



Brussels,
AGRI.E2/AJ/bb(2024)4808241

MINUTES

MEETING OF THE EXPERT GROUP FRUIT AND VEGETABLES MARKET OBSERVATORY - SUBGROUP PIP FRUIT

**in Brussels (CCAB) and online (Interactio)
on Wednesday 22 May 2024 from 14:30 to 17:30**

Chair: DG AGRI, Unit E2

1. Approval of the agenda

The agenda of the meeting was approved.

2. Nature of the meeting

The meeting took place in hybrid format in Brussels, Rue Froissart 36 (Meeting Room: 4D) and online and via the Interactio platform.

Language regime: Interpretation from FR-DE-EN-IT-ES-PL to FR-DE-EN-IT-ES-PL

3. List of points discussed

3.1. Market monitoring overview including prices

WAPA has presented the latest EU figures for the 2023/24 apple and pear production. The apple crop is forecasted to be about 3% lower than last year, with Poland, the largest producer, expecting an 11% decrease. For pears, the 2023/24 production was 12.9% lower than the previous year, with Italy experiencing a significant 63% decline. Intra-EU apple sales have increased by around 8%, while pear sales remained stable at +1%. On 1 May, apple stocks were slightly lower than last year, with the exception of the Golden variety. Pear stocks were 18.4% higher, mainly due to an increase in Conference variety stocks. EU apple exports to third countries in the 2023/24 season have increased by over 16% in value but decreased by 12% in quantity. Export challenges include less accessible markets such as Egypt, and transport issues in the Middle East and Asia related to the Red Sea crisis. Pear exports slightly declined compared to the previous year. Total apple imports to the EU in 2023 were 21% lower than in 2022, primarily due to reduced imports from the southern hemisphere.

The Polish apple market has been stable in recent months with no significant price changes. However, prices have slightly increased recently due to frost affecting some European regions, and further rises are expected. Next year's crop is expected to be smaller than in 2023, mainly due to an early flowering this year followed by cold/bad weather. A clearer picture of the impact will be available around mid-July.

Italian apple production in 2023 increased by about 3% compared to last year, though several regions experienced bad weather. Golden Delicious production rose by 18% from its record low in 2022, while Red Delicious decreased by 25%. Club varieties saw a 32% increase. Italian pear production in 2023 was the lowest ever, dropping by about 65% compared to 2022 and 80% from the traditional average due to adverse weather (April frost, May hail). Pear consumption also declined, influenced by higher prices driving consumers to other fruits. The forecast for the 2024 season was initially good, but colder April weather is expected to impact the crop. There's also a 15% reduction in pear yield in Italy due to a switch to other types of cultivation, affecting future sales.

France: Stocks on 1 May 2024 were slightly higher than a year earlier, but in line with the average over the past four years. Club varieties show an increase in average stocks over the last five years, while Golden stocks are higher compared to the past three years. Net prices (excluding packing) were higher than historical levels at the beginning of the year and remained stable. Due to frost in some areas, the 2024 apple crop could be slightly lower. A lower pear crop is expected in the north of France.

Germany: Apple prices in the 2023/24 marketing year were about 50% higher than in 2022/23. On 1 May, German apple stocks were lower than the previous year for almost all varieties. Demand increased until the end of last year, but early 2024 saw a decrease in apple purchases by private households. In March this year, apple prices were significantly higher (EUR 2.05) than in the same period of the previous year (EUR 1.66). It was pointed out that Germany mainly imports pears and is dependent on the European supply. Recently, there has been a trend of fewer sales to private households, and pear prices in shops have increased due to lower supply.

Spain: Apple and pear production increased in 2023 compared to the low level of 2022, which was affected by frost, especially in Catalonia. However, it was also highlighted that some regions in the current season faced historic drought in 2023, which also affected production levels this year. Stocks are now in good condition. It has been pointed out that the consumption of food products, including fruit, has been on the decline in Spain since 2013. Apple consumption is falling, and pear consumption is down by 40% from 2008 to 2022. The situation with pears is worrying and more efforts are needed to educate and motivate young consumers to eat more pears. It was also pointed out that rising production costs are raising concerns about profitability. In line with this, it was pointed out that the Spanish Ministry of Agriculture has developed a platform to analyse the efficiency and competitiveness of agricultural producers.

Belgian apple production areas have decreased over the last decade, reducing export competitiveness. Conversely, pear production areas and levels were good in 2023/24 marketing year. It was noted that apple consumption in Belgium increased in 2023, mainly due to higher pear prices. Pear consumption per capita decreased by 13.1% in 2023 compared to 2022. Challenges for the sector include additional regulatory and phytosanitary requirements. Pear and apple harvests in 2024/25 are expected to be lower than last year due to bad weather conditions in early 2024.

3.1. Export development

The Commission presented the EU apple exports, which have shown a visible decrease over the last decade but remained stable since 2020. Exports to India increased significantly. It was also highlighted that the share of exports to FTA partners increased from 31% of total apple exports in 2013 to 52% in 2023. A similar trend can be observed for EU pear exports. Potential new markets through FTAs include New Zealand, Chile, and Mercosur.

On FTA negotiations, negotiations with India are slow, but talks with Indonesia have accelerated, and negotiations with Thailand and the Philippines have been re-launched. Updates on SPS issues were provided for Japan, Vietnam, the US, Taiwan, Thailand, and India. After highlighting the importance of Mexico and Brazil as potential markets for EU producers, the Commission explained that there has been no significant progress in market access negotiations with these two countries.

FRESHFEL highlighted the importance of the UK market for EU countries, but also possible administrative burdens such as conformity and health certificates. It was pointed out that there are concerns as to whether EU producers will manage to obtain all the certificates important for exports to the UK in time once the new regime is in place (January 2025). The Commission reflected on this by pointing out that the UK is now a third country, and they can decide to introduce controls. The Commission is involved in discussions with the UK side and the previous deadline for sanitary documentation checks has been postponed to January 2025. Regarding the certificate of conformity, following discussions with Member States, it is not expected that there will be any changes for the moment.

3.1. Update on supply (for processing)

Poland's apple crop decreased by around 20%. In terms of processing, 60-70% of apple production is used for this purpose. In 2023/24, there is a significant drop in the supply for processing, especially for apple juice concentrate.

Apple exports from Poland are decreasing, mainly due to reduced exports to the Russian Federation. Household consumption of apples in Poland is also declining, partly because of increased consumption of other fruits (banana consumption is 70% higher than apple consumption). Poland primarily exports apples for processing to Germany and Russia. Significant increases in apple exports to third countries are seen only to India and to a lesser extent Kazakhstan.

The production of concentrated apple juice in Poland is much lower than in the previous season. Imports of concentrated apple juice are increasing and are being mixed with domestic juice. In recent years, imports from Ukraine had been rising, but there is a significant decrease in the 2023/24 season. Despite lower production, 90% of the concentrate produced is exported, with record high prices achieved in the 2023/24 season. The global price of concentrated apple juice increased due to poor harvests in China, the world's largest producer, in both 2022 and 2023. This has resulted in a very good year in terms of prices for both producers and processors. It was highlighted that there is a dynamic shift towards the production of non-concentrated apple juice in recent period, with concentrate plants switching to meet changing demand. Consequently, Poland's exports of non-concentrated juice are also growing.

3.3. Consumption trends

EuroCommerce presented the latest consumer trends and noted changes in shopping behaviour. While many consumers have downgraded their shopping habits, there are positive signs: fewer consumers are looking for ways to save money, more are willing to pay higher prices for healthier products, there is an increase in the purchase of organic products etc. In 2023, the sales volume of fruit in France decreased by 4% compared to 2022. Conversely, in Italy, the sales value of fruit increased by about 5.9%. In Italy, fresh fruit made up about 58% of fruit shopping baskets in 2023, with prices generally higher for all fruit types compared to the previous year. Spanish private consumption of fruit fell by around 2.6% in 2023.

COGECA presented specific trends for apples and pears in Europe, analysing data from the Netherlands, Germany, the United Kingdom, France and Italy. In 2023, average prices for both apples and pears were higher than in 2022. In the same year, apple consumption increased in most countries, while pear consumption decreased due to lower supply, higher prices and factors such as convenience to eat. In the Netherlands, apple consumption fell by 25% over the last 20 years but showed a slight recovery in 2023, partly due to new varieties. Banana consumption has shown stable growth over the last 20 years, while it was also highlighted that supermarkets are increasingly interested in differentiating themselves with their own brand or variety.

Regarding the worrying decline in consumption of pears in Europe, it has also been pointed out that the decline in consumption is also a result of the increased supply of other fruits. Competition from other fruits is therefore increasing and it is important to be aware of this fact.

4. Conclusions/recommendations/opinions

The key messages coming from this meeting could be summarized as follows:

1. The EU apple crop for the current marketing year (around 11.4 million tonnes) is around 3% down on the previous crop;
2. The EU pear harvest was down by nearly 12%, largely as a result of a much smaller harvest in Italy;
3. Early indications show that the 2024/25 EU pip fruit crop is expected to be lower than in 2023/24;
4. Extreme weather events remain a major factor affecting supply;
5. While EU apple stocks on 1 May 2024 lower by 0.8% compared to the same period last year, pear stocks are higher by about 18.4%;
6. There are difficulties of reaching some traditionally important markets for EU producers such as Egypt due to internal financial restrictions. In addition, exports towards middle east and Asian countries are becoming difficult due to Red sea crisis;
7. Prices significantly higher than the historical ranges and that for fresh, processing and for apples juice as well;

8. There is unfavourable trend in terms of consumption. Especially is important to highlight worrying negative trend in consumption of pears.

5. Next steps

Publication of the factual elements of the report on the F&V website.

6. Next meeting

The next meeting will take place on **5th November 2024**.

7. List of participants

- All member organisations were present (see the enclosed list), except WUWM.
- Ad hoc experts representing “Belorta”, “The Institute of Agricultural and Food Economics” and “Agricultural Market Information Company (AMI)”

List of participants

**MEETING OF THE EXPERT GROUP FRUIT AND VEGETABLES MARKET
OBSERVATORY - SUBGROUP PIP FRUIT**

*in Brussels (CCAB) and online (Interactio)
on Wednesday 22 May 2024 from 14:30 to 17:30*

ORGANISATIONS PRESENT
A.R.E.F.L.H.
EUCOFEL
EuroCommerce
European agri-cooperatives (COGECA)
European Association of Fruit and Vegetable Processors (PROFEL)
European Coordination Via Campesina (ECVC)
European farmers (COPA)
FRESHFEL
World Apple and Pear Association (WAPA)