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DIRECTORATE-GENERAL FOR AGRICULTURE AND RURAL DEVELOPMENT

Directorate G. Markets and Observatories

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MINUTES

Meeting of the WORKING GROUP ON "APPLES & PEARS"
OF THE CIVIL DIALOGUE GROUP ON "HORTICULTURE, OLIVES AND SPIRITS"

Date: 3 May 2018

Chair: Mr Luis FLOREZ (AGRI-G-2)

Organisations present: All Organisations were present.

1. Approval of the agenda (and of the minutes of previous meeting¹)

2. Nature of the meeting

The meeting was non-public.

3. List of points discussed

3.0 INTRODUCTION

As one of the main items of the agenda, the Commission presented an analysis of the apple and pear sectors in the EU, based on the statistical working documents and a document on trade available on CircaBC and also online in the website of Europa regarding the dashboard for apples. The main sources of data are Eurostat, Comext and WAPA/Prognosfruit. This was complemented with other presentations of interest for the apple and pears' producers.

¹ If not adopted by written procedure (CIRCABC)

3.1 SITUATION FOR THE NORTHERN HEMISPHERE CAMPAIGN 2017/2018; INDICATIONS ABOUT CROP DEVELOPMENTS 2018/19

The representative from WAPA/Freshfel presented the main indicators on the development of the ongoing campaign in the EU with some references to the Northern Hemisphere.

- **Apples**

The EU production forecast for 2017/18 is 9,190 million tonnes, i.e. 22% lower than in the preceding 3 year average (25 % lower when compared to the previous marketing year). This represents the lowest crop in the EU since 2008.

The decrease for the major Member States (based on the preceding 3 year average) is as follows:

1. France -8%
2. Germany -47%
3. Italy -28%
4. Poland -27%

Among the 4 major producers Germany registered a reduction of almost half of the crop. Such a huge reduction on the apple crop is mainly due to spring frosts between April and May 2017. Frost damages depend also on the level of technical preparedness of the Member States for this weather anomaly.

The decline for some major varieties (based on the preceding 3 year average) is as follows:

1. Golden Delicious -24%
2. Gala -6%
3. Jonagold -50%
4. Jonagored -33%

Regarding the international situation, on a 3 year average the US crop is expected to be 4% smaller and no change is expected for the Southern Hemisphere.

For the incoming 2018/19 a bumper crop is expected (in absence of major adverse weather events). In that context there is a need for using all available channels for placing the product.

- **Pears**

The EU production in 2017/18 is forecasted at 2,208 million tonnes, 5% percent lower than the preceding 3 year average (and 2% less than the previous marketing year). Among major producers and exporters, the Netherlands is expected to have the most important crop reduction (-9% on a 3 year average).

3.2 EXCHANGE OF VIEWS ON THE MARKET SITUATION [DASHBOARD]

The EU average price is very high during the ongoing marketing year and in April it was at 46% above the reference's period average. Stocks are significantly lower than in preceding marketing years.

Significant changes were registered during the last month in the international environment. China, a country representing over a half of the world's production and a major exporter, suffered a severe frost that could imply an important reduction of the world's supply and, therefore, favourable conditions for EU exports in Asia.

The dashboard of DG Agri provides with further detail and regular updates on the market situation:

https://ec.europa.eu/agriculture/sites/agriculture/files/dashboards/apple-dashboard_en.pdf

A significant rise of the EU supply is expected for the next marketing year in absence of adverse weather conditions. In this context, the impact on prices of the forecasted expansion of the EU supply for the incoming marketing year could imply a decrease of the current exceptional average price levels.

3.3 STATE OF PLAY OF FRUIT AND VEGETABLE CONSUMPTION IN THE EU: APPLES AND PEARS

Consumption levels in Europe seem to be below the levels recommended by the World Health Organisation (400 gr/day/person and 5 portions/day/person of 80 gr each). From this low consumption there is a double impact in health and economic.

Current statistics from Freshfel and from Eurostat confirm the levels below the recommendations.

The different consumption drivers were analysed and presented: healthy lifestyle, convenience, taste, price, availability, proximity, etc.

The EU promotion policy intends to improve the situation and also the common market organisation (crisis prevention and management measures including funds for promotion and communication activities). The EU school scheme tries to deal with this problem on a perspective of future generations.

3.4 PROMOTION POLICY AND GRANTS FOR INFORMATION MEASURES; SOME EXAMPLES OR CASES OF THE F&V SECTOR, APPLES AND PEARS

Promotion campaigns about EU farm products are designed to open up new market opportunities for EU farmers, including the fruit and vegetable sector, as well as helping them develop their existing business.

Promotion policy rules set out how EU funding – rising from €142.5 million in 2017 to €188.5 million in 2018 and €200 million in 2020 – can be used for information and promotion initiatives in EU member states and countries outside the EU.

There are two kinds of promotion actions:

1. Those run by European trade or inter-trade associations and co-financed by the EU;
2. Those run directly by the EU itself, such as diplomatic offensives by the Commissioner in non-EU countries to develop agri-food trade, participation in fairs and communication campaigns to promote EU farm products

The European Commission defines the strategic priorities for promoting EU farm products and funding criteria in a yearly work programme outlining products and possible markets.

The Consumers, Health, Agriculture and Food Executive Agency (CHAFEA) puts this strategic policy into practice on behalf of the Commission. It does this by publishing calls for proposals and evaluating proposals, awarding grants and managing grant agreements for so-called multi programmes (that involve at least two organisations from at least two EU countries or one or more EU institutions) and organising events and communication campaigns both inside and outside the EU.

Following a call for proposals the European Commission adopts a decision to select simple programmes based on the ranking of the proposals established by CHAFEA.

Simple programmes involve one or more organisations from the same EU country. They are managed by national administrations.

The speaker presented several examples of promotion projects in the fruit and vegetable sector.

3.5 EXTRA-EU EXPORT DEVELOPMENT: FRUITS AND VEGETABLES, APPLES AND PEARS

The representative of DG Trade presented the EU Commission strategy for opening new markets for apples. The speaker organized the presentation on 3 items:

1. Mexico. This country opened the market for pears in July 2017; several other Member States asked for access for apples and pears during that year. The modernized Free Trade Agreement will eliminate 20% of the duty in 20 years.
2. USA. The EU and especially 8 Member States (BE, DE, IT, ES, NL, PL and PT) are awaiting to see published the final rule for exports of apples and pears. A systems approach would replace the costly preclearance approach.
3. Other countries. Taiwan, Vietnam, Tunisia, Colombia and India are also countries where DG Trade is working to facilitate access for EU apples and pears.

3.6 SOUTHERN HEMISPHERE SEASON OVERVIEW

The countries of the Southern Hemisphere are exporting very significant volumes of apples. Specific varieties are needed for different export markets. Gala, Braeburn and Pink Lady are the main varieties sent to Europe.

The importance of some apple varieties was illustrated with some specific examples for some regions and markets: Germany (including import side), South Tyrol and South African exports.

3.7 ONGOING DEVELOPMENTS THROUGH THE EUROPEAN PLATFORM AND NETWORKS FOR RESEARCH AND INNOVATION IN THE FRUIT & VEGETABLES SECTOR, APPLES AND PEARS

Freshfel Europe (the European Fresh Produce Association) and AREFLH (the European Assembly of fruit, vegetable and horticulture regions) are cooperating with the two European university and research centre networks for fruit and vegetable related research.

EUFRIN is an organization of university departments and research institutes that specialize in research, development, and extension on temperate fruit crops and which are based within countries of the European Union, Switzerland, and Eastern Europe. EUFRIN currently represents 22 countries.

EUVRIN is an informal, voluntary organization of research institutes or research institutes departments that specialize in research, development, and extension on vegetable production, which are based within a number of countries of the European Union.

AREFLH is a European Assembly of fruit, vegetable and horticulture regions (Assemblée des Régions Européennes Fruitière, Légumières et Horticoles).

Freshfel Europe is the European Fresh Produce Association, representing the interests of the fresh fruit and vegetables supply chain in Europe and beyond.

The representative of Freshfel presented specific cases of research and innovation networks in the fruit and vegetable sector.

The main areas of research concern: input suppliers and production, storage and handling, distribution and consumption.

Further information can be found in the knowledge platform <http://kp.eufrin.org/>

3.8 AOB

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4. Conclusions/recommendations/opinions

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5. Next steps

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6. Next meeting

The next meeting is scheduled for 29 November 2018 (date to be confirmed).

7. List of participants - Annex

(e-signed)

J. ONOFRE
Head of Unit

List of participants– Minutes

***Meeting of the WORKING GROUP ON "APPLES & PEARS"
OF THE CIVIL DIALOGUE GROUP ON "HORTICULTURE, OLIVES AND SPIRITS"***

Date: 3 May 2018

	MEMBER ORGANISATION	NAME OF REPRESENTATIVES
1	COPA	D. BORDA LLOBET
2	COPA	A. DALPIAZ
3	COPA	D. DEJONCKHEERE
4	COPA	A.J. NOBRE FERREIRA
5	COPA	H. SCHWARTAU
6	COPA	W. VAN DEN BERG
7	Eucofel	A. RIDAO
8	FoodDrinkEurope	H. DERUWE
9	FoodDrinkEurope	A.J. MARIS
10	SACAR	A. BARLOW
11	SACAR	P. BINARD
12	SACAR	M. PEYRES
	<i>TOTAL</i>	12