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The Director

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MINUTES

Meeting of the Expert Group Fruit and Vegetables Market Observatory - Stone Fruit

Brussels, Centre de Conférences Albert Borschette CCAB
Rue Froissart 36 - Meeting Room: 1C and online, via the Interactio platform

10 June 2024

Chair: AGRI.E2

1. Approval of the agenda

The agenda was approved.
The chair informed the experts about the open call for application to set up the EU agri-food chain Observatory.

2. Nature of the meeting

The meeting was non-public and hybrid. Commission representatives and some experts attended in person while other experts connected through Interactio. There was interpretation in FR, EN, IT, ES and EL.

3. List of points discussed

3.1. EU forecast for apricots and peaches & nectarines season 2024

An external expert gave an overview of the 2024 forecast for apricots and peaches & nectarines at EU level in comparison to the 2023 season and to the 5-year average.

Apricots

In 2023, Spain produced 91 800T of apricots, below the 5-year average, with 39 000T in Murcia, the main producing region. In 2024, the total production is expected to increase to 125 700T and Murcia is expected to double production compared to the last year.

In Greece, the production in 2023 was above the 5-year average reaching 93 500T, the forecast for 2024 is a decrease of 6%.

In Italy, the production in 2023 was 214 500T, below the 5-year average mainly due to the decrease in Emilia Romagna which was affected by frost. In 2024, production is expected to be similar to 2023, with an increase of production in Emilia Romagna but a decrease in Southern Italy due to meteorological conditions.

In France, production in 2023 reached 123 300T, well above the 5-year average. In 2024 the production is expected to decrease, especially in Rhône-Alpes, with a decrease of 29% affecting mainly later varieties.

At European Union level, there are no major negative weather events for the time being, production of apricots may reach 524 million tonnes which would represent a slight increase in comparison to the previous year.

Peaches & Nectarines

In Spain, there were no major climatic accidents in 2023 with a production of 1 492 000T, above the 5-year average. Andalusia recorded a slight decrease due to the reduction in the production areas. In Extremadura, there was a slight increase, the region produced a lot of flat peaches. The total volume of peaches & nectarines production is stable in 2024 with a forecast of 1 501 700T. There are some reconversions in pear production and family farms tend to disappear.

Greek production in 2023 was just below 700 million tonnes, which is stable compared to the 5-year average, and the production forecast for 2024 is stable (714 300T).

Italy produced 877 100Tof peaches & nectarines in 2023, which is below the 5-year average, there is an increase of 11% forecasted in 2024. The potential production is close to the maximum knowing that there is a tendency to grub up peach orchards.

In France, the production of peaches and nectarines is mainly for national consumption, with higher prices compared to the rest of the EU. The 2023 production was 222 600T, well above the 5-year average. French peach orchards show a renewal of 8%, which is satisfactory for the sector and shows good dynamism. In 2024, the production is expected to increase of 5% compared to last year.

At the European level, there are no climatic accidents for the time being, the production potential (3.4 million tonnes foreseen in 2024) is slightly increasing compared to the 5-year average. The production potential is high, but still lower than the potential in 2018 mainly due to the reduction of cultivated area in Italy. The increase is marked for fresh/processed pavia production and for flat peaches.

3.2. Market situation: overview of season 2023 and forecast for 2024 season in producing MS

Spain

The expert from COGECA explained that in 2023, despite negative climatic events, the volume produced was slightly above the average of the last 5 years except for apricots and cherries due to loss of a large part of the production in May and June. In 2023, prices for peaches were lower than in 2022 while for apricots were higher. Prices are at the limit to cover costs of production.

For 2024, the following points were highlighted:

- There is an historical precocity of 7 days.
- There are differences on the climate conditions between the North/South (wet) and the Southwest (dry).

- Input prices are at high level since the beginning of the war, almost 22% for fertilizers, fuel price increase by 27.5%.
- Pest resistance to pesticide is observed. That implies a higher frequency of the treatments.
- Calibres of fruits are 25% smaller than usually.
- The low average temperatures for the season in northern and central European countries is not contributing to an increase in consumption, while production volumes are increasing, and the full potential will be reached. The reduction of consumption is a big concern for 2024 as the capacity of storage is short (maximum 15 days for high quality products).
- The need to invest in adapted farm equipment for production and renew it to ensure the maintain of production level has been raised.

Small individual packaging is the key sales format for a quick purchase and a reduced final price. The prohibition of plastic packaging in France makes it necessary to look for alternatives such as compostable plastic films and cardboard tubs which are more expensive (+0.137€/kg). The high concentration of suppliers in the paper packaging markets creates a bottleneck in the paper market.

Turkey competition is growing in Europe (with a double volume compared to last year). Turkey exports its production to European countries with lower incomes and to Russia.

In the discussion,

An expert from EUCOFEL highlighted the low availability of plant protection products and the need to extend the authorisation given in a MS to other MS having similar conditions (E.g. Mediterranean MSs). He also referred to difficulties related to changes in the packaging legislation (packages must be ordered in advance), the loss of third countries markets and the increase of cost of inputs and labour.

As far as packaging is concerned, legislation is moving faster than the sector and it is almost impossible to catch up. France has already implemented a regulation on packaging and can serve as an example to identify viable and adapted non-plastic-packaging solutions.

Italy

An expert from FRESHFEL, explained that in 2023, the start of the campaign for stone fruits was slow due to climatic conditions (a lot of rain) and, for peaches and nectarines, due to competition with Spain and Greece.

Market opportunities are mainly in Germany. Italy tried to send supplies to the wealthy European markets such as UK and Switzerland looking for better prices and tried to stimulate the national market.

Demand for small calibres is quite high as they are cheaper. In 2023, for peaches and nectarines, prices were not as good as in 2022 and 2021, but it covered production costs, even if input costs were and are still a major concern. For apricots, prices were correct, and the campaign was positive confirming the good appreciation for the product.

There were no significant weather events in the early phenological phases of the 2024 campaign. Quantities are expected to increase but remain below production potential. Recently, there have been bad weather conditions, with a possible drought problem.

There is a reduction in area (-4%) which affects both apricots and peaches and has led to a reduction in production. This trend is mainly due to the lack of profitability in the sector. Those who are changing production are trying to find alternative high added-value productions (i.e., kiwis). The lack of labour is a major concern, it increased costs and farmers have turned to other crops that require less labour.

France

Speaker from AREFLH presented the situation in France where, in 2023, the production reached its full potential and it was higher than the demand. With the volume produced, the competition (with Spanish flat peaches in particular), the inflation and an unfavourable climate for consumption, prices have come under strong pressure and were lower than the average. 90% of the production is auto consumed in France for peaches and 80% for apricots. 2023 was difficult for producers as production costs were high while prices were low. Cheaper formats (small size) have increased their market share.

French production remains profitable and stable. The renewal rate is good, around 8%, and there has been no reduction in the area under cultivation. For peaches, the varieties are well adapted, but for apricots, varietal selection has led to the development of fruits that lose flavour. The attractiveness and future of the apricot is a major concern.

France is a Member States that has anticipated the European regulations with the no-plastic packaging regulation. Currently, peaches, nectarines and apricots cannot be packed in plastic package under 1.5kg. The fruit can be packaged either in eco-friendly film or in cardboard. There is a problem of transpiration of the fruit in the film, as moisture enters the package, and the film doesn’t release the moisture. The current legal situation in France is complex and producers are waiting for the decree to be revoked.

Greece

The presentation by an expert from PROFEL, focused on Clingstone peaches for processing, a variety that has gained a lot of areas since 2014.

In 2023 the production reached 320 000T, below the previous year production due to weather events. The prices of the final products were slightly lower. There was a lack of workers for farms and factories.

In 2024, production is expected to increase to 410 000T. There have been no major weather events so far, early varieties of apricots and nectarines are small. The lack of labour is still an important concern.

A new disease seems to have appeared in the orchards, producing deformed fruit, especially in the regions of Pella and Imathia. The effects are still being studied, but it appears to be a combination of factors. Research programs may help to know more about this disease.

In terms of trade, Greece is a net exporter of processed Clingstone . The EU market is no longer the main consumer and canned peaches are mainly exported to the USA.

3.3. Medium and long-term impacts of climate change in stone fruit production

An expert from AREFLH explained the impact of climate change on stone fruit production. He referred to the interaction among multiple factors to preserve the competitiveness and sustainability of the sector. These factors relate to consumption, water availability, production cost, pests, etc. In particular he explained that:

- The consumption of summer fruits is directly related to the temperature. Thus, with the bad weather, the demand is lower. The need to promote stone fruits to dynamize the consumption was raised.

- With a scarcity of water, the future of the sector is challenged. The speaker presented the case of Urgell canal, one of the most important water canals in the North of Spain, and the economic impact of a potential closing. This example showed that the adaptation and modernization of the water system is key, and authorities' involvement is a priority in irrigation areas. The reuse of wastewater, water purifying plants and the possibility of desalinized water can be innovations to look at.

- There is an emergence of pests. The lack of solutions to eradicate them and the higher resistance to pesticides are threats for the production. Research and innovation are needed to have new tools and agility in crisis management. Coordination is needed as well as to ensure that there are alternatives before an active substance is taken off the market. The flexibility of procedures is important to guarantee the competitiveness of the sector.

- Research is needed to select varieties better adapted to climate change.

- There is a lack of workers in the EU so it is necessary to engage workers from third countries and to invest on innovation for automation.

3.4. International trade on stone fruit

An expert from DG TRADE presented that exports of stone fruits are in decline from 10 years (-64% for peaches and nectarines and -29% for apricots). This can be partly explained by the decrease in production potential and by geopolitical reasons (Russian embargo, Brexit). In 2023, the United Kingdom remains the main market for the EU stone fruits. The Mexican market seems to be a new potential market.

In terms of imports, there has been an average increase of +51% for stone fruits from 10 years. The main suppliers in 2023 were Turkey, Moldova and South Africa. Moldova has been granted duty-free access to the EU market.

For stone fruits, the following Free-Trade Agreements can have an impact on the sector: the Mercosur, which is still in negotiations and the Mexico FTA. For the Mexico FTA, there is a real potential market for stone fruits and there is likely to be TRQ duty free and a 50% tariff reduction in 10 years. India is an ongoing FTA negotiations and fruits & vegetables sector is part of it.

There are many market access applications that are pending for stone fruits. The COM invites Member States to update or complete the database, through the website: https://madb2.tradenet.ec.europa.eu/.

3.5. Overview of fruit consumption trends

EuroCommerce expert presented that inflation has decreased in Europe over the last few months but remains higher than pre-inflation level. Amidst prices which are rising less rapidly, after a long period of downtrading some consumers are choosing to occasionally spend more when buying food, especially for considerations linked to health.

While overall domestic consumption is still going down, the decrease in volumes in the second part of 2023 was more limited. Data from early 2024 seem to indicate further slight volume decreases for fresh fruit sales.

3.3. Post-harvesting technology in stone fruit

A professor from Cyprus University of Technology gave a presentation on post-harvest processes for peach fruit. He explained that preharvest factors (crop load, nutrient status, maturity stage, cultivar, etc) affect the quality of the product. He stressed the key role of the cultivar to obtain a high-quality product. For the peach fruit industry, there are more than 1000 cultivars available and there are multiple criteria to select them (e.g. storage potential, consumer preferences, profitability for farmers). The choice of the variety and the production parameters will determine the quality of the product.

One of the driving forces for consumers to purchase a peach or nectarine is consistent quality and it should be considered that cultivars have different ripening and softening properties. Considering that the most desirable sensorial attributes are developed on-tree, it is necessary to manage the timing of the harvest as it influences post-harvest ripening and thus storage success.

One of the recommendations of the speaker is that each peach producing country should establish a list of cultivars with scalar ripening and similar quality characteristics. The aim is to plan the harvesting stage of cultivars according to market needs. Breeding efforts to have tolerant cultivars and the development of biopesticides for post-harvest applications can be a solution to revamp peach production.

4. Next meeting

The next meeting of the sub-group on stone fruit is scheduled for June 2025 (date to be confirmed).

5. List of participants

See Annex

List of participants– Minutes

Meeting of the Expert Group Fruit and Vegetables Market Observatory – Stone Fruit

10 June 2024

ORGANISATION
A.R.E.F.L.H.
EUCOFEL
EUROCOMMERCE
EUROPEAN ASSOCIATION OF FRUIT AND VEGETABLE PROCESSORS (PROFEL)
EUROPEAN COORDINATION VIA CAMPESINA (ECVC)
EUROPEAN AGRI-COOPERATIVES (COGECA)
EUROPEAN FARMERS (COPA)
FRESHFEL
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GEORGE MANGANARIS
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