

Meeting summary

1 June 2022

A meeting of the stone fruit sub-group of the Fruit and Vegetables Market Observatory took place on 1 June 2022.

During the 2021 season, volumes were very limited, mostly due to unfavourable weather conditions in spring that affected all Member States with major production. Spain recorded a reduced peaches and nectarines harvest, with overall losses less important than in Italy or France. Given available volumes were limited, sales were fluid and prices were overall good, higher than in 2020, but for those who lost a large part of their harvest, good prices could not compensate for the lost production. Farmers also had to bear production costs that significantly increased due to interruptions in supply chains. In Greece, frost wiped out 40% of production of peaches for processing (pavias). In 2020 strong demand and record exports emptied stocks of canned peaches. Limited supply of primary material in 2021 sent prices of processed peaches soaring.

Turning to the 2022 campaign, for most of the EU producing regions, experts expect a normal campaign, with minor losses from spring frosts and return to regular harvests. Quality will be reasonable, with good Brix levels but smaller calibres due to lack of rain and draught.

An important exception here is Spain, the biggest supplier of peaches and nectarines in the EU, which suffered this year important damages from frost, with main losses being in northern regions (up to -70% in Catalonia). The estimated production will be below 1 million tonnes, nearly one third lower than last year when the volumes were already small. This will have an impact on the availability of these fruit in Spain and possibly the whole EU in the second part of the campaign. There is some expectation that limited volumes will result in higher prices and financially balance very high production and marketing costs (energy, water, transport). However, experts are concerned that eroded consumers' purchasing power might result in low demand, if prices increase too much. The beginning of the campaign is already marked by relatively strong pressure from retail chains on prices, but there is some expectation that prices will improve later during the season when demand gets stronger and the supply from regions affected by frost is harvested and marketed. There is also a risk that some countries that

used to supply Russia and Ukraine (mainly Turkey) could divert part of their production into the EU due to difficulties in trade and/or payments with these countries.

In Italy, the production is expected to return to regular volumes, meaning just above 1 million tonnes. That is still well below levels of 2019, the last year without important losses due to weather conditions. Italy continues to see a trend of reduction of areas in its northern part.

In France, the harvest is estimated at around 200 000 tonnes, which is close to its production potential. Less need for supply from abroad is expected as the market is mainly national and the volume is satisfactory.

In Greece, experts reported on the peach for processing sector (pavias). It will be a normal campaign in terms of volumes (around 400 000 tonnes). Production areas remain stable and following normal winter and spring weather conditions, a return to a regular crop is forecasted. Main worries relate to raising costs due to the dependence on Russian gas and availability of products needed on farms and in processing factories as well as to the shortage of labour that will likely aggravate during harvest period.

The Commission services invited members of the Observatory to share their views on the medium term outlook for the stone fruit sector via a dedicated survey¹. Experts were also asked to confirm historical data on production of peaches and nectarines that will be a basis for outlook models per Member States. The Commission services presented a new application in its Agri-food Data Portal that is being developed in order to enhance price monitoring across Member States and supply chains².

The next meeting of the stone fruit sub-group of the Fruit and Vegetables Market Observatory is foreseen for end of spring 2023.

¹ <https://ec.europa.eu/eusurvey/runner/f4fc680b-fc84-6cc4-abc0-f6f3a1dce05f>

² <https://agridata.ec.europa.eu/extensions/DashboardFruitAndVeg/FruitAndVegetablePricesSC.html>