Ref. Ares(2019)260315 - 17/01/2019

EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR AGRICULTURE AND RURAL DEVELOPMENT

Directorate G. Markets and Observatories

Brussels,
AGRI.DDG3.G/LF/mp (2019) 283488

MINUTES

Meeting of the **« WORKING GROUP ON "APPLES AND PEARS" OF THE CIVIL DIALOGUE GROUP ON HORTICULTURE, OLIVES AND SPIRITS**

Date: 29 November 2018

Chair: Mr Luis FLOREZ (AGRI-G-2)

Organisations present: All Organisations were present, except LK – stmk, DBV.

1. Approval of the agenda (and of the minutes of previous meeting[1])

2. Nature of the meeting

The meeting was non-public.

3. List of points discussed [Name of each point, one by one]

3.0 INTRODUCTION

As one of the main items of the agenda, the Commission presented an analysis of the apple and pear sectors in the EU, based on the statistical working documents and other documents that have been made available online in CircaBC and in the website of Europa regarding the dashboard for apples. The main sources of data are Eurostat, Comext and WAPA/Prognosfruit. This was complemented with other presentations of interest for the apple and pears producers.

[1] If not adopted by written procedure (CIRCABC)

3.1 GLOBAL SITUATION AND FOR THE NORTHERN HEMISPHERE CAMPAIGN 2017/2018: CROP ESTIMATES. DETAILED INFORMATION ABOUT POLAND.

The representatives from SACAR/WAPA/Freshfel presented the main indicators on the development of the ongoing campaign for apples and pears in the EU, with some references to the Northern Hemisphere.

- **Apples**

According to the representative of SACAR/WAPA/Freshfel, the EU production forecast for 2018/19 disseminated via Prognosfruit last August was 12,691 million tonnes. An update was made in November at 13,192 million tonnes. This represents the largest crop in the EU since 2007 and is 15% higher than the preceding 5 years average.

Regarding the main EU producers (based on the preceding 3-year average) changes were as follows:

1. France -4%
2. Germany +8%
3. Italy +7%
4. Poland +33%

Among the 4 major producers Poland registered the highest increase with about a third of the crop. That situation comes after a very small crop with huge frost damages the preceding marketing year. Poland has a very positive trend on absolute figures of production levels and in terms of share of EU production as well.

Organic apples represent about 3,5% of the crop.

For leading varieties the ranking remains unchanged:

1. Golden Delicious -> declining
2. Gala -> largest ever
3. Idared -> growing
4. Red Delicious -> strong
5. Shampion -> largest ever

Data from this source indicate that 64% of the apple production in 2018 is of varieties for fresh consumption and 36% of varieties for processing.

The Chinese forecast is 32,060 million tonnes (28% lower) which opens opportunities for EU exports in Asia.

- **Pears**

The EU production in 2019/19 is forecasted at 2,387 million tonnes, 5% percent higher than the preceding 3 year average (and +7% more than the previous marketing year). Among major producers and exporters, the Netherlands is expected to have an important increase (+15% on a 3 year average). In the case of Belgium the upturn will be a little lower (+11% on a 3 year average).

3.2 SOUTHERN HEMISPHERE AND ASIAN MARKETS SEASON OVERVIEW.

The countries of the Southern Hemisphere are exporting very significant volumes of apples. Chile, New Zealand and South Africa are the leading global exporters of apples in volume terms. Specific varieties are needed for different export markets. Gala, Braeburn and Pink Lady are the main varieties sent to Europe.

Regarding exports of apples to Asia, the variety Gala represents more than 50% in volume terms. Red Delicious, Granny Smith and Fuji are also very important varieties.

India is one of the main markets for EU apple exports to Asia. For the ongoing marketing year the unusually small Chinese apple crop implies additional EU export opportunities in India (where China used to provide about a half of the apple imports), Malaysia, Singapore, Thailand and Vietnam.

3.2 EXCHANGE OF VIEWS ON THE MARKET SITUATION

The representative of the European Commission presented the main developments for the ongoing apple campaign:

1. Marketing year 2018/19 started the 1st of August. After a very small crop the preceding marketing year the ongoing season represents a coming back to high volumes which in terms of prices implies moving from very high prices to lower prices;

2. At Member State level there are significant differences: France has the highest price and Poland the lowest (detail in slide 2), due especially to differences in quality and varieties;

3. Given the big crop, stocks on the 1st of November are going to be much higher than the reference period average;

4. 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. Apple heat-burn and drought may lead to some quality and conservation issues and losses (varieties that have to exit from storage on a hurry);

5. Global apple supply is the lowest of the last 8 years. 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.

The dashboard of DG Agri provides with further detail and regular updates on the market situation:

https://ec.europa.eu/agriculture/sites/agriculture/files/dashboards/apple-dashboard_en.pdf

3.4 Extra-EU export development: fruit&veg., apples and pears. Special detail for Asian markets.

The representative of DG Trade presented the EU Commission strategy and ongoing work for opening new markets for apples and pears. The speaker made a detailed presentation that can be summarized as follows:

1. USA. The EU and especially 8 Member States (BE, DE, IT, ES, NL, PL and PT) are awaiting to see published the final rule for exports of apples and pears. A systems approach would replace the costly preclearance approach but the publication and implementation is being delayed since 2015. Two Member States (EL and SI) have launched a similar procedure separately.

2. Mexico. The recently agreed modernisation of the EU-Mexico FTA contains a specific provision indicating that exports of plant products will be allowed without preclearance programmes and will also eliminate the 20% duty over 10 years. This country opened the market for NL pears in July 2017; several other Member States asked for access for apples and pears (BE, DE, FR, PL and PT) and are negotiating.

3. India. There are at present 32 EU market access applications by Member States pending approval and no market access decision was issued since 2017. Delays on implementation of agreements are frequent. On the positive side, India sent a letter in October 2018 informing that imports of apples and pears and other plant products from several Member States (AT, CZ, DE and PT) can start on a 8-10 trials shipment basis after which (if satisfactory) imports will be formalised with the final notification.

4. Other countries. There are discussions with Taiwan on access for apples from several Member States (DE, IT and PL) and progress is being made. Vietnam opened its market for Belgian pears end of 2017, and to Belgian apples in November 2018.

3.5 AOB

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4. Conclusions/recommendations/opinions

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5. Next steps

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6. Next meeting

The next meeting is scheduled for the end of March of 2019 (date to be confirmed).

7. List of participants - Annex

(e-signed)

J. ONOFRE
Head of Unit

List of participants– Minutes

WORKING GROUP ON "APPLES AND PEARS" OF THE CIVIL DIALOGUE GROUP ON HORTICULTURE, OLIVES AND SPIRITS
Date: 29 November 2018

	MEMBER ORGANISATION	NAME OF REPRESENTATIVES
1	COPA	**FRIGOLA LLORENÇ**
2	COPA	**FEREIRA AUGUSTO**
3	COPA	**BORDA LLOBET DAVID**
4	COPA	**CHALOUPKA ROMAN**
5	COPA	**DALPIAZ ALESSANDRO**
6	COPA	**DEJONCKHEERE DOMINIQUE**
7	COPA	**RODENBURG WILLEM**
8	COPA	**VANOIRBEEK LUC**
9	FoodDrinkEurope	**HEITLINGER KLAUS**
10	FoodDrinkEurope	**RIJNHOUT PETER**
11	FoodDrinkEurope	**VINCI CLAUDIA**
12	SACAR	**ADRIAN BARLOW**
13	SACAR	**BINARD PHILIPPE**
14	SACAR	**GUERIN VINCENT**
15	SACAR	**STOCCHI LAURA**
16	-	**DERUWE HELENE**
17	-	**PUNCEWICZ PAWEŁ**
18	-	**RIDAO-BOULOUMIÉ ALBA**
19	-	**WOZNIAK DOMINIK**
	TOTAL	19