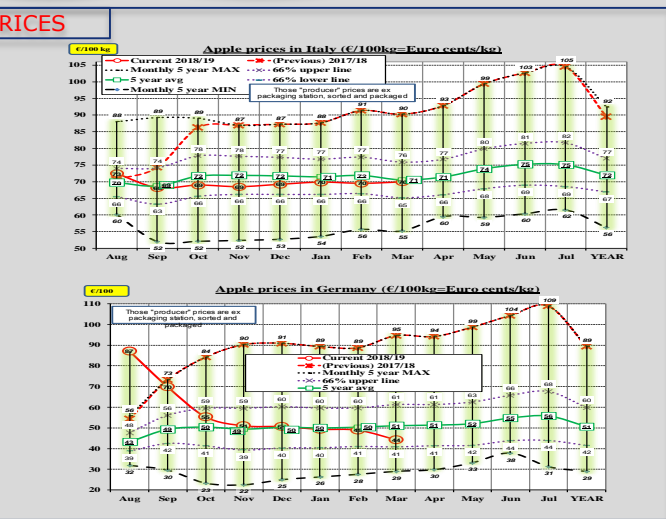
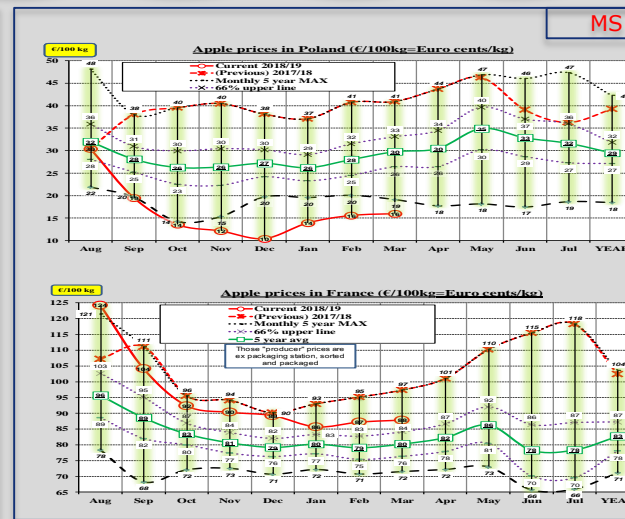
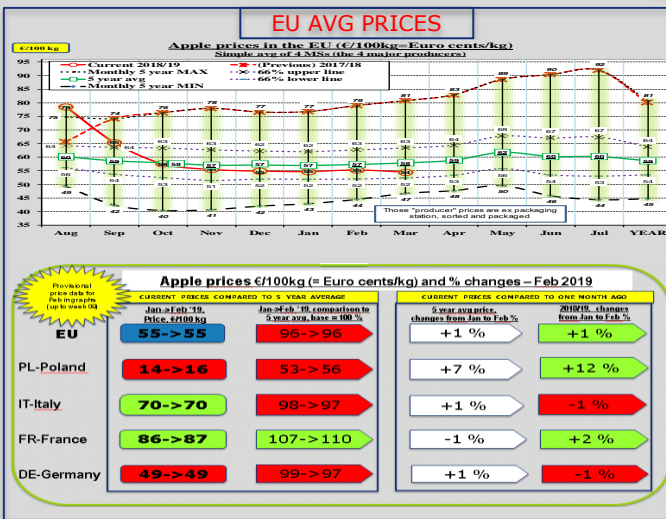
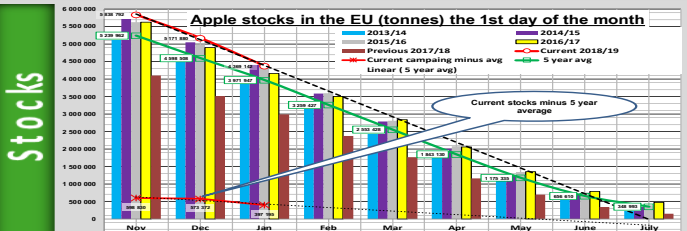
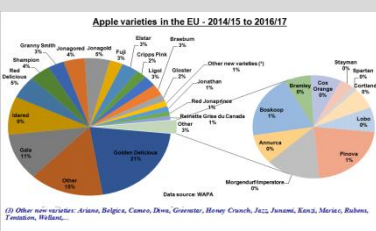
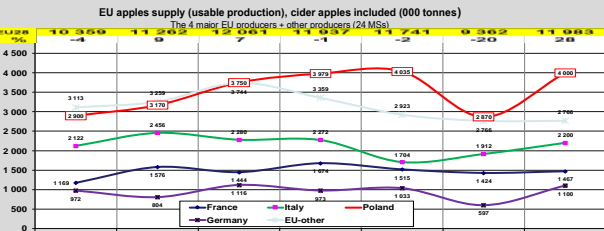


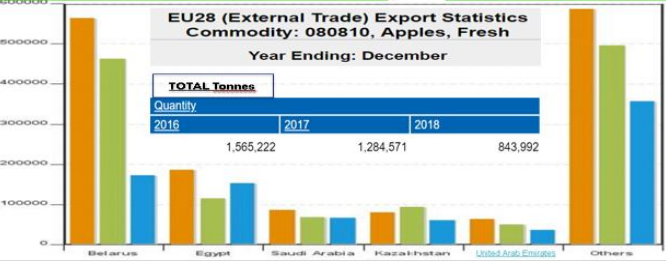
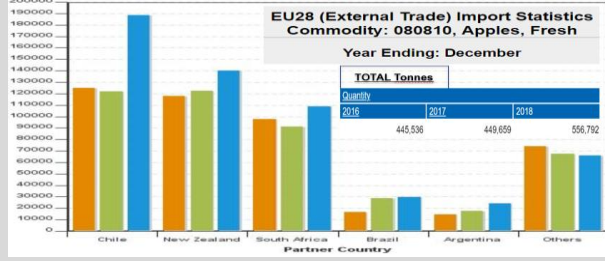
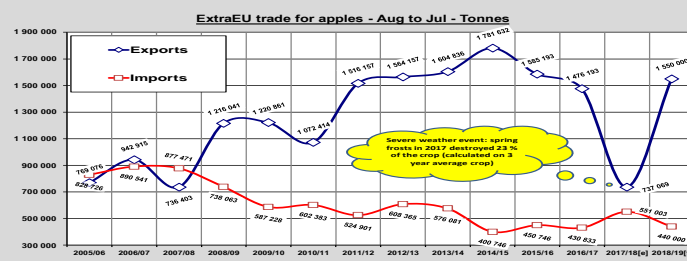
Prices



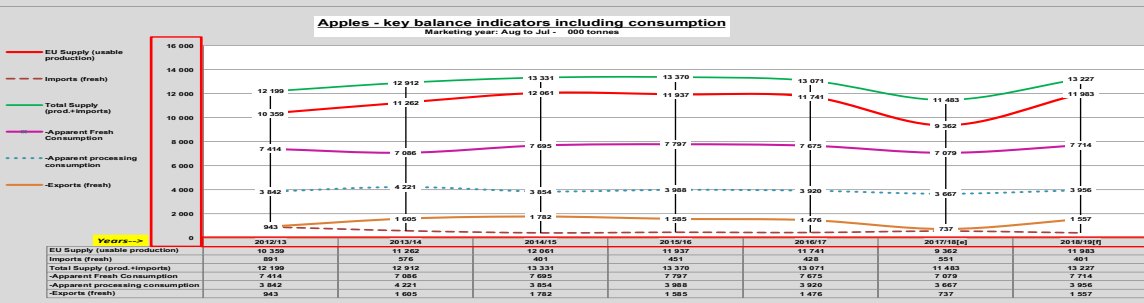
Production



Trade



EU Balance



Export diversification





INDEX

European
Commission

0. Summary overview, market update

1. Prices

- * EU prices**
- * MS prices for major producers**

2. Production (by variety + extreme weather events + stocks)

3. Trade

- * Evolution of the trade balance**
- * Import monitoring**
- * Export development**

4. Key balance indicators including CONSUMPTION

5. Export diversification



0. SUMMARY OVERVIEW, MARKET UPDATE

RECENT DEVELOPMENTS – Marketing year 2018/19 (*)

- 1. EU average prices in February this campaign were 4% below reference period average (indicator « history »: +31% in August, +11% in September, -1% in October, -3% in November, -4 in December and -4% in January). Average prices seem to be reaching stability and market comments from experts, especially regarding extra EU export developments, are even better than notified data.**
- 2. Marketing year 2018/19 started the 1st of August. After a very small crop the preceding marketing year the ongoing season represents coming back to high volumes which in terms of prices implies moving from very high prices to lower prices.**
- 3. At Member State level there are significant differences: France has the highest price and Poland the lowest (detail in slide 8), due especially to differences in quality and varieties.**
- 4. Given the big crop, stocks on during the campaign are expected higher than the reference period average (slides 30 and 31). These figures approximate values and trends rather than accurate data,**
- 5. Drought did not affect significantly apple production. Poland has a big crop and there are difficulties for selling it due to lack of adaptation to demand for some varieties and especially regarding apples for processing.**

(*) Adjustments to price figures are still possible and likely to happen in the context of methodological review and complementary notifications.



Background

0. SUMMARY OVERVIEW, MARKET UPDATE

FURTHER COMMENTS

- 1. The level of stocks that was transferred from the previous marketing year is very small (unlike for preceding years).**
- 2. Regarding the international environment, export opportunities seem to be on the rise. 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 and the international markets.**
- 3. Global apple supply is the lowest of the last 8 years (source: InformaEcon and USDA),**

BACKGROUND – Marketing year 2017/18

1. Extreme weather events during April and May 2017, late spring frosts, are at the origin of a relatively small supply level implying high prices during this marketing year. This is the central weather event defining marketing year 2017/18.
2. The EU apple market has essentially two major "leading indicators":
 - 2.1. The size of the crop for the ongoing marketing year;  at EU level a 19% reduction of the current crop (when compared to a 5 year reference period) results on about 40% price increase (with huge differences depending on the relative size of the crop of each MS and the historical reference level of prices); => in the current year the price band is situated well above the historical range for prices; => [PLACEMENT OF THE BAND WHEN COMPARED TO REFERENCE PERIOD AVERAGE PRICES]
 - 2.2 The depletion or unstocking rate  month after month during the marketing year; => that rate and price evolve towards opposite directions; = [MONTHLY ADJUSTMENTS WITHIN THE BAND ABOVE]
3. The depletion or unstocking rate depends on 3 sub-factors:
 - 3.1 Monthly consumption;
 - 3.2 Monthly trade balance (the EU apple market is sensitive to extra-EU export developments) ;
 - 3.2 Small adjustments in terms of product expecting to go to fresh consumption but that due to quality issues has to go finally for processing.
4. In conclusion, marketing year 2017/18 is characterized by a significantly smaller than average supply and very high prices.

1. PRICES

1.1. EU Prices

1.2. MS prices for major producers

* Poland (1st EU28 volume producer)

* Italy (2nd)

* France (3rd)

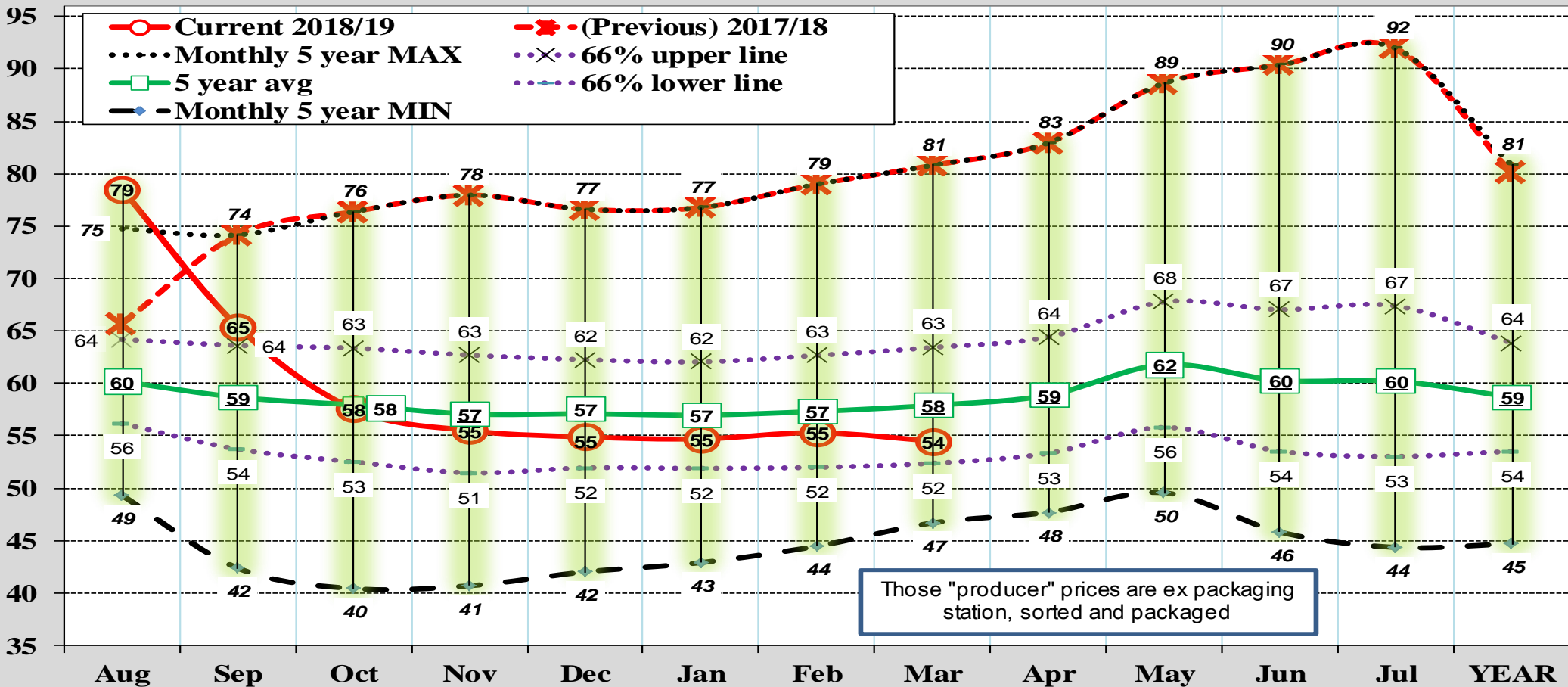
* Germany (4th)



€/100 kg

Apple prices in the EU (€/100kg=Euro cents/kg)

Simple avg of 4 MSs (the 4 major producers)



Provisional
price data for
Feb in graphs
(up to week 09)

Apple prices €/100kg (= Euro cents/kg) and % changes – Feb 2019

CURRENT PRICES COMPARED TO 5 YEAR AVERAGE

Jan->Feb '19,
Price, €/100 kg

55->55

Jan->Feb '19, comparison to
5 year avg, base = 100 %

96->96

PL-Poland

14->16

53->56

IT-Italy

70->70

98->97

FR-France

86->87

107->110

DE-Germany

49->49

99->97

CURRENT PRICES COMPARED TO ONE MONTH AGO

5 year avg price,
changes from Jan to Feb %

+1 %

2018/19, changes
from Jan to Feb %

+1 %

+7 %

+12 %

+1 %

-1 %

-1 %

+2 %

+1 %

-1 %

Apple prices €/100kg (= Euro cents/kg) and % changes – Jan 2019

	CURRENT PRICES COMPARED TO 5 YEAR AVERAGE		CURRENT PRICES COMPARED TO ONE MONTH AGO	
	Dec '18->Jan '19, Price, €/100 kg	Dec '18->Jan '19, comparison to 5 year avg, base = 100 %	5 year avg price, changes from Dec to Jan %	2018/19, changes from Dec to Jan %
EU	55->55	96->96	0 %	0 %
PL-Poland	10->14	38->53	-4 %	+33 %
IT-Italy	69->70	96->98	0 %	+1 %
FR-France	89->85	113->107	+1 %	-4 %
DE-Germany	51->49	101->99	-1 %	-3 %

Apple prices €/100kg (= Euro cents/kg) and % changes – Dec 2018

	CURRENT PRICES COMPARED TO 5 YEAR AVERAGE		CURRENT PRICES COMPARED TO ONE MONTH AGO	
	Nov->Dec 2018, Price, €/100 kg	Nov->Dec 2018, comparison to 5 year avg, base = 100 %	5 year avg price, changes from Nov to Dec %	2018, changes from Nov to Dec %
EU	55->55	97->96	0 %	-1 %
PL-Poland	12->10	46->38	+3 %	-14 %
IT-Italy	69->69	95->96	0 %	+1 %
FR-France	90->89	112->113	-2 %	-1 %
DE-Germany	51->51	103->101	+2 %	-1 %

Apple prices €/100kg (= Euro cents/kg) and % changes – Nov 2018

	CURRENT PRICES COMPARED TO 5 YEAR AVERAGE		CURRENT PRICES COMPARED TO ONE MONTH AGO	
	Oct->Nov 2018, Price, €/100 kg	Oct->Nov 2018, comparison to 5 year avg, base = 100 %	5 year avg price, changes from Oct to Nov %	2018, changes from Oct to Nov %
EU	58->55	99->97	-1 %	-4 %
PL-Poland	14->12	52->46	0 %	-11 %
IT-Italy	69->69	96->95	0 %	-1 %
FR-France	92->90	111->112	-3 %	-2 %
DE-Germany	55->51	110->103	-2 %	-8 %

Apple prices €/100kg (= Euro cents/kg) and % changes – Oct 2018

	CURRENT PRICES COMPARED TO 5 YEAR AVERAGE		CURRENT PRICES COMPARED TO ONE MONTH AGO	
	Sep->Oct 2018, Price, €/100 kg	Sep->Oct 2018, comparison to 5 year avg, base = 100 %	5 year avg price, changes from Sep to Oct %	2018, changes from Sep to Oct %
EU	65->58	111->99	-1 %	-12 %
PL-Poland	19->14	69->52	-7%	-30 %
IT-Italy	68->69	99->94	+4 %	+1 %
FR-France	104->92	118->111	-6 %	-11 %
DE-Germany	70->55	142->110	+2 %	-21 %

Apple prices €/100kg (= Euro cents/kg) and % changes – Sep 2018

	CURRENT PRICES COMPARED TO 5 YEAR AVERAGE		CURRENT PRICES COMPARED TO ONE MONTH AGO	
	Sep 2018, Price, €/100 kg	Aug->Sep 2018, comparison to 5 year avg, base = 100 %	5 year avg price, changes from Aug to Sep %	2018, changes from Aug to Sep %
EU	65	131->111	-2 %	-17 %
PL-Poland	19	95->69	-12%	-36 %
IT-Italy	68	104->99	-2 %	-6 %
FR-France	104	130->118	-7 %	-16 %
DE-Germany	70	201->142	+14 %	-20 %

Apple prices €/100kg (= Euro cents/kg) and % changes – Aug 2018

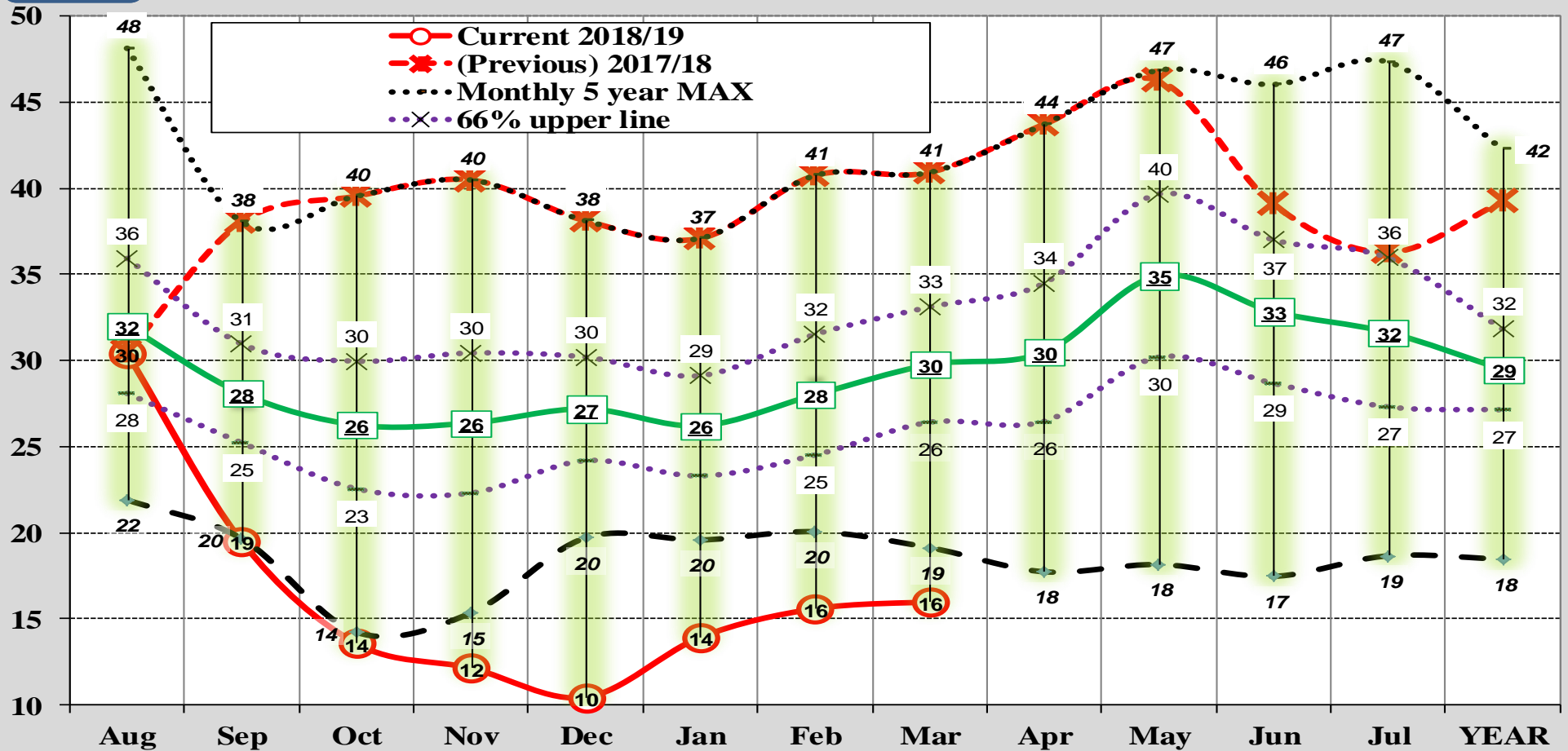
	CURRENT PRICES COMPARED TO 5 YEAR AVERAGE		CURRENT PRICES COMPARED TO ONE MONTH AGO	
	Aug 2018, Price, €/100 kg	Jul->Aug 2018, comparison to 5 year avg, base = 100 %	5 year avg price, changes from July to Aug %	2018, changes from July to Aug %
EU	79	160->131	+5 %	-15 %
PL-Poland	30	110->95	-3%	-16 %
IT-Italy	73	142->104	-5 %	-31 %
FR-France	118	153->130	+23 %	+5 %
DE-Germany	87	237->201	-6 %	-20 %

Apple prices €/100kg (= Euro cents/kg) and % changes – July 2018

	CURRENT PRICES COMPARED TO 5 YEAR AVERAGE		CURRENT PRICES COMPARED TO ONE MONTH AGO	
	July 2018, Price, €/100 kg	July 2018, comparison to 5 year avg, base = 100 %	5 year avg price, changes from June to July %	2017/18, changes from June to July %
EU	92	160	0 %	+2 %
PL-Poland	36	110	-4%	-7 %
IT-Italy	105	142	0 %	+2 %
FR-France	118	153	+1 %	+2 %
DE-Germany	109	237	0 %	+4 %

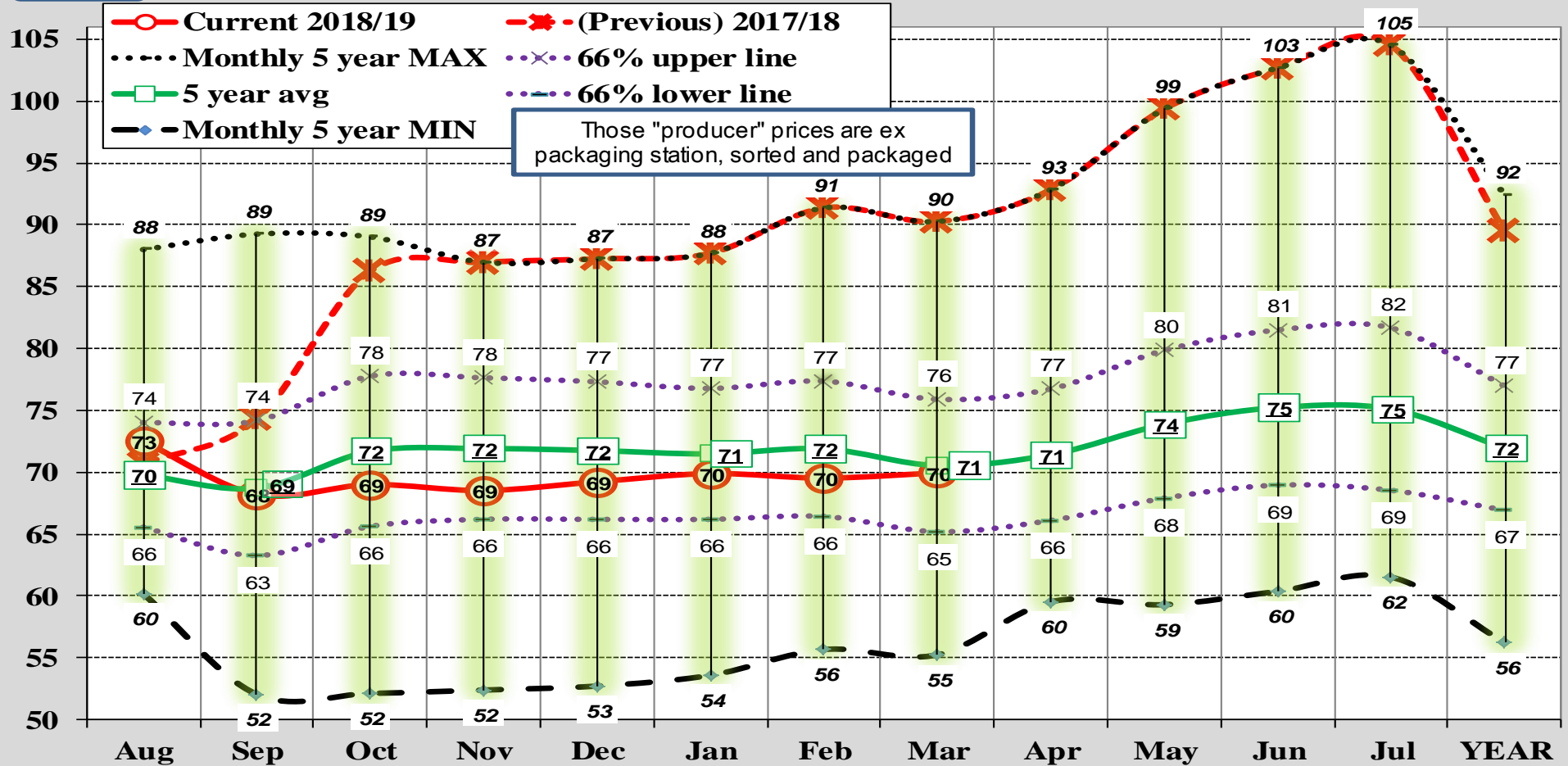
€/100 kg

Apple prices in Poland (€/100kg=Euro cents/kg)



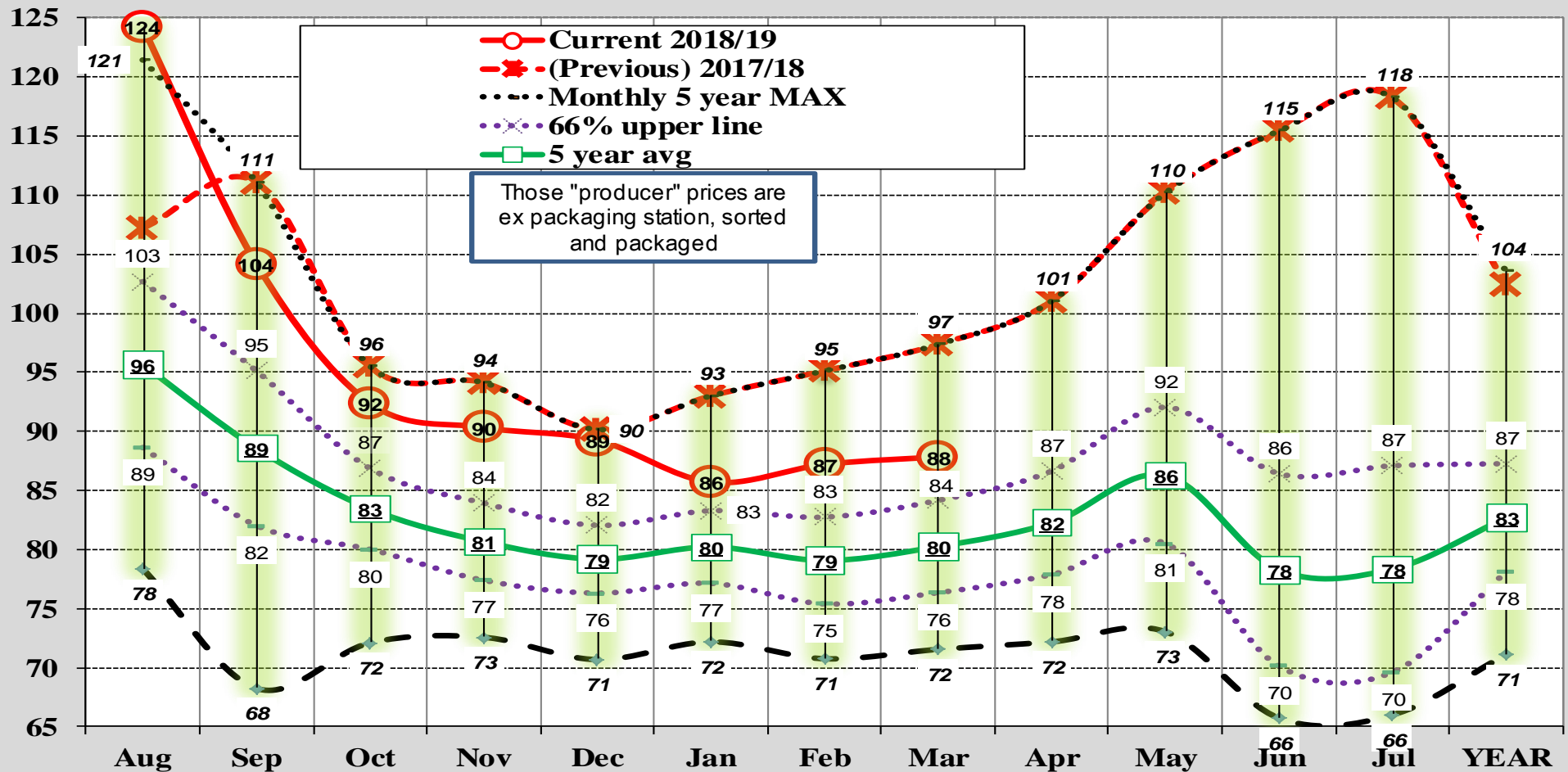
€/100 kg

Apple prices in Italy (€/100kg=Euro cents/kg)



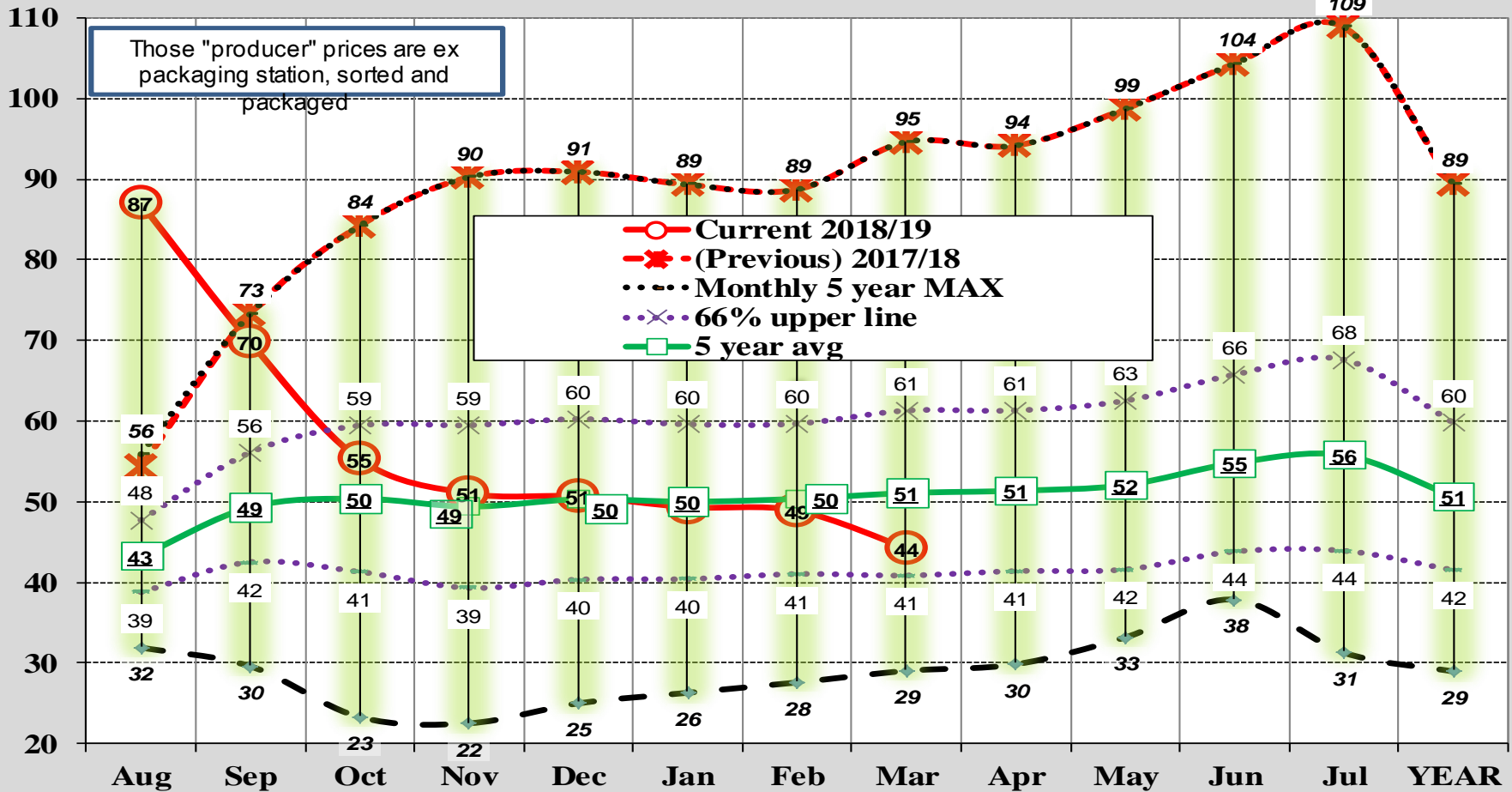
€/100 kg

Apple prices in France (€/100kg=Euro cents/kg)



€/100

Apple prices in Germany (€/100kg=Euro cents/kg)





2. PRODUCTION

2.1. EU production for MSs that are major producers

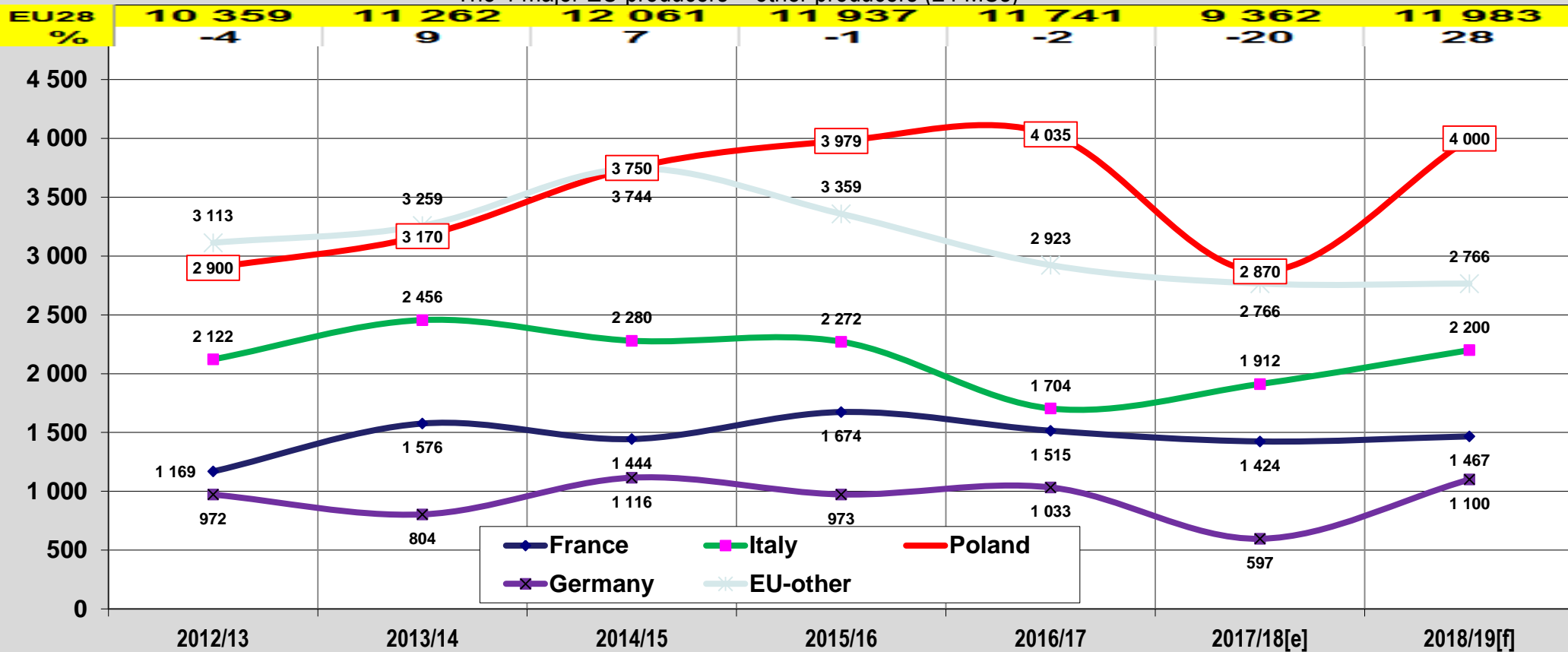
2.2. EU production by variety (%)

2.3. Extreme weather events

2.4. Apple stocks

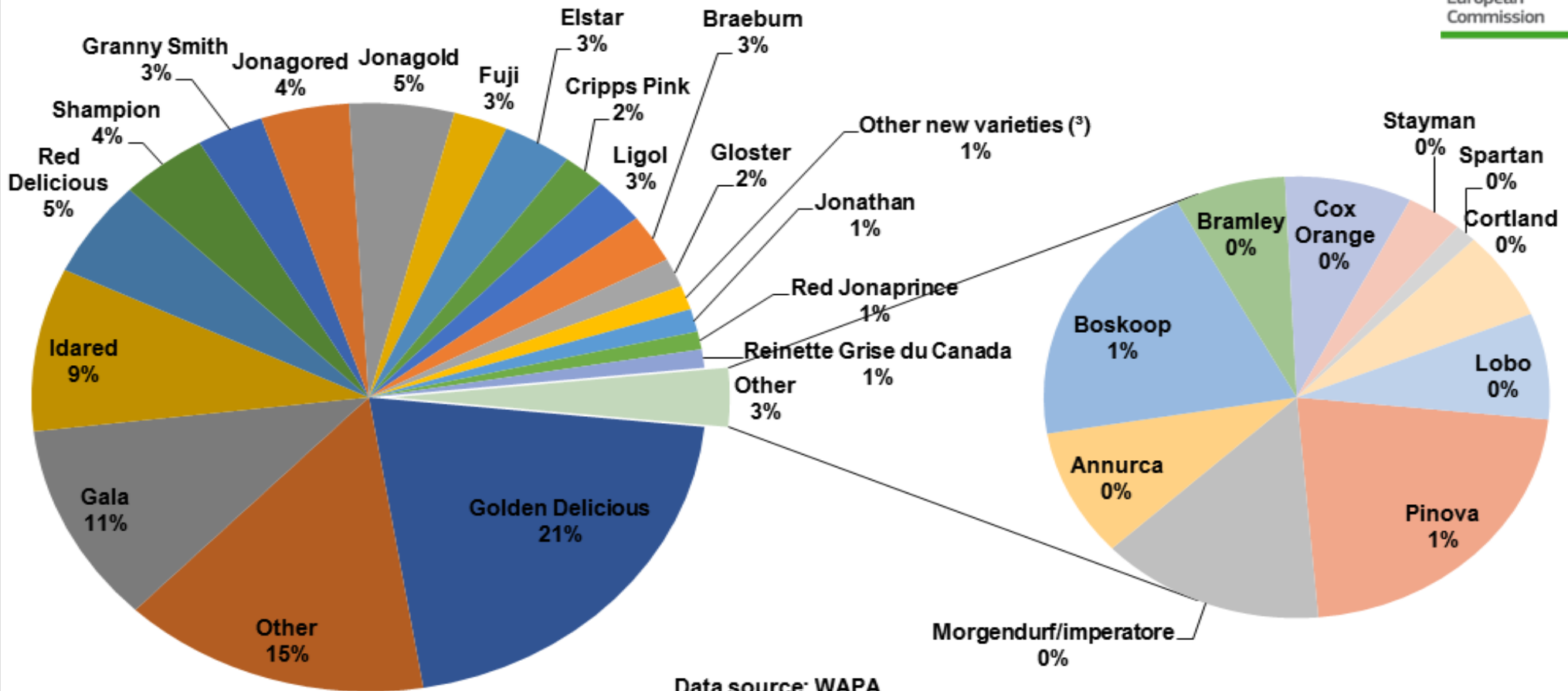
EU apples supply (usable production), cider apples included (000 tonnes)

The 4 major EU producers + other producers (24 MSs)



Further detail

Apple varieties in the EU - 2014/15 to 2016/17



Data source: WAPA

(3) Other new varieties: Ariane, Belgica, Cameo, Diwa, Greenstar, Honey Crunch, Jazz, Junami, Kanzi, Maria c, Rubens, Tentation, Wellant,...



General index

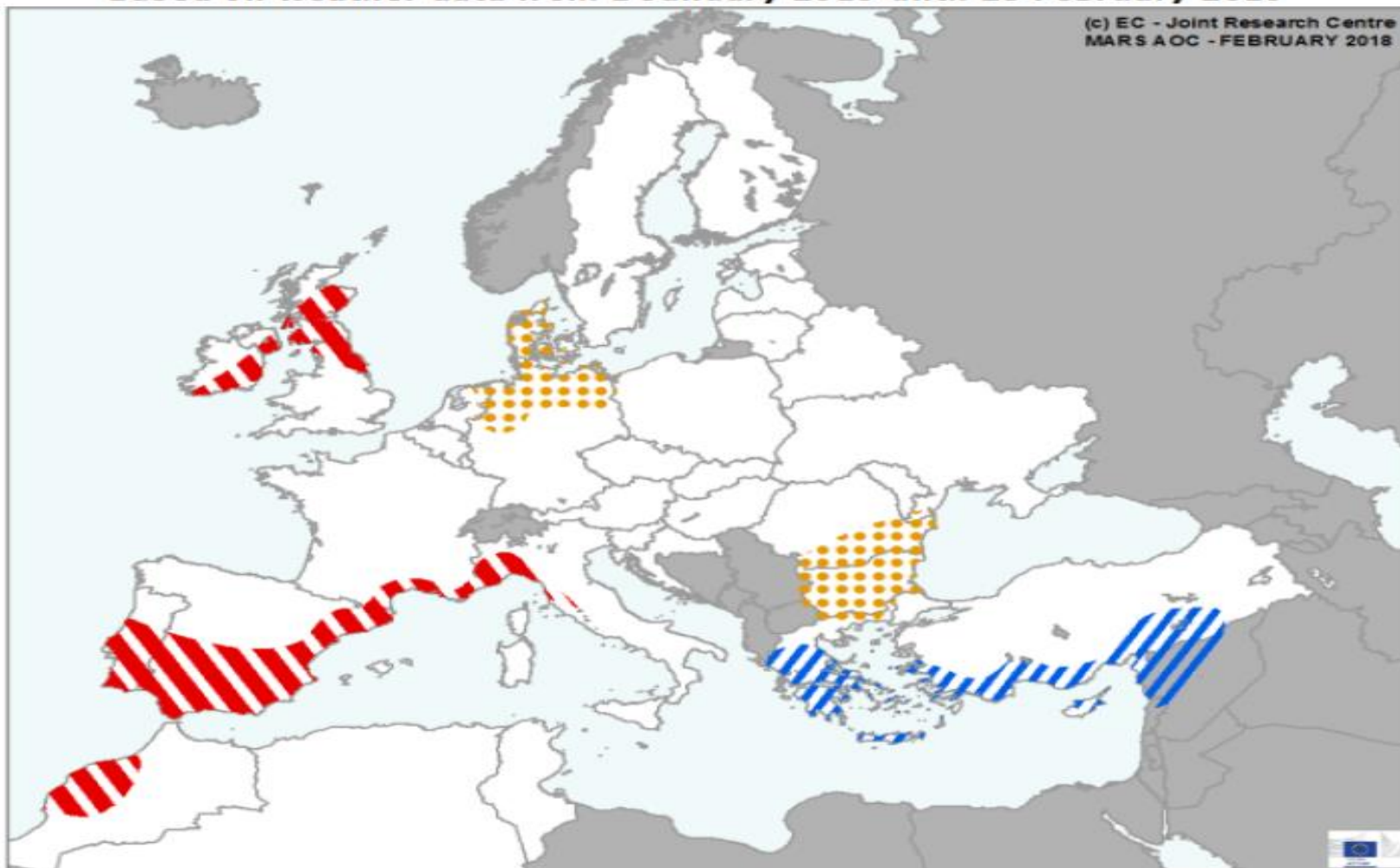
Agro-weather index

WEATHER FACTORS IN FRUIT AND VEGETABLE PRODUCTIONS

AREAS OF CONCERN - EXTREME WEATHER EVENTS

Based on weather data from 1 January 2019 until 28 February 2019

(c) EC - Joint Research Centre
MARS AOC - FEBRUARY 2018



Rain deficit

Rain surplus

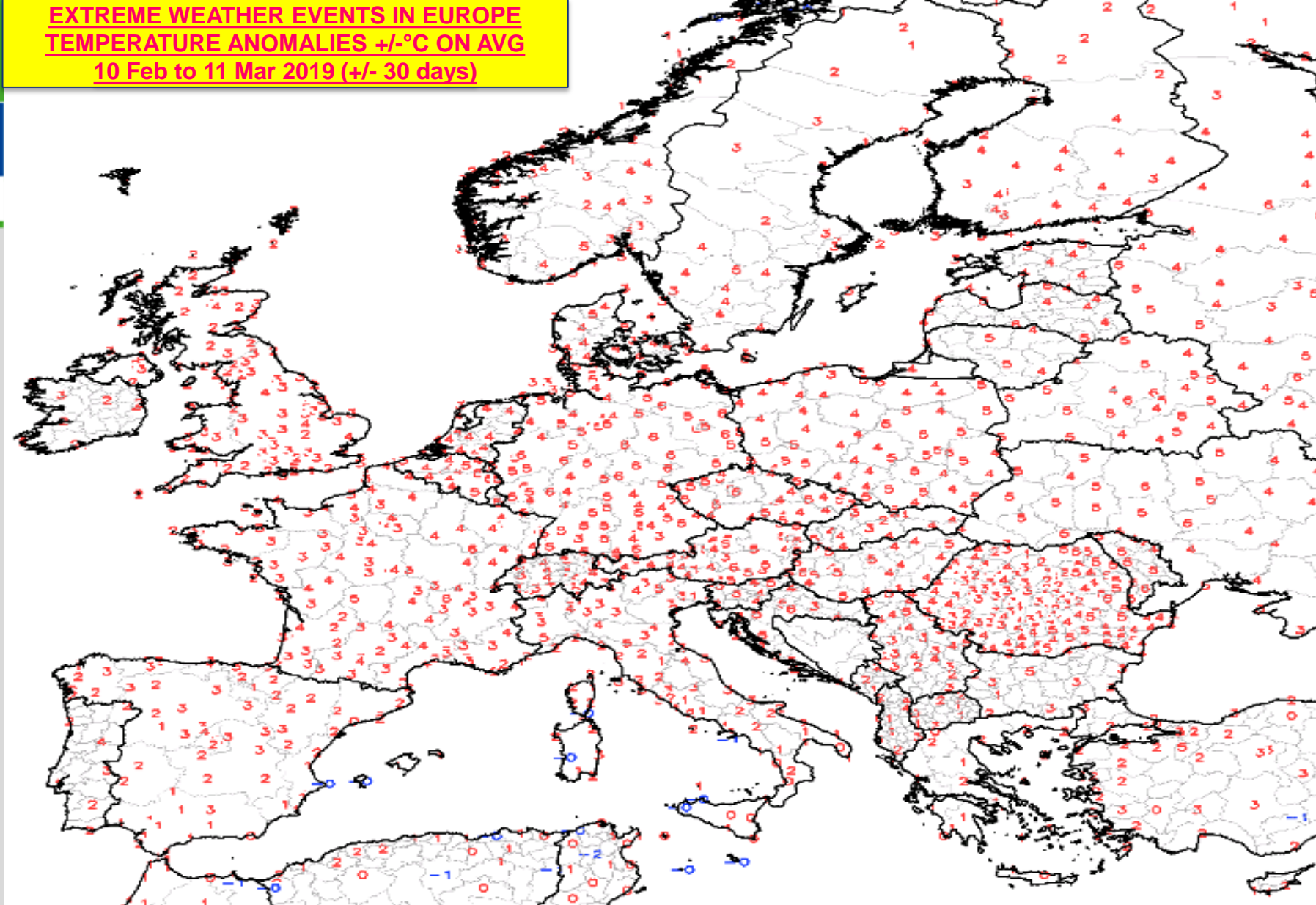


Temperature accumulation surplus

[Further detail](#)

Source: JRC

EXTREME WEATHER EVENTS IN EUROPE
TEMPERATURE ANOMALIES +/-°C ON AVG
10 Feb to 11 Mar 2019 (+/- 30 days)








Source: Climate Prediction Center

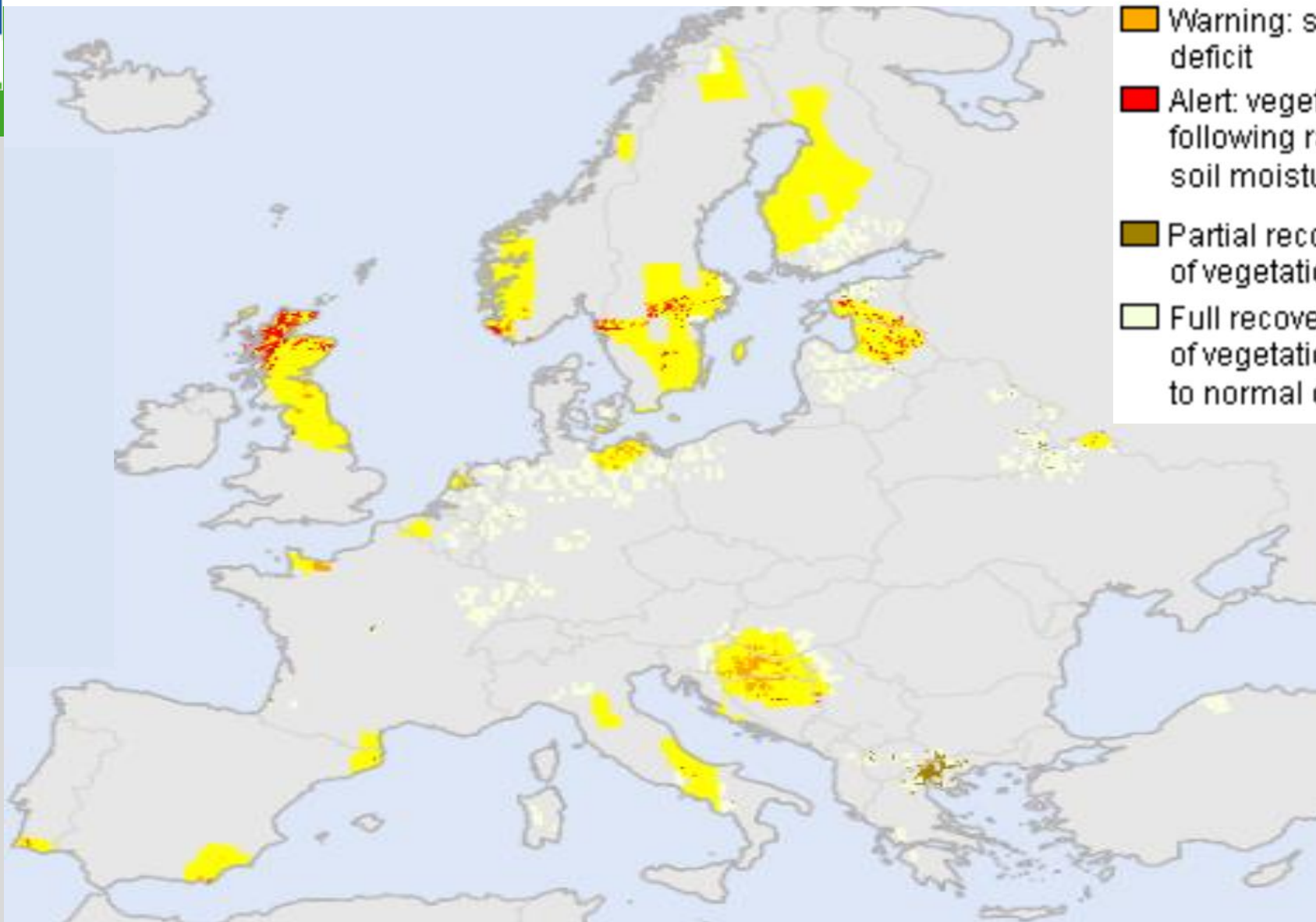
[Further detail](#)

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and Rural
Development

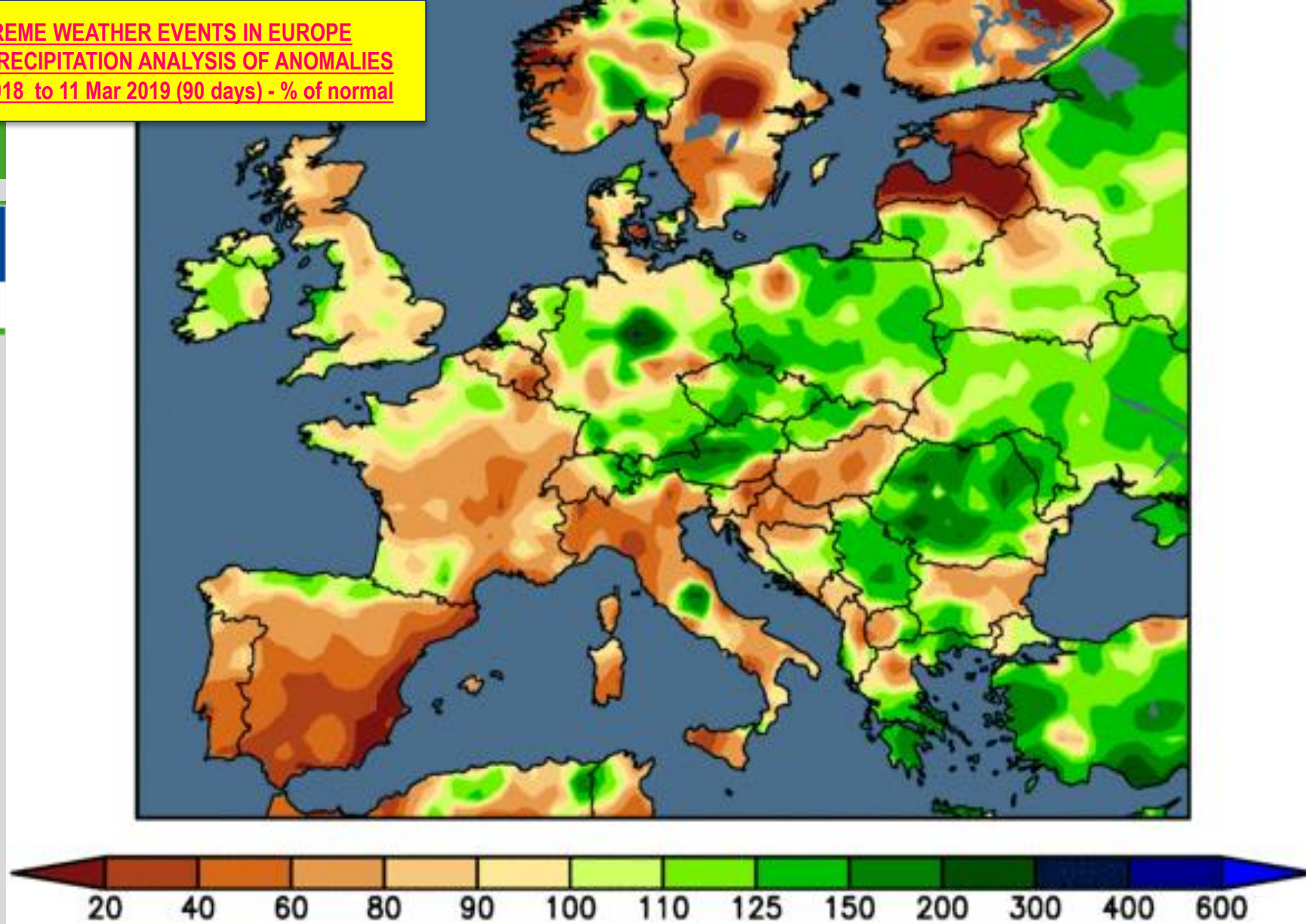
[➡ back to Dashboard](#)

-  Watch: rainfall deficit
-  Warning: soil moisture deficit
-  Alert: vegetation stress following rainfall / soil moisture deficit
-  Partial recovery of vegetation
-  Full recovery of vegetation to normal conditions



Source: JRC

EXTREME WEATHER EVENTS IN EUROPE
90 DAY PRECIPITATION ANALYSIS OF ANOMALIES
12 Dec 2018 to 11 Mar 2019 (90 days) - % of normal



Source: Ag Weather

Further detail

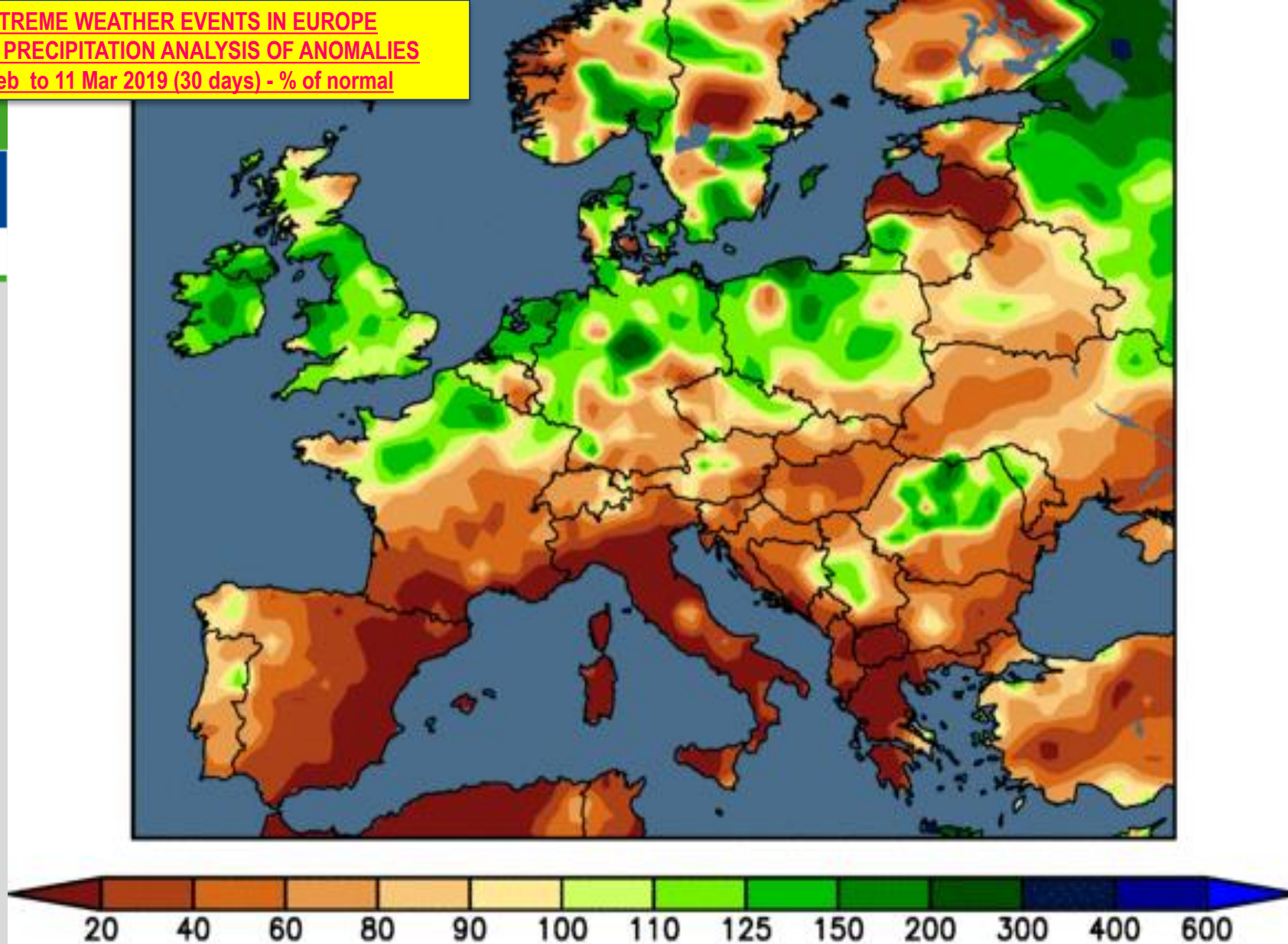
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Agriculture
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EXTREME WEATHER EVENTS IN EUROPE
30 DAY PRECIPITATION ANALYSIS OF ANOMALIES
12 Feb to 11 Mar 2019 (30 days) - % of normal



Further detail

Source: Ag Weather

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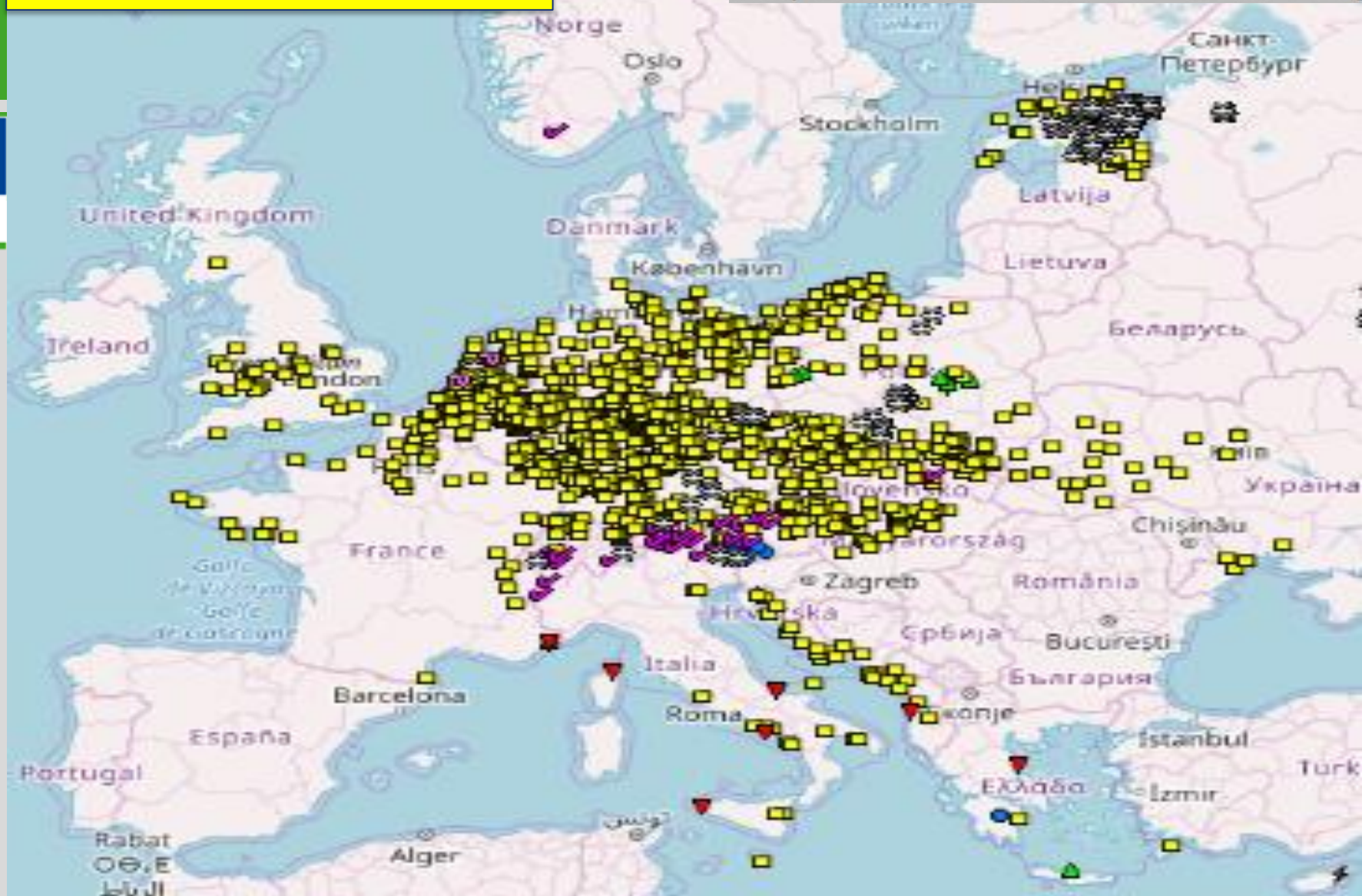
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Agriculture
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Development

EXTREME WEATHER EVENTS IN EUROPE 01 Feb to 12 Mar 2019

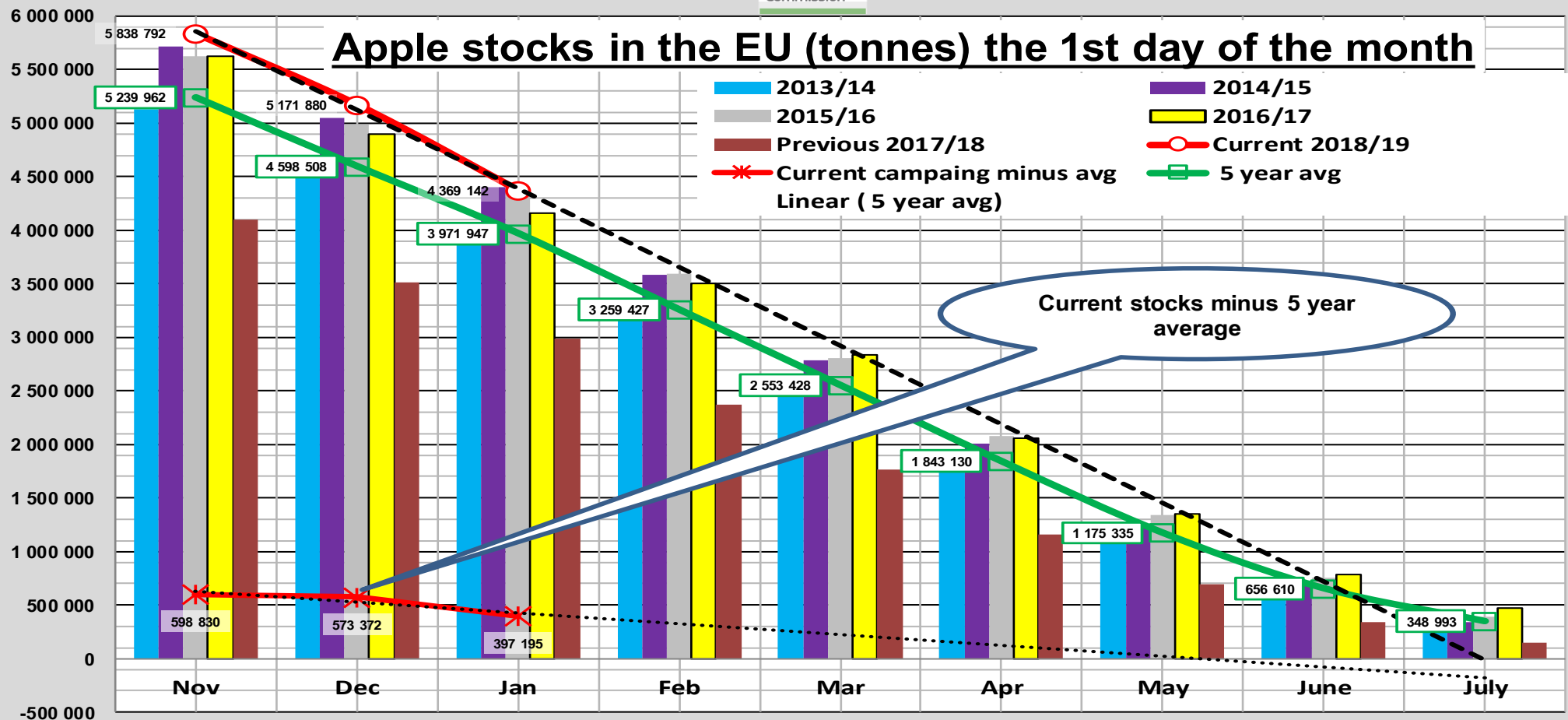
▼ tornado ■ severe wind ▲ large hail ● heavy rain
 ▼ funnel cloud ▼ gustnado ▼ dust devil
 ❄ heavy snowfall/snowstorm ❄ ice accumulation ▼ avalanche ⚡ damaging lightning



Source: Severe weather database

29

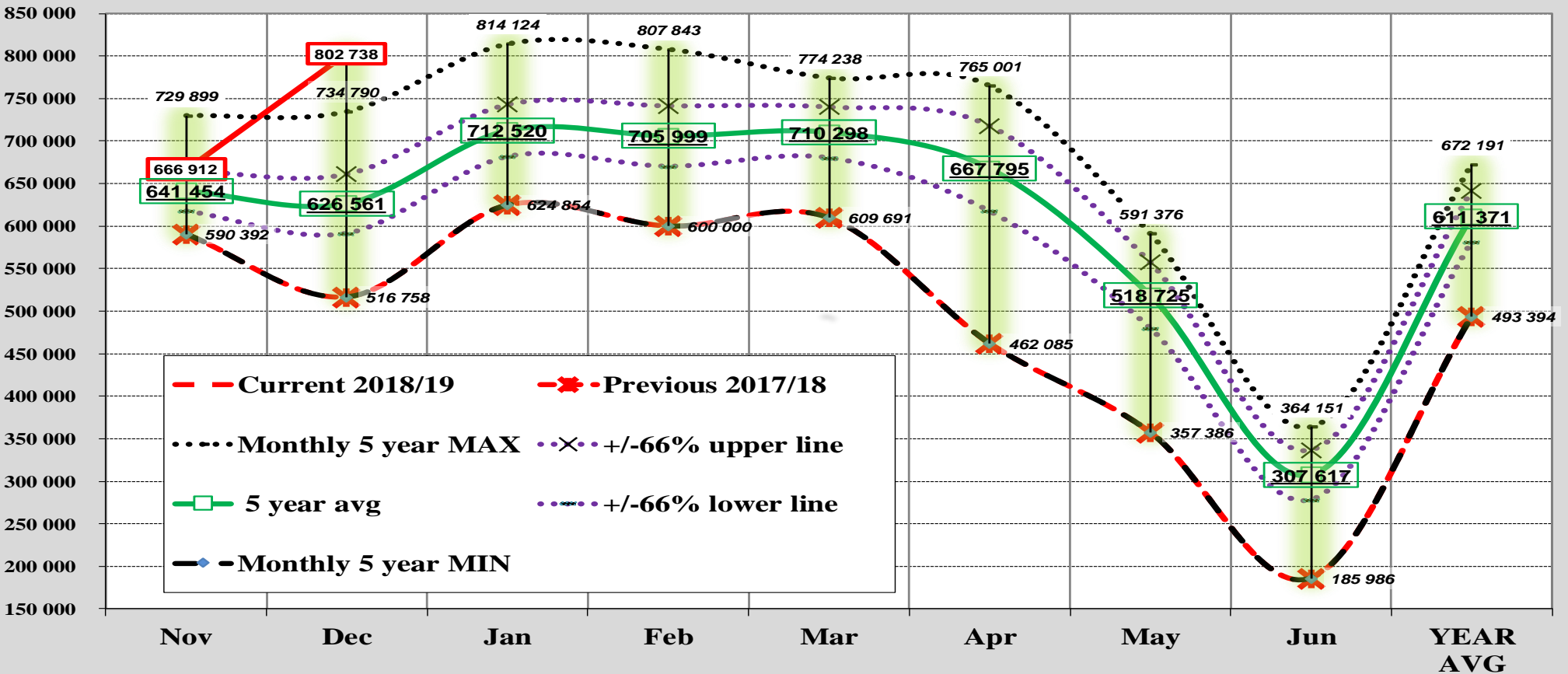
Apple stocks in the EU (tonnes) the 1st day of the month



Data sources: WAPA&AMI

tonnes

Apples - Monthly unstocking rates in the EU - tonnes



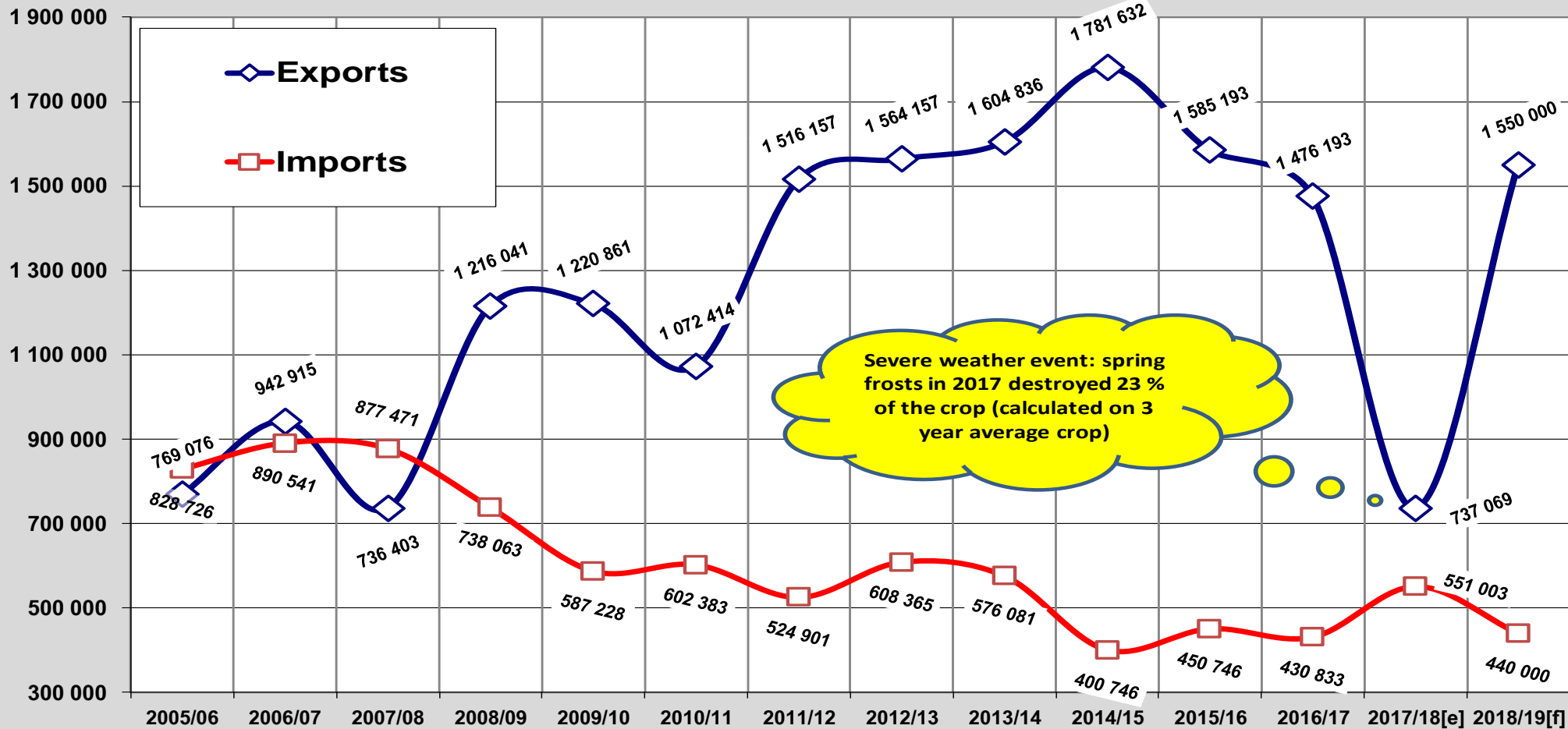
3. TRADE

3.1. Evolution of the trade balance

3.2. Import monitoring

2.3. Export development (export diversification is under section 5)

ExtraEU trade for apples - Aug to Jul - Tonnes





EU28 (External Trade) Import Statistics Commodity: 080810, Apples, Fresh

Year Ending: December

2016
2017
2018

TOTAL Tonnes

Quantity

2016

2017

2018

445,536

449,659

556,792

Source: GTA



EU28 (External Trade) Export Statistics
Commodity: 080810, Apples, Fresh
Year Ending: December



<u>TOTAL Tonnes</u>		
<u>Quantity</u>		
<u>2016</u>	<u>2017</u>	<u>2018</u>

1,565,222 1,284,571 843,992



Source: GTA

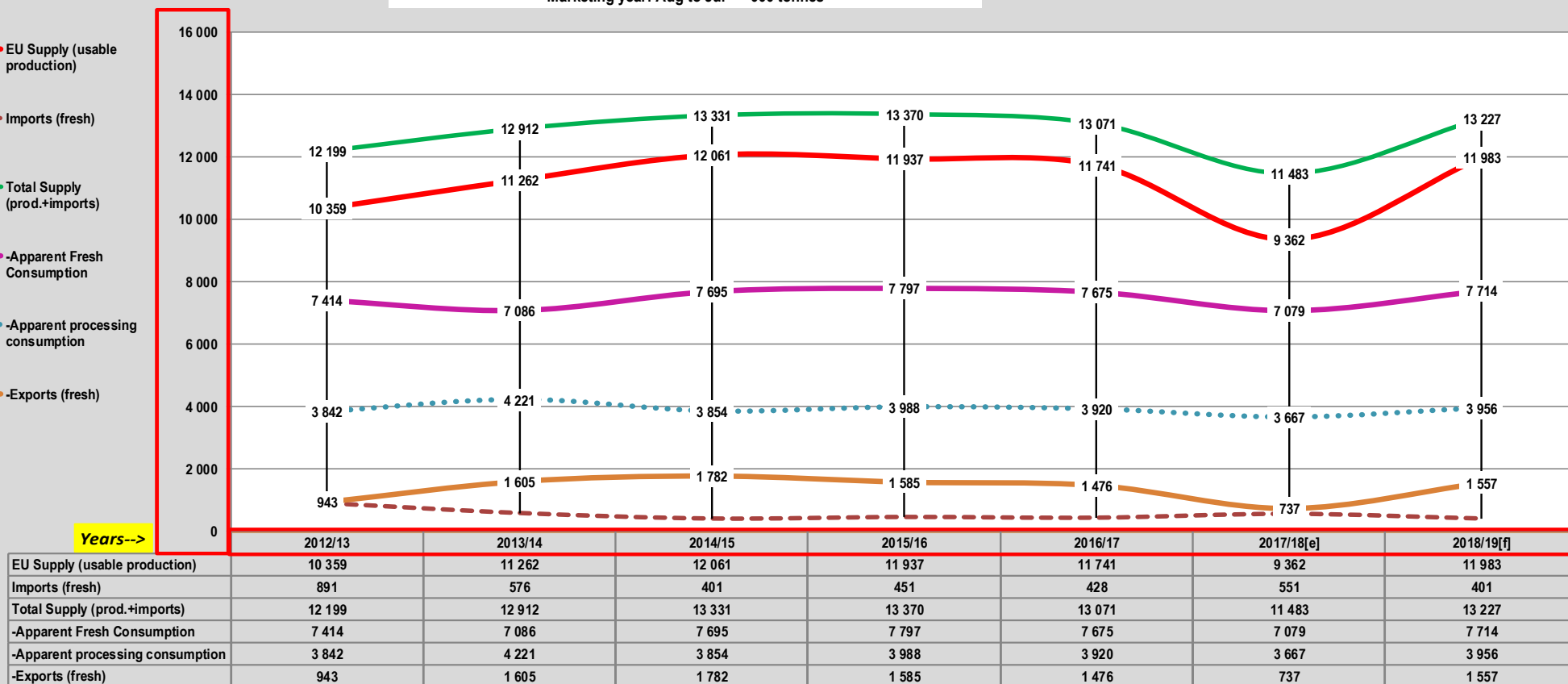
4. KEY BALANCE INDICATORS

including CONSUMPTION

- Production
- Imports
- Total supply (production + imports)
 - * Apparent fresh consumption
 - * Apples for processing
 - * Exports
- Market access (Imports/Fresh consumption)
- Fresh production exported (%)
- Apparent fresh consumption (kg/person)

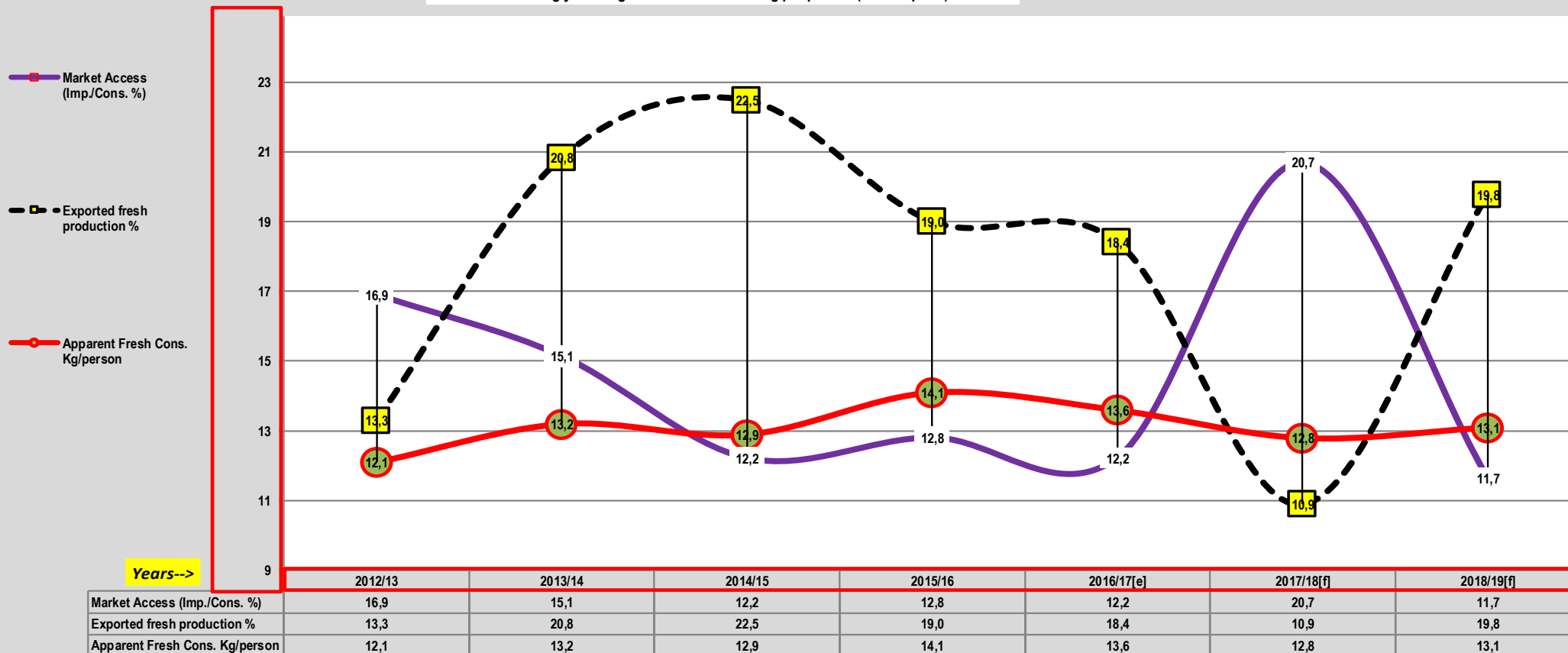
Apples - key balance indicators including consumption

Marketing year: Aug to Jul - 000 tonnes



Apples - key balance indicators including consumption (+)

Marketing year: Aug to Jul - Units: % and kg per person (consumption)

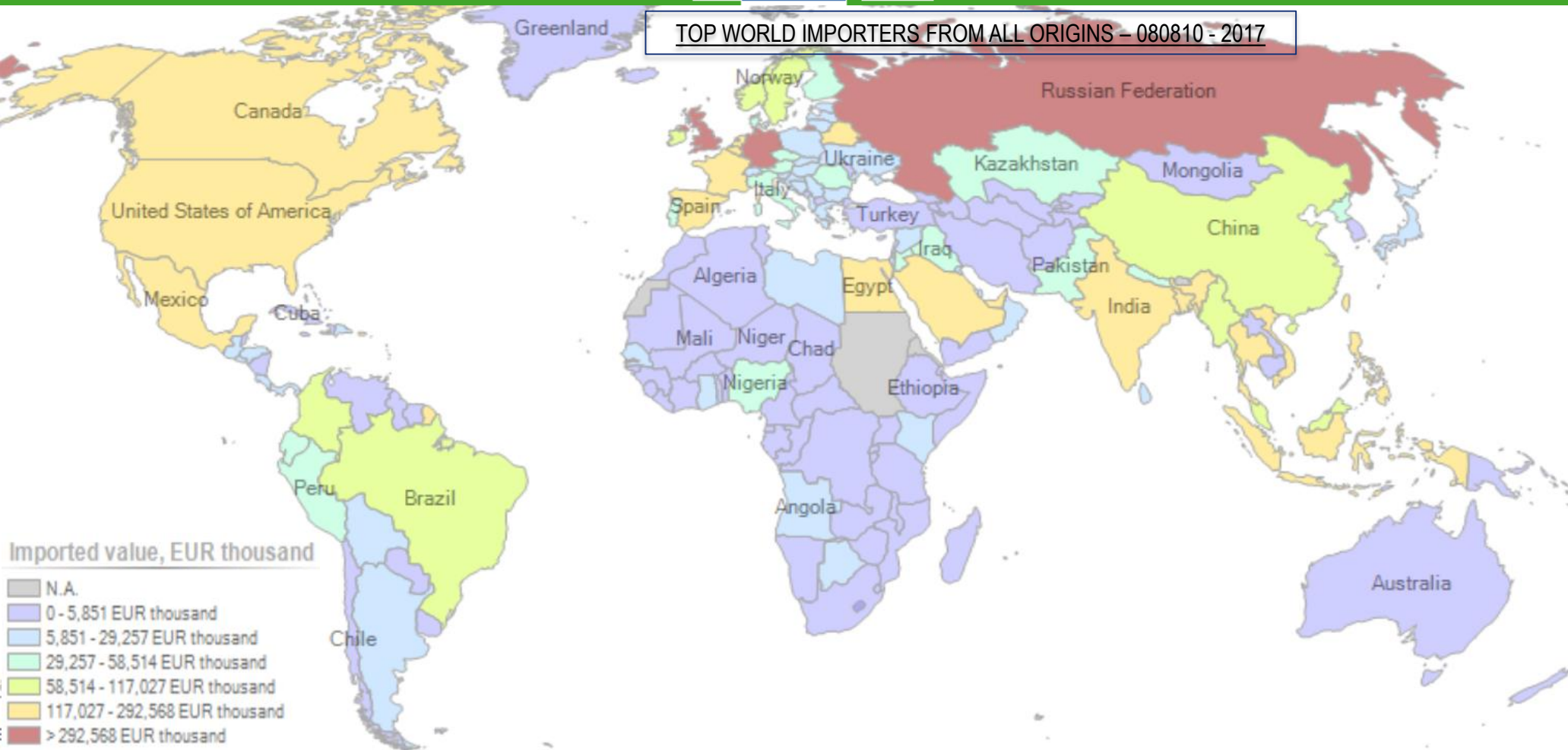


5. EXPORT DIVERSIFICATION

- Map of top world importers of apples
- Bar chart on top world importers and annual growth rates
- Key trade indicators on top world importers of apples
- Main apple traders in the world and degree of diversification
- World consumption of apples, main players

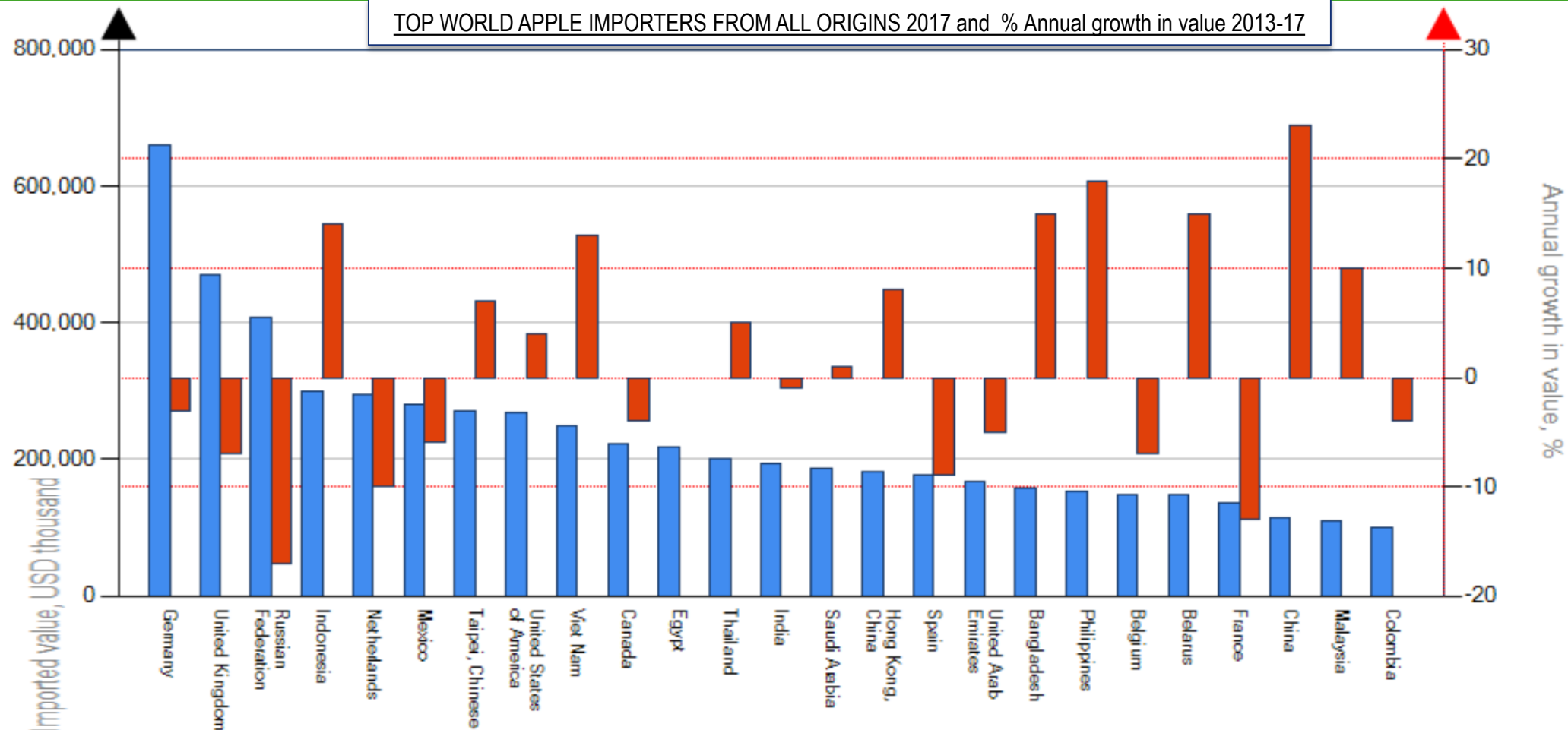


TOP WORLD IMPORTERS FROM ALL ORIGINS – 080810 - 2017





TOP WORLD APPLE IMPORTERS FROM ALL ORIGINS 2017 and % Annual growth in value 2013-17



Further detail

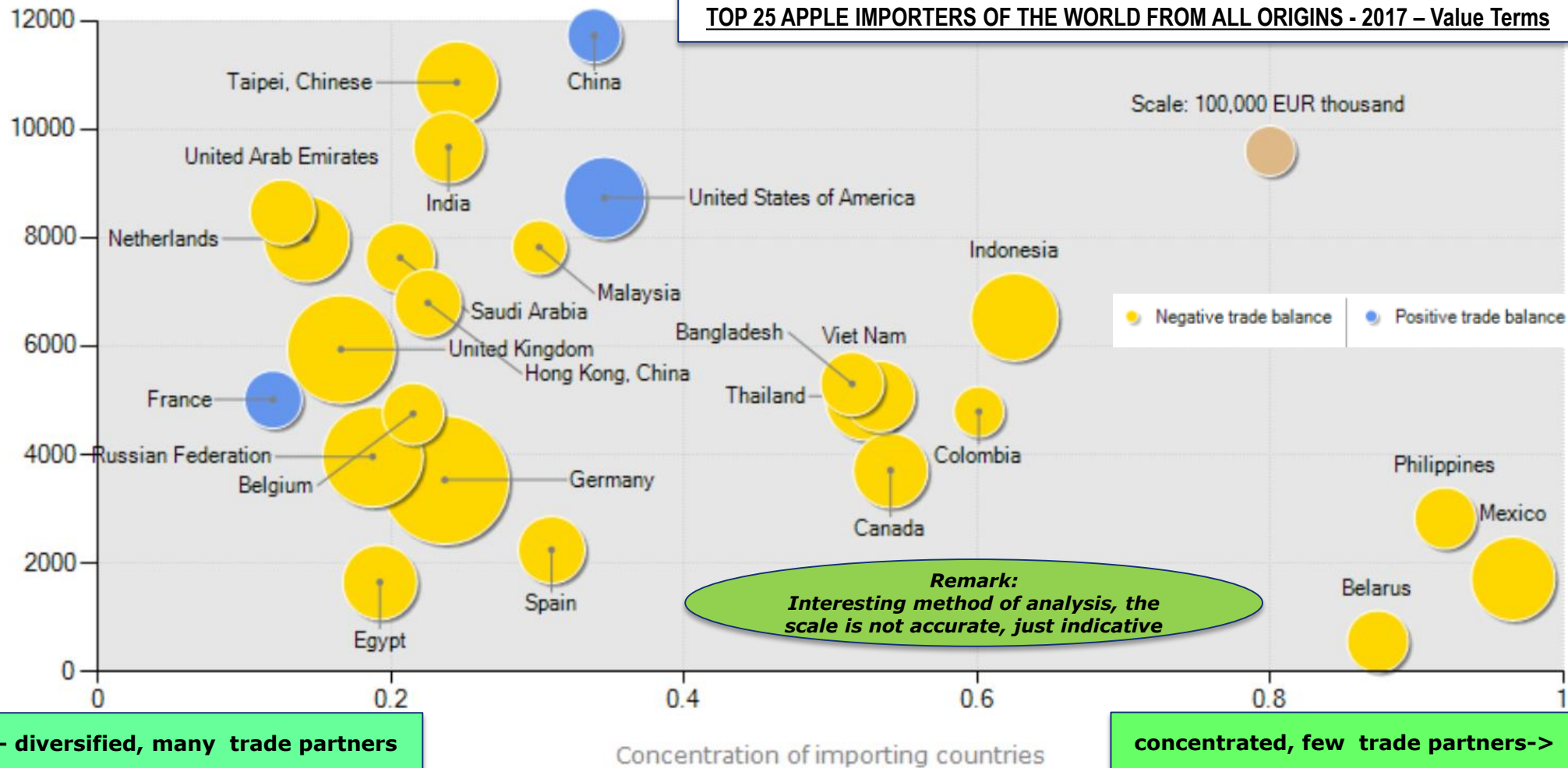
TOP WORLD APPLE IMPORTERS FROM ALL ORIGINS - 080810



Importers	Value imported in 2017 (USD thousand)	Trade balance in 2017 (USD thousand)	Quantity imported in 2017	Quantity Unit	Unit value (USD/unit)	Annual growth in value between 2013-2017 (%)	Annual growth in quantity between 2013-2017 (%)	Share in world imports (%)	Average distance of supplying countries (km)	Concentration of supplying countries	Average tariff (estimated) applied by the country (%)	Ease of doing business ranking	Number of non-tariff requirements applied by the country	Estimation of untapped potential trade, USD thousand
World	7,836,601	-391,904	8,604,881	Tons	911	-1	-13	100	4,904	0.09				
Germany <i>i</i>	661,026	-588,597	756,702	Tons	874	-3	1	8.4	3,533	0.24	3.3	17	20	529,672
United Kingdom <i>i</i>	470,743	-450,514	396,229	Tons	1,188	-7	-5	6	5,942	0.17	3.3	7	20	551,938
Russian Federation <i>i</i>	406,631	-399,864	705,553	Tons	576	-17	-16	5.2	3,963	0.19	4.3	40	21	573,840
Indonesia <i>i</i>	299,806	-299,806	169,055	Tons	1,773	14	5	3.8	6,536	0.63	4.7	91		232,260
Netherlands <i>i</i>	295,700	-9,486	249,532	Tons	1,185	-10	-8	3.8	7,978	0.14	3.3	28	20	298,522
Mexico <i>i</i>	281,367	-280,508	280,930	Tons	1,002	-6	-1	3.6	1,713	0.97	19.2	47	6	286,839
Taipei, Chinese	270,434	-270,377	167,402	Tons	1,615	7	4	3.5	10,864	0.24	25.7	11		239,648
United States of America <i>i</i>	268,084	707,161	165,174	Tons	1,623	4	-1	3.4	8,736	0.35	0	8		240,323
Viet Nam	248,508	-248,388	155,308	Tons	1,600	13	9	3.2	5,003	0.52	10.6	82		108,713
Canada <i>i</i>	222,836	-182,679	217,739	Tons	1,023	-4	-1	2.8	3,710	0.54	2	22		190,377
Egypt <i>i</i>	218,363	-215,399	210,812	Tons	1,036	0	-36	2.8	1,648	0.19	30.2	122	20	300,944
Thailand <i>i</i>	201,795	-197,649	161,638	Tons	1,248	5	6	2.6	5,076	0.53	7.4	46		208,543
India <i>i</i>	194,845	-189,330	204,323	Tons	954	-1	3	2.5	9,670	0.24	48.5	130	26	338,442
Saudi Arabia <i>i</i>	185,595	-182,303	184,974	Tons	1,003	1	1	2.4	7,632	0.21	0	94	29	211,494
Hong Kong, China <i>i</i>	182,040	-122,993	165,089	Tons	1,103	8	11	2.3	6,798	0.22	0	4	10	135,895
Spain <i>i</i>	177,339	-79,246	205,516	Tons	863	-9	-3	2.3	2,244	0.31	3.3	32	20	178,247
United Arab Emirates	166,682	-155,513	156,842	Tons	1,063	-5	-3	2.1	8,472	0.13	0	26	26	260,857
Bangladesh	158,568	-158,479	234,343	Tons	677	15	16	2	5,306	0.51	25	176		152,752
Philippines <i>i</i>	152,630	-152,630	147,258	Tons	1,036	18	21	1.9	2,827	0.92	6.6	99	28	154,039
Belgium <i>i</i>	149,036	-17,672	152,448	Tons	978	-7	-2	1.9	4,754	0.21	3.3	42	20	139,568
Belarus	147,908	-140,383	476,234	Tons	311	15	28	1.9	557	0.87	4.5	37		94,889
France <i>i</i>	135,503	455,939	169,471	Tons	800	-13	-7	1.7	5,014	0.12	3.3	29	20	165,256
China <i>i</i>	115,193	1,341,644	68,850	Tons	1,673	23	22	1.5	11,730	0.34	17.6	78	14	101,936
Malaysia <i>i</i>	111,024	-109,836	105,322	Tons	1,054	10	2	1.4	7,826	0.3	4.7	23		148,327



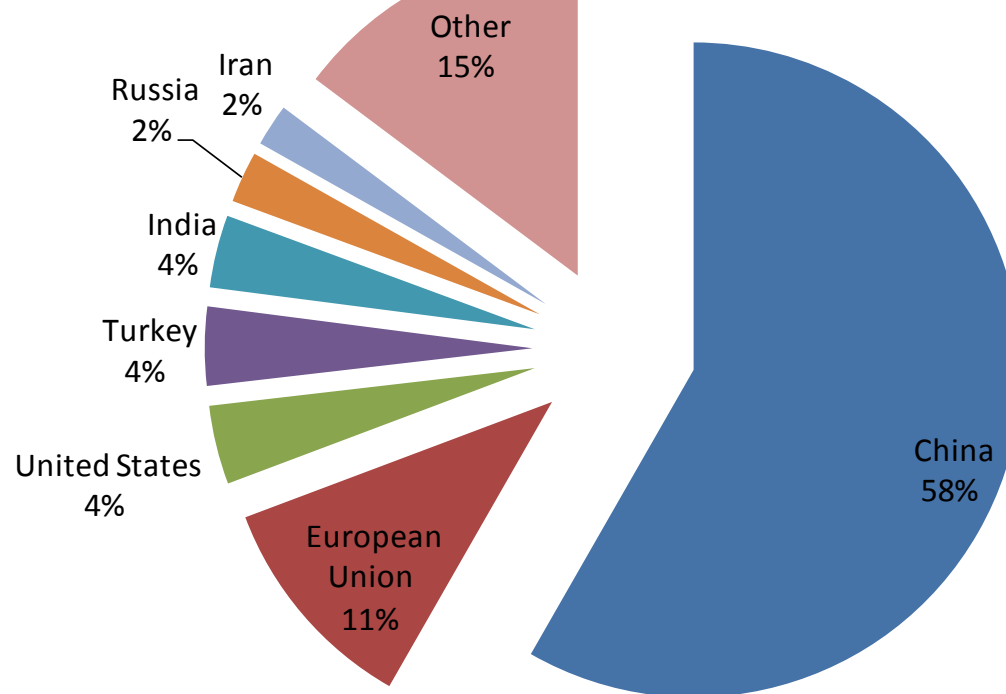
TOP 25 APPLE IMPORTERS OF THE WORLD FROM ALL ORIGINS - 2017 – Value Terms





World consumption of apples 2015/16 (volume)

Main players





End

Thank you