

# Meeting summary

8 June 2020

The first meeting of the Stone fruit sub-group of the Fruit and Vegetables Market Observatory (F&V MO) took place on 8 June 2020. It gathered representatives of the following members organisations: AREFLH (Assemblée des Régions Européennes Fruitières, Légumières et Horticoles), CEJA (European Council of Young farmers), COGECA (General Confederation of Agricultural Cooperatives), COPA (Committee of Professional Agricultural Organisations), ECVV (European Coordination Via Campesina), EUFOFEL (FruitVegetablesEUROPE), Eurocommerce, FRESHFEL (European Fresh Produce Association), PROFEL (European Association of Fruit and Vegetable Processing Industries), and WUWM (World Union of Wholesale Markets).

As this was the first meeting of this sub-group in the new setting as market observatory, the structure and functioning of the F&V MO was presented. The F&V MO includes an economic board and a dedicated website containing a large set of market that will be updated regularly. The economic board is formally a Commission expert group intended to give advice on economic factors affecting market developments, to provide market information and to assess the current market situation. The board is divided in sub-groups on tomatoes, citrus fruit, stone fruit and pip fruit.

The group exchanged views about the current price monitoring at ex-packaging station and possible improvements. It was discussed whether to include smaller fruit sizes and other package sizes in the reporting, as well as whether a simple average of the prices of each main producing Member States was meaningful. Experts were asked to continue the reflection within their organisations.

The next item for discussion was the market situation for stone fruit. The group first took stock of the 2019 campaign. Production was higher in 2019 compared to 2018, with a 6% increase for peaches and nectarines (4.1M tonnes) and a 7% increase for apricots (0.8M tons). Cherries saw a decrease of 11% (0.9M tonnes) and plums a decrease of 8% (1.6M tonnes).

Although the EU average prices of peaches for 2019 were higher than the 5-year average, they were lower than 2018. The EU average however masks important differences with generally high prices in France—whose production is mainly directed to

internal consumption—and generally lower prices in Spain, Italy and Greece.

In terms of trade, there is a decreasing trend in the last years of exports for fresh peaches and nectarines since the Russian embargo in 2014 with the lowest point reached in 2018 and a rebound of 15% in 2019 at 179K tonnes exported. The group noted that these figures still include the UK as part of the EU, which in 2019 imported 80K tonnes of fresh peaches, mainly from Spain. As regards processed food, canned peaches had a very good performance of exports towards the US (doubling in 2019), but there is uncertainty for 2020 given the introduction of tariffs by the US towards the end of 2019.

The EU production forecast for peaches and nectarines for the 2020 campaign amounts to 3.2M tonnes, the lowest production in several years for the sector. Experts also foresee a smaller production for apricots: 400K tonnes for the EU. The production drop is due to weather conditions, but also in some regions to the effects of stinkbug outbreaks and surface reduction. For canned peaches, first estimates are above 430K tonnes, but weather conditions could still affect production. The first prices reported by Spain, where the season usually starts earlier than anywhere else, are higher than the 5-year average prices, which is a positive sign for the rest of the campaign.

The group discussed the impact of COVID-19 pandemic on the stone fruit sector. Experts reported that producers see additional cost at all stages of production. Final product quality could be affected by lack of access to experienced seasonal workers. The purchasing power of households is also a concern, as it has been affected by the situation and will affect demand for products such as peaches and nectarines during the summer season. Experts nevertheless hope for a positive campaign, compared to the difficult 2019 campaign. On the retail side, retail purchases of fresh fruit in general went significantly up during the lockdown (e.g., in France +9.4% over 2019 and +9.8% over 3-year average), but are now stabilising, with prices stable or slightly up during the lockdown.

The next meetings of the sub-group on stone fruit is scheduled for spring 2021 (date to be confirmed).