/2019	
Market Begin Year	Jan 2016		Jan 2017		Jan 2018	
European Union	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	229,423	229,446	228,840	228,214		228,880
Area Harvested	210,844	210,864	210,688	209,132		209,800
Bearing Trees	0	0	0	0		0
Non-Bearing Trees	0	0	0	0		0
Total Trees	0	0	0	0		0
Commercial Production	3,809,760	3,739,930	4,045,133	4,045,593		3,546,576
Non-Comm. Production	38,482	37,777	40,860	40,865		35,824
Production	3,848,242	3,777,707	4,085,993	4,086,458		3,582,400
Imports	31,172	31,198	28,000	27,124		30,000
Total Supply	3,879,414	3,808,905	4,113,993	4,113,582		3,612,400
3,612,400Fresh Dom. Consump2,670,920tion	2,903,552	2,891,681	2,965,707	3,102,815		2,670,920
Exports200,00	225,800	225,952	295,000	250,906		200,000
For Processing	725,062	666,272	823,286	729,861		711,480
Withdrawal From Market	25,000	25,000	30,000	30,000		30,000
Total Distribution	3,879,414	3,808,905	4,113,993	4,113,582		3,612,400
(HA) ,(1000 TREES) ,(MT)						

Source: FAS EU offices

Commodities

Fresh Cherries (Sweet & Sour)

The main EU-28 producers of fresh cherries are Poland, Spain and Italy. Traditionally Germany was in forth position but in the last few years, Greece and Hungary have surpassed German cherry production (See Table 5). There is also limited production in other EU MS, including Bulgaria, France and Portugal. Poland is the EU's largest cherry processor transforming 75 percent of its cherry production. Spain is the biggest exporter due to its early season harvest and Germany the biggest EU importer of cherry. Italy is the number one consumer of fresh cherries.

Production

Total cherry production in MY 2018/19 is projected at 793,058 MT, or 30 percent increase compared with last season, due to the expected strong growth in Poland and Germany.

According to FAS projections, the updated data of total EU planted area of cherries estimates an area of around 158,000 ha in MY 2018/19.

Post's MY 2018/19 forecast for Poland's total sweet and sour cherries production stands at 260,000 MT. This could be a record harvest for Poland in recent years. This year, tree fruit yield has been very abundant, compared to MY 2017/18 when the cherry crop hit a record low. Therefore, in MY 2018/19 the percentage increase in cherry production will show a rise of 185 percent compared to the previous year. The total production number consists of 200,000 MT sour cherries and 60,000 MT sweet cherries. In MY 2018/19, cherry orchard's acreage remained unchanged in comparison with the previous year, and amounted to 39,000 hectares.

The winter was mild, and in the most regions of Poland there were no winterkills in cherry orchards. The higher-than-average air temperatures in April, rapidly accelerated the development of fruit trees by two weeks earlier than usual, and shortened the flowering period. Very dry weather conditions adversely affected flowering of very young orchards. Older trees with a well-developed root system were in a very good shape despite the lack of rain, and very low soil moisture. Fruit quality is generally good. The occurrence of diseases and pests was significantly reduced in MY 2018/19.

Italy's MY 2018/19 cherry production is preliminarily forecast at 96,000 MT, a decrease of approximately 19 percent compared to the previous marketing year. The decrease is attributed to cold temperatures at the end of February that delayed flowering, followed by hail and rain from mid-May to mid-June. Fruit quality is expected to be good and fruit size small and medium. Puglia, Campania, Emilia-Romagna, and Veneto are the leading producing areas. In addition, new orchards are entering production in Trentino. *Bigarreau, Regina, Kordia, Giorgia, and Ferrovia* are the main cherry varieties grown in Italy.

Spanish cherry production for MY 2018/19 is projected at 103,758 MT, 3.5 percent higher than the previous year's level. The main cherry producing areas are Extremadura, accounting for over 35 percent of Spain's total, and Aragon, responsible for over 20 percent of Spain's production. In Spain, cherry harvesting takes place from the end of April through mid-August. The dominant varieties are: *Napoleon*, which is sold fresh and used for jams; *Ambrunesa*, which is a late variety with a crispy consistency and sweet taste; and, *Burlat*, an early harvested variety bearing a thick fruit with red, strong, juicy and sweet pulp. Some new varieties include *Starking*, *Lapins*, *Summit*, *Vittoria*, *Van* (California), *Picota* and *Sandy*. The sour varieties include *Richmond*, *Montmorency*, and *Morello*.

Greece's MY 2018/19 cherry season is forecast to increase 5.3 percent due to favorable weather conditions during fruit setting. The extensive rainfall that occurred on the harvest period resulted in production loss in the main producing areas of Northern Greece. However, fruit quality is expected to be good. Pella, Imathia, Kozani (Northern Greece), and Larissa, Lamia (Central Greece) are the leading producing areas.

Hungary is one of Europe's largest sour cherry producers. The area planted with sour cherries is 14,400 ha, and it is harvested on about 13,000 ha. Domestic varieties are almost exclusively cultivated in the country. Technology and production level varies widely. In 2018, flowering was strong and clement weather and high pollination activity helped the fruit set. Night frosts did not damage cherry orchards. Hence, production in MY 2018/19 is expected to be higher than the previous year. Annual sweet cherry production is around 11,000MT in Hungary and is expected to remain flat in 2018 because of spring frosts and notable fruit drop after flowering. New Hungarian hybrids, such as "Carmen", "Rita" and "Vera" are getting more popular among farmers.

Total German cherry production for MY 2018/19 is estimated at 61,100 MT. This is 2.5 times the production of the preceding year when devastating frost in mid-April 2017 led to a record low production. This also represent a 34 percent increase compared to the historical (2008-2017) ten-year average. Sweet cherry production is estimated at 44,300 MT and tart cherries at 16,800 MT.

Bulgaria expects increase in cherry harvested areas, yields and production with 15 percent more harvested areas, 18 percent higher yields and 36 percent increase in total cherry production.

France's cherries crop in 2018 is expected to reach a record low, down 30 percent from 2017 due to poor weather conditions (excess of moisture leading to fruit rot) enhanced by heavy losses due to insect attacks (namely Drosophila Suzukii). Area planted for cherry trees continued to decline as old orchards are no systematically renewed. Producers blame the lack of new disease resistant varieties as well as the high production cost. In the main producing regions (southern half of France), there were reports of heavy pest and fungal infestation, especially Drosophila Suzukii and Moniliosis in several production areas. The 2016 French decision to ban a pesticide (Dimethoate) efficient against Drosophila Suzukii have enhanced the losses (See Policy Section).

Table 5. Major EU Fresh Cherries (Sweet & Sour) Producers by Volume in MT

Country	MY 2016/17	MY 2017/18	MY 2018/19
Poland	248,600	91,300	260,000
Italy	94,888	118,259	96,000
Spain	100,503	100,230	103,758
Greece	87,919	85,000	90,000
Hungary	72,700	75,470	80,000
Germany	45,342	24,802	61,100

Source: FAS EU offices

Consumption

Consumption of fresh cherries in the EU may rise with an estimated volume of around 481,000 MT in MY 2018/19. Also cherries for processing may also increase in MY 2018/19 recovering to normal levels. This is primarily due to the rebound in Polish production as Poland processes 75 percent of its cherry production. By comparison, Italy is the biggest consumer of fresh cherries.

Sweet cherry is a seasonal fruit consumed fresh. Sour cherry is utilized principally by the processing industry. The main sour cherry products are frozen fruits, juice concentrates and jams or marmalade. In countries such as Spain, Portugal, France, Italy and Greece, domestic consumption is almost exclusively for fresh use, with minor amounts bought by the brining and processing industry. In Germany, fresh cherries are considered a seasonal product and stocked in supermarkets mainly during the German marketing season (July/August). In Hungary, average per capita fruit consumption is under the EU-28 average. In Bulgaria due to improving income and changing lifestyle, fresh consumption of stone fruits demonstrates stable upward trend.

Trade

In the last two years, the EU has become a net importer of cherries sourced mostly from Turkey, the world's leading cherry producer (See Table 6). The United States has recovered its position as the fourth largest non-EU supplier of cherries to EU-28 mainly due to increased cherry exports to the United Kingdom. The main destinations for the major EU producers are other Member States; the most important external destinations are Serbia and Switzerland with important decline of EU cherry exports to Belarus.

Imports

In MY 2017/18, the EU imports of fresh cherries were valued at $181 million with a total volume of 48,657 MT or 17 percent drop. According to GTA, in 2017 the EU-28 imported 1,743 MT of U.S. cherries (mainly the United Kingdom), a volume growth of 312 percent compared to previous year and

valued at $9.4 million. The increase in imports from the U.S. was in response to the lower EU cherry production in 2017. In MY 2018/19, as the EU cherry production is expected to rise, U.S. cherry exports may return to normal levels.

Germany is the third largest importer of cherries in the world after China and Hong Kong. According to the German market sources, from 2014 to 2016, 54 to 68 percent of the cherries consumed in Germany were imported. German imports vary between 45,000 and 70,000 MT of cherries annually. The majority originates from other EU member states; mainly Austria, Italy, and Spain for sweet cherries and Hungary, Poland, and the Czech Republic for tart cherries. The largest non-EU suppliers are Turkey for sweet cherries and Serbia for tart cherries.
In MY 2018/19 EU-28 imports of cherries may decline due to the expected production growth.

Table 6. EU-28 Imports of Fresh Cherries (Sweet & Sour) by Origin in MT

Country of Origin	MY 2015/16	MY 2016/17	MY 2017/18
Turkey	28,284	43,168	32,627
Serbia	2,106	8,733	7,914
Chile	2,991	2,655	2,397
United States	795	423	1,743
Canada	662	278	1,304
Others	1,888	2,441	2,672
Total Imports	**36,726**	**57,698**	**48,657**

Source: GTA

Exports

The EU exports of fresh cherries in MY 2017/18 were valued at $30 million, a 15 percent decrease from the previous year with 44 percent lower volume, reaching 13,989 MT. This is the lowest level of exports in the last five years. The main destinations for EU-28 cherries in MY 2017/18 were Serbia, Switzerland and Belarus as EU-28 cherry exports to Russia were negligible due to the Russian embargo after two consecutive years, costing $41 million. EU's cherry exports to Serbia experienced important growth, mainly from Greece and Hungary.

Poland is looking for new export markets after the Russian ban since August 2014. Russia was the main cherry export market for both tart and sweet cherries capturing 60 percent of Poland's total cherry exports until 2014. After the ban, Polish exporters increased sales to Belarus, and Ukraine. In MY 2017/18 exports to these countries diminished significantly due to supply shortages. In MY 2017/18 the main export destinations became the most profitable EU member states destinations, with the leading position of Germany. Germany is the main export market for Polish sour cherries for processing, capturing 48 percent of Poland's sour cherries exports.
Italy and Spain are mainly focused in the intra-EU market.

Table 7. EU-28 Exports of Fresh Cherries (Sweet & Sour) by Destination in MT

Country of Destination	MY 2015/16	MY 2016/17	MY 2017/18
Serbia	1,881	5,150	4,505
Switzerland	2,889	3,071	3,433
Belarus	27,560	13,235	2,937
Others	15,260	3,620	3,114
Total Exports	**47,590**	**25,076**	**13,989**

Source: GTA

Production, Supply and Demand Data

Table 8. Production, Supply and Demand Data Statistics:

Fresh Cherries,(Sweet&Sour)	2016/2017		2017/2018		2018/2019	
Market Begin Year	Jan 2016		Jan 2017		Jan 2018	
European Union	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	156,130	157,950	155,455	158,535		158,836
Area Harvested	149,353	150,863	147,278	151,096		152,276
Bearing Trees	0	0	0	0		0
Non-Bearing Trees	0	0	0	0		0
Total Trees	0	0	0	0		0
Commercial Production	693,332	697,489	547,529	576,924		753,405
Non-Comm. Production	36,491	36,710	28,817	30,364		39,653
Production	729,823	734,199	576,346	607,288		793,058
Imports	57,700	57,698	50,000	48,657		40,000
Total Supply	787,523	791,897	626,346	655,945		833,058
Fresh Dom. Consumption	423,819	433,733	389,116	454,694		471,568
Exports	25,100	25,076	30,000	13,989		13,000
For Processing	338,104	332,588	206,730	186,762		347,990
Withdrawal From Market	500	500	500	500		500
Total Distribution	787,523	791,897	626,346	655,945		833,058
(HA) ,(1000 TREES) ,(MT)						

Source: FAS Europe offices

Trade Shows

Trade fairs play a key role in presenting new products to the trade or in finding additional buyers and importers. The most important trade shows related to the fruit and vegetable sectors are:

FRUIT ATTRACTION

FRUIT ATTRACTION Madrid, Spain (Interval: yearly) Target Market: Spain/International http://www.fruitattraction.com	Next Fair: October 23-25, 2018

FRUIT ATTRACTION is an international Trade Show for the Fruit and Vegetable Industry sector with more than 1600 exhibitor companies from around the world.

FRUIT LOGISTICA

FRUIT LOGISTICA Berlin, Germany (Interval: yearly) Target Market: Germany/EU/Central & Eastern Europe The leading European trade show for fresh and dried fruit, nuts, and related products http://www.fruitlogistica.de	Next Fair: February 6-8, 2019

FRUIT LOGISTICA is the major trade show for fresh and dried fruits in Europe. The next show will take place on **February 6-8, 2019.** More than 2,400 companies from across the entire fresh produce value chain will participate, including major global players as well as small and medium-sized suppliers from around the world.

BIOFACH

BIOFACH Nuremberg, Germany (Interval: yearly) Target Market: Germany/Europe The leading European trade show for organic food and non-food products http://www.biofach.de	Next Fair: February 13-16, 2019

BIOFACH is one of the most important trade shows for organic products in Europe. The next show will take place on **February 13-16, February**

Policy

Stone fruit falls under the EU fruit and vegetables regime and is part of the Common Agriculture Policy (CAP). The following sections explain the main elements of the EU fruit and vegetables policy that refer to the stone fruit sector.

I. EU Policy Related to Stone Fruit

1. The Common Agriculture Policy (CAP)

Regulation (EU) No 1308/2013 outlines a framework for market measures under the CAP by the single Common Market Organization (CMO) and it entered into force on January 1, 2014. The CAP 2020 reform consists of four basic regulations, supplemented by delegated acts, and amends the implementing rules for the fresh and processed fruit and vegetables sectors (Commission implementing Regulation (EU) No 543/2011).

Last year, Commission Delegated Regulation 2017/891 entered into force to increase the support for withdrawals for fruit and vegetable Producer Organizations (POs). The new framework also seeks to make POs more attractive to non-members, provide greater clarity about what actions are eligible for EU funding, and to create short supply chains whereby producers sell directly to consumers. It will also simplify and clarify legislation with regard to payments to transnational POs and their associations.

These market measures under the CAP aim to:

1. Create a more competitive and market-oriented sector

Producer Organizations (POs) are still the key elements in the EU's CMO for fruit and vegetables. POs are legal entities established by producers to market commodities, including stone fruit. These POs are eligible to receive EU subsidies instead of individual producers. In order to qualify for EU subsidies, a PO must submit an operational program financed through an operational fund and directly receives the EU's financial contribution. The basis for the calculation of the estimated amount of the operational fund is the operational program and the value of the marketed production. The approval of operational programs happens under Regulation (EU) No 1308/2013.

Fresh fruit and vegetable imports into the EU have to comply with EU-harmonized marketing standards. These standards apply at all marketing stages and include criteria such as quality, size, labeling, packaging, and presentation. Commission implementing Regulation (EU) No 543/2011 provides for a general marketing standard for all fresh fruits and vegetables. Specific marketing standards are still in place for ten products, including peaches and nectarines, and are set out in Part B of Annex I on page 86 (section 5).

2. Diminish crisis-related fluctuations in producers' income

To achieve this objective, the EU offers funding under the operational programs for:

- Product withdrawal
- Green harvesting/non-harvesting;
- Promotion/communication tools;
- Training measures;
- Harvest insurance;
- Assistance to secure bank loans, and support for administrative costs associated with setting up mutual funds.

National authorities must determine, in their national strategies, which of these instruments can receive funds in their countries. POs may take out loans on commercial terms to finance crisis prevention and management measures. The repayment of the capital and the interest on those loans may be eligible for financial assistance under the operational programs of POs.

3. Encourage increased consumption of fruit and vegetables in the EU

The sector may also benefit from the European promotion budget for agricultural products and quality schemes. The Commission reformed its promotion policy with an extension of the product scope and a greater focus on export markets. The current promotion budget of $76 million (€60 million) will increase annually until it reaches $255 million (€200 million) in 2020. There will be no longer need for national co-funding and EU associations will be able to apply directly for a program.

4. Increase the use of environmentally friendly cultivation and production techniques

At least 10 percent of operational program funding must be spent on environmental actions that go beyond mandatory environmental standards. MS with recognized POs must draw up a National Framework for Environmental Action (NEF) as part of their "national strategy for sustainable operational program." The NEF must contain a non-exhaustive list of environmental actions and the conditions applicable to them in the MS concerned.

CAP after 2020:

On 1 June 2018, the European Commission presented legislative proposals on the common agricultural policy (CAP) beyond 2020. The aim of the new proposals is to better respond to current and future challenges such as climate change. The CAP will continue to support European farmers, but the overall budget is lower compared to the previous period.
For information on the CAP after 2020, please see:
https://ec.europa.eu/info/food-farming-fisheries/key-policies/common-agricultural-policy/future-cap_en

2. Certification of Fruit Shipments

Fruit, vegetable, and nut shipments exported to the EU require a phytosanitary certificate. A USDA/Animal Plant Health Inspection Service (APHIS) inspector issues these certificates in accordance with international regulations established by the International Plant Protection Convention of the Food and Agriculture Organization of the United Nations. This standard-setting body coordinates cooperation between nations to control plant and plant product pests and to prevent their spread.

Council Directive 2000/29/EC contains provisions concerning compulsory plant health checks. This includes documentary, identity, and physical plant health checks to verify compliance with EU import requirements. There is more information available on the DG Health and Food Safety (DG Sante) website: http://ec.europa.eu/food/plant/plant_health_biosecurity/non_eu_trade/index_en.htm

Commission Regulation 1756/2004 provides for a possibility to carry out plant health checks at reduced frequency when justified. The European Commission published the updated list of products on January 1, 2018. On an annual basis, the Commission monitors imports of fruit and vegetables to determine how to adjust the frequency of testing consignments.

3. Maximum Residue Levels for Fruit

Maximum Residue Levels (MRLs) for pesticides, including import tolerances, have been harmonized throughout the EU since September 2008. As a marketing tool, some retail chains in the EU adopt private standards that exceed EU regulations by requiring their suppliers to adhere to stricter company policies that limit the maximum residues to 30, 50, or 70 percent of the respective EU MRL. Please find the link to the EU MRL database, as well as to the global MRL database for MRLs worldwide.

4. Tariffs

EU 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, which provides a high level of protection to EU producers. In this system, fruits and vegetables imported at or above an established entry price are charged an ad valorem duty only. Produce valued below the entry price are charged a tariff equivalent in addition to the ad valorem duty. The tariff equivalent is graduated for products valued between 92 and 100 percent of the entry price. The ad valorem duty and the full tariff equivalent are levied on imports valued at less than 92 percent of the entry price.

Commission Implementing Regulation 2017/1925 published the tariff levels for 2018.

The tariffs for stone fruit remain unchanged compared to the levels of 2017 and are on page 97 for cherries, peaches and nectarines. The United States tends to sell high quality products at higher prices, which typically do not face additional duties.

II. Russian ban on agricultural products

On August 7, 2014, the Russian government implemented a ban for one year on a range of agricultural and food products, including stone fruit, from the United States, the European Union (EU), Canada, Australia, and Norway, in response to U.S. and EU sanctions over Russian actions in Ukraine. Rather than allow the ban to expire, Russia opted to extend it. The current extension is set to expire at the end of 2018, but it expected to be extended again.

The CMO rules (see Regulation 1308/2013 in part I) provide various market management tools to stabilize markets and the Commission is empowered under the reformed CAP to take "exceptional measures" in case of market disruption. As such, the Commission introduced specific market support measures for the European fruit and vegetable sector since the start of the ban in 2014 until 2017. The Commission did not announce any new support measures in response to the current ban.

Please find more information on the Commission's response to the Russian ban here:
http://ec.europa.eu/agriculture/russian-import-ban/index_en.htm

III. French ban of dimethoate on cherries

On April 10, 2018, the French Ministry of Agriculture published its third decree to reinstate the 2016 dimethoate ban prohibiting imports of fresh cherries (with the exception of organic cherries) from EU Member States or countries where dimethoate can be legally used on cherry trees. The decree is valid until December 31, 2018. Growers use dimethoate to fight Drosphila suzukii, an Asian fruit fly that causes considerable damages in cherry orchards. France suspects it to be dangerous to human health. France imports roughly one fifth of its consumption, the bulk coming from EU countries including some (such as Spain, Italy and Spain) that have already banned dimethoate. The French prohibition suspends imports of cherries from the United States since 2016, valued at around $1 million annually. For more information, see GAIN FR1808 In 2018 France reinstates its ban on U.S. cherry imports.

IV. Upcoming reviews for MRLs on cherries, peaches and nectarines

Plant protection products (PPPs) along with maximum residue levels (MRLs) and import tolerances are an increasingly important issue in the EU, since there is a significant reduction in the number of active substances that are available for use. Regulation (EC) No 1107/2009 and Regulation (EC) No 396/2005 regulate PPPs and MRLs respectively. There is a consistent review of active substances for which the approval is up for renewal, as well as their associated MRLs. Additionally, existing MRLs are also being reviewed through a process known as an Article 12 review. The first list below indicates the upcoming MRL reviews for the main stone fruit commodities under this Article 12 process. The second list includes the active substances which are, or will soon be, up for renewal. It is important to note that these lists are not all-inclusive. Due to the complexity of the renewal process and the importance of the issue, stakeholders should actively engage early in these review processes by reaching out to the applicant. Together with the applicant, they can ensure that the necessary data are already available for the review or if trials for data collection are in progress or should be initiated, especially if the substance is not used or authorized in the EU. It is highly recommended to contact the assigned "Rapporteur Member State" (RMS) which will carry out the first evaluation of the active substance and existing EU pesticide MRLs. Stakeholders are encouraged to engage with FAS on substances and MRLs of importance to their commodities.

1) Article 12 review

	Cherry, tart	Peaches and Nectarines	RMS*	Start of data collection	Adoption of the RO (expected date)
Fenbuconazole	x	x	UK (SI)	10/11/2016	08/30/2018
Fluopyram	x	x	DE (AT)	10/13/2017	01/04/2019
Spinetoram	x		UK (HR)	10/15/2018	
Metaflumizone	x		UK (SE)	15/11/2018	
Hexythiazox	x	x	FI	12/21/2016	10/29/2018
Fenazaquin	x		EL (DE)	2/14/2018	
Sodium Hypochlorite	x	x	NL (IE)	3/15/2018	02/20/2019
Imidacloprid	x	x	DE	5/2/2016	11/29/2018
Fluxapyroxad	x	x	UK (FR)	6/15/2018	
Cyflufenamid	x		UK (DE)	6/16/2017	04/10/2018
Myclobutanil	x	x	BE (AT)	6/23/2017	07/30/2018
Spirotetramat	x	x	AT	7/15/2018	
Clethodim	x	x	NL	8/10/2017	12/30/2018
Acequinocyl	x		NL (DE)	8/15/2018	
Flubendiamide	x		EL	9/15/2018	

*RMS: rapporteur member state

**Expected date of Reasoned Opinion by the European Food Safety Authority (EFSA)

2) Active substances up for review

Last day of application 09/31/2018	
Triazoxide	DE/SK
Last day of application 12/31/2018	
1-Naphthylacetamide (1-NAD)	HU / FR
1-Naphthylacetic acid (1-NAA)	HU / FR
8-Hydroxyquinoline incl. oxyquinoleine	ES / NL
Acrinathrin	FR / ES
Azimsulfuron	EL / FR
Azoxystrobin	UK / NO
Fluazifop-P	FR / IT
Fluquinconazole	UK / SK
Fluroxypyr	SE / SI
Imazalil (aka enilconazole)	NL / BE
Kresoxim-methyl	SE / FR
Oxyfluorfen	ES / HU
Prochloraz	BE / DE
Prohexadione	FR / IE
Spiroxamine	AT / EE
Tefluthrin	HU / DK
Terbuthylazine	ES / HR