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Situation of the processing of apples in Europe 2023 and fruit juice in the world

German Fruit Juice Association

06.11.2023, Brussels + online



Agenda



- Situation fruit juice market worldwide

- Apple juice production Europe

- Juice consumption outlook

- Food shortages

World fruit juice concentrate and NFC trade

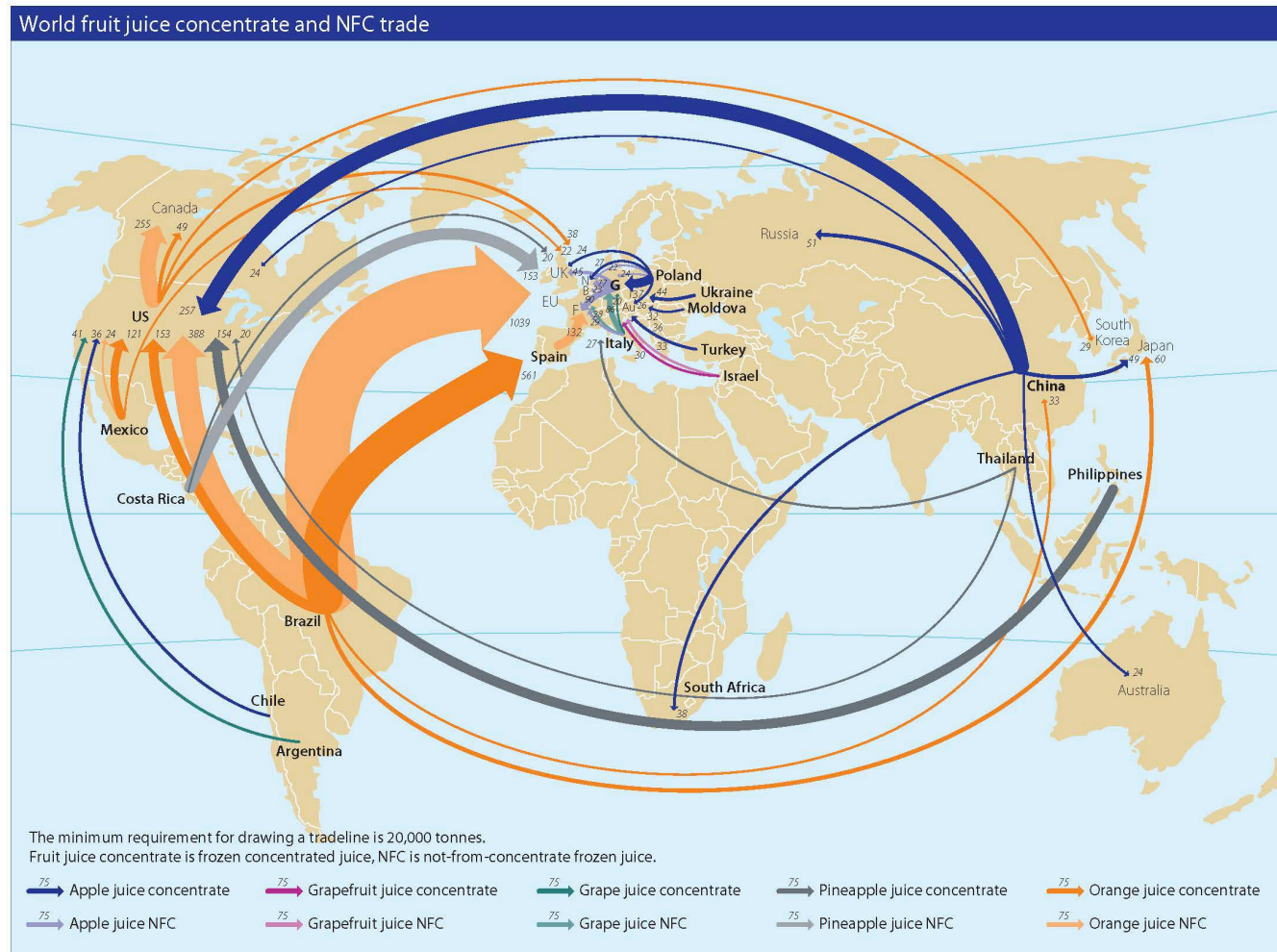
(source: Rabobank 2019)



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Food shortages 2023

ORANGE



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- Orange juice tripled its price within 2 years to up to \$5,000/ton of orange juice concentrate
- This corresponds to a raw material content of just one dollar per litre of finished juice (plus transport, packaging, taxes, retail, etc.)

REASONS

- El Niño
- Climate change
- Citrus Greening Disease
(Huanglongbing, Yellow Shoot Disease, Candidatus Liberibacter)
- Hurricane Ian in Florida permanently destroyed more than 60% of the plantations
- Higher demand from USA
- Lower transport costs to USA vs. Europe
- Low stocks due to three weak or medium harvests in Brazil

1,99€ / litre is the new standard price for Orange juice



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In Multivitamin juices Apple replaces Orange



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Apple juice production in Europe

- Poland 50% (mainly concentrate)
- Germany 20%
- Italy 10%
- Rest of Europe 20%



World:

China 50% of all apples, juice production for inland, exports fluctuating (Trump Tariffs on concentrate still in force)

Market situation in beginning of processing August 2023

- Low stocks of Apple juice concentrate and NFC
- Processing industry needs apples
- Exports to US are strong
- Volume from Poland down vs. 2022, Italy low volume too
- Germany empty stores for table apples and low backyard crop
- cost situation processing is around 200 euro per ton of concentrate higher
- China has lower crop, still tariffs on Chinese products prices for 1 ton of processing apples between 200-250 euros per ton
- Conventional apples are the same prices as organic apples

Situation in Poland in 2022



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2022: Apple production 4,8 mio. t

2022 production	In 1.000 to.
<i>Use for</i>	
Export table apples	850
Inland table apples	400
Cider	75
Not from concentrate (NFC = Direct juices)	500
Various uses (Peeled apples, Apples for bakery)	150
Available for concentrate	2.825
End of Yield	404

Yield per 31.10.2022 **165.000 tons**

Situation in Poland in 2023



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2023: Apple production 3,5 mio. t

2023 production	In 1.000 to.
<i>Use for:</i>	
Export table apples	850
Inland table apples	400
Cider	75
Not from concentrate (NFC = Direct juices)	500
Various uses (Peeled apples, Apples for bakery)	150
Available for concentrate	1.525
End of yield	218

Yield per 31.10.2023 122.000 tons

Wild apples (Streuobst in Germany) 300.000 – 500.000 t alternating yearly



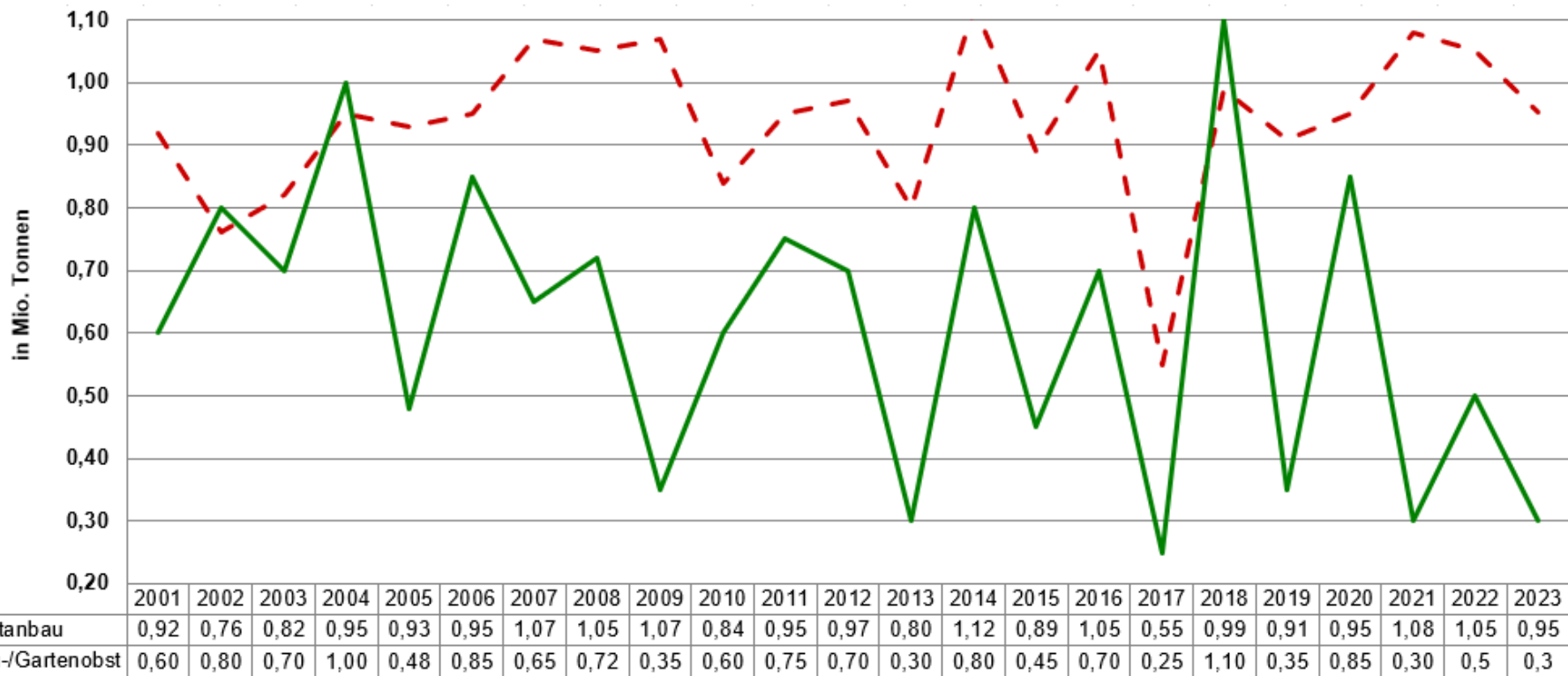
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Table apples and Wild apples (Streuobst) in Germany



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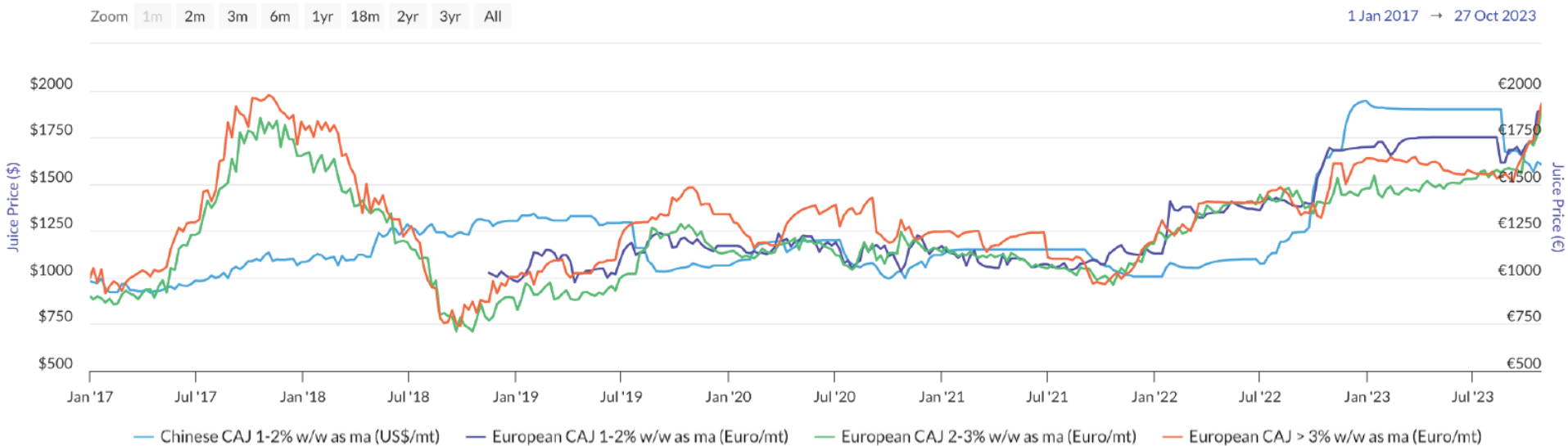
Juicehedge.com Jan. 2017 – Oct. 2023

Apple Juice Concentrate CHINA & EU



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Juice Price Variation with Search The Juicehedge Index



Title	INCO	Pack	Brix	EU Duty	Currency
Chinese CAJ 1-2% w/w as ma	FOB Qingdao	Drum	70	Not paid	US\$/mt
European CAJ 1-2% w/w as ma	FCA Benelux/Italy/Poland/Spain/Turkey	Bulk	70	Paid	Euro/mt
European CAJ 2-3% w/w as ma	FCA Poland	Bulk	70	Paid	Euro/mt
European CAJ > 3% w/w as ma	FCA Poland	Bulk	70	Paid	Euro/mt



Organic apple juice 2023

- Processers were looking for early fruit in January
- Increase in “Verbandsware” Bioland and Naturland
- Less EU-Bio
- More a shift from one certification scheme to another
- Stocks in EU-BIO
- Prices 250€/t apples and more
- Consumers avoid expensive bio-products



Apple juice production in Germany 2013 – 2023 (temporary) total, in Mio. l



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Apfelsaftproduktion in Deutschland (gesamt)
2012-2022 in Mio. l



Situation in November 2023

- Expensive concentrate is in the tanks
- How will the consumption decline due to the higher prices
- Sales area in super market for fruit juice is declining
- Costs for transport in Germany will increased due to the toll raise by 01.12.2023



Trends in fruit juice products

- Discussion on sugar content in fruit juices still continue in developed societies and markets
- Substitution of orange juice through apple juice in multi fruit juices
- Lower fruit juice content in fruit drinks
- Lower consumption of 100% juices due to higher raw material and consumer prices
- More carbonated drinks with low fruit content
- Fruit juice as ingredient in other drinks like lemonades and ice teas



Icetea Peach flavor favored from young cohort 18 +



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Energydrink older cohort 25+



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At LIDL: Energy drinks have the same sales squaremeters as juices



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Inflation on processing Level



- „Old“ energy contracts on higher prices
- Processing before crisis 300€/T apples, now 400-500€
- Processing aids and cleaning agents are more expensive
- Wages rose and still rise (5-10% increase)
- Transport (toll four axes truck) until **30.11.2023: 19 cents/km** from **01.12.2023: +15.8 cents per km =**

**Toll in Germany: 34.8 ct/ km
(as much as Diesel!)**

Excuse: shortages of food



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- Increase in world population from 8 to 10 billion
- Rising meat consumption in emerging countries (plant protein conversion to meat protein three times as much)
- Loss of fertile soils (e.g. war in Ukraine)
- Trade routes are blocked through water scarcity like Panama canal in 2023 and 2021 Suez canal blocked by ship
- Next canal: Street of Hormus blocked by Iran???

Reasons for food shortages

- Climate influences such as droughts, heat, floods
- Expansion of desert areas eg. around la mare mediteranee
- No increases in production due to breeding like in the 1970s
- Restrictions on new breeding techniques in Europe prevent adaptation to climate requirements
- Environmental regulations for animal husbandry reduce livestock numbers

Reasons for food shortages EU

- Demotivation of European farmers through EU requirements and controls
- Uncertain legal framework
- High production costs due to expensive energy
- Aging of business owners (old farmers)
- High capital requirements for technology
- Low return on investment in agriculture
- No motivation for young farmers or newcomers

Food shortages 2023

SUGAR



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Sugar prices rose sharply to 600 – 800/ton

REASONS

- Weak sugar cane harvest in Brazil
- Low harvest in Europe due to a new plant disease, the so-called Stolbur disease (rubber beet, transmitted by cicadas)
- Too little rainfall during the growth phase in Europe
- Sugar consumption stagnating to increasing
- Increased risk: Awareness in processing leads to higher prices

Food shortages 2023

Olive Oil



Decrease in 2023 from 2.3 million tons in 2022 to 1.5 million tons in the EU

REASONS

- Major slump in Spain and Italy
- Drought and heat in the Mediterranean and high temperatures during flowering
- Pests are increasing due to better conditions (olive fruit fly)
- Customer prices already > 10€ per liter

Shortage in 2022 and 2023

SUNFLOWER OIL



In September 2023, the monthly price of sunflower oil in global trade was \$894.81 per ton.

REASONS

- The main growing country is Ukraine, price jumps due to military attack by Russia in 2022
- Destruction of the Nowa Kakhovka dam by Russia leads to loss of 500.000 ha of agricultural irrigated area at least for 5-7 years if the dam can be reconstructed



**Thank you for your
attention!**

your questions please!