

Meeting summary

10 September 2021

A meeting of the pip fruit sub-group of the Fruit and Vegetables Market Observatory took place on 10 September 2021.

Experts provided a complete and detailed overview on the market situation in their respective national markets for the new season 2021/2022 based on the first estimates.

Experts estimate the apple production for the whole EU at 11.7M tonnes, an increase of around 10% from the previous crop. This increase is mainly explained by a generous crop in Poland (+22% y-o-y at 4.2M tonnes, which could still be revised upwards) and a more or less stable crop in the rest of the EU. With regards to Poland (the main producing country), the remaining 20/21 stocks were still high and are being sold at low prices either on the local market for fresh consumption or to the processing industry. Regarding Italy (the second producing country), the new crop is estimated at 2M tonnes (-4% y-o-y) with good quality and size. The first market reactions are positive although it might be difficult to reach price levels seen in the two previous exceptionally good years.

The experts also concurred on several trends affecting the current harvest: the season is delayed by a week or more; there are issues of availability and costs of containers for trade; costs of raw material and transport in general are rising; potential issue of availability of experienced workforce (intra- and extra-EU).

For the whole EU, frosts in spring and hailstorms in summer will likely result in more fruits directed to the processing industry compared to last year (around 37% of the total) whereas volumes of fresh table apples are expected to be in line with those of 2020.

Outside Europe, all regions (with the exception of North America) have registered an increase in production, with a world total estimated at 81M

tonnes, a 4% increase y-o-y. More than half of the production is expected to come from China, where the production is expected to be around 45M tonnes. The EU neighboring countries (Serbia, North Macedonia, Moldova, Ukraine, Russia and Turkey) are also expected to increase the production this year by 8% at around 8M tonnes. This will put pressure on the export opportunities for EU exporters.

Regarding the processing sector, experts pointed out the difficulty in combining increasing demand for local products and the necessity to absorb excess produce in Poland as well as increased quantities available for processing this year due to frost and hail damage. The juice market could saturate as stocks have been replenished over the summer with polish apples, the capacity exceeds EU consumption and exports markets are still complex with Russia/Algeria embargo and Belarus uncertainties. However the current US-Chinese trade frictions could create an opportunity for the EU processed apples.

With regards to pears, the crop forecasted for this season is the lowest in a decade at 1.6M tonnes (-28% y-o-y) due to the adverse weather in the spring. The situation was reported particularly challenging in Italy and France where more than half of the production was lost. This might result in increasing prices for consumers, yet good commercial opportunities for producing countries less hit (e.g. Belgium and Netherlands).

Finally the Commission presented the state of play of the implementation of the market transparency regulation in the fruit and vegetable sector.

The next meeting of the pip fruit sub-group of the Fruit and Vegetables Market Observatory is foreseen for spring 2022.