



Stone Fruit Season 2024 overview

MARKET OBSERVATORY JUNE'S 10TH 2024 BRUSSELS

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2023 Season summary

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2023 Season summary

Weather 2023

- Very dry year
- Frosts located in several areas that reduced production, especially of apricots, in the south and center
- Lack of water reserves in the north to supply irrigation canals
- General drought in the rest without reaching shortages
- Persistent rains in May in the southeast that favored a strong market while the only origin was Spain

Production 2023

1,491,868 tons of peaches, nectarines and flat peaches.

Slightly above the average of the last 5 years: +6%

Slightly lower calibers due to drought

Main decrease in apricots due to loss of a large part of the production in May and June: -10%

Significant cherry loss in Extremadura.

Market 2023

Average prices origin

	Precio Medio 2023	Vs 2022	Vs Media 5 años
Yellow Peach	1,23	-19,7%	+13,6%
Flat Peach	1,46	-13,5%	+20,6%
Yellow Flesh Nectarine	1,39	-20,7%	+4,1%
White Flesh Nectarine	1,46	-15,4%	+10,3%
Apricot	1,94	+3%	+37,7%
Cherry	3,49	+21,4%	+35,5%
Plum	1,09	-10,8%	+9,4%

Fuente: M.A.P.A. 30/4/2024

**Prices at the limit of compensation for the very high inflation of inputs
... And with lower yields in the field or levels of utilization... (higher unit cost)**

General information 2024

Weather in Spain 2024

- Winter temperature above of the average.
- North/South Differences:
 - Dry in the Southwest
 - Wet in the North and South
- Absence of frost or hail to date
- Precocity in the campaign of -7 days with respect to historical

Inputs

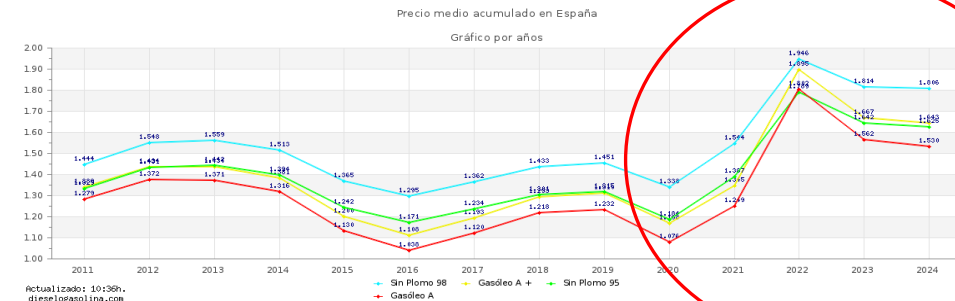
Most of the inputs have been consolidated at high cost levels since the beginning of the aggression against Ukraine:

Evolution of prices of some agricultural inputs 2024-2021

	2021	2022	2023	2024	2024vs21
Fertilizer (€/kg)	0,78	1,65	1,25	0,95	+21,8%
Herbicide (€/l)	3	7	4,5	3,8	+26,7%

◦ Average prices of Potassium Nitrate and Glyphosat

Diesel price evolution 2024-2011



- Rising prices in fertilizers, herbicides and pesticides
- Rising costs of materials and packaging
- Rising labor costs(social policy ESP, SMI)
- Rise in fuel prices 27.5% more expensive than the 2011-2021. average

Spanish Crops 2024

- ❑ Pest resistance to pesticides is observed: Aphids, thrips and fruit flies to date
- ❑ Limited effectiveness of pesticides that forces x3 the number of times to be applied and the cost of those treatments
- ❑ General drought but more severe in the southeast.
- ❑ General lower fruit sizes than normal



Non-plastic packagings

Unit packagings: the key sales format



Small Unit packagings are need for quick sales and reduced final price

In many european countries are the main sale format

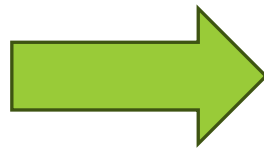
Non-plastic packagings

French market 2024 Example

- "Compostable plastics films" emerge to close the product externally
- The cardboard tub and compostable film replaces plastic.
- Example: Transition of **1 kilo punnet of fruit**



Plastic Punnet + Plastic Film
Cost: 0,046€/Kg



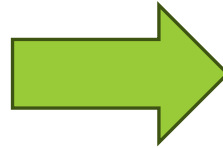
Cardboard Punnet + Compostable film:
0,183€/kg

+0,137€/kg more expensive

Non-plastic packagings

Example: Flat peach tub 500grs supermarket in France 20242019

2€



	2019	2024
Tub + film or Carton tub Cost	0,03	0,097
Origin Price	Lower Than 1€	Lower tan 1€
Sale Price	2€	2€

Higher cost price and same Sale price? : YES Who is paying it?

Non-plastic packagings

The bottleneck in the paper market

- Main manufacturers of paper pulp that supply in Spain:



Highly concentrated sector

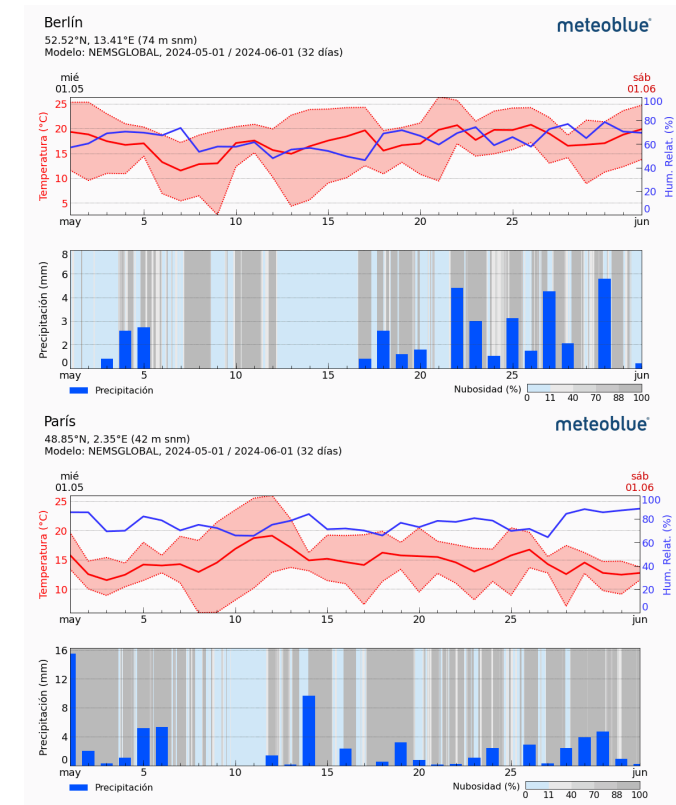
- Only the mandatory use of cardboard tubs in France has led to longer delivery times x3 and a 20% increase in prices.
- **For compostable films is same situation**, but theres only a few factories around the world
- **France represents 15.2% of the EU's population, therefore: there would be no capacity for 100%.**

Evolution of the 2024 campaign

Campaign evolution to date

European consumption

- Relatively low average temperatures for the dates in most northern countries.
- Persistent rains at the end of May that do not help the consumption.
- Consumption very tight for the date but enough during May so that there are hardly any stocks

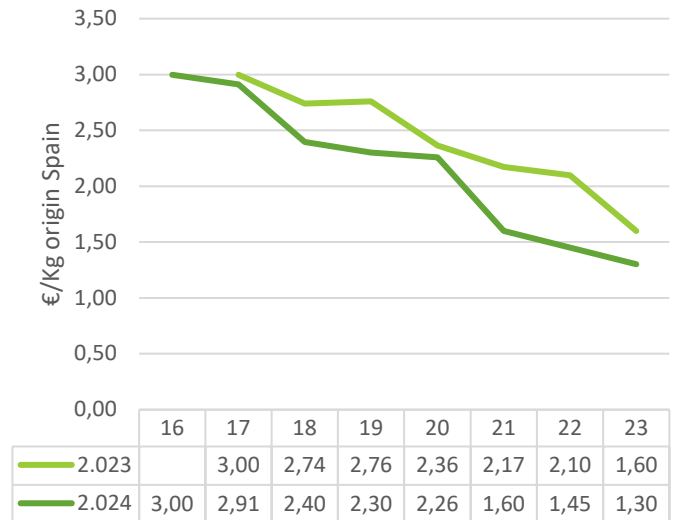


Campaign evolution to date

Volume and price evolution

- Exceptionally early onset from April 4.
- **Progressive volume and with good staggering:** unlike 2023 when the rains in May did not allow a normal harvest
- **Sizes lower than normal:** high offer to supermarkets and low to wholesale markets
- May Prices 0.316€/kg average lower than in 2023. First June's week -0,30€/kg
- But at beginning of JUNE market imbalance:
 - Heat in growing areas: accelerating fruit growth.
 - All grower countries close to full productive potential
 - Central European cold: disincentive to consumption

Weekly evolution of nectarine price



Average price nectarine in unit pack in reference supermarket Germany

Campaign evolution to date

Competition in April and May

- Spain only has European competition in most of products with southern Italy. Both maintain balanced reference prices
- Morocco does not grow in exports.
- Turkey enters the international market from the second week of May
- Much lower Turkish prices:
 - Price of Spanish nectarines for supermarket week 19: 2,55€/kg destination
 - Turkish nectarine price supermarket week 19: €1.75/kg destination same packaging.
 - Main current destinations: European countries with less income

Turkish competition growing in Europe (x2 volume last year)

Conclusion on the current situation:

- ❑ Rising prices of inputs and costs
- ❑ More supply across the EU (back to full potential)
- ❑ Consumption retracted and within a decreasing trend
- ❑ Contrast production areas: acceleration of the harvest
- ❑ MARKET IMBALANCE; DISTRIBUTION PRESSURE

IN 2024 we would need market intervention measures...

Thank you for your attention