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EU-28

Fresh Deciduous Fruit Annual

Ample Domestic Supply and Russian Import Ban to Put Pressure on the Fresh Fruit Market

Approved By:

Kelly Stange

Prepared By:

Roswitha Krautgartner, Tania De Belder, Sabine Lieberz, Marcel Pinckaers, Ornella Bettini, and the group of FAS fruit specialists in the EU

Report Highlights:

This report provides EU-28 production, supply, and demand forecasts for fresh apples, fresh pears, and table grapes. Ample domestic supply of apples and pears in MY (marketing year) 2014/15 (good crop and abundant commercial stocks for both), together with the Russian import ban on those products, puts pressure on the fresh deciduous fruit market. Commercial apple production in MY 2014/15 is estimated to increase by 8 percent year-on-year and reach 11.7 MMT. Commercial pear production is forecast to be comparable to MY 2013/14 at 2.2 MMT whereas table grapes production is expected to be down by 16 percent and account for 1.6 MMT. As a reaction to the Russian import ban, introduced at the beginning of August 2014, the EU Commission took "exceptional measures" to support affected industries.

Introduction

Disclaimer: This report presents the situation and outlook for apples, pears, and table grapes in the EU-28. 28 (EU-27 plus Croatia, which joined the EU on July 1, 2013) This report presents the views of the authors and does not reflect the official views of the U.S. Department of Agriculture (USDA). The data are not official USDA data.

This report was a group effort of the following FAS analysts:

Xavier Audran	FAS/Paris covering France
Ornella Bettini	FAS/Rome covering Italy and Greece
Mila Boshnakova	FAS/Sofia covering Bulgaria
Tania De Belder	USEU/FAS Brussels covering EU policy
Monica Dobrescu	FAS/Bucharest covering Romania
Mira Kobuszynska	FAS/Warsaw covering Poland, Lithuania, Latvia
Roswitha Krautgartner	FAS/Vienna covering Austria and Slovenia
Sabine Lieberz	FAS/Berlin covering Germany and Hungary
Carmen Valverde	FAS/Madrid covering Spain and Portugal
Jana Mikulasova	FAS/Prague covering the Czech Republic and Slovakia
Marcel Pinckaers	FAS/The Hague covering Belgium, Denmark, Finland, Luxemburg, The Netherlands and Sweden
Jennifer Wilson	FAS/London covering the U.K. and Ireland

The chapters were coordinated by:

Overall coordination and executive summary	Roswitha Krautgartner
Policy	Tania De Belder
Apples	Sabine Lieberz
Pears	Marcel Pinckaers
Table Grapes	Ornella Bettini

Abbreviations and definitions used in this report

CAJ	Concentrated Apple Juice
CMO	Common Market Organization
e	Estimate
EU	European Union
EE	Eastern European
GTA	Global Trade Atlas
Ha	Hectare; 1 ha = 2.471 Acres
MT	Metric Ton = 1000 kg
MMT	Million Metric Tons
MRLs	Maximum Residue Levels
MS	EU Member State(s)
MY	Marketing year
	Apples: July/June
	Pears: July/June
	Table Grapes: June/May
NMS	New EU Member States Bulgaria, Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia, Slovenia
NR	Non reconstituted juices
OP	Operational Program
PO	Producer Organization
PSD	Production, supply and demand
RTD	Ready-to-drink
SFS	School Fruit Scheme
U.A.E	United Arab Emirates
USD	U.S. Dollar
WAPA	World Apple and Pear Association

Trade data cited in this report was derived by using the following HS tariff codes:

Apples:	0808 10
Pears:	Until 12/31/2011: 0808 20 (pears and quinces) as of 01/01/2012: 0808 30 (pears) and 0808 40 (quinces) – in order to be consistent with previous data
Table grapes:	0806 10 10

Table of Contents

[Executive Summary](#)

[Policy](#)

[Apples](#)

[Pears](#)

[Table Grapes](#)

[Trade Fairs](#)

[Related Reports](#)

Executive Summary

Coordinated by Roswitha Krautgartner/FAS Vienna

This report provides EU-28 production, supply, and demand forecasts for fresh apples, fresh pears, concentrated apple juice, and table grapes.

Production

The EU-28 remains a leading producer of fresh deciduous fruits. Apples are the most important fresh deciduous fruit grown within the European Union. Commercial apple production in marketing year (MY) 2014/15 is estimated to increase by 8 percent year-on-year and reach 11.7 MMT. Commercial pear production is forecast to be comparable to MY 2013/14 at 2.2 MMT whereas table grapes production is expected to be down by 16 percent and account for 1.6 MMT. Non-commercial apple production shows an increase of estimated 45 percent to 1.6 MMT; non-commercial pear production forecast is at an almost 3 percent decline reaching 160,000 MT. Significantly higher apple production is expected to occur in Poland, Italy, Germany, Hungary, Belgium, Austria, The Netherlands, and the United Kingdom, which is only partially offset by lower production in Spain, Croatia, Romania, France, Portugal, Bulgaria, and the Baltic countries. The Netherlands and Belgium report higher pear production in MY 2014/15 by about 20 percent, which is offset by 3 percent lower production in Italy (the major pear producer within the EU) and 9 percent lower production in Spain. Table grapes production is expected to be significantly down especially in the major producing country Italy but also in Spain and Greece. On an average, quality and fruit size of the apple crop in MY 2014/15 is reported to be very good.

Consumption and Trade

Ample domestic supply of apples and pears in MY 2014/15 (good crop and abundant commercial stocks for both), together with the Russian import ban on those products, puts pressure on the fresh deciduous fruit market. Prices declined in the first half of the MY on both the producer and the consumer level. Reduced prices may boost domestic consumption somewhat. But the higher consumption together with lower third country imports are not expected to offset the high supply and decreased exports due to the Russian ban. Especially for apples, the share for processing is expected to increase significantly and a number of orchards may not be fully harvested due to lack of storage facilities. In order to ease the situation caused by the Russian ban, the EU Commission has introduced special market support programs for the sector. The market withdrawal measures include non-harvest, green harvest and destruction, and donation to charities. With Russia being omitted as the previous number one third country export market for apples, pears, and table grapes, the industry is seeking new export markets such as Northern Africa, the Middle East and Asia. EU exports to countries neighboring Russia started increasing in MY 2013/14. This trend is expected to continue.

Policy

On August 7, 2014, the Russian government implemented a ban for one year on a range of agricultural and food products, including apples and pears and table grapes, 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. This ban has a significant effect for agricultural markets in Europe as Russia is the EU's second largest market for food and drinks, purchasing 28 percent of EU fruit exports. As a reaction to the Russian ban the EU Commission took "exceptional measures" to support affected industries. In a first round this specific market support provided Euro 125 million. Due to disproportionate claims from Poland, the financial ceiling had been reached, resulting in a suspension of the measure. On September 29, 2014, the EU Commission adopted a new program for emergency market measures. This program specifies product quantities for member states. The total tonnage in the program for apples and pears together is determined at maximum 181,800 MT.

Policy

Coordinated by Tania De Belder/USEU/FAS Brussels

The following first part of the policy section mainly focuses on the first pillar of the Common Agricultural Policy (CAP), consisting of direct payments to farmers and the single Common Market Organization (CMO) and any other policy related issues that are relevant to the fresh deciduous fruit sector. The second part refers to EU measures that were taken in response to the Russian embargo.

I. EU policy related to Fresh deciduous fruit

1. The New Common Agriculture Policy (CAP) Reform

The new CAP package 2014-2020 introduced a new distribution of entitlements for direct payments, which means that all fruit and vegetables producers should benefit from the allocation of entitlements and therefore receive direct payments. The old-style production-linked payments were replaced by decoupled payments and all payments had already been decoupled from fruit and vegetable production since 2012. According to the new [Regulation \(EU\) No 1307/2013](#) on direct payments, fruit and vegetables producers will therefore be subject to cross compliance requirements and must follow the CAP agricultural practices for the environment ("greening").

Another key component of the CAP is the single Common Market Organization (CMO), providing a framework for market measures under the CAP. [Regulation \(EU\) No 1308/2013](#) outlines the new Single CMO, which went into force on January 1, 2014. The implementing rules for the fresh and processed fruit and vegetables sectors ([Commission implementing Regulation \(EU\) No 543/2011](#)) were last amended by [Commission Delegated Regulation \(EU\) No 499/2014](#), which entered into force on May 16, 2014.

The "fruit and vegetable market management scheme", which is an element of the CMO and outlined in Regulation (EU) 1308/2013, aims to:

a) 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 apples, pears, and table grapes. EU subsidies are not paid to individual producers but are channeled through POs. In order to qualify for EU subsidies, a PO must submit an operational program financed through an operational fund. The EU's financial contribution is paid directly into the POs operational fund. The calculation of the estimated amount of the operational fund is based on the operational program and the value of the marketed production. As of January 20, 2014, operational programs are approved under the Regulation (EU) No 1308/2013. Commission Delegated Regulation 499/2014 introduced new elements regarding the operational programs. It clarifies the criteria that POs have to comply with in order to be eligible for EU funding and introduces a sanction mechanism in the case of non-compliance.

Fresh fruit and vegetable imports into the EU are checked for compliance 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 apples and pears. The specific marketing standards are set out in Part B of Annex I to this Regulation: for apples in Part 1 of that same section on page 95 and for pears in Part 6 on page 129.

b) Diminish crisis-related fluctuations in producers' income

To achieve this objective, EU funding is offered 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 strategy, which of these instruments can be funded 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.

c) Encourage increased consumption of fruit and vegetables in the EU

A key objective of the changes made to the Fruit and Vegetable regime was to reverse the declining consumption of fruit and vegetables. The European "School Fruit Scheme" (SFS) originated as a measure to combat child obesity and includes three elements: free distribution of fruit and vegetables in schools, information campaigns on healthy eating habits, and monitoring and evaluation. The EU funds, to be matched by national and private funds, for the 2014/15 SFS has increased from \$115 million (€90 m) to \$191 million (€150 m), which was agreed in the context of the CAP 2020 reform and allocated to the participating Member States (MS). For the first time, these funds will also be used to accompany educational measures, such as school gardens and nutritional lectures.

On January 30, 2014, the Commission presented a proposal to bring the SFS and the "School Milk Scheme" together under a joint framework in order to improve their effectiveness and efficiency, streamline administrative requirements and reduce organizational burdens. Participation in the new scheme will be voluntary for MS, which will also have flexibility to choose the products they wish to distribute. Further discussions with the EU Parliament and Council are ongoing with a view to adopt the file in early 2015. The reformed "school scheme" is expected to take effect in 2016. For more information:

http://ec.europa.eu/agriculture/school-scheme/legislative-proposal/index_en.htm

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

d) 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 Member State concerned.

For information on the CAP after 2014, please see: http://ec.europa.eu/agriculture/cap-post-2013/index_en.htm

2. Certification of Fruit Shipments

Plant products need a phytosanitary certificate to be exported to the EU. Phytosanitary certificates issued by a USDA/Animal Plant Health Inspection Service (APHIS) inspector are required to accompany fruit, vegetable, and nut shipments. APHIS issues phytosanitary 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 and prevent the spread of plant and plant product pests.

[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. More information can be accessed on DG Health and Consumer Protection's website http://ec.europa.eu/food/plant/organisms/imports/inspection_en.htm.

[Commission Regulation 1756/2004](#) provides for plant health checks to be carried out at reduced frequency when justified. The list of products recommended for plant health checks at reduced levels was issued on [September 30, 2014](#). On an annual basis, the Commission monitors imports of fruit and vegetables to determine how to adjust the frequency of testing consignments. For this year, the EU decided to increase the frequency of testing consignments of U.S. Malus apples from 35 % to 50%.

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 [USDA MRL database](#) for MRLs worldwide.

Note: Diphenylamine (DPA) is a pesticide used on apples and pears to prevent scalding, but is no longer authorized for use in the EU. Subsequently, the MRLs for DPA decreased to 0.1 mg/kg for both apples and pears on March 2, 2014. Last year, industry sources estimated a \$21 million loss to U.S. apple and pear growers once the new MRLs apply and DPA can no longer be used. However, the direct impact on U.S. exports will not be known until next year.

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 that 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 Delegated Regulation (EU) No 499/2014 has introduced provisions on the entry price system, which aligns the clearance of goods that are subject to the entry price to the Custom Code. These provisions, applicable since October 1, 2014, introduced a flat rate, which is the standard import value, to clear customs when products are sold on consignment.

Tariff levels for 2014 are published in [Commission Implementing Regulation 1001/2013](#). For details please refer to:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:304:0001:0915:EN:PDF>

Apples see pages 97 and 687-689

Pears see pages 97 and 689-691

CAJ see pages 168 and 888

Grapes see pages 96 and 686

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 apples and pears and table grapes, 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. This ban has a significant effect for agricultural markets in Europe as Russia is the EU's second largest market for food and drinks, purchasing 28 percent of EU fruit exports and 21.5 percent of EU vegetable exports in 2011.

The CMO rules (see Regulation 1308/2013 in part I) provides various market management tools to stabilize markets, which are programmed or can be introduced by the Commission through "implementing acts", voted by MS in the single CMO Committee. However, the Commission is also empowered under the reformed CAP to take "exceptional measures" in case of market disruption without having to consult with MS first. This "Article 219" procedure was used for the first time to introduce specific market support measures for peaches and nectarines (\$41.7 million/€33 million), perishable fruit and vegetables (\$158.1 million/€125 million) and private storage aid for butter, skimmed milk powder, and cheese (although later removed), as well as an additional \$38 million (€30 million) for promotion programs.

However, on September 11, 2014, the European Commission suspended the emergency market measures for perishable fruit and vegetable markets due to disproportionate claims from Poland, although these claims have been refuted by the MS. MS are required to notify the Commission of the volumes claimed and the financial ceilings had been reached for apples and pears and even for the other products, which ultimately resulted in a suspension of the measure.

On September 29, 2014, the European Commission adopted a new program for emergency market measures for perishable fruit and vegetables as a response to the Russian ban on imports of certain EU agricultural products. [Regulation 1031/2014](#) provided a new program of \$208.5 million (€165 million) to withdraw surplus volumes from the market and will run until the end of the year. It includes an annex with specific volumes listed in four product categories for the 13 Member States which exported most fruit and vegetables to Russia during the September-December period (September to March for certain fruits) on average from 2011-2013. The new plan also includes for the first time, oranges, mandarins, and clementines.

The four product groups are apples and pears (total 181,800 tons); citrus fruit: oranges, mandarins, clementine (total 96,090 tons); other vegetables: carrots, cucumbers, peppers, tomatoes (48,300 tons); other fruits: kiwi, plums and table grapes (total 76,895 tons).

Table 1: Maximum Volume of Apples, Pears and Table Grapes Allocated Eligible for EU Intervention Support

(tons)	Apples and pears	Plums, table grapes and kiwifruit
Belgium	43 300	1 380
Germany	13 100	0
Greece	5 100	28 475
Spain	8 700	6 900
France	28 950	500
Croatia	1 050	0
Italy	35 805	38 845
Cyprus	0	0
Lithuania	0	0
Hungary	725	570
Netherlands	22 200	0
Poland	18 750	0
Portugal	4 120	225

In addition, all 28 MS are entitled to 3,000 tons each for supplementary withdrawals for the products listed in this program, plus cauliflowers, cabbages and mushrooms, allowing some flexibility as MS are allowed to prioritize certain products.

These rules for temporary support measures are granted to POs in the fruit and vegetables sector, as well as to producers who are not members of such organizations and cover withdrawal, non-harvesting and green harvesting operations.

- Market withdrawals refer to withdrawing products from the market instead of selling them. National authorities determine how the products withdrawn from the market are used, but one of the options must be 'free distribution,' for example, to schools, hospitals and charity organizations. In case of free distribution, the producer will be compensated 100 percent. If the withdrawn produce is going to 'other destinations,' destroyed or used as compost, the aid for PO members is 75 percent and 50 percent for non-PO members. The usual 5 percent volume limit for POs does not apply.
- Green harvesting is harvesting unripe non-marketable but undamaged products. Non-harvesting means not taking any commercial production from the cultivated area during the normal production cycle. Compensation is paid as per-hectare payments, at a level to cover not more than 90 percent of the maximum level for withdrawals for the 'other destination' price of the fruit or vegetable concerned. The EU compensation is 75 percent for PO members, 50 percent for non-PO members.

MS shall allocate the quantities, referred to in the table above, between POs and non-member producers following the first come, first served system. However, MS may decide to set up a different system for the allocation of quantities, if this is based on objective and non-discriminatory criteria. For this purpose, MS may take into account the extent of the effects of the Russian import ban on the producers concerned.

More information on the Commission's response to the Russian ban can be found here:

http://ec.europa.eu/agriculture/russian-import-ban/index_en.htm

Table 3: EU-28 Commercial Apple Production by Country and Year in MT

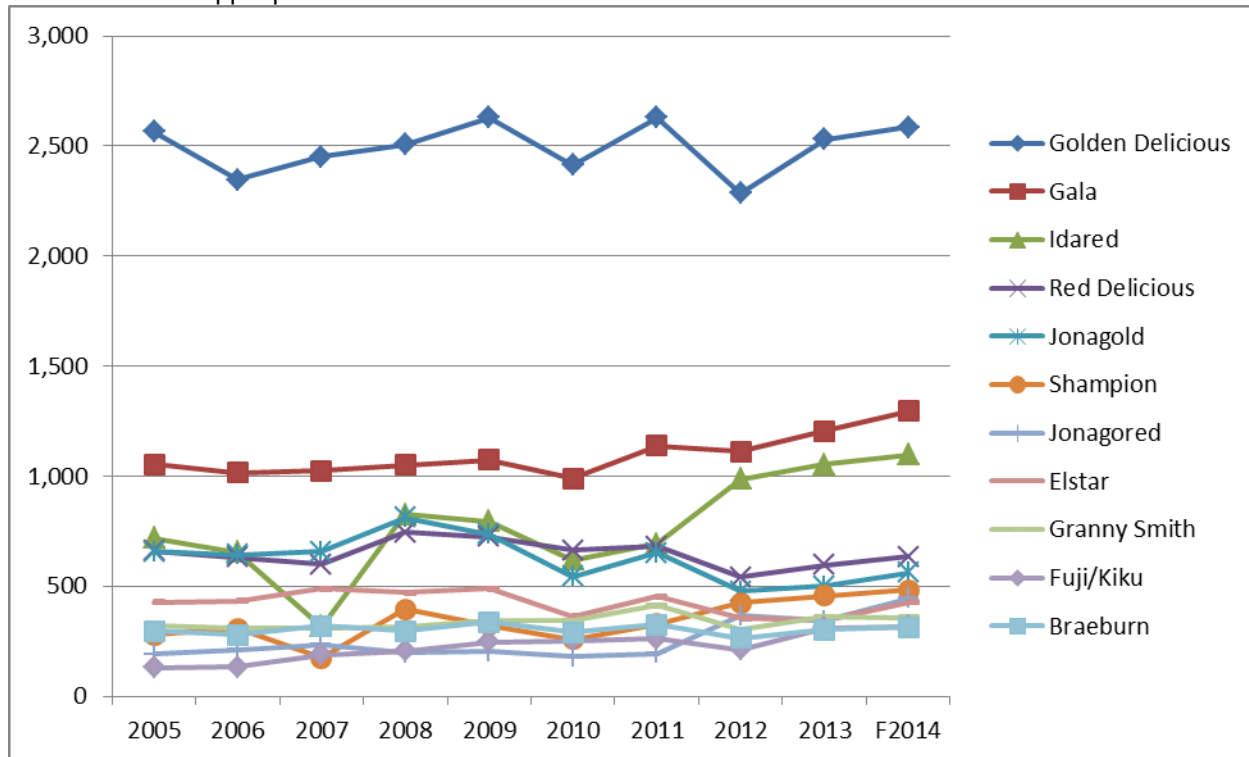
COUNTRY	2012/13	2013/14	2014/15 e	Change 2014:2013 in Percent	Percent of total Production
Poland	3,300,000	2,900,000	3,300,000	14%	28%
Italy	1,939,014	2,151,547	2,388,268	11%	20%
France	1,384,000	1,737,000	1,687,000	-3%	14%
Germany	972,405	803,785	1,036,000	29%	9%
Hungary	470,000	358,000	480,000	34%	4%
Spain	525,272	582,800	455,200	-22%	4%
Netherlands	272,600	304,580	339,500	11%	3%
Romania	351,000	380,000	320,000	-16%	3%
Belgium	213,400	213,400	291,970	37%	2%
Austria	184,713	173,638	230,497	33%	2%
Portugal	207,515	269,004	250,000	-7%	2%
Greece	242,000	236,000	231,000	-2%	2%
United Kingdom	162,000	204,000	225,000	10%	2%
Czech Republic	120,602	116,214	122,959	6%	1%
Croatia	37,414	121,738	70,000	-42%	1%
Slovenia	55,341	69,574	70,000	1%	1%
Slovak Republic	44,481	45,949	46,131	0%	0%
Ireland	43,000	44,000	44,000	0%	0%
Bulgaria	25,000	47,000	36,000	-23%	0%
Lithuania	39,000	40,000	30,000	-25%	0%
Denmark	18,000	23,000	24,000	4%	0%
Sweden	14,000	17,000	16,000	-6%	0%
Latvia	9,000	15,000	12,000	-20%	0%
Finland	5,000	5,000	5,000	0%	0%
Total	10,634,757	10,858,229	11,710,525	8%	100%

e= estimated

Source: FAS/EU-28

Some 25 apple varieties are produced commercially in the EU in volumes exceeding 10,000 MT. Among these, *Golden Delicious*, *Gala types*, and *Idared* are the dominant varieties. However, production patterns vary. While *Golden Delicious* is the variety with the largest production in Italy, France, and Spain, *Elstar* is dominant in Germany and the Netherlands; *Idared* and *Jonathan* are the number one varieties in Poland and Hungary, respectively. However, new varieties, for example Pink Lady, Kanzi, Rubens, Tentation, Kiku have increased their share of production in recent years. In the Netherlands “new” varieties comprise 10 percent of total production.

Chart 1: EU-28 Apple production for selected varieties in thousand MT



F = forecast

Source: WAPA

Apples - Non-commercial Production

Non-commercial production in MY 2014/15 is estimated at 1.6 MMT, which is a 45 percent increase compared to MY 2013/14. This is largely a result of an increase in Germany (up 112 percent compared to MY 2013/14), Austria (up 37 percent), and Hungary (up 30 percent). However, most EU member states do not report estimates for non-commercial production. As a result, the production figure provided in table 1 is a rough estimate based on industry rather than official information. Non-commercial production tends to alternate between good and poor crop years.

Non-commercial production includes apples grown in home gardens and in untended trees in meadows or field edges. Typically, non-commercial production is used for fresh consumption, apple juice and spirits production, baking (cakes, tarts) or preserved foods (canned, dried, and cooked). The amount of apples diverted to the different segments varies depending on the price for processing apples. Higher processing apple prices generally result in a higher proportion of fruit entering juice production. In general, non-commercial production is gradually decreasing in the EU-28 as hobby farmers get older. Younger generations have simply not shown the same interest in small-scale production. Instead, commercial production of higher acid apple varieties for processing is expected to increase to meet demand from the juice concentrate industry.

Apples - Stocks

According to WAPA, EU stocks of apples amounted to 384,877 MT on July 1, 2014, compared to 150,884 MT at the same time in 2013. In some member states the stock number comprised apples stored at producer organizations (POs) and in other member states, stocks are at POs and wholesalers. More important than the actual number is the year-on-year-change of stocks, as end of MY stocks can have a detrimental effect on the prices for the new harvest. In this report, stocks are included in the “fresh domestic consumption” line in the PSD.

Apples – Consumption

The PSD table shows a steep increase in EU-28 fresh domestic apple consumption in MY 2014/15. However, this includes stocks and losses due to non-harvest so that the actual increase in consumption will be somewhat lower. Nonetheless, fresh domestic apple consumption is expected to increase significantly as consumer prices have come down and retail chains have introduced special offers for apples. In addition, the fruit industry for example in Germany ran newspaper and billboard advertisement to push consumption.

Consumer preferences

Apples are the most popular fruit in all member states except for Spain, where oranges are number one. However, a closer look within the apple segment does show differences in consumer preferences between member states.

Processing

In MY 2014/15, processing use of apples is expected to increase compared to MY 2013/14 due to the high commercial and non-commercial apple production in Germany, Hungary, and Poland. However, the increase is projected to be lower than one could expect given the abundant harvest, as the very low prices for processing apples provided little incentive for non-commercial farmers to harvest their trees.

Processing uses for apples include, among others, apple juice, concentrated apple juice (CAJ), cider, wine/brandy, apple sauce, preserves, canning, apple chips, and peeled apples for bakeries. The share of apples used for processing varies significantly by member state, ranging from none in Greece to well over 50 percent in Hungary. The processing share also varies from year to year. The EU-28 average share of apples going into processing is forecast to amount to about 28 percent of total supply in MY 2014/15. Major member states with apple processing include Poland, Germany, Hungary, Italy, Romania, France, Austria, Spain, and the U.K. (in order of descending volume).

Apples – Trade

The majority of trade occurs among the EU-28 countries. Over the past five years, on average about 2.2 million MT of apples were traded between EU member states, while roughly 500,000 to 800,000 MT were imported from outside the EU-28. In recent years, imports contributed between 4 and 8 percent of the total EU apple supply.

EU-28 external trade

Imports

EU-28 apple imports from outside the bloc are forecast to decrease by roughly 70,000 MT in MY2014/15 or 12 percent, as the European market is saturated with domestic production and volumes that would normally be exported to Russia add pressure to the EU market. As a result, exporters from outside the EU may find it more profitable to export to other destinations.

Seventy percent of EU-28 apple imports originate from three top suppliers, all of which are located in the southern hemisphere and export mostly during the European off-season. Serbia increased its market share in the EU-28 in MY 2013/14 and ranked number four supplying seven percent of the EU-28's apple imports. The main importers of apples are the U.K. and the Netherlands, who together account for 60 percent of the EU-28 imports. However, much of the volume entering the Netherlands will not be consumed there but eventually be transshipped to other member states.

Imports from the United States halved in MY2010/11 mainly due to the enforcement of EU food additive legislation but have been relatively stable since. U.S. apple exports to the EU-28 occur year-round; however, most arrive between November and April. U.S. apples compete with domestically produced apples and with competitively priced imports from China.

Table 4: EU-28 Imports of Apples in MT

Country of Origin	MY2011/12	MY2012/13	MY2013/14	Change MY2013/14 to MY2012/13	MY 2013/14 % of Total Imports
Chile	130,005	139,493	184,068	32%	30%
New Zealand	120,484	123,557	137,094	11%	22%
South Africa	107,820	137,387	117,068	-15%	19%
Serbia	33,831	1,652	42,393	2466%	7%
Brazil	47,164	68,713	37,621	-45%	6%
Argentina	28,870	43,988	36,758	-16%	6%
Macedonia	14,870	15,611	36,732	135%	6%
United States	10,808	10,733	10,676	-1%	2%
Bosnia & Herzegovina	3,986	797	6,564	724%	1%
China	3,620	6,712	3,483	-48%	1%
Moldova	2,968	1,811	3,315	83%	1%
Albania	1,169	833	2,093	151%	0.3%
Uruguay	3,029	574	1,586	176%	0.3%
Switzerland	6,456	8,030	1,149	-86%	0.2%
Other	3,036	3,518	2,017	-43%	0%
World Total	518,116	563,409	622,617	11%	100 %

Source: Global Trade Atlas (GTA)

Exports

For MY 2014/15 total EU-28 apple exports are expected to decrease as a result of Russia banning apple imports from the EU-28. In reaction to the ban MS will try and increase exports to other destinations such as Northern Africa (France, Austria, Italy, Greece, Poland); Belarus and Kazakhstan (Belgium, Poland, the Netherlands); the Middle East (France, Italy, Poland); Asia (France, Poland, Italy); and Brazil (Germany). An increase to the Ukraine is not expected as this country is also affected by the Russian import ban.

The top destinations for EU-28 apples in MY2013/14 were Russia, Belarus, and Algeria. The largest EU exporters are Poland (mostly to Russia, Belarus, Kazakhstan, and Ukraine), France (mainly to Algeria, U.A.E., Russia, and Saudi Arabia), and Italy (to Libya, Egypt, Algeria, Russia, and Saudi Arabia).

In some large foreign markets, EU and U.S. suppliers compete; including: Russia: with apples from Poland, Italy, Belgium, France, and Germany; U.A.E.: France, Italy Saudi Arabia: Italy, France

Table 5: EU-28 Exports of Apples in MT

Country of Destination	MY2011/12	MY2012/13	MY2013/14	Change MY2013/14 to MY2012/13	MY 2013/14 % of Total Imports
Russia	660,474	864,053	644,074	-25%	41%
Belarus	139,675	143,167	255,145	78%	16%
Algeria	120,420	97,873	124,388	27%	8%
Egypt	66,547	39,430	98,911	151%	6%
Libya	46,224	57,307	59,077	3%	4%
Kazakhstan	35,974	51,192	56,292	10%	4%
Saudi Arabia	55,104	44,340	40,517	-9%	3%
United Arab Emirates	38,692	30,676	40,253	31%	3%
Norway	38,090	37,994	35,417	-7%	2%
Ukraine	113,794	57,245	34,866	-39%	2%
Israel	9,682	749	21,886	2,822%	1%
Jordan	9,602	3,092	13,921	350%	1%
Switzerland	9,105	8,791	13,683	56%	1%
Brazil	11,959	6,995	10,008	43%	1%
Other	148,102	125,409	127,444	2%	8%
World Total	1,503,444	1,568,313	1,575,882	0%	100%

Source: Global Trade Atlas (GTA)

Apples - Prices

Because of the abundant EU-28 domestic production, prices have been lower than in the past two years both at the producer and the consumer level. Industry hopes that prices will pick up in the second half of the marketing year when apples from cold storage are gone and only controlled atmosphere stored apples are left.

Prices for processing apples have picked up again as processors found that with the low prices they were originally offering (reportedly as low as 20 Euro per MT) at the beginning of the season people would rather leave fruit hanging on the trees. At the time of writing (mid-October) prices for processing apples have increased to 80 Euro per MT in the Lake Constance region.

Apples – Withdrawal from Market

In a normal year the EU does not offer withdrawal from market/ market intervention programs (see paragraph below). However, this year and in reaction to the Russian ban of fruit import from the EU, the European Commission introduced special market support programs for the sector (see policy section). These measures include non-harvest, green harvest and destruction, and donations to charities (e.g. kindergardens, food banks, hospitals, and prisons). MS applying for withdrawal include (in descending order by volume) Belgium, Poland, the Netherlands, Lithuania, Spain, Portugal, Austria, Hungary, and Croatia. A total of 67,770 MT is expected to be withdrawn through these measures. In addition, in France an unknown quantity is used for intervention and is donated to charity. Industry sources have indicated that apple growers in Germany are choosing not to make use of the program. In Germany, the government only allows donations to charities, which farmers find is accompanied with too much administrative burden. For ethical reasons Germany does not support non-harvest or green harvest. Italian producers would rather focus on finding new markets for their products.

The reform of the EU common market organization for fruits and vegetables (see policy section) also brought about a change in the intervention system (also called “withdrawal from market”). Since 2008, “withdrawal from market” is no longer available as a separate measure but has to be included as an emergency measure in the producer organizations’ operational program (OP). This means that the system moved from being financed entirely by EU funds to a co-financing system where producer organizations have to bear 50 percent of the costs. As a consequence, starting in MY 2008/09, member state authorities began administering “withdrawals from market” funding indirectly via approval of the OP. Thus, volume data is no longer available. Also, some member states (for example Germany) have opted to do away with intervention for fruits and vegetables altogether.

Apples – Additional Information

For information on tariffs, maximum residue levels, and labeling requirements please see the respective sections at the end of the report.

Pears, Fresh

Coordinated by Marcel Pinckaers/FAS The Hague

Table 6: EU-28 PSD for fresh pears

Pears, Fresh European Union	2012/2013		2013/2014		2014/2015	
	Market Year Begin: Jul 2012		Market Year Begin: Jul 2013		Market Year Begin: Jul 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	128,900	129,148	129,200	128,215		123,889
Area Harvested	122,000	120,861	121,800	119,445		114,505
Bearing Trees	0	0	0	0		0
Non-Bearing Trees	0	0	0	0		0
Total Trees	0	0	0	0		0
Commercial Production	1,940,004	1,853,427	2,301,500	2,265,780		2,246,229
Non-Comm. Production	139,503	155,393	138,500	164,888		160,279
Production	2,079,507	2,008,820	2,440,000	2,430,668		2,406,508
Imports	281,850	281,828	260,000	255,315		220,000
Total Supply	2,361,357	2,290,648	2,700,000	2,685,983		2,626,508
Fresh Dom. Consumption	1,805,657	1,756,896	1,955,000	1,940,571		2,018,608
Exports	318,500	318,495	470,000	470,412		270,000
For Processing	237,200	215,257	275,000	275,000		290,000
Withdrawal From Market	0	0	0	0		47,900
Total Distribution	2,361,357	2,290,648	2,700,000	2,685,983		2,626,508

HA, 1000 TREES, MT

Note: lines referring to tree numbers are left blank since this data is only available for a few MS

Source: FAS/EU-28

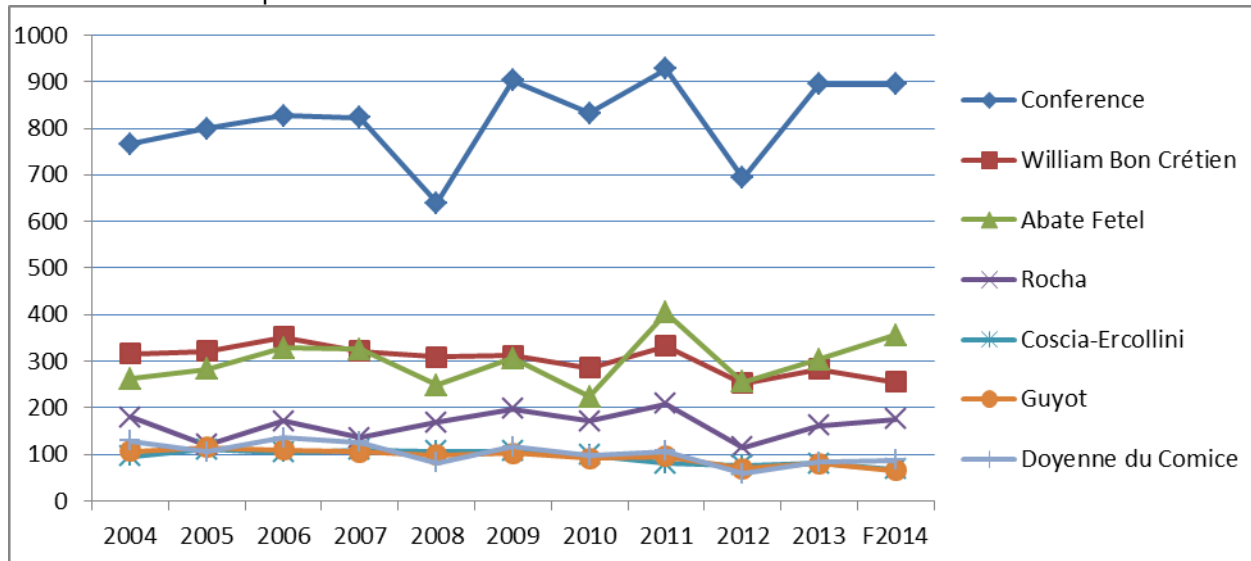
Pears – Commercial Production

Commercial pear production in MY 2014/15 is estimated at 2.2 MMT, similar to production in MY 2013/14. The area harvested continues to drop to an estimated 115,000 hectares. The same trend applies to the 5 largest pear producing countries within the EU, except for Belgium where area harvested continues to increase.

Production is led by the Conference variety, mainly grown in Belgium and the Netherlands and to a lesser extent in Spain and Italy. Other popular varieties include William Bon Crétien/Bartlett (mainly grown in Italy and some in France and Spain), Abate Fetel (mainly grown in Italy) and Rocha (mainly grown in Portugal).

The EU-28 is second to China as the world’s largest producer of pears, followed by the United States, Argentina and Turkey. Italy, Spain, the Netherlands, Belgium, and Portugal continue to be the top five producing member states (MS) and in MY 2014/15 their combined production accounts for 85 percent of total EU-28 commercial pear production.

Chart 2: EU-28 Pear production for selected varieties in thousand MT



Source:

WAPA

Italy is still the largest pear producer, responsible for almost a third of total EU production, with production concentrated in the North East region. Planted area, however, has been declining over the last decade due to the low profitability. Abate Fetel is the dominant variety, followed by William Bon Crétien and Conference. Italy’s MY 2014/15 pear production is estimated at 707,000 MT, a 3 percent decrease compared to MY 2013/2014, mainly due to heavy rainfall during fruit setting.

In both the Netherlands and Belgium, pear production is estimated to be up by a fifth compared to the three year average. The taste, quality and size of the leading variety Conference is expected to be very good. In MY 2014/2015, the acreage of pears in the Netherlands is expected to be stable at an estimated 8,500 hectares while acreage in Belgium is expected to further increase to an estimated 9,000 hectares.

Pear production in Spain is expected to be down (-9 percent) compared to the three year average. Total planted area has been decreasing as stone fruit orchards replace pear production. Conference continues to be the leading variety followed by William Bon Crétien and Blanquilla. Pear production in Portugal is expected to be up by 9 percent compared to last year’s production. The area harvested has been decreasing over the past few years. Portugal is the only producing EU country of the Rocha variety.

Table 7: EU-28 Commercial Pear Production by Country and Year

COUNTRY	2011/12	2012/13	2013/14	2014/15 e	Change 2014:2013 in Percent	Percent of total Production
Italy	934,000	650,000	726,000	707,000	-3	31
Netherlands	325,920	193,000	317,190	330,770	+4	15
Belgium	286,200	228,900	305,550	329,800	+8	15
Spain	514,888	312,400	354,640	326,480	-8	15
Portugal	227,525	113,850	160,380	174,240	+9	8
France	171,000	124,000	149,000	142,000	-5	6
Poland	57,200	57,200	68,500	66,000	-4	3
Greece	36,000	42,000	32,000	35,000	+9	2
Hungary	21,000	25,000	36,000	31,000	-14	1
Germany	49,854	33,898	34,000	30,000	-12	1
United Kingdom	32,000	28,000	26,000	24,000	-8	1
Romania	28,000	19,240	22,000	19,000	-14	1
Other	37,905	25,939	34,520	30,939	-10	1
Total Production	2,721,492	1,853,427	2,265,780	2,246,229	-1	100

Source: FAS/EU-28

Pears – Non-Commercial Production

Similar to the situation for apples, the non-commercial production of pears includes pears grown in house gardens and production in meadows and mainly used for fresh consumption or further processing for domestic use. The non-commercial production figures for pears are relatively high in Central European Countries such as Austria, Czech Republic, Poland, Romania, and Slovenia. For MY 2014/15 non-commercial production is estimated at 160,000 MT and represents almost seven percent of total pear production.

Pears – Consumption

Pears are still popular throughout the EU although apples, oranges, and bananas continue to lead fresh fruit consumption. Like most other fruit and vegetables, pear consumption is under pressure. The average per capita consumption of pears is around 4.0 kg/year. The high per capita consumer markets (9 kg/year) are Austria, Italy, Portugal, and Spain. Further north, France, the Benelux, and Nordic countries have an average pear consumption of 5 kg/year. Central and Eastern European countries have a per capita consumption of 2 kg/year or less. In MY 2014/15 consumption will be slightly up due to low prices.

On MS level, the most popular pear varieties are those that are locally or regionally grown. The Conference pear variety dominates pear consumption in North West Europe, while Abate Fetel, Blanquilla, Limonera, and Rocha are popular pears in Southern Europe. The number of varieties offered in supermarkets is usually between two to four. Main buyers of pears are senior couples and young bachelors. The industry furthermore believes that taste, price, texture, and appearance are the main reasons for buying pears.

Varieties that have a good keeping quality, e.g. Conference, are available year round. Varieties with a somewhat lower keeping quality like Doyenne du Comice, Abate Fetel, and Limonera are available after harvesting while varieties like Williams Bon Crétien and Packham imported from the Southern Hemisphere countries become available starting in February.

Processing

In MY 2014/15, it is expected that the volume of pears that will be used for processing will be around 290,000 MT, slightly higher than last year.

Pears – Trade

The majority of the pear trade occurs within the EU-28. Over the past five years, roughly a quarter of total imported pears came from third countries, while forty percent of total exports went outside the EU-28, and growing.

EU-28 external trade

Imports

The main EU-28 importing country continues to be the Netherlands followed by Italy, France, the UK, and Germany. Together these countries are responsible for over 90 percent of EU-28 pear imports. Much of the volume entering the Netherlands, however, will be shipped to other MS like Germany and the Nordics.

Table 8: EU-28 Imports of Pears in MT

Country of Origin	MY2011/12*	MY2012/13*	MY2013/14
South Africa	85,498	107,784	104,233
Argentina	75,406	102,896	85,665
Chile	45,165	49,248	44,098
China	11,801	10,952	8,327
Turkey	4,777	5,903	6,848
Bosnia & Herzegovina	1,120	381	1,203
Uruguay	1,405	727	1,201
Unites States	1,646	1,823	1,177
New Zealand	869	960	1,153
Other	763	1,154	1,410
World Total	228,450	281,828	255,315

Source: Global Trade Atlas, FAS/EU-28

*Revised numbers

In MY 2013/14, over ninety percent of the EU-28 pear imports came from South Africa, Argentina, and Chile. Trade with these Southern Hemisphere countries starts in February and runs until July and does not directly compete with EU produced pears. Most popular imported varieties include Williams Bon Crétien, Packham, and Anjou.

Other trade partners include China (Ya variety) and Turkey (quinces). The Ya pear is consumed by the Asian population within the EU while quinces are mainly destined for the processing industry. U.S. pear (mainly Anjou variety) exports to the EU-28 occur between November and February. Consumer demand is strong for U.S. pears and especially in the German and Nordic market.

For MY 2014/15, pear imports from the Southern Hemisphere countries are expected to be lower due to the availability of good quality pears and currently low prices within the EU. Imports will further depend on the availability from the Southern Hemisphere; there are indications that production in these countries will be lower this year. Also the Russia ban offers additional export opportunities for Southern Hemisphere pears. Finally, imports of pears from China and Turkey are not expected to change as they serve a specific market.

Market opportunities for U.S. pears on the EU market this year will mainly depend on the price development of EU pears. Prices are currently low and there are no indications that this will change soon, which presents a challenge for U.S. pears for MY 2014/15.

Exports

In MY 2013/14, the main EU-28 exporting countries continue to be trading nations Belgium and the Netherlands, together responsible for almost fifty percent of EU-28 pear exports. These two countries are the EU's largest producers and exporters of Conference pears. Other leading exporters include Portugal, Lithuania, Spain, Poland, and Italy. Lithuania and Poland however export mainly Conference pears produced in the Netherlands and Belgium.

Prior to the ban, Russia used to be the most important market for EU pears, 260,590 MT in MY 2013/14. Belgium and the Netherlands alone exported 125,000 MT and 53,000 MT, respectively, of mainly Conference pears to Russia. For MY 2014/15 EU-28 pear exports are expected to decrease now that the Russian market is closed. Losing Russia's market will partly be compensated by the EU intervention programs, higher exports to countries that neighbor with Russia, and increased exports to relative new markets.

As described in the Policy Chapter, there are emergency EU intervention programs for both apples and pears. According to industry sources, an estimated 47,900 MT of pears are offered for intervention, more detailed information on withdrawal from market can be found in below chapter.

Chart 3: Map of Europe and the Former Soviet Union



Exports to countries that neighbor Russia, like Belarus, Kazakhstan, Ukraine, Azerbaijan, Georgia and Moldova, increased considerably in MY 2013/14. It is however likely that pear exports to Belarus and Ukraine end up on the Russian market as well. For MY 2014/15 it is very likely that above countries will export locally produced pears to Russia and compensate by importing EU pears.

Source: <http://www.volunteersforprosperity.gov/global-map/europe/index.html>

It is also expected that exports to relative new markets like North Africa will continue to grow. Exports to Morocco and Libya grew in MY 2013/14 to 13,895 MT (up by 7,535 MT) and 11,137 MT (up by 3,847 MT), respectively. Exports are expected to further grow in MY 2014/15. Exports to United Arab Emirates and Saudi Arabia are also growing albeit in much smaller quantities. The same applies to exports to Hong Kong and China, a relative small market at the moment. Canada also recently opened its market for pears from Belgium. It is important to note that even when these new markets are open, it takes years to develop a market for a new variety.

Table 9: EU-28 Exports of Pears in MT

Country of Destination	MY2011/12*	MY2012/13*	MY2013/14
Russia	286,787	193,807	260,590
Brazil	58,869	32,206	55,045
Belarus	17,831	18,105	53,288
Norway	20,536	16,691	16,450
Morocco	8,435	6,360	13,895
Libya	9,691	7,290	11,137
Kazakhstan	5,740	5,355	7,843
Switzerland	3,580	6,129	6,189
Israel	2,958	321	5,660
Ukraine	7,814	4,908	5,115
Algeria	3,835	2,234	3,410
Melilla	4,315	3,221	3,307
United Arab Emirates	1,944	2,033	3,233
Saudi Arabia	2,726	2,777	3,219
Hong Kong	2,646	1,343	3,013
Azerbaijan	3,048	2,033	2,920
Other	17,050	13,682	16,098
World Total	457,805	318,495	470,412

Source: Global Trade Atlas, FAS/EU-28

*Revised numbers

Brazil's pear imports largely depend on Argentina, who is expected to have a lower production this year. Portugal (Rocha variety) and Spain (Blanquilla, Limonera, Williams Bon Crétien varieties) are Brazil's second and third largest suppliers of pears. The higher pear production in Portugal in combination with an expected lower production in Argentina, offers additional export opportunities for EU-28 exports to Brazil in MY 2014/15. It is not possible for the Netherlands and Belgium to export Conference pears to Brazil for phytosanitary reasons.

EU-28's fourth largest export market is neighboring Norway, buying mainly Conference pears. Exports for MY 2014/15 are expected to increase slightly due to low prices.

Pears - Prices

Because of the expected good pear harvest in the EU in combination with the loss of the Russian market, prices have already dropped tremendously. The weak Euro makes EU pears even more price-competitive on third markets and foreign pears more expensive.

Pears – Withdrawal from market

In several MS, there are good indications that pear growers are making use of the EU intervention program, especially those in Belgium, Poland, the Netherlands, and Spain. Industry contacts estimate that an estimated 47,900 MT of pears will be offered for intervention. Since the intervention only started on September 30th, a time when most pear farmers were already harvesting, 'green harvesting' or 'not harvesting' was not an option any more. That is why most pear growers choose the third option, taking pears 'out of the market'. Industry sources have indicated that pear growers in Italy are focusing on finding new markets for their products. In France an unknown quantity is used for intervention and is donated to charity.

Pears – Additional Information

For information on tariffs, maximum residue levels, labeling requirements please see the respective sections at the end of the report.

Table Grapes

Coordinated by Ornella Bettini/FAS Rome

Table 10: EU-28 PSD for Table Grapes

Grapes, Fresh European Union	2012/2013		2013/2014		2014/2015	
	Market Year Begin: Jun 2012		Market Year Begin: Jun 2013		Market Year Begin: Jun 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	115,775	104,750	102,200	104,790		103,942
Area Harvested	112,470	99,557	96,600	99,595		98,005
Commercial Production	1,776,563	1,710,050	2,008,600	1,928,330		1,618,026
Non-Comm. Production	13,748	13,687	16,500	7,362		9,000
Production	1,790,311	1,723,737	2,025,100	1,935,692		1,627,026
Imports	559,516	553,837	560,000	567,063		540,710
Total Supply	2,349,827	2,277,574	2,585,100	2,502,755		2,167,736
Fresh Dom. Consumption	2,200,041	2,137,380	2,432,600	2,361,472		2,027,736
Exports	149,786	140,194	152,500	141,283		129,970
For Processing	0	0	0			
Withdrawal From Market	0	0	0			10,030
Total Distribution	2,349,827	2,277,574	2,585,100	2,502,755		2,167,736

HA, MT

Source: FAS EU-28

Table grapes – Production

The European Union is a world leader in table grape production, together with China and Iran. Italy, Spain, and Greece account for 93 percent of the EU-28 table grape production. After a dramatic fall in the last decade, the EU-28 table grape area continues to decrease. Reduced profitability, due to increasing production costs and strong competition from other suppliers are the main factors behind the drop. After a record campaign in MY 2013/14 (June/May), MY 2014/15 EU-28 table grape production is forecast to drop 16 percent to 1.6 MMT. Significant decreases are indeed forecast to be registered in Italy (-20 percent), Spain (-8 percent), and Greece (-8.6 percent). Reduced production is also expected in Romania (-5.3 percent), France (-16 percent), Portugal (-8.6 percent), and Bulgaria (-40.8 percent).

Table 11: EU-28 Table Grapes Production by Country and Year (MT)

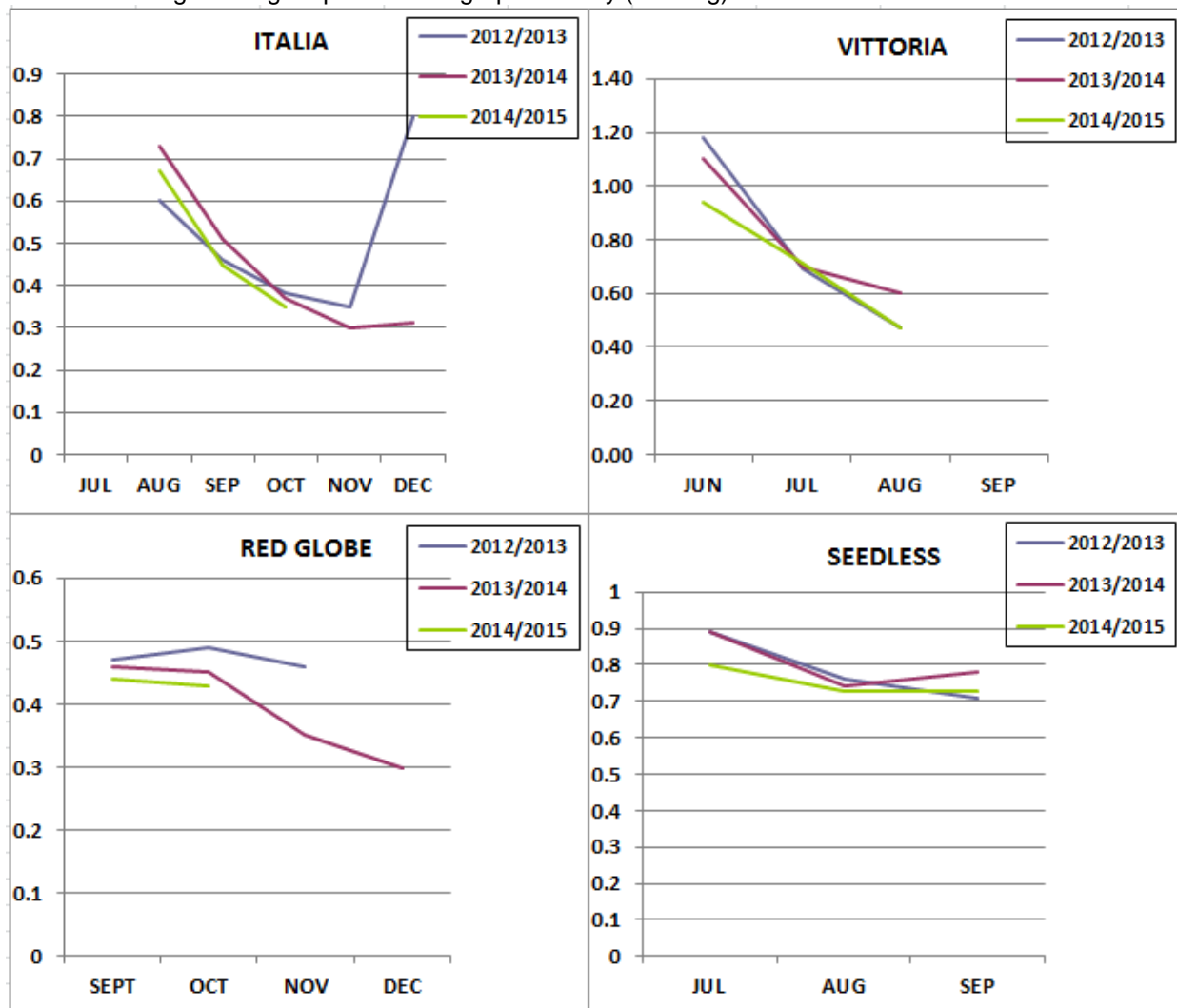
Country	2012/13	2013/14	2014/15 e
Italy	1,056,611	1,200,000	960,000
Spain	236,500	261,600	240,400
Greece	292,700	325,960	298,000
Other EU MSs	137,926	148,132	128,626
Total	1,723,737	1,935,692	1,627,026

Source: FAS EU-28

Italy ranks sixth in world's table grape production and third among table grape exporters, behind Chile and the United States. The Italian table grape production is concentrated in Southern Italy, mainly in Apulia and Sicily, which account for 70 and 25 percent of the domestic production, respectively. *Italia*, *Victoria*, and *Red Globe* are the main varieties in Italy, covering approximately 66 percent of the table grape area. In the last few years, Italy has gradually moved to seedless grapes cultivation, due to an increasing demand from intra and extra EU markets. *Sugraone* and *Crimson* are the most popular seedless varieties followed by *Thompson*, *Centennial*, and *Sublime*.

After a record campaign in MY 2013/14, Italy's MY 2014/15 table grape production is forecast to decrease significantly, mainly due to unfavorable weather during flowering and fruit set. Moreover, the cold temperatures during mid-July damaged several plantations thus affecting the fruit quality which overall is forecast to be good. The production drop, slow consumption, and the Russian ban made wholesale prices drop by 25-30 percent compared to the last season from 1.30-1.50 Euro/kg to 0.70-1.20 Euro/kg. Early varieties (*Black Magic* and *Vittoria*) are sold from May to the end of July. For medium and late varieties (*Italia*, *Palieri*, *Pizzutello Bianca*, and *Red Globe*)—mainly from Sicily, Abruzzo, Apulia, Basilicata, and Sardinia—the harvest occurs from August to December.

Chart 4: Average farm gate prices table grapes in Italy (Euro/kg)



Source: ISMEA, Agricultural Marketing Center

According to the latest data provided by the Spanish Ministry of Agriculture, **Spain's** MY 2014/15 table grape production is forecast to decrease by 8 percent compared to the previous season due to adverse weather conditions. There are approximately 13,500 hectares currently cultivated with table grapes in Spain. The main producing areas include the Region of Murcia, the Comunidad Valenciana, and Andalusia. Murcia and Alicante account for 70 percent of the total production area. Over 50 table grape varieties are commercialized in Spain. *Aledo*, *Ideal*, *Muscatel*, *Dominga*, and *Napoleon* are the main ones. Seedless varieties represent 30 percent of total table grape production and are mainly produced in the Region of Murcia.

Greece is the third largest producer of table grapes in the EU-28, behind Italy and Spain. According to industry estimates, after a record campaign in MY 2013/14, MY 2014/15 table grape production is forecast at 298,000 MT. The crop season, which started during the second week of August and is expected to end early this year, is forecast to be satisfactory both in terms of caliber and quality. In Greece, there are approximately 17,000 hectares currently cultivated with table grapes. The main producing areas include the prefectures of Corinth in Peloponnese; Kavala in Macedonia; and Heraklion in the island of Crete. *Sultana (Thompson Seedless)* and *Victoria* are the leading table grape varieties grown in Greece. Moreover, a greater focus is now being placed on diversifying Greece's grape offer to extend the marketing season into October and November.

Table Grapes – Consumption

Despite the enduring economic crisis, the EU-28 fresh grape consumption has been rather stable in recent years and stands at approximately 2 MMT, although still fluctuating in function of the domestic production trend. Starting in June and throughout the end of the calendar year, the EU-28 table grape consumption is mostly met by domestic production. Also, imports from third countries—normally coming in the first half of the calendar year from the Southern hemisphere—represent 22.5 percent of total consumption.

Italy is the leading table grape consumer in the EU-28, followed by **Germany**, the **United Kingdom**, **Greece**, **Spain**, **France**, **Romania**, **Portugal**, **Czech Republic**, **Austria**, **Bulgaria**, and **Slovakia** (in decreasing order of consumption). Despite the fact that Italian seeded grapes are still greatly appreciated, experts claim that EU-28 consumers are increasingly demanding seedless varieties because of their quality and convenience. Thus, many EU-28 table grapes farmers are replacing old seeded varieties with new seedless ones (i.e. *Sugraone*, *Crimson*, *Thompson*, *Regal*, *Summer Royal*, *Centennial*, *Sublime*, etc.). Moreover, a greater focus is now being placed on late varieties (i.e. *Crystal* and *Princess*), in order to make the European grapes available after the busy summer fruit season.

Table Grapes - Trade

Table 12: EU-28 Table Grapes trade Balance (MY June-May)

Trade	Metric Tons			Million \$		
	2011/12	2012/13	2013/14	2011/12	2012/13	2013/14
Import	575,937	553,837	567,063	1,396	1,459	1,547
Export	124,818	140,194	141,283	239	268	263
Balance	-451,119	-413,643	-425,780	-1,157	-1,191	-1,284

Source: GTA

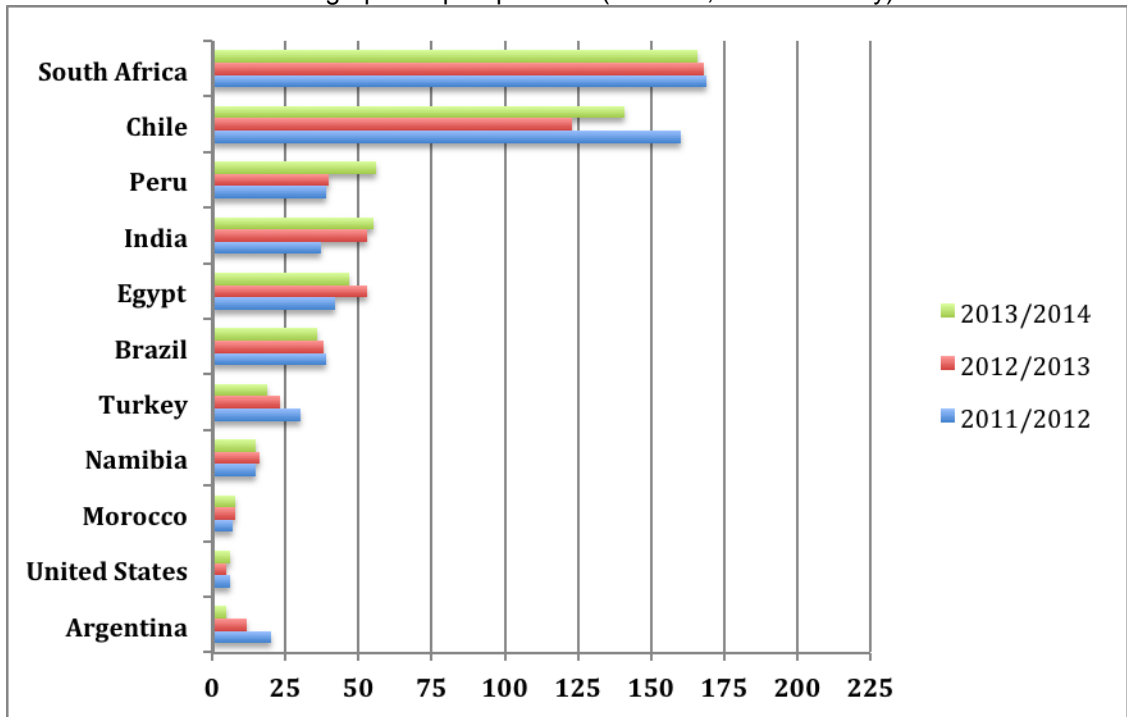
The EU-28 is a net importer of fresh table grapes. During MY 2013/14, the EU-28 imported 567,063 MT of table grapes. South Africa (166,635 MT) and Chile (140,977 MT) confirmed to be the leading suppliers to the EU-28 market, followed by Peru (55,709 MT), India (55,516 MT), Egypt (47,033 MT), Brazil (36,567 MT), Turkey (19,146 MT), and Namibia (14,957 MT). The largest EU-28 importing countries remain the Netherlands, Germany, and the United Kingdom. The Netherlands serves mainly as a trans-shipping point. MY 2014/15 EU-28 table grape imports are forecast to be lower due to reduced quantities from Brazil. During MY 2013/14, the EU-28 exported 141,283 MT of table grapes, mainly to Russia (41,897 MT), Switzerland (26,948 MT), Belarus (15,033 MT), and Norway (12,243 MT). Lithuania is an important channel for re-exports to Russia of table grapes imported from other EU countries (39,000 MT in 2013/14), mainly Italy (23,000 MT in 2013/14). MY 2014/15 EU-28 table grape exports are forecast to decrease as a result of the Russian ban. Moreover, approximately 10,030 MT of produce are forecast to be compensated by the EU intervention programs (see Policy Section). Furthermore, new strategic markets might develop in Africa, Asia, Middle East, and Northern Europe.

In MY 2013/14, **Italy** exported 500,971 MT of table grapes, mainly to Germany (115,544 MT), France (100,620 MT), and Poland (58,720 MT). Germany, Poland, and the Baltic States prefer the bigger Apulian grapes, while France favors the smaller Sicilian ones. In MY 2013/14, Italy exported 15,514 MT of table grapes to Russia, mostly the *Red Globe* variety from Apulia. Italy's MY 2014/15 table grape exports are forecast to decrease as a consequence of the Russian ban. Moreover, approximately 9,300 MT of produce are forecast to be compensated by the EU intervention programs. Furthermore, new strategic markets could be represented by North Africa, Middle East, and Northern Europe. Seedless varieties (i.e. *Sugar Crisp*, *Sweet Sunshine*, *Sweet Celebration*, *Sweet Sapphire*, *Jack's Salute*, *Cotton Candy*) are not forecast to be heavily affected by the Russian ban as they are mainly sent to the United Kingdom, Scandinavian countries, and the United Arab Emirates. In MY 2013/14, Italy imported 20,237 MT of table grapes, mainly from Egypt (4,346 MT), the Netherlands (4,189 MT), Spain (4,134 MT), and Chile (2,704 MT).

Spain is a net exporter of table grapes and over 85 percent of its exports are destined to the EU-28 (United Kingdom, Germany, Portugal, and France). Exports to Russia reached 2,501 MT. Italy, Chile, and Peru are the main suppliers to the Spanish market.

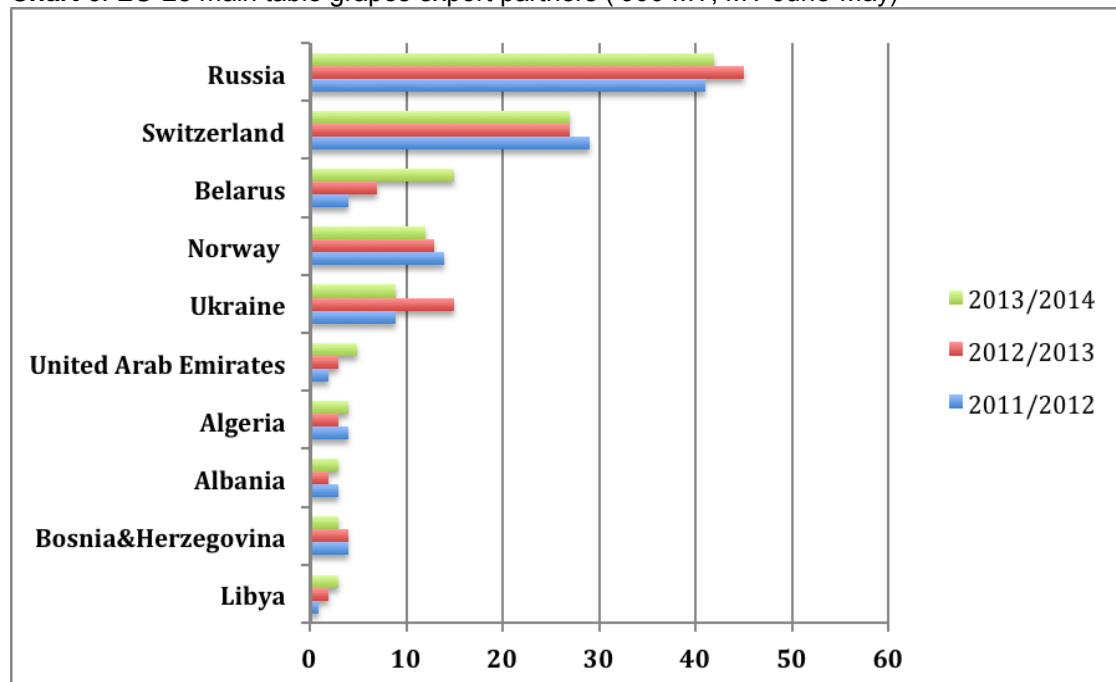
In MY 2013/14, **Greece** exported 89,217 MT of table grapes (especially *Victoria* and *Sultana* varieties), mainly to Germany (36,463 MT), the United Kingdom (12,583 MT), the Netherlands (9,560 MT), and Poland (7,586 MT). Exports to Russia totaled 288 MT. Greek table grapes (both seedless and seeded) are mainly marketed within Europe from late July to the end of September. In MY 2013/14, Greece imported 1,088 MT of table grapes, mainly from Italy (237 MT), Germany (202 MT), and Romania (188 MT).

Chart 5: EU-28 main table grapes import partners ('000 MT, MY June-May)



Source: GTA

Chart 6: EU-28 main table grapes export partners ('000 MT, MY June-May)



Source: GTA

Trade Fairs

Coordinated by Roswitha Krautgartner/FAS Vienna

In the EU, trade fairs play a key role in presenting new products to the trade or in finding additional buyers and importers. The major international trade fair for the fruit and vegetable trade is held each February in Berlin, Germany:

<p>FRUIT LOGISTICA Berlin, Germany (Interval: yearly) Target Market: Europe Good venue for exhibiting fresh and dried fruit, nuts, and related products http://www.fruitlogistica.de</p>	<p>Next Fair: February 04-06, 2015</p>	<p>U.S. Pavilion Organizer: B*FOR International Tel: +1 (540) 373-9935 Fax: +1 (540) 372-1414</p>
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For organic products there is a special trade fair held annually in Nuremberg, Germany

<p>Bio Fach Nuremberg, Germany (Interval: yearly) Target Market: Germany/Europe The leading European trade show for organic food and non-food products http://www.biofach.de</p>	<p>Next Fair: February 11-14, 2015</p>	<p>U.S. Pavilion Organizer: B*FOR International Tel: +1 (540) 373-9935 Fax: +1 (540) 372-1411</p>
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Related Reports

Coordinated by Roswitha Krautgartner/FAS Vienna

<p>FAIRS Country Report Food and Agricultural Import Regulations and Standards - Narrative Brussels USEU EU-27 1/2/2014</p> <p>This report updates each of the nine sections and provides an overview of food laws currently in force in the EU-28. Developments in EU food legislation and initiatives that may have an impact on U.S. exports of food and agricultural products are highlighted on a blue background. For updates of the information provided in this report check the USEU/FAS website www.usda-eu.org.</p> <p>Food and Agricultural Import Regulations and Standards - Narrative_Brussels USEU EU-27 12-30-2013</p>
<p>FAIRS Export Certificate Report Food and Agricultural Import Regulations and Standards - Certification Brussels USEU EU-27 2/5/2014</p> <p>This guide provides an overview of export health certificates needed for exporting plants, animals, foods and other animal origin products to the EU. U.S. regulatory agencies have been informed of the wide range of certificates changes that have occurred in the past months and have updated their export manuals to reflect those changes. Sections updated: All sections.</p> <p>Food and Agricultural Import Regulations and Standards - Certification_Brussels USEU EU-27 1-15-2014</p>
<p>Russian ban affecting Spanish fruits and vegetables Trade Policy Incident Report Agricultural Situation Fresh Fruit Livestock and Products Dairy and Products Madrid Spain 10/9/2014</p> <p>Russian sanctions on fruit and vegetables from the EU will affect approximately USD 420 million of Spanish agricultural exports. Spanish stone fruits and citrus will be the most affected products.</p> <p>Russian ban affecting Spanish fruits and vegetables_Madrid_Spain_9-24-2014</p>
<p>Stone Fruit Annual 2014 Stone Fruit Rome Greece 10/1/2014</p> <p>oo</p> <p>Stone Fruit Annual 2014_Rome_Greece_8-22-2014</p>
<p>Stone Fruit Annual 2014 Stone Fruit Rome Italy 10/1/2014</p> <p>oo</p> <p>Stone Fruit Annual 2014_Rome_Italy_8-22-2014</p>
<p>Russian Import Bans to Hit Austrian Agricultural Exports Agricultural Situation Agriculture in the Economy Agriculture in the News Livestock and Products Dairy and Products Fresh Deciduous Fruit Vegetables Vienna Austria 8/18/2014</p> <p>In 2013, Austrian agricultural and food products of about 240 million Euros value were exported to Russia. It is estimated that the value of Austrian agricultural and food products banned by Russia in total account for more than 40 percent of total Austrian agricultural exports to Russia.</p> <p>Russian Import Bans to Hit Austrian Agricultural Exports_Vienna_Austria_8-14-2014</p>
<p>Select 2014 Stone Fruit Madrid EU-28 8/11/2014</p> <p>EU-28 production of peaches and nectarines in MY 2014/15 is estimated at almost 4 million MT, 10.6 percent higher compared to the previous harvest due to favorable weather conditions with considerable increases in the main European producers, Spain, Greece and France, while Italian production remains stable. Total cherry production in MY 2014/15 is projected at 676,300 MT, 3 percent lower compared with last season due to frosts and severe hailstorms during the harvest mainly in Italy and Poland...</p> <p>Stone Fruit Annual_Madrid_EU-28_8-1-2014</p>
<p>Germany Expects Rebound of Cherry Production Stone Fruit Berlin Germany 7/11/2014</p> <p>German total cherry production for CY 2014 is estimated at 51,900 MT of which sweet cherries comprise 36,300 MT and tart/sour cherries 15,600 MT. This is a 38 percent increase compared to the below average production in CY 2013. The favorable weather conditions (mild and dry conditions during flowering) are the main factor behind the rebound in production.</p> <p>Germany Expects Rebound of Cherry Production_Berlin_Germany_7-3-2014</p>
<p>Fresh Deciduous Fruit Annual 2013 Fresh Deciduous Fruit Rome Greece 1/6/2014</p> <p>Greece's MY 2013/14 (July/June) apple and pear productions are forecast to decrease by 10.3 and 26 percent respectively, due to unfavorable weather and hail storms that affected many areas of the country. However, quality is excellent. Greece is the third largest producer of table grapes in the EU-28, behind Italy and Spain. According to industry estimates, MY2013/14 table grape production is forecast to be satisfactory due to favorable weather conditions during flowering and fru...</p> <p>Fresh Deciduous Fruit Annual 2013_Rome_Greece_12-17-2013</p>

<p>Fresh Deciduous Fruit Annual 2013 Fresh Deciduous Fruit Rome Italy 1/6/2014</p> <p>With more than 2MMT, Italy provides around 20 percent of the EU-28 apple production. MY 2013/14 apple production is forecast to increase by 10.8 percent compared to the previous year. Italy is the largest pear producer in the EU-28 and ranks third in the world after China and the United States. Italy's MY 2013/14 pear production is forecast at 741,000 MT, a 14 percent increase over last season's supply mainly thanks to good flowering and fruit set. Italy ranks sixth in world's table grape p...</p> <p>Fresh Deciduous Fruit Annual 2013_Rome_Italy_12-17-2013</p>
<p>Poland's 2013 Apple Crop on Everyone's Dessert Menu! Fresh Deciduous Fruit Agricultural Situation Policy and Program Announcements Warsaw Poland 12/5/2013</p> <p>Poland's MY 2013/14 total apple product is estimated at 2.6 million metric tons, or a decline of nearly 10 percent from the previous year's record crop. The decline is attributed, in part, to the drop-off in deliveries of "wild" or "backyard" harvested apples to the processing sector. Decreased deliveries will be reflected in lower apple juice production and lesser availability of stock for foreign buyers. On the other hand, dessert apples destined for the fresh market are reported to be of v...</p> <p>Poland's 2013 Apple Crop on Everyone's Dessert Menu!_Warsaw_Poland_12-2-2013</p>
<p>Poland Pursues Becoming the Berry Supplier for Russia and the EU Fresh Fruit Policy and Program Announcements Strawberries Warsaw Poland 12/4/2013</p> <p>Poland's 2013 berries production is estimated at 2.6 million metric tons, or a two percent increase in comparison with 2012. While strawberry producers suffered through the second straight year of unfavorable weather induced growing conditions raspberry, currant and blueberries enjoyed higher yields compared to the 2012 crops. Continuing expansion of raspberry, chokeberry and blueberry plantation areas is projected for the near future. Since 2008 EU subsidies mixed with national funds h...</p> <p>Poland Pursues Becoming the Berry Supplier for Russia and the EU_Warsaw_Poland_11-27-2013</p>
<p>Select Production in 2013 to Rebound Fresh Deciduous Fruit Vienna EU-27 11/29/2013</p> <p>After the poor fresh deciduous fruit crop in MY 2012/13 a rebound in production is expected for MY 2013/14. Commercial apple production is forecast at 10.2 MMT (plus 2.6 percent), commercial pear production at 2.3 MMT (plus 18.6 percent) and table grape production at 2.0 MMT (plus 13.1 percent). This report provides EU-28 (EU-27 and Croatia, which joined the EU on July 1, 2013) production, supply, and demand forecasts for fresh apples, fresh pears, table grapes and concentrated apple juice.</p> <p>Fresh Deciduous Fruit Annual_Vienna_EU-27_11-25-2013</p>
<p>Product Brief - Dried Fruits and Nuts Dried Fruit Tree Nuts Product Brief Warsaw Poland 11/1/2013</p> <p>The dried fruits and nuts sector shows continued expansion in the Polish food market overall. This report provides marketing, trade, and regulatory information for US exporters.</p> <p>Product Brief - Dried Fruits and Nuts_Warsaw_Poland_10-28-2013</p>
<p>Stone Fruit Annual 2013 Stone Fruit Rome Greece 11/1/2013</p> <p>Greece is the third largest producer of peaches in the EU-28, after Italy and Spain. Greece's MY 2013/14 peach and nectarine production is forecast to drop 32 percent from the previous year, with a 24 percent decrease for peaches, a 29 percent decline for nectarines, and a 37 percent drop for cling peaches. The frost in March, the heavy rainfall occurred in the blooming period, and the hail in June severely affected next year's productions.</p> <p>Stone Fruit Annual 2013_Rome_Greece_10-28-2013</p>
<p>Stone Fruit Annual 2013 Stone Fruit Rome Italy 11/1/2013</p> <p>Italy is the largest peach and nectarine producer in the EU-28 and ranks second in the world after China. Italy's MY 2013/14 peach and nectarine production is forecast to decrease by 6.3 percent from the previous year, with a 5.7 percent decrease for peaches and 5.8 percent decline for nectarines, mostly due to a long, cold, and rainy spring. The cling peach harvest is likely to decline by 13 percent to 81,000 MT. Italy is the largest apricot producer in the EU-28, followed by France, Greece,...</p> <p>Stone Fruit Annual 2013_Rome_Italy_10-28-2013</p>
<p>Good Prospects for 2013 Poland's Cherries Export Agricultural Situation Fresh Fruit Stone Fruit Warsaw Poland 8/14/2013</p> <p>The 2013 stone fruit crop, composed of sour cherries (182 thousand MT (TMT)), sweet cherries (48 TMT) and other stone fruits (plums, peaches and apricots - 123 TMT), is forecasted at six percent larger than the previous year's crop. Cherry exports are forecast to increase by 18 percent compared to the previous year with Russia and Germany the main destinations for fresh cherries and the USA and Canada new destinations for frozen cherries. In 2012, exports of frozen cherries to the USA rose to ...</p> <p>Good Prospects for 2013 Poland's Cherries Export_Warsaw_Poland_8-9-2013</p>

Select 2013|Stone Fruit|Madrid|EU-27|8/14/2013

EU-28 production of peaches and nectarines in MY 2013/14 is estimated at 3.97 million MT, 7.3 percent lower compared to 4.28 million MT registered in the previous harvest due to unfavorable weather conditions. The exception is overall Spanish production which was favorable despite the losses suffered as a result of the February frost. There has been an increase of early and mid-season peaches, mainly due to good flowering and fruit set, as well as the entry into production of new varieties. T...

[Stone Fruit Annual_Madrid_EU-27_8-8-2013](#)

Product Brief - Dried Fruits and Nuts|Dried Fruit Tree Nuts Product Brief|Sofia|Bulgaria|3/14/2013

Though having a population of only 7.5 million people Bulgaria is considered as having a healthy market for dried fruits and nuts. In 2012 the United States nut sales to Bulgaria increased 44 percent, supporting positive perceptions of this market. Provided in this report is information on the market, trade, and regulatory requirements for U.S. suppliers.

[Product Brief - Dried Fruits and Nuts_Sofia_Bulgaria_3-11-2013](#)

Results of German Fruit Tree Census|Fresh Deciduous Fruit Stone Fruit|Berlin|Germany|2/28/2013

This report summarizes the results of the 2012 German fruit tree census and developments in the variety mix of apples and pears. While 14 percent of the German deciduous fruit farms have stopped operating since the previous census in 2007, total planted area only decreased by 3 percent. However, there was a shift towards apples whose area was expanded by 1 percent at the expense of tart cherries, plums, and pears, whose area decreased by 33, 11, and 4 percent, respectively.

[Results of German Fruit Tree Census_Berlin_Germany_2-22-2013](#)

Organic Products Market Report|Special Certification - Organic/Kosher/Halal Fresh Fruit Dried Fruit Vegetables Food Processing Ingredients Snack Foods Retail Foods|London|United Kingdom|2/11/2013

Exports of U.S. fresh organic produce to the United Kingdom (UK) increased in 2012, and vegetables particularly may be required again in 2013. Simpler import procedures, due to the implementation of the U.S. - EU organic agreement, may have contributed, but the main driver was the poor UK harvest, and for some products, a reduced European Union (EU)-wide availability. UK specialty organic or up-scale independent stores seek new and innovative processed products to differentiate their product r...

[Organic Products Market Report_London_United Kingdom_1-25-2013](#)

Product Brief - Dried Fruits and Nuts|Dried Fruit Tree Nuts Product Brief|Berlin|Germany|1/28/2013

The relative affluence of its population of 81.8 million people makes Germany an attractive outlet for exporters from many countries. Germany is one of the largest markets for dried fruits and nuts in Europe and a very important market for U.S. products. This product brief is intended for U.S. dried fruits and nut exporters interested in utilizing existing market opportunities in order to properly market their product in Germany.

[Product Brief - Dried Fruits and Nuts_Berlin_Germany_1-17-2013](#)

Fresh Deciduous Fruit Annual 2012|Fresh Deciduous Fruit|Rome|Greece|1/3/2013

MY 2012/13 (July/June) Greek pear production is forecast to increase by 22 percent due to favorable weather. MY 2012/13 table grape production is estimated to be satisfactory despite the severe drought from mid July to the last week of August that negatively affected fruit ripening. The bulk of Greece's fresh deciduous fruit trade occurs within the EU-27.

[Fresh Deciduous Fruit Annual 2012_Rome_Greece_12-21-2012](#)

Fresh Deciduous Fruit Annual 2012|Fresh Deciduous Fruit|Rome|Italy|1/3/2013

MY 2012/13 Italian apple production is forecast to decrease by 13.3 percent compared to the previous year, due mainly to the freeze and heavy rains during the blooming time. MY 2012/13 pear production is forecast at 717,000 MT, a 22 percent shortfall over last season's supply. The decline is due to the severe drought of this summer that affected the main producing areas, strongly hindering the normal development of the fruit. Italy ranks 6th in world's table grape production and 3rd among tab...

[Fresh Deciduous Fruit Annual 2012_Rome_Italy_12-21-2012](#)