

Meeting summary

3 June 2021

A meeting of the stone fruit sub-group of the Fruit and Vegetables Market Observatory took place on 3 June 2021.

For the 2020/21 season, available volumes were limited, mostly due to unfavourable weather conditions in spring. Italy had some damage during cold spells, but the quality of fruit was good. Spain had a significantly reduced harvest, especially in Northern regions (-35% in Catalonia). In France, volumes were also low (-10%/-12% on capacity). Prices were overall good, higher than in 2019, but for those who lost a large part of their harvest, good prices could not compensate for the lost production, and there were increased costs due to the pandemic. In Greece, production of peaches for processing (pavias) was also affected by weather conditions. Prices were satisfactory and the season was considered relatively good, despite closure of food service sector and nearly total disappearance of this market. Exports were at highest levels since 2003 and despite the US increased tariffs.

Turning to the 2021/22 campaign, for most of EU producing regions, experts explained that it will be characterised by even lower volumes than in already-low 2020. Different regions inside the EU start marketing at different times and regions that did not export started exporting, so experts expect supply from other EU countries to compensate for losses throughout the campaign. High perishability of fruit renders price negotiations difficult, with a ceiling above which prices at retail level will not go. So, despite scarcity of product, prices will not increase to a point where loss would be compensated.

In Spain, big losses reported on apricots (-27%) and about -25% on 5-year average (-23% in Catalonia and -27% in Aragon) for peaches and nectarines, but with the South seeing limited loss and losses in Catalonia that could reach -45% of production potential in some areas. Initially low demand during spring has improved and is said to be stronger than in 2020. Production loss insurance in Spain was praised as an important tool for the sector.

In Italy, the production will be even lower than last year: apricots -5% on 2020 and -50% on average, peaches and nectarines -10% on 2020 and -41% on average. The weather conditions come on top of surface reduction (-5%

in 2021, more even in the North), which is likely linked to increasing costs (wages) and decreasing profitability in the North, and to varietal changes in the South. For apricots, this is the first time decrease in area is observed.

In France, more than 50% of apricots were lost, peaches and nectarines -34% on 2020 and -40% on 5-year average. Protection systems are very costly, but frequency of adverse weather events increases worryingly and solutions are needed.

In Greece, two cold waves at the end of April were reported. Estimates are for the 2nd worst year in last 20 years: peach production -50%, apricots -60%. Given very low production, some fruit intended for processing will end up in fresh market. This, together with low stocks after the previous season, will lead to limited processed fruit to satisfy demand. There are concerns that some markets might be lost as consequence.

Experts also discussed consumption and prices for fruits at consumer level. Grocery shopping was at record high in the EU in 2020. Significant consumer shift to healthier/more sustainable/local/organic/with quality certificates products. It is expected that the interest in local and organic food will continue. However, some consumers might be constrained in their food choices due to a decrease in their purchasing power.

Representatives from the Spanish government presented their recently published study on analysis of the productive reality of the stone fruit sector in Spain in 2020. Based on the land registry and with good contribution from the sector, they managed to realise a very detailed mapping of the orchards. For stone fruit, 82% of surfaces are represented and that percentage is even higher for peaches and nectarines.

On market transparency efforts, experts reiterated their demand for EU statistics to differentiate between fruits of large and small size, and to add a distinction for flat peaches, which are gaining shares in the market.

The next meeting of the stone fruit sub-group of the Fruit and Vegetables Market Observatory is foreseen for end of Spring 2022.