Voluntary _ Public

Date: 7/8/2011

GAIN Report Number: PL1113

Poland

Post: Warsaw

Horticulture Situation in Poland in 2010 and 2011

Report Categories:

Fresh Deciduous Fruit
Fresh Fruit
Stone Fruit
Strawberries
Vegetables
Agriculture in the News
Agricultural Situation

Approved By:

Michael Henney

Prepared By:

Agata Kingsbury

Report Highlights:

In 2010/11, Poland's fruit and vegetable output recorded notable declines due to adverse weather patterns. Tighter raw material stocks should reflect itself in lower output of fruit and vegetable preserves for nearly every product. In 2011/12, horticultural production should rebound but farmers and processors must face new challenges holding unforeseen consequences on the market, such as rising costs, lingering concerns over E Coli and Russia's embargo of Polish fresh vegetables. Initial forecasts are for increased production of juices and exports of fresh apples, stronger export prices for strawberries but weaker for fresh apples and apple juice.

General Information:

2010/11 Production

The 2010 fruit crop in Poland amounted to 2.7 million tons which was 25 percent lower than in the previous year. Tree fruit crops were lower by 29 percent (including 30 percent fall in apples) and berry fruits by 3 percent. Only raspberry, chokeberry, and high bush blueberry crops were higher than in 2009. Production of field vegetables fell by 12 percent to 4.25 million tons. The biggest losses were reported for onions, cabbages, carrots and cauliflowers. Production of vegetables under cover decreased by 4 percent and is estimated at 760,000 tons. Decrease of the production in Poland resulted from unfavorable weather conditions for crop husbandry during the whole 2010/11 growing season. Fruit preserve production decreased by 10 percent to 730,000 tons. Total production of soft juices, nectars, and fruit and vegetable drinks decreased to 1.55 million tons in 2010/11 from 1.59 million tons in 2009/10. Production of concentrated soft fruit juice decreased more than 25 percent and is estimated at the level of 35,000 tons. The highest drop was reported for concentrated apple juice (by approximately 33 percent) and concentrated cherry juice (by 75 percent). Production of concentrated apple juice is estimated at the level of 140,000 tons and cherry juice at only 3,500 tons. Production of concentrated strawberry juice decreased by 40 percent to only 4,000 tons, and concentrated raspberry juice fell by 20 percent to 1,900 tons. In 2010/11 production of concentrated red currants juice decreased to 3,000 tons from 3,200, and production of concentrated chokeberry juice decreased to 4,500 tons from 5,000. Only production of concentrated black currant juice increased from 12,500 to 13,000 tons. In 2010/11 frozen fruit production decreased by 5 percent (to 310,000 tons), mainly due to decrease of strawberry, tart cherry, plum, red currants and gooseberry. Production of frozen black currant has been reported stable, and frozen raspberries noted 5 percent increase.

In 2010/11 vegetable preserves production remained flat at approximately 1 million tons; only the production of dry vegetable and tomato concentrate production was reported to be lower.

2010/11 export and import

Institute of Food Economics reported that 2010/11 export of nearly all fruits, vegetables and preserves was lower than in the 2009/10 season. Only the export of cucumbers, tinned vegetables and dried vegetables was reported to be higher. The total export of fresh fruits and vegetables in 2010/11 amounted to approximately 1 million tons, compared to 1.4 million tons in 2009/10. The deciding factor was the lower export of apples and onions. Export of fruit and vegetable preserves decreased by 14 percent to 1.06 million tons (1.23 million tons in 2009/10). The largest reduction (36 percent) was reported for fruit juice concentrates (to 170,000 tons). Frozen fruit export decreased by 6 percent to 270,000 tons. Frozen vegetable export fell by 10 percent to 300,000 tons. The import of so called exotic fruit and preserves was lower (mainly reserved for concentrated citrus juice). Import of nearly all vegetable products increased (mainly onion, cruciferous vegetable, and tomato concentrate); however decreases were noted for cucumber, lettuces, pickled vegetable and canned corn.

In 2010/11, both export and import prices of most fruit, vegetable, and their preserves increased year over year. As a result, incomes from exports increased by 5 percent (equivalent to EUR 1.67 billion) while the import value of the whole product complex increased by 14 percent (equivalent to EUR 1.79 billion). The negative balance of foreign trade balance for this complex, however, turned negative (EUR 127 million); in comparison to a 2009/10 positive balance (EUR 11 million).

New season, new challenges

An early May freeze (May 3-5) (-5C/23F at the ground) that raised concern among fruit and vegetable growers over widespread crop damage, proved unfounded as the final assessment show only some local loss was recorded. In 2011 fruit crops are estimated at approximately 3 million tons an increase in output based on better early season weather conditions. Some recalibration of production estimates is underway due to a dry June. Current estimates (in thousand tons) are presented below:

Commodity	2009	2010*	2011**
Apple	2626.3	1859.0	2300.0
Pear	83.0	58.0	60.0
Tart cherry	189.2	143.0	150.0
Sweet cherry	50.6	35.0	35.0
Plum	120.7	91.0	77.0
TOTAL TREE FRUIT (incl. walnut, peach, apricot)	**3103.0**	**2212.0**	**2645.0**
Strawberry	198.9	177.0	160.0
Raspberry	81.8	88.0	82.0
Currants	196.5	191.0	110.0
TOTAL BERRY FRUIT (incl. chokeberry, blueberry, gooseberry)	**543.2**	**526.0**	**415.0**

Based on data from Institute of Food Economics, Central Statistical Office

* Estimate

** forecast

June 2011 brought new challenges: E coli outbreak in Germany followed by Russian embargo for fresh vegetable from the EU-27. At the beginning of June thousands of tons of vegetable ended up in dumpsters and vegetable growers across Europe faced major economic losses. Although authorities assured Polish consumers on the safeness of Polish produce vegetable demand has declined since beginning of June. At the biggest Polish wholesale market in Bronisze, traders assured retailers that lettuce, tomatoes, cucumbers, and radish are local product. During the first week of the German E-coli outbreak Polish wholesalers reported sales dropped by more than 50 percent. Large supermarkets sold 80 percent less vegetables. Although the sanitary authorities report regularly that produce have been regularly tested for E coli and no contamination has been found, demand for all fresh vegetables decreased radically.

Although Russian embargo on Polish fresh vegetable may seem not to be very severe, losses are significant for fresh tomato producers whose main buyer in June and July is Russia. In 2010 Poland exported to Russia 3,000 tons of fresh tomatoes in June (US$ 3.2 million) and 2,000 ton in July (US$ 2.4 million). These quantities represented 23 and 22 percent of total fresh tomato exported during June and July 2010, respectively. Poland exports to Russia mainly cabbage, apples, pears, and frozen fruits and frozen vegetable. Total value of exported fresh fruit and vegetable in to Russia 2010 is estimated €120 million (in 2009: €75 million).

2011/12 strawberry forecast

June 2011 brought high strawberry prices. Fruit quality is higher than last year and production is estimated now at 165,000 MT (down from 180,000 MT due to freeze in May and dry weather in June, which shortened the picking season). Due to low or no stocks, the industry is paying a premium over that for the fruit in previous years. One kilogram of strawberry costs US$1.60 (PLN 4.50, exchange rate: US$1 = PLN 2.8058). Available production, supply and demand data for fresh and frozen strawberry follows:

Country:	**Poland**			
Commodity:	**Strawberries, Fresh**			
	2009/10	2010/11*	2011/12**	UOM
Calendar Year Begin	**07/2009**	**07/2010**	**07/2010**	(MONTH/YEAR)
Area Planted	53,600	50,000	48,000	(HA)
Area Harvested	39,000	36,000	35,000	(HA)
Production	**198,900**	**177,000**	**165,000**	MT
Intra EU27 Imports	4,000	6,000	6,500	MT
Extra EU27 imports	1,000	1,000	1,000	MT
Total imports	5,000	7,000	7,500	MT
TOTAL SUPPLY	**203,900**	**184,000**	**172,500**	MT
Fresh domestic consumption	67,900	62,000	58,500	MT
Intra EU27 exports	11,000	11,000	10,000	MT
Extra EU27 exports	5,000	4,500	4,000	MT
Total exports	16,000	15,500	14,000	MT
For processing	**120,000**	**106,500**	**100,000**	MT
TOTAL DISTRIBUTION	203,900	184,000	172,500	MT

Based on data provided by Institute of Food Economics, Central Statistical, Office Global Trade Atlas

* Estimate

** forecast

Country:	**Poland**			
Commodity:	**Strawberries, Frozen**			
	2009/10	2010/11*	2011/12**	UOM
Calendar Year Begin	**07/2009**	**07/2010**	**07/2010**	(MONTH/YEAR)
Production	**110,000**	**95,000**	**90,000**	MT
Beginning stocks	30,000	26,000	9,000	
Intra EU27 Imports	3,000	2,000	2,000	MT
Extra EU27 imports	1,000	3,000	3,000	MT
Total imports	4,000	5,000	5,000	MT
TOTAL SUPPLY	**144,000**	**126,000**	**104,000**	MT
Domestic consumption	17,000	17,000	15,000	MT
Intra EU27 exports	90,000	90,000	75,000	MT
Extra EU27 exports	11,000	10,000	6,000	MT
Total exports	101,000	100,000	81,000	MT
Ending stocks	**26,000**	**9,000**	**8,000**	MT

TOTAL DISTRIBUTION	**144,000**	**126,000**	**104,000**	MT

Based on data provided by Institute of Food Economics, Central Statistical, Office Global Trade Atlas

* Estimate ** forecast

Poland is a major supplier of processed strawberries to the EU. In 2009/10, Poland exported 101,000 MT of frozen strawberries, of which 90,000 MT went to other Member States, mainly to Germany and Netherlands. Poland also exports to Russia (6,000 MT) and Norway (3,000 MT). In 2009/10, Poland imported a small amount of processed strawberries from Netherlands and Belgium (3,000 MT) and China (1,000 MT). Polish fresh strawberries are exported on a very small scale. In 2009/10, Poland exported 11,000 MT to the EU-27, mainly to Germany (4,000 MT) and Netherlands (4,000 MT), and 5,000 MT to Russia. Poland also imports small amount of fresh strawberries in early spring, mainly from Spain and Turkey.

In 2011, the quantity of strawberries for processing is estimated at 100,000 MT, out of which 10,000 MT may go for concentrated juice with 90,000 MT for freezing. Ending stocks for both 2010/11 and 2011/12 are projected to be minimal. Imports of frozen strawberry for both seasons are expected to be at similar levels due to high raw material cost (approximately EUR 1 per kilogram). Extra-EU import may increase slightly to capture less costly Chinese frozen strawberries. China's production and quality remain are an unknown variable however.

2011/12 CAJ and frozen fruit forecast

In 2011/12, concentrated apple juice production is projected to increase by 30 percent in comparison to the previous season. The expectation for increased domestic apple production and raw material imports drive this projection. Production of concentrated black currant and strawberry juice is expected to be lower, however while that for cherry and raspberry juice is expected to increase. In 2011/12 total frozen fruit production is forecast to decrease to 300,000 tons. While exports of fresh apple and concentrated apple juice are expected to increase, those of other concentrated juices is expected to remain stable. In 2011/12 export prices for strawberries and currants are projected higher; while those for fresh apples and CAJ are projected lower in comparison to the previous season.