WORLD UNION OF WHOLESALE MARKETS (WUWM)

Fruit & Vegetable Market Observatory-Pip Fruit meeting

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INTRODUCTION AND OVERALL OUTLOOK ON PIP FRUIT MARKET IN THE EU

Brexit impact on EU fruit /pip fruit market

Covid-19 impact on EU fruit/pi fruit market

Food services closures

Climate conditions

Medium term trends

Introduction and overall outlook on EU pip fruit market

POLAND IS THE LARGEST APPLE PRODUCER IN THE EU (25%) FOLLOWED BY ITALY (19.2%) AND FRANCE (15.5%) (EUROSTAT)

Apple is the most produced fruit in the EU

Pears volume production decreased since 2017, although it has increased in 2020 compared to 2019

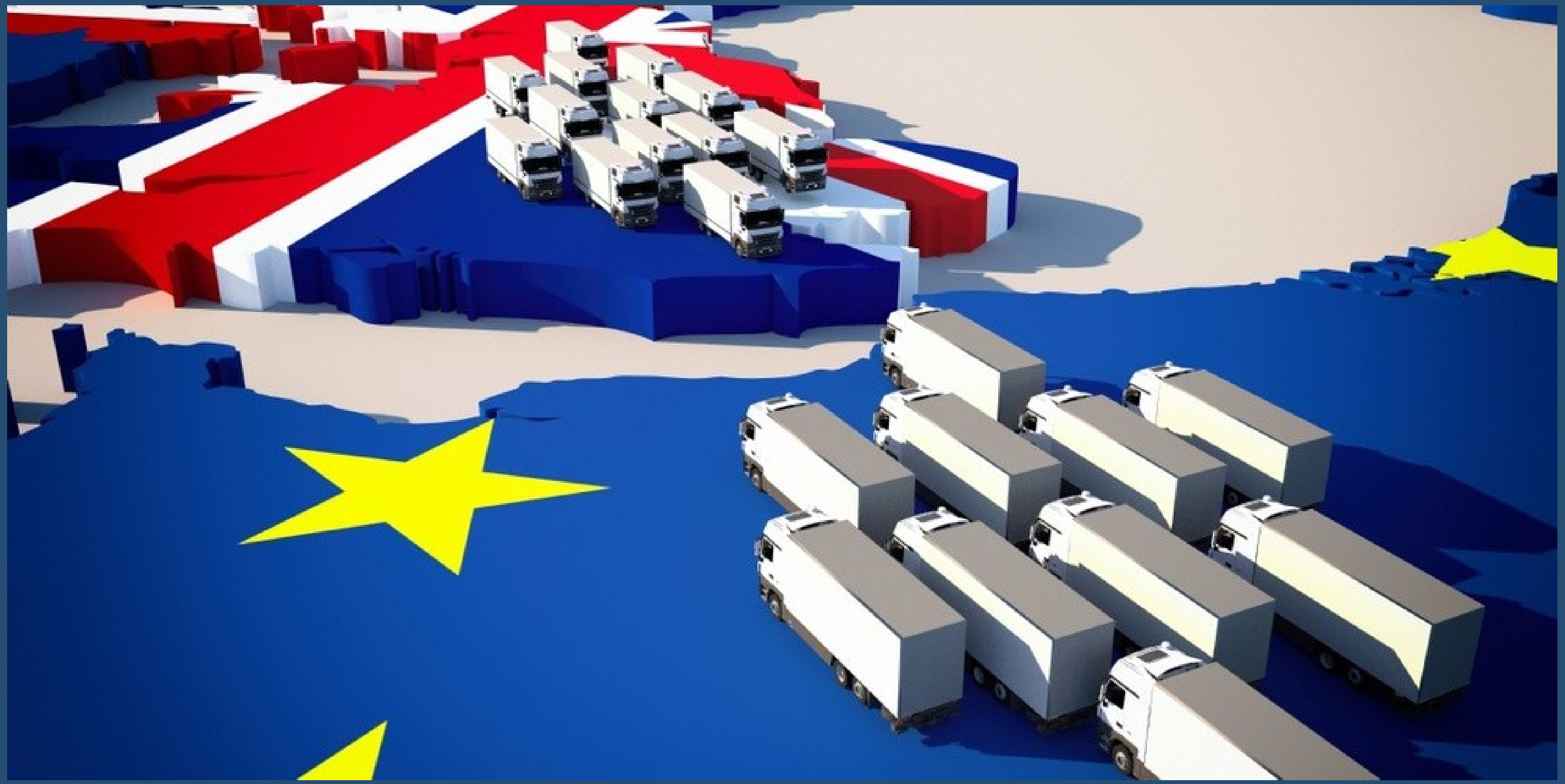
If Brexit and the outbreak of Covid-19 pandemic have highlighted the great exposure of all segments of fresh food supply chain to external shocks and uncertainties it imply, the EU appeared more resilient than expected and has diversified supply channels

PRODUCTION

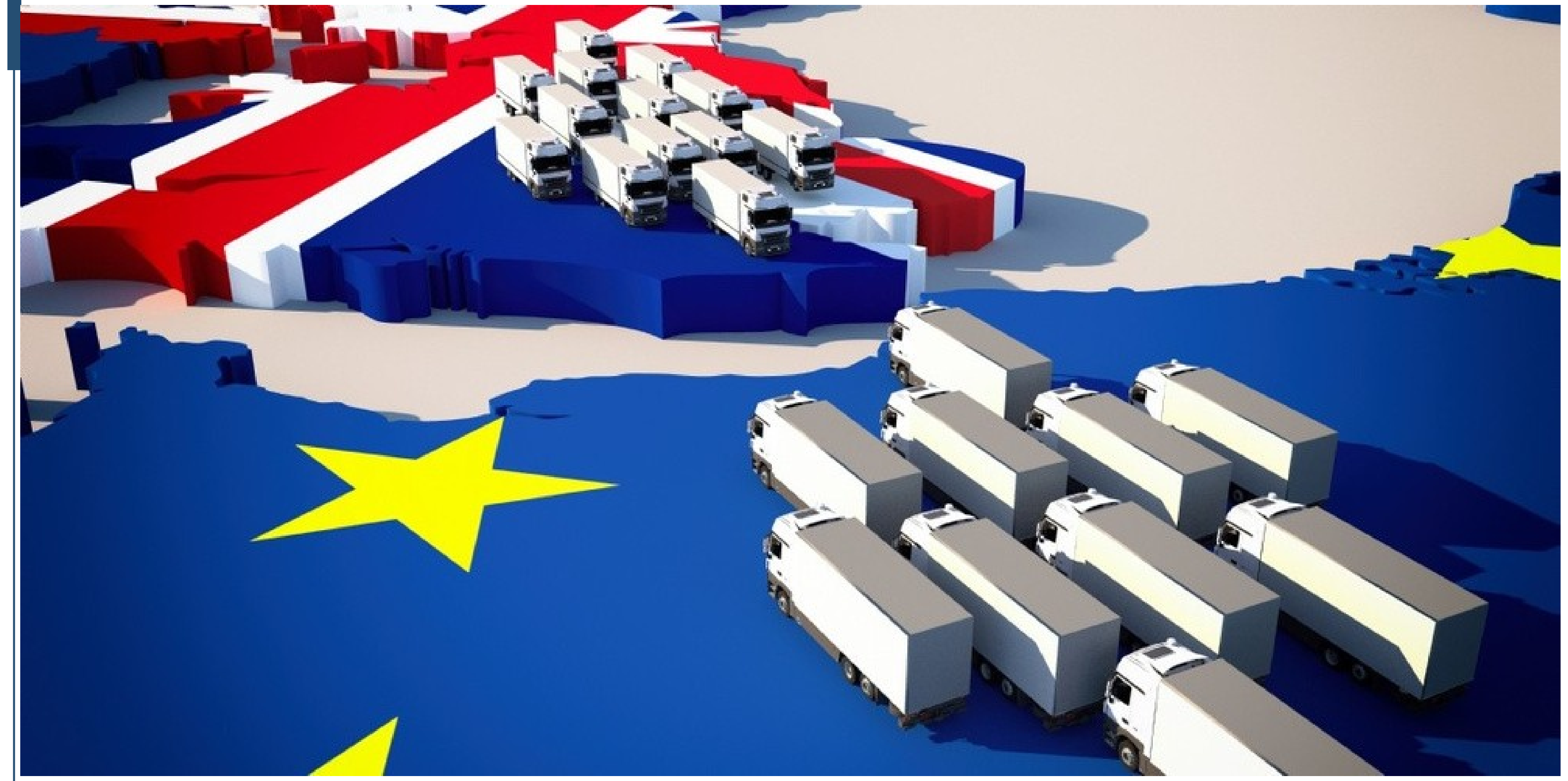
VOLUME ('000 tonnes)

FRESH FRUIT	2017	2018	2019	2020p
Apples	9,251	13,275	10,783	10,711
Oranges	6,206	6,147	5,727	6,175
Easy peelers	2,929	2,776	2,893	3,073
Watermelons	3,204	3,183	3,026	2,924
Pears	2,237	2,358	1,959	2,199
Peaches	2,906	2,640	2,762	2,058
Table grapes	1,692	1,785	1,745	1,632
Melons	1,795	1,789	1,744	1,506
Nectarines	1,456	1,198	1,284	1,134
Other	11,545	12,954	12,987	12,482
TOTAL	43,221	48,105	44,911	43,894

BREXIT



Even if a hard Brexit was avoided in December 2020, new border controls and additional administrative burdens soared up that might respectively affect in the future the UK and the EU fruit and pip fruit market.



Brexit will beget to differenciated outcomes among EU Member States

Belgium

Apart from the period of Christmas and New Year celebrations with products like game, lobster, salmon and some fishes, Brexit has marginal impact on Belgium fruit market.

Greece

Mixed results as table grapes have been reduced from 2019 to 2020 by 38.5% while kiwis rose 60.2% .But too early to estimate the linkage with Brexit.

France

Major disturbances were reported in December 2020 with considerable overstocking for meat products. Fruit sector has not been really impacted so far, but regulatory modifications are expected this summer and autumn (Rungis)

Italy

Expected to be severely hit as UK is its 6th largest export market in terms of volume, with most of its flows consisting of apples, table grapes and kiwifruit.

Poland

Will be harmed by new regulatory measures in particular for apples and blueberries.

Spain

Is expected to experience to negative outcomes as UK was the 3rd largest fruit and vegetables exports destination of Spain in 2019

Covid-19 outbreak

EU food markets are still facing ome bottlnekcs

- Disequilibrium of surplus disposal
-Lack of financial resources and modern infrastructures
- Short-term and long-term market uncertainties
-Staff and stakeholders remain exposed to the virus despite the introduction of good practices and the enforcement of sanitary guidelines

However food supply chain is arguably the one that has functioned the best throughout the current crisis.

Increase in the consumption of fruit with a strong preference on locally/regionally/nationally produced food

-0.6%

Apples production in 2020 compared to 2019

+12.25%

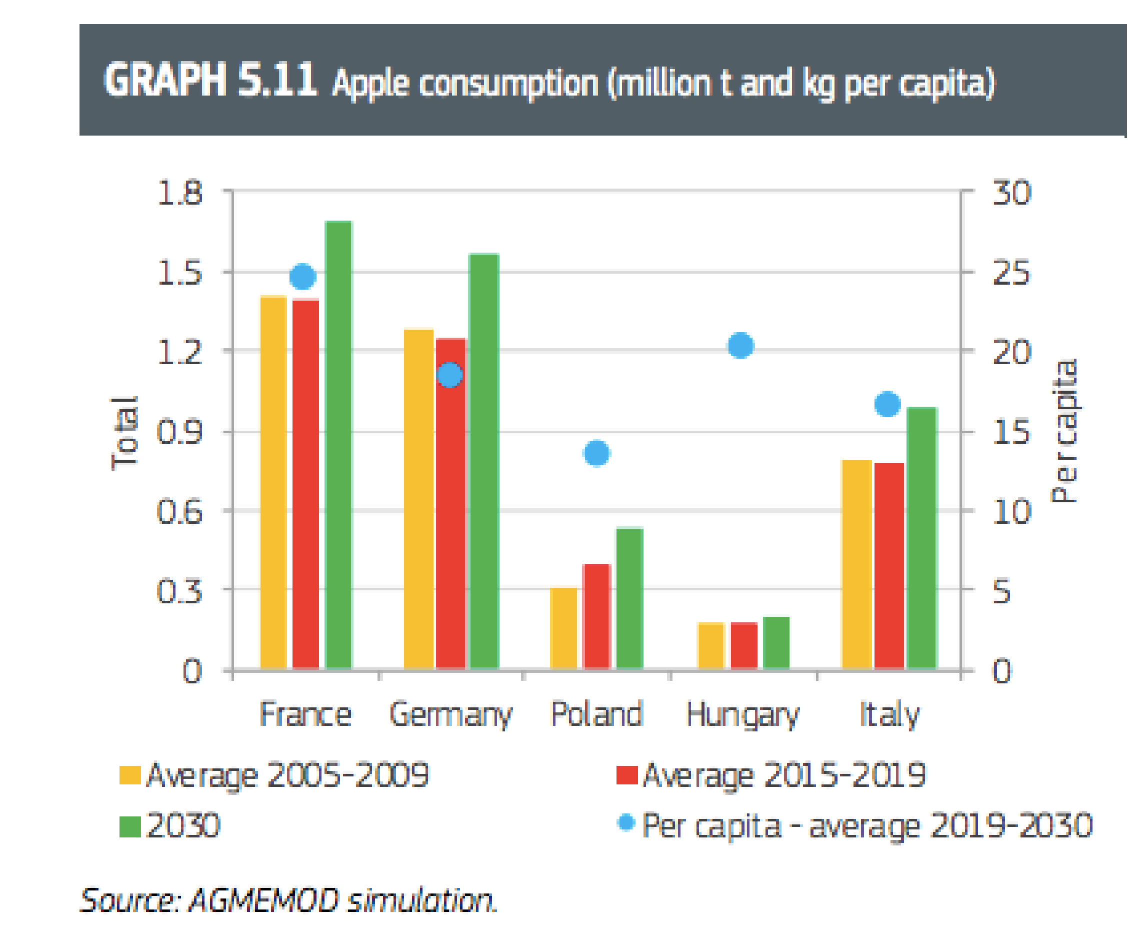
Pears production in 2020 compared to 2019

Belgium

LITTLE EFFECTS AND INCREASE OF FRUIT SALES

Merchants' turnover has increased (otherwise stabilised) and profitability was higher thanks to State aids.

Shift of households consumption to local open markets



France

SHOCK WAS CUSHIONED AND INCREASING PRIVATE DEMAND ON FRUIT

+4% : increase of fruit sales during Spring 2020

-30% : merchants' turnover despite accomodations (rent exemptions, e-commerce)

Greece

INCREASING DEMAND BUT BOTTLENECKS ALONG THE VALUE CHAIN

Sharp rise of the prices of fruit

Transportation disruption from the production areas to the cities

According to a recent research, the COVID-19 pandemic thrusted the consumption of fresh oranges to +4% compared to the previous year. For the commercial period 2020/2021, it is 12.9 kg per capita.

Poland

INCREASE IN FRUIT DEMAND, PRODUCTION, BUT ALSO COSTS

PRODUCTION

VOLUME ('000 tonnes)

FRESH FRUIT [1]	2017	2018	2019	2020p
Apples	2,870	4,810	2,910	3,400
Strawberries	189	205	185	161
Sour cherries	72	201	152	150
Currants	129	165	126	130
Raspberries	104	116	76	122
Plums	58	121	95	90
Pears	40	70	70	65
Sweet cherries	20	60	44	42
Blueberries	16	25	35	41
Other	75	95	77	99
TOTAL	3,573	5,868	3,771	4,300

Spain

INCREASE IN FRUIT DEMAND AND NO MAJOR SUPPLY SHORTAGES

Mobilisation of adaptive and flexible measures

+6,7% and 13.62% of private consumption of apples and pears

FRUTA DE PEPITA
Manzanas y Peras.

Entradas Kilogramos de Manzanas y Peras Mercamadrid			
Años	2018	2019	2020
MANZANAS	97.206.044	125.209.788	133.608.536
PERAS TOTAL	42.859.507	55.510.689	64.260.578

Italy

THE WHOLESALE DISTRIBUTION SYSTEM RESPONDED EFFECTIVELY TO THE HEALTHY EMERGENCY, DEMONSTRATING ALL ITS RESILIENCE

Golden Delicious apples have experienced a year-on year increase of prices (+24% in December 2020 compared to 2019)

Fuji apples prices increased on an annual basis during 2019/20 campaign before stabilising during the 2020/21 campaign

Strong reduction in supply and year-and year price increases during the 2019/20 marketing year for pears

Food services closures

BEYOND COMPLEX SOCIO-ECONOMIC OUTCOMES, FRESH FRUIT WERE STILL PROVIDED IN THE EU, HIGHLIGHTING THE RESILIENCE OF EU FRUIT MARKET AND RAPID EVOLVING DEMAND

In Belgium there has been a tempered impact from the closure of restaurants showing the degree of wholesale markets' diversified channels

In France, there has been a decrease of volume for apples and pears in 2020 compared with 2019 for merchants' that are heavily reliant upon the demand from restaurants. However some merchants' that are in situ reported an increase by more than 10% of fruit (more important for apples than pears).

In Greece, the reduction of the food services sales is expected to be around 41%. The GDP shrinkage is calculated around 4 to 10% while the branch's shrinkage is expected to be even bigger.

In Italy, food services closures led to a plummet of their turnover to -34.7% depsite and overturn in houdehold private consumption

Climate conditions

The EU also faced unfavourable weather conditions

Frost in Spring

Persistant rains, wind and hail in Italy and Spain

Lower harvest performance for apples (except Poland) but higher for pears harvest

Frost episode that occurred on Spring 2021 in France will severely impact fruit supply and result to rising prices due to harvest losses, however to a lesser extent for pip fruit

Summer fruit (peaches and nectarines in particular), pears, citrus fruits and kiwis production loosed mometum in 2020

In Greece, most of the spring or summer produced fruits are expected to be more expensive than the previous year, due to the extreme cold conditions, during blooming period (cherries, peaches, apricots)

Thank you for attention!

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