

# Meeting summary

15 May 2020

**SUMMARY: the current 2019/20 campaign in the EU for apples and pears is, despite the challenges posed by the current sanitary crisis, quite successful with higher than average prices and sustained demand which are both expected to continue until the end of the campaign. Concerning the next campaign, uncertainties revolve around the availability of seasonal workers and the weather conditions, which, barring some late frost episodes and droughts reported in certain regions, have been relatively benign across the EU so far.**

The second meeting of the Pip fruit sub-group of the Fruit and Vegetables Market Observatory (F&V MO) took place on 15 May 2020.

The Commission in the introductory remarks briefly reminded the challenging situation due to the sanitary COVID-19 crisis and underlined the importance of food security and the role provided by the F&V sector to bring high quality food to European consumers despite the difficulties. The Commission explained the actions taken so far to keep the single market functioning and to assist F&V producers and hence the whole sector.

The first item for discussion was the market situation for pip fruit. For the current marketing campaign 19/20, the observed (ex-packing) producers' prices in the EU have been excellent. This can be explained by lower production (estimated at 10.8 million tons for apples i.e. below average of last years) and above all by a strong demand also due consumer preferences for long-shelf life products during the COVID-19 crisis. This has also resulted in low level of stocks (e.g. for apples: 1.1M tons 01/05/20 versus 1.6M tons 01/05/19).

In terms of trade flows, the exports outside the EU is expected to decrease due to increased EU demand, lower production and the difficulties to reach some export markets (e.g. India) due to the Covid-19 crisis. Finally it was reported that EU-27 apple area had

continued to decline in 2019/20 (-3% YOY) mainly due to a decline in France.

With regards to the next campaign, a very first indication leads to a medium crop both for apples and pears. So far weather conditions have been relatively benign in the EU although some late frost episodes have been reported in certain regions (e.g. in HU, AT, PL, IT) potentially affecting more pears than apples but with damages which seem still manageable. Moreover, serious droughts have been reported in HU resulting in the lowest crop expected in many years.

The next item of the agenda was a focus on the impact of the COVID-19 on the F&V sector. In general with regards to the retail sector, a spike in consumer demand was observed at EU level at beginning of crisis especially for pre-packed products and long-shelf life products up until Easter with signs of stabilisation afterwards. Increasing consumer preferences for local, organic and "healthy" products was also reported. The outlook for the F&V market is hence rather positive in however a context of overall decreasing consumer confidence as consumers fear for their future income.

With regards to how the crisis has impacted the supply chain, a number of cross-cutting challenges were highlighted from workforce to logistics which result in additional costs for the sector and slow-down in producing, packing and trading operations.

The subject of lack of seasonal worker (as an indirect consequences of the current restrictions and measures taken by Member States to fight the virus) was also discussed as being the main issue currently affecting the F&V sector especially for those products whose harvest is approaching. Experts in particular reported that there is no homogenous indications from national, regional and local authorities on measures that should be followed to guarantee both safety and efficiency in the orchards, once (and if) seasonal workers arrive onto the fields.