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Fresh Deciduous Fruit Annual 2014

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Fresh Deciduous Fruit

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Report Highlights:

With more than 2MMT, Italy provides around 20 percent of the EU-28 apple production. Italy's MY 2014/15 apple production is forecast to increase by 11 percent compared to the previous year thanks to favorable weather conditions. 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 2014/15 pear production is forecast at 707,000 MT, a 2.6 percent decrease over last season's supply because of the heavy rainfall occurred during fruit setting and maturity phases. Italy ranks sixth in world's table grape production and third among table grape exporters, behind Chile and the United States. 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.

I. APPLES

Table 1: Production, Supply, and Demand (MT)

Apples	2012	2013	2014
	Estimates 2012/2013	**Estimates 2013/2014**	**Forecast 2014/2015**
	Post Data	**Post Data**	**Post Data**
Area Planted	54,684	55,274	55,278
Area Harvested	51,872	53,006	53,067
Commercial Production	1,939,014	2,151,547	2,388,268
Production	1,939,014	2,151,547	2,388,268
Intra EU-28 Imports	33,182	34,217	33,140
Extra EU-28 Imports	8,116	8,020	7,860
Total Imports	41,298	42,237	41,000
Total Supply	**1,980,312**	**2,193,784**	**2,429,268**
Fresh Domestic Consumption	972,772	1,029,782	1,334,268
Intra EU-28 Exports	580,061	593,637	595,000
Extra EU-28 Exports	219,891	280,390	275,000
Total Exports	799,952	874,027	870,000
For processing	207,588	289,975	225,000
Total Distribution	**1,980,312**	**2,193,784**	**2,429,268**

Source: Istat; Assomela/CSO (Italy's Fresh Produce Service Centre); GTA

PRODUCTION

With more than 2MMT, Italy provides approximately 20 percent of the EU-28 apple production. Trentino-South Tyrol covers 70 percent of the Italian apple production and 15 percent of the European one. Veneto, Friuli-Venezia Giulia, Piedmont, Emilia Romagna, Lombardia, and Campania are the main apple-producing areas. *Golden Delicious, Gala, Red Delicious, Fuji,* and *Granny Smith* represent the most widely planted varieties. Italy's MY 2014/15 apple production is forecast to increase by 11 percent compared to the previous year thanks to favorable weather conditions. Trentino and Alto Adige registered production increases of 12.1 and 8.9 percent respectively, compared to 2013. Remarkable increases are forecast for *Red Delicious* (+19.6 percent), *Granny Smith* (+19.6 percent), *Fuji* (+12.1 percent), and *Golden Delicious* (+9.5 percent). Fruit size is forecast to be above average and quality is high.

Table 2: Italian apple production by region (MT)

	2012	2013	2014 (Forecast)	Var. % 2014/2013
Alto Adige	944,185	1,096,184	1,193,346	8.9
Trentino	455,070	460,537	516,106	12.1
Other regions	539,759	594,826	678,816	14.1
Total	**1,939,014**	**2,151,547**	**2,388,268**	**11.0**

Source: Assomela; CSO

Table 3: Italian apple production by variety (MT)

Apple Production by Variety	Estimates 2012/2013	Estimates 2013/2014	Forecast 2014/2015
Golden Delicious	898,243	930,510	1,018,776
Red Delicious	192,380	229,951	275,080
Imperatore	56,101	58,088	83,490
Stayman	12,524	20,930	14,722
Gala	277,448	293,774	315,413
Granny Smith	96,297	124,805	149,273
Gloster	171	128	80
Elstar	705	479	517
Annurca	35,000	35,000	35,000
Renette	21,884	28,716	28,501
Jonagold	11,167	14,369	14,094
Jonathan	203	5	9
Braeburn	76,515	84,718	86,886
Idared	2,198	2,814	1,758
Fuji	132,052	177,774	199,240
Cripps Pink	65,520	73,813	84,714
Other	60,608	75,673	80,716
Total	**1,939,014**	**2,151,547**	**2,388,268**

Source: Assomela; CSO

CONSUMPTION

Experts estimate that in MY 2014 approximately 90.7 percent (2,168,268MT) of the Italian crop will be suitable for domestic fresh consumption and export, while the remainder (220,000 MT) will be destined to the industry.

TRADE

In MY 2013/14, Italy imported 42,237 MT of apples, mainly from France (7,168 MT), Chile (5,033 MT), Croatia (4,012 MT), and Germany (3,761 MT). In MY 2013/14, Italy exported 874,027 MT of apples, mainly to Germany (306,817 MT), Spain (65,172 MT), Libya (53,254 MT), Egypt (50,487 MT), and Algeria (38,618 MT). Exports to Russia (mostly *Granny Smith* and *Golden*) reached 26,318 MT. On August 7, 2014, Russia issued a decree banning certain food products from the EU-28 Member States, the United States, Australia, Canada, and Norway. The ban came into force immediately and is expected to be in place for one year. The list of banned agricultural products is extensive and includes fruits, vegetables, beef, fish, poultry, pork, dairy products, nuts, prepared meats, and certain prepared products. The Russian ban made the Italian industry consider the opportunity of new destinations for Italian produce. For apples, growing markets could be represented by North Africa and Middle East.

II. PEARS

Table 4: Production, Supply, and Demand (MT)

Pears	2012	2013	2014
	Estimates 2012/2013	**Estimates 2013/2014**	**Forecast 2014/2015**
	Post Data	**Post Data**	**Post Data**
Area Planted	35,195	34,241	34,000
Area Harvested	32,803	31,526	31,124
Commercial Production	650,000	726,000	707,000
Production	650,000	726,000	707,000
Intra EU-28 Imports	35,578	45,086	47,000
Extra EU-28 Imports	58,627	57,123	56,000
Total Imports	94,205	102,209	103,000
Total Supply	**744,205**	**828,209**	**810,000**
Fresh Domestic Consumption	536,602	607,508	593,300
Intra EU-28 Exports	124,141	127,040	127,000
Extra EU-28 Exports	18,462	19,561	19,000
Total Exports	142,603	146,601	146,000
For processing	65,000	74,100	70,700
Total Distribution	**744,205**	**828,209**	**810,000**

Source: Istat; CSO; GTA

PRODUCTION

Italy is the largest EU-28 pear producer and ranks third in the world after China and the United States. Approximately 34,241 hectares of pear orchards are cultivated in Italy, mainly located in the northeast. Pear planted area has been declining over the last decade due to lack of profitable investment opportunities. Emilia-Romagna (Ferrara, Modena, and Bologna) is the main producing area with almost 66 percent of Italy's total output. *Abate Fetel* is the dominant variety, followed by *William B.C., Conference, Kaiser, Coscia-Ercollini, Decana, Max Red Bartlett, and Santa Maria.* Italy's MY 2014/15 pear production is forecast at 707,000 MT, a 2.6 percent decrease over last season's supply because of the heavy rainfall occurred during fruit setting and maturity phases. Production decreases are forecast for *Kaiser, Decana del Comizio, Santa Maria, and William.*

CONSUMPTION

Italy consumes most of its domestic production, exporting almost 19 percent.

TRADE

Italy's MY 2013/14 pear imports reached 102,209 MT, mainly from Argentina (36,446 MT), Spain (28,260 MT), Chile (11,007 MT), and South Africa (7,920 MT). In MY 2013/14, Italy exported 146,601 MT of pears, mainly to Germany (64,024 MT), France (18,482 MT), Libya (11,127 MT), and Austria (7,609 MT). Exports to Russia reached 2,581 MT. On August 7, 2014, Russia issued a decree banning certain food products from the EU-28 Member States, the United States, Australia, Canada, and Norway. The ban came into force immediately and is expected to be in place for one year. The list of banned agricultural products is extensive and includes fruits, vegetables, beef, fish, poultry, pork, dairy products, nuts, prepared meats, and certain prepared products. The Russian ban made the Italian industry consider the opportunity of new destinations for Italian produce. For pears, the most interesting areas could be represented by North Africa (Algeria and Libya) and Middle East, especially the United Arab Emirates. Brazil could also be an interesting destination for some varieties.

III. TABLE GRAPES

Table 5: Production, Supply, and Demand (MT)

Table grapes	2012	2013	2014
	Estimates 2012/2013	Estimates 2013/2014	Forecast 2014/2015
	Post Data	Post Data	Post Data
Area Planted	53,885	53,893	53,887
Area Harvested	50,656	50,659	50,650
Production	1,056,611	1,200,000	960,000
Intra EU-28 Imports	13,050	11,061	13,120
Extra EU-28 Imports	6,510	9,176	9,200
Total Imports	19,560	20,237	22,320
Total Supply	**1,076,171**	**1,220,237**	**982,320**
Fresh Domestic Consumption	593,855	719,266	502,720
Intra EU-28 Exports	424,883	441,779	420,600
Extra EU-28 Exports	57,433	59,192	49,700
Total Exports	482,316	500,971	470,300
Withdrawal from market	0	0	9,300
Total Distribution	**1,076,171**	**1,220,237**	**982,320**

Source: ISTAT; Industry contacts; GTA

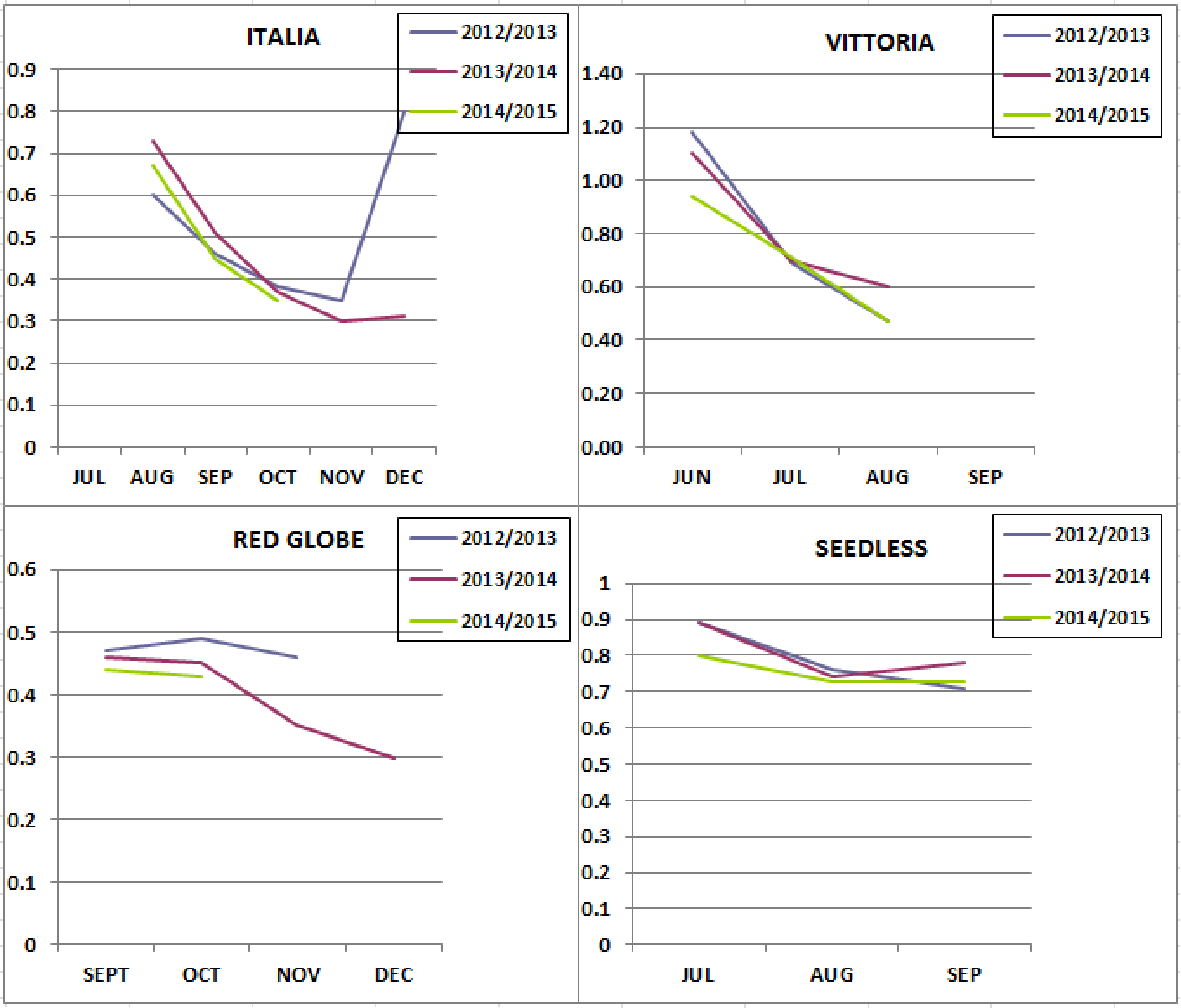
PRODUCTION

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.

Table 6: Average farm gate prices table grapes in Italy (Euro/kg)



Source: ISMEA, Agricultural Marketing Center

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.

TRADE

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).

Table 7: Italy's exports of table grapes (MT)

Partner Country	**Quantity**			**% Change**
	2012	**2013**	**2014**	**2014/2013**
Germany	115,342	108,393	115,544	6.60
France	100,204	97,268	100,620	3.45
Poland	56,299	59,717	58,720	-1.67
Spain	27,530	22,134	25,870	16.88
Czech Republic	24,900	19,642	21,680	10.38
Switzerland	21,745	20,832	20,446	-1.85
Belgium	17,963	18,520	19,262	4.00
Russia	12,127	16,570	15,514	-6.38
Netherlands	14,295	15,209	15,450	1.59
Austria	12,019	11,712	13,074	11.63
World	**495,080**	**482,316**	**500,971**	**3.87**

Source: GTA

Table 8: Italy's imports of table grapes (MT)

Partner Country	Quantity			% Change
	2012	**2013**	**2014**	**2014/2013**
Egypt	2,628	3,516	4,346	23.60
Netherlands	4,234	4,861	4,189	-13.82
Spain	6,935	4,902	4,134	-15.67
Chile	2,900	1,977	2,704	36.78
France	1,257	1,232	1,315	6.68
South Africa	961	577	954	65.43
Greece	955	430	521	21.10
Peru’	1,296	179	461	157.59
Germany	928	843	418	-50.37
World	**23,810**	**19,560**	**20,237**	**3.46**

Source: GTA

Abbreviations and definitions used in this report:

EU European Union
MS EU-28 Member State
Ha hectare; 1 ha = 2.471 acres
MT Metric ton = 1000 kg
MMT Million metric tons

MY Marketing year

Apples: July/June

Pears: July/June

Table Grapes: June/May

HS Codes:

Apples: 080810

Pears: 080830

Table grapes: 08061010