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Germany-Italy EU-27

EU-27 FRESH DECIDUOUS FRUIT ANNUAL

Abundant EU supplies point to lower imports of apples, pears, and table grapes in MY 2009/10

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Report Highlights:

EU-27 commercial apple production for MY 2009/10 is estimated down 2 percent and non-commercial production down 20 percent compared to MY 2008/09. However, large stocks of apples and concentrated apple juice (CAJ) have put strong downward pressure on producer prices both for processing apples and table apples. As a result of the ample domestic supply, EU-27 imports are forecast to decline by four percent. EU-27 apple exports are expected to decline by nine percent, largely because of projected lower Polish exports to Russia. These cannot easily be compensated by higher exports from other MS, as some MS are facing phytosanitary certification issues when exporting to Russia. Commercial pear harvest is estimated 12 percent higher than in the previous MY. As a result pear imports are expected to decline in MY 2009/10. Pear exports may recover almost to the level of MY 2007/08, provided that there are no additional problems with phytosanitary certification for export to Russia. MY 2009/10 CAJ production (occurring from September through November) is forecast to substantially decline as a result of high stocks and low prices, this leaves room for higher CAJ imports in the latter half of the MY. EU-27 table grape production for MY 2009/10 is estimated 2 percent below MY2008/09 because of lower production in Italy.

Commodities:

Apples, Fresh

Pears, Fresh

Apple Juice, Concentrated

Grapes, Table, Fresh

Author Defined:**Introduction**

Disclaimer: This report presents the situation and outlook for apples, pears, concentrated apples juice (CAJ), and table grapes in the EU-27. This report presents the views of the authors and does not reflect the official views of the U.S. Department of Agriculture (USDA). The data are not official USDA data.

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Abbreviations and definitions used in this report

CAJ	Concentrated Apple Juice
CMO	Common Market Organization
EU	European Union
GTA	Global Trade Atlas
Ha	hectare; 1 ha = 2.471 acres
MT	Metric ton = 1000 kg
MMT	Million metric tons
MS	EU member state(s)
MY	Marketing year
	Apples: July/June
	Pears: July/June
	CAJ: July/June
	Table Grapes: June/May
USD	U.S. Dollar
WAPA	World Apple and Pear Association

Trade data cited in this report was derived by using the following tariff codes:

Apples:	0808 10
Pears:	0808 20
CAJ:	2009 79
Table grapes:	0806 10 10

Apples

Coordinated by Sabine Lieberz/FAS Berlin

Table 1: EU-27 PSD for Fresh Apples (in ha, MT)

Apples, Fresh EU-27	2007			2008			2009			
	2007/2008			2008/2009			2009/2010			
	Market Year Begin: Jul 2007			Market Year Begin: Jul 2008			Market Year Begin: Jul 2009			
	USDA Official Data	Post Old Data	Post New Data	USDA Official Data	Post Old Data	Post New Data			Post New Data	
Area Planted	522,889	522,889	539,582	518,864	518,864	536,010			530,500	(HA)
Area Harvested	432,136	432,136	480,485	484,244	484,244	502,478			496,900	(HA)
Commercial Production	8,820,990	8,820,777	9,192,287	11,500,000	10,092,105	11,202,863			10,941,400	(MT)
Non-Comm. Production	900,000	903,416	1,102,693	115,000	1,146,770	1,372,200			1,120,200	(MT)
Production	9,720,990	9,724,193	10,294,980	11,615,000	11,238,875	12,575,063			12,061,600	(MT)
Imports	871,000	838,149	882,496	780,000	770,000	778,527			750,000	(MT)
Total Supply	10,591,990	10,562,342	11,177,476	12,395,000	12,008,875	13,353,590			12,811,600	(MT)
Fresh Dom. Consumption	7,139,990	7,100,301	7,996,469	8,743,000	7,785,875	8,546,462			8,661,600	(MT)
Exports	750,000	749,049	750,231	850,000	880,000	1,202,468			1,100,000	(MT)
For Processing	2,700,000	2,710,992	2,429,644	2,800,000	3,343,000	3,604,660			3,050,000	(MT)
Withdrawal From Market	2,000	2,000	1,132	2,000	0					(MT)
Total Distribution	10,591,990	10,562,342	11,177,476	12,395,000	12,008,875	13,353,590			12,811,600	(MT)

Source: FAS EU-27

Apples – Production

Apples - Commercial Production

The EU-27 is one of the leading producers and consumers of apples in the world. Poland, Italy, France, Germany, and Spain are the top five producing member states (MS) and together account for almost 75 percent of the total EU commercial apple production. Some 25 varieties are produced in the EU commercial apple sector in volumes exceeding 10,000 MT.

Among these, *Golden Delicious*, *Gala types*, and *Jonagold* are the dominant varieties. However, production patterns vary from MS to MS. While *Golden Delicious* is the variety with the largest production in Italy, France, and Spain, *Elstar* plays this role in Germany and the Netherlands; *Idared* and *Jonathan* are the number one varieties in Poland and Hungary, respectively.

Commercial apple production in MY 2009/10 is estimated at 10.9 MMT. The decrease of 2 percent compared to the previous MY 2008/09 is largely a result of reductions in Poland (lower acreage) and Spain (problems during pollination).

Fruit quality seems to be good for the most part, with the exception of some local damage by hail and scab. Fruit diameter is larger than usual because of earlier pollination and good growing conditions in the last weeks prior to harvest.

Table 2: EU-27 Commercial Apple Production by Country and Year in MT

COUNTRY	2007	2008	2009e	Change 2009:2008 in percent	Percent of Total
Poland*	1,035,000	2,780,800	2,593,000	-7%	24%
Italy*	2,142,000	2,164,000	2,115,000	-1%	20%
France*	1,787,000	1,682,000	1,733,000	3%	16%
Germany*	1,070,000	1,047,000	1,042,000	0%	10%
Spain*	721,200	687,500	604,100	-12%	6%
Romania**	287,000	459,000	435,000	-5%	4%
Netherlands*	376,200	357,200	381,900	7%	3%
Hungary*	132,000	372,450	380,200	2%	3%
Belgium*	340,100	319,200	295,450	-7%	3%
Portugal*	243,000	235,000	240,000	2%	2%
Greece**	236,000	231,000	220,000	-5%	2%
Austria*	221,500	185,100	219,000	18%	2%
United Kingdom*	196,000	201,000	210,000	4%	2%
Czech Republic*	113,086	156,697	137,550	-12%	1%
Slovenia*	86,977	71,613	70,000	-2%	1%
Lithuania**	40,000	74,000	60,000	-19%	1%
Bulgaria**	60,000	56,000	56,000	0%	1%
Slovak Republic*	17,724	41,803	44,000	5%	0%
Latvia**	31,000	34,000	25,000	-26%	0%
Denmark*	32,000	26,000	24,000	-8%	0%
Sweden*	21,000	18,000	17,000	-6%	0%
Finland*	3,500	3,500	4,250	21%	0%
TOTAL EU-27	9,192,287	11,202,863	10,941,450	-2%	

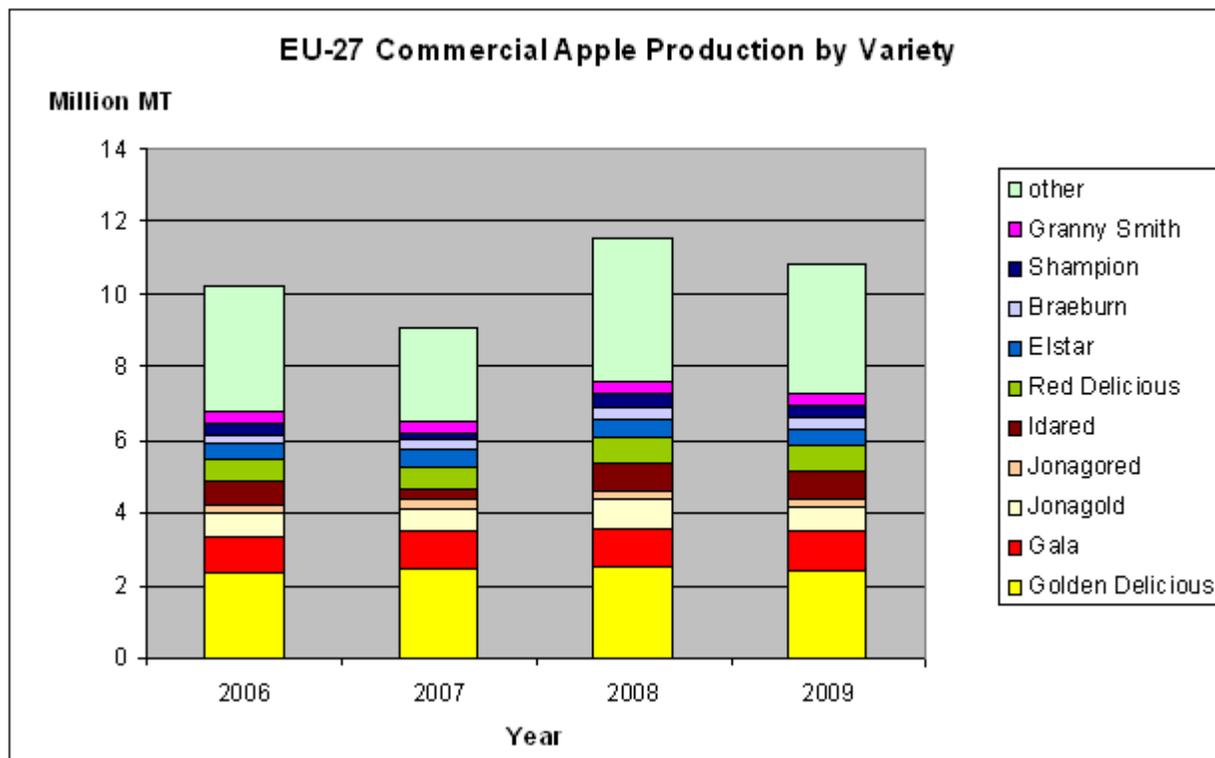
e= estimated

Source:

*FAS EU-27 offices,

**World Apple and Pear Association (WAPA) (as of October 2009)

Chart 1: Commercial Apple Production in the EU-27 by Variety and Year in 1,000 MT



Note: Category “Other” includes but is not limited to:

Jonathan, Fuji, Lobo, Gloster, Cripps Pink, Cortland, Boskoop, Cox Orange, Morgenduft, Bramley, Reinette Grise du Canada, Pinova, Topaz, Gravensteiner, James Grieve, Glockenapfel, Ingrid Marie, Annurca, Areiane, Belgica, Diwa, Greestar, Cameo, Honey crunch, Jazz, Junami, Kanzi, Mariac, Rubens, Tentation, Wellant

Source: FAS, based on data from WAPA

Apples - Non-commercial Production

Non-commercial production in MY 2009/10 is estimated 20 percent lower than in MY 2008/09. This is largely a result of a substantial decrease in Germany, where non-commercial orchards had a poor crop year. In addition, the very low producer prices made it unprofitable to hire labor for the harvest of processing apples and many non-commercial orchards were left unharvested.

However, most EU member states do not report estimates for non-commercial production (private gardens and meadows). As a result, the production figure provided in table 1 is a very rough estimate which is based on industry rather than official information. Non-commercial production tends to alternate between good and poor crop years. (For background explanation please refer to page 7 of [E48163](#))

Non-commercial production includes apples grown in house gardens and production in meadows. Typically, non-commercial production is used for fresh consumption, apple juice and spirits production, baking (cakes, tarts) or preserved foods (canned, dried, and cooked). The amount of apples that is diverted into the different segments varies depending on

the price for processing apples. Higher processing apple prices generally result in a higher proportion of fruit entering juice production; lower prices generally result in less fruit going into processing.

In general, non-commercial production is gradually decreasing in the EU-27 as hobby farmers get older and the younger generation does not show the same interest in tending to apple meadows. Instead, commercial production of higher acid apple varieties for processing is expected to increase to meet demand from the CAJ industry.

Note: Substantial revisions between old and new data for both commercial and non-commercial production in MY 2007/08 and MY 2008/09 is based on more complete information in a number of MS, particularly in Romania.

Apples – Market Situation

Currently (October 2009) the situation on the table apple market looks rather bleak. Apple stocks on June 1, 2009 were 48% higher than in the year before. In addition, high stocks of concentrated apple juice (CAJ) have reduced demand from the processing industry, which normally absorbs lower quality table apples. These two factors have put substantial pressure on producer prices. Industry sources hope that the situation will improve in the second half of the marketing year when lower quality apples have disappeared.

Stocks

According to WAPA EU stocks of apples amounted to 644,742 MT on June 1, 2009, compared to 436,840 MT at the same time in 2008. Reporting of stocks varies by MS. In some MS the stock number comprised apples stored at producer organizations (POs), in some MS stocks at POs and wholesalers. More important that the actual number is the year-on-year-change of stocks, as end of MY stocks can have a detrimental effect on the prices for the new harvest. Stocks are included in the “fresh domestic consumption” line in the PSD.

Apples – Consumption

Consumer preferences

Apples are the most popular fruit in all MS, followed by bananas and citrus. However, a closer look within the apple segment does show differences in consumer preferences between MS. For information on variety and size preferences by MS please refer to page 9 of [E48163](#). The movement to buy local and seasonal produce has gained a lot of traction in some MS such as the UK. To the British, apples are iconic local produce that conjure up nostalgia for traditional harvest time and days gone by. UK consumers are starting to question why apples and pears are imported during the British season, and the market is also responding to policy drivers on food security, climate change, and health. The demand for organic apples, which is highest in Germany, is expected to suffer in MY 2009/10 from the economic crisis. Consumers who buy organic only occasionally may revert to buying cheaper non-organic apples in order to save money.

Processing

In MY 2009/10 processing use of apples is expected to decline compared to MY 2008/09 because of lower non-commercial production in combination with extremely low prices for processing apples. This makes processing an unattractive option for lower quality table apples.

Processing uses for apples include among others apple juice, concentrated apple juice (CAJ), cider, wine/brandy, apple sauce, preserves, canning, apple chips, and peeled apples for bakeries. The share of apples that are used for processing varies significantly from MS to MS; ranging from 2 percent in France to well over 60 percent in Hungary. The processing share also varies from year to year. The EU-27 average share of apples going into processing amounts to about 28 percent of total supply. Major MS with apple processing include Poland, Germany, Hungary, Italy, Spain, the Netherlands, and the U.K.

Apples – Trade

The majority of trade occurs within the EU-27 countries. Over the past five years, on average about 2.2 million MT of apples were traded between EU member states, while roughly 800,000 MT were imported from outside the EU-27. In recent years imports from outside the EU contributed between 6 and 8 percent to the total apple supply on the EU market.

EU-27 external trade

Imports

The decrease of imports in MY 2008/09 compared to MY 2007/08 is largely a result of lower imports of apples for processing. For MY2009/10, imports are forecast to slightly decline further by 4 percent, because of high stocks and abundant domestic supply in the first half of the MY. More than 75 percent of EU-27 apple imports originate from the top five suppliers, all of which are located in the southern hemisphere and export mostly during the European off-season. The main importers of apples are The U.K. and the Netherlands, who together account for more than half of the EU-27 imports. However, much of the volume entering the Netherlands will not be consumed there but eventually be transshipped to other MS.

U.S. apple exports to the EU-27 occur year-round, however the majority arrives between November and April. U.S. apples compete with domestically produced apples and with competitively-priced imports from China. For example, the average import price for U.S. apples in MY 2008/09 was 1455 USD per MT, while Chinese apples were imported at 1011 USD per MT (source: GTA). The main importers of U.S. apples are the U.K., Finland, the Netherlands, Ireland, and Sweden.

Table 3: EU-27 Imports of Apples in MT

Country of Origin	MY 2006/07	MY 2007/08	MY 2008/09
Chile	200,994	191,961	214,342
South Africa	160,879	154,684	170,050
New Zealand	174,520	159,494	162,775
Brazil	103,875	87,843	92,500
Argentina	110,233	79,078	62,806
United States	32,680	28,370	26,854
China	46,284	35,051	24,494
Macedonia	29,210	44,902	14,886
Croatia	426	16,411	2,524
Uruguay	7,149	4,626	2,412
Canada	2,317	2,990	1,212
Ukraine	19	19,921	756
Switzerland	946	2,910	680
Other	19,407	54,255	2,236
World Total	888,939	882,496	778,527
Thereof processing apples	7,088	62,461	7,924

Source: Global Trade Atlas (GTA)

Exports

The increase in total EU-27 apple exports from MY 2007/08 to MY 2008/09 was largely a result of recovering Polish exports to Russia and the Ukraine, which more than compensated for lower exports from other MS such as Germany and the Netherlands. Other MS faced diminishing exports to Russia in MY 2008/09 as a result of newly imposed phytosanitary requirements. According to Dutch and German industry contacts, Russian maximum residue levels (MRLs) are among the strictest and lowest in the world, this pertains especially to the definition of the minimum detection level. If more than five shipments of apples per quarter from a given country are found to exceed these strict MRLs, until further notice every following shipment of this country needs to be accompanied by a “safety certificate” (SC) indicating the residue levels as determined by an authorized laboratory. This requirement is currently in place for apples and pears shipped from the Netherlands, Greece, Lithuania, and Italy, as well as apples from Germany and pears from Belgium. It also pertains to re-exports from those countries, for example U.S. apples shipped to Russia via the Netherlands. As a result, U.S. exporter should carefully examine phytosanitary requirements if they ship produce to Russia via the EU. Shipments with SCs are also being tested again upon arrival in Russia.

For MY 2009/10 exports are expected to decrease by about 9 percent. This is a result of a lower Polish harvest as well as lower demand from international markets in response to the financial crisis and associated problems of obtaining credit guarantees. The continuing problems of some MS with phytosanitary requirements when exporting to Russia in combination with lower Polish production could bring opportunities for U.S. exporters on the Russian market.

The top destinations for EU-27 apples are Russia, Ukraine, and Algeria. The largest EU exporters are Poland (mostly to Russia and Ukraine), France (mainly to Algeria, Russia, U.A.E., and Saudi Arabia), and Italy (to Russia, Norway, and Libya).

The largest EU competitors on important markets for U.S. exporters include:

Russia: Poland, France, Italy, Belgium, and Germany

U.A.E.: France, Italy

Saudi Arabia: Italy, France

Table 4: EU-27 Exports of Apples in MT

Country of Destination	MY 2006/07	MY 2007/08	MY 2008/09
Russia	452,696	331,830	587,269
Ukraine	182,722	90,947	259,218
Algeria	59,219	79,307	75,595
Belarus	50,760	27,062	43,825
Norway	29,927	37,023	32,682
Libya	17,935	18,995	23,927
Saudi Arabia	22,421	27,449	19,922
Bosnia & Herzegovina	6,668	7,353	15,066
United Arab Emirates	9,834	13,984	14,344
Croatia	15,335	13,514	12,959
Kazakhstan	1,036	634	12,775
Switzerland	13,579	9,919	12,277
Albania	22,245	15,840	11,920
Other	75,755	76,374	80,689
World Total	960,132	750,231	1,202,468

Source: Global Trade Atlas (GTA)

Apples – Withdrawal from Market

The reform of the EU common market organization for fruits and vegetables (see policy section) brought about a change in the intervention system (also called “withdrawal from market”). Previously, a producer organization was allowed to dispose up to 8.5 percent of its marketed volume of apples through intervention programs. However, unlike with other commodities, these volumes were not allowed to re-enter the market at a later stage. Instead, they had to be permanently “withdrawn from the market”, for example by donation to charity or be destroyed.

As of 2008, “withdrawal from market” is no longer available as a separate measure but will have to be included as an emergency measure in the producer organizations’ operational program (OP). This means, the system moves from being financed entirely by EU funds to a co-financing system where producer organizations have to bear 50 percent of the costs.

As a consequence, since MY 2008/09 member states authorities administer “withdrawals from market” programs only indirectly via approval of the OP. Thus numbers about volumes are no longer available. Also, some member states (for example Germany) have opted to do away with intervention for fruits and vegetables altogether.

Apples – Additional Information

For information on tariffs, maximum residue levels, labeling requirements please see the respective sections at the end of the report.

Pears

Table 5: EU-27 PSD for Fresh Pears (in ha, MT)

Fresh Pears, EU-27	2007			2008			2009			
	2007/2008			2008/2009			2009/2010			
	Market Year Begin: Jul 2007			Market Year Begin: Jul 2008			Market Year Begin: Jul 2009			
	USDA Official Data	Post Old Data	Post New Data	USDA Official Data	Post Old Data	Post New Data			Post New Data	
Area Planted	138,523	138,523	140,278	140,924	140,924	139,191			139,000	(HA)
Area Harvested	129,640	129,640	130,631	134,022	134,022	130,763			130,800	(HA)
Commercial Production	2,465,511	2,465,511	2,597,336	2,161,000	2,149,700	2,272,205			2,543,100	(MT)
Non-Comm. Production	85,800	85,800	186,801	72,100	72,100	162,852			181,400	(MT)
Production	2,551,311	2,551,311	2,784,137	2,233,100	2,221,800	2,435,057			2,724,500	(MT)
Imports	322,981	322,981	348,600	360,000	390,000	385,293			355,100	(MT)
Total Supply	2,874,292	2,874,292	3,132,737	2,593,100	2,611,800	2,820,350			3,079,600	(MT)
Fresh Dom. Consumption	2,398,371	2,399,213	2,547,954	2,181,600	2,258,300	2,322,524			2,520,400	(MT)
Exports	275,500	274,658	273,886	233,000	175,000	221,989			252,500	(MT)
For Processing	196,421	196,421	308,184	178,500	178,500	275,837			306,700	(MT)
Withdrawal From Market	4,000	4,000	2,713	0	0	0			0	(MT)
Total Distribution	2,874,292	2,874,292	3,132,737	2,593,100	2,611,800	2,820,350			3,079,600	(MT)

Source: FAS EU-27

Pears - Production

Due to favorable weather conditions EU-27 commercial and non-commercial pear production in MY 2009/10 is expected to be above average. Commercial pear production is forecast 12 percent higher compared to MY 2008/09 and will reach about 2.5 MMT. The quality of the MY 2009/10 crop is expected to be good.

The top six producing MS (Italy, Spain, Netherlands, Belgium, Portugal, and France) account for 88 percent of the total EU pear production. *Conference*, *Williams Christ/Bartlett*, and *Abate Fetel* continue to be the major varieties grown in the EU-27 and together account for 56 percent of the production. An increase of 36 percent in production is estimated for the variety *Conference* in MY 2009/10, while the overall acreage of pear orchards remains unchanged.

Table 6: EU-27 Commercial Pear Production by Country and Year in MT

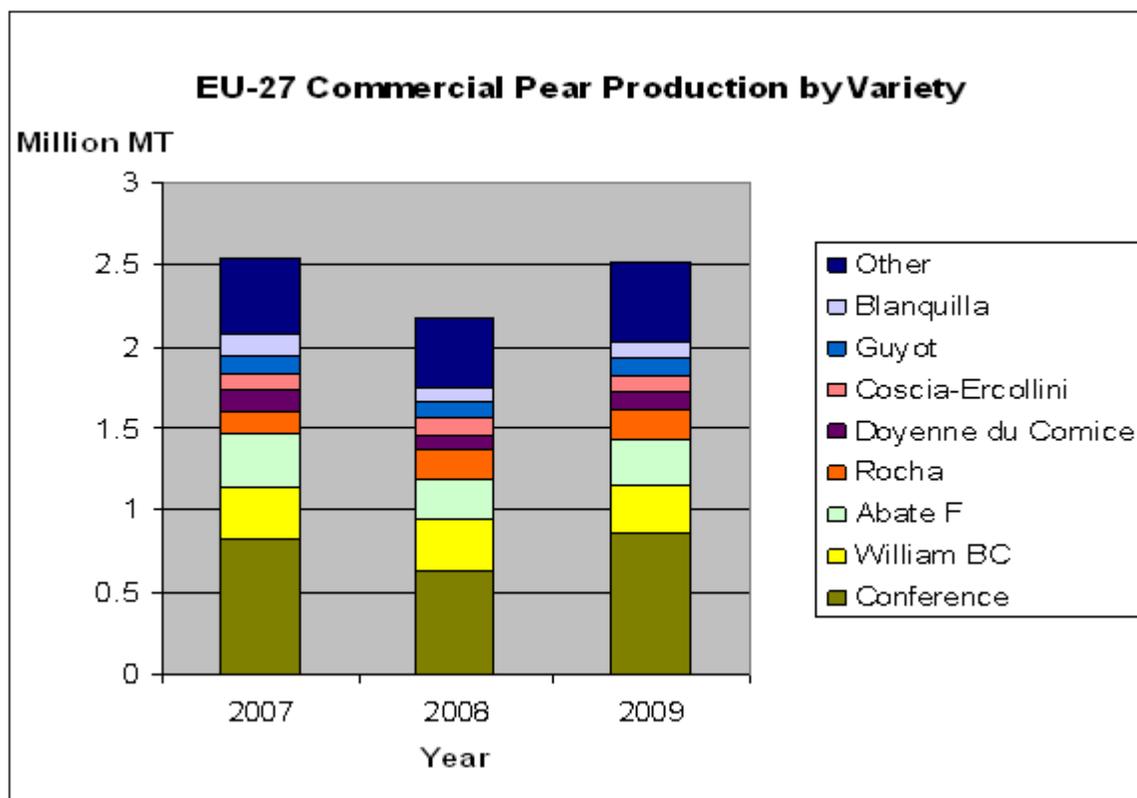
COUNTRY	2007/08	2008/09	2009/10e	Change 2009:2008 In Percent	Percent of Total Production
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Italy	922,000	759,000	817,000	7.6	32.1
Spain	551,800	557,900	476,400	-14.6	18.7
Netherlands	242,250	163,400	285,950	75.0	11.2
Belgium	272,650	161,500	266,950	65.3	10.5
Portugal	140,000	194,000	200,000	3.1	7.9
France	200,000	156,000	183,000	17.3	7.2
Poland	25,000	65,500	70,000	6.9	2.8
Greece	51,000	54,000	54,000	0.0	2.1
Romania	62,800	52,000	54,000	3.9	2.1
Germany	56,000	38,000	42,000	10.5	1.7
Hungary	11,799	22,000	35,000	59.1	1.4
United Kingdom	29,000	23,000	30,000	30.4	1.2
Austria	10,158	8,583	9,000	4.9	0.4
Denmark	6,000	5,000	5,000	0.0	0.2
Czech Republic	2,917	2,649	4,922	85.8	0.2
Bulgaria	3,000	3,000	3,000	0.00	0.1
Slovenia	7,501	3,136	3,000	-4.3	0.1
Other	3,461	3,537	3,867	9.0	0.2
Total	2,597,336	2,272,205	2,543,089	11.9	100.0
Production					

e= estimate

Source: FAS EU-27 offices

Chart 2: Commercial Pear Production in the EU-27 by Variety and Year in 1,000 MT



Source: FAS based on data from WAPA

Pears - Processing

The major use of pears for processing is for spirits (Williams Christ Schnapps); however some pears are used for juice production and canning. The share of pears that are used for processing is significantly lower than that of apples; ranging from zero percent in most member states to about a quarter and more in Hungary, Slovakia, and Austria. The variation from year-to-year is more pronounced than with apples. In individual MS the share can double or half from one year to another. Major MS with pear processing include Italy, the Netherlands, Austria, Spain, France, and Poland.

Pears – Trade

As with apples, the majority of trade occurs within the EU-27 countries. On average about 500,000 MT of pears are traded between EU member states, while roughly 350,000 MT are imported from outside the EU-27. In recent years imports from outside the EU contributed about 9 percent to the total pear supply on the EU market.

EU-27 external trade

Imports

Due to high pear production within the EU-27 in MY 2009/10, a decline of about 8 percent in total EU-27 pear imports is expected. In MY 2008/09, lower domestic availability led to an increase in total EU-27 imports of 10.5 percent. During the same period, U.S. pear exports to the EU-27 increased by 27 percent and totaled 6,297 MT. Seventy-six percent of EU-27 pears imports originated from the top two suppliers, Argentina and South Africa. The top five suppliers account for 98 percent of total imports. The United States ranks at number five of extra-EU-27 suppliers.

U.S. pear exports to the EU-27 usually occur between September and April. Industry contacts indicate good market prospects for U.S. pears especially in January and February. During this time frame, U.S. pears compete with domestically-produced pears and with competitively priced imports from China. Consumer demand for U.S. *Anjou* pears is strong and stable especially in Germany. However, as Germany is a particularly price sensitive market, industry contacts indicate that U.S. *Anjou* pears should not be priced more than 25-30 percent higher compared to local pears in order to remain competitive.

The main importers of pears are the Netherlands and Italy, who together account for half of the EU-27 imports. The main importers of U.S. pears are the Netherlands, Sweden, Germany, and the U.K. The U.K. is also a major export destination for U.S. organic pears.

Table 7: EU-27 Imports of Pears in MT

Country of Origin	MY 2006/07	MY 2007/08	MY 2008/09
Argentina	153,992	156,669	163,568
South Africa	110,037	103,540	127,353
Chile	47,370	54,522	60,542
China	20,345	21,870	20,813
United States	3,404	4,957	6,297
Turkey	1,807	2,125	2,443
New Zealand	2,228	2,167	2,075
Uruguay	2,254	1,425	1,272
Israel	0	13	384
Australia	82	307	281
Korea South	150	82	89
Tunisia	0	0	71
Serbia	22	50	26
Antigua & Barbuda	0	48	24
Russia	13	9	22
Other	534	818	34
World Total	342,238	348,600	385,293

Source: Global Trade Atlas (GTA)

Exports

The top destinations for EU-27 pears are Russia, Norway, and Brazil. The largest EU exporters are the Netherlands (mostly to Russia and Norway), Belgium (mainly to Russia), and Italy (to Russia, Norway, and Libya).

The restrictive phytosanitary requirements imposed by Russia pose a challenge for EU-27 pear exports. If Russia cannot agree with the EU on a reasonable solution in the near future pear industry predicts a decrease of exports to Russia by 5 to 10 percent, which could partially be compensated by higher exports to other markets. For MY 2009/10 total EU-27 exports are expected to increase compared to the previous MY because of higher availability resulting from increased production but may not fully reach the level of MY 2007/08. In MY 2008/09, lower commercial production resulted in 20-percent lower EU-27 exports compared to the previous MY 2007/08.

The largest EU competitors on important 3rd markets for U.S. exporters include:

Russia: Belgium and the Netherlands

Brazil: Portugal and Spain

Table 8: EU-27 Exports of Pears in MT

Country of Destination	MY 2006/07	MY 2007/08	MY 2008/09
Russia	206,133	198,682	152,380
Norway	19,151	24,699	20,581
Brazil	14,043	10,094	9,705
Switzerland	4,778	3,967	7,599
Croatia	6,472	5,689	4,498
Ukraine	3,198	4,442	3,563
Belarus	6,931	6,002	3,439
Libya	2,965	2,202	2,113
Bosnia & Herzegovina	3,278	2,378	1,974
Morocco	742	958	1,894
Melilla	2,271	2,673	1,828
Azerbaijan	695	767	1,453
Albania	3,059	1,387	1,109
Iceland	912	1,135	1,088
Israel	373	447	981
Other	9,998	8,348	7,788
World Total	284,999	273,868	221,989

Source: Global Trade Atlas (GTA)

Pears - Prices

Despite the large crop in MY2009/10, prices are expected to remain at a fairly high level as no carry-over stocks put pressure on the market.

Pears – Withdrawal from Market

The situation is the same as with apples. Please refer to the respective paragraph in the apple section of this report for detailed information.

Pears – Additional Information

For information on tariffs, maximum residue levels, labeling requirements please see the respective sections at the end of the report.

Concentrated Apple Juice

Coordinated by Ferenc Nemes/FAS Budapest

CAJ - Production

The majority of domestic CAJ production occurs during the months of September through November. The seven largest apple juice concentrate (CAJ) producers of the EU-27 are Poland, Germany, Italy, Hungary, Spain, Romania, and Austria. Together they account for 95-98 percent of total EU-27 CAJ production. For MY 2009/2010 combined CAJ production in the seven most important countries is forecast at a mere 355,000 MT, five percent lower even than in the disastrous MY 2007/2008 season (374,493 MT) in which frosts and drought reduced apple production. However, unlike MY 2007/08, the reasons of the pessimistic predictions for the MY 2009/10 lay not in low availability of raw material (processing apples) but in the increased costs for harvest and processing, very low international market prices for CAJ, decreased consumption of apple juice, and high stocks of CAJ from the previous season. In MY 2008/2009, the CAJ production rebounded to 494,535 MT.

It is difficult to separate the volume of apples used for CAJ production from the other food industry uses such as non-concentrate apple juice, cider, preserves, wine/brandy, apple chips etc. Detailed breakdown is not available in most countries. In some of the leading producing countries (Poland, Hungary, and Romania) CAJ production is fairly stable. In those countries CAJ production is the main market for fresh apples because of the availability of large volumes of industrial apples and limited alternative uses. In other countries, CAJ production serves as a channel for excess production or provides sales opportunities when CAJ prices are high. Because of increasing production costs and cheap non-EU imports, CAJ production is declining in many EU countries in the long-term. Processing capacities (mainly owned by multinational companies) have been expanding in non-EU regions (Moldova, Ukraine) while crushing capacities in the EU-27 are not operated at full capacity.

Quality

A large portion of the raw material for CAJ production in Europe consists of high acid apples. This is partly because of the climate, as apples grown under cooler temperature develop higher acid content. In addition, the variety mix of the New Member States still contains high percentage of old varieties such as *Jonathan* and *Idared*. These varieties have a typical

sour taste vs. the “modern” table apple varieties dominating the variety mix of other countries (see the variety breakdown of fresh apple production earlier).

During the past several years, the EU food additive directive has given EU producers permission to use natural ingredients (citric acid) in order to achieve the more “sour” taste of apple juice preferred by customers. At the same time, the increased imports of cheaper-but-sweeter CAJ from China have gained an important share in consumption. Nonetheless, the high acid European apple juice remains essential for the fruit juice industry for blending the sweeter Chinese CAJ, and the increasingly popular multi-fruit juice mixes.

Quality issues that surface from time to time with CAJ imports but have not resulted in serious trade disruptions include added sugar, high iron and patulin levels. CAJ imported from China is naturally sweeter and has a lower acidity than EU produced CAJ; however, some imports from China were found to contain added non-fruit sugar. CAJ originating from outdated factories in new EU member states often contains high amounts of iron stemming from worn out and old processing equipment.

Patulin, a naturally occurring toxic chemical, may occasionally be found in apple juice samples. During seasons when fungus infestation damages the crop or when producers utilize fallen apples to exploit high prices, patulin in the CAJ product may be detected at levels that exceed the EU tolerance level (50 µG/kg). For EU-27 sources, this problem is not expected to occur in the MY2009/10 season as low producer prices for apples do not encourage using apples of inferior quality.

CAJ - Consumption

The main use of CAJ is for apple or blended soft drinks. However, the volume of “not reconstituted” (NR) or “not from concentrate” juices, made directly from fresh fruit has been increasing. According to Euromonitor, sales of NR juices in the most quality conscious countries (Germany, Netherlands, UK, Austria) achieved double digit growth rates through the end of 2008. In general, the development of apple juice sales varies by country. In the UK NR apple juice consumption grew most in 2008, and regular apple juice sales remained flat. In Germany the increase in food prices reported further reduced consumption of apple juice. Many consumers are said to have switched to apple juice drinks (which contain a lower percentage of apples juice) or mixed their apple juice with sparkling water in order to save money. However, four major German discount stores reduced their sales price for apple juice products by up to 30 percent on November 3, 2008. This pushed the use of apple juice again in 2009. In October 2009, major German discount stores used the very low CAJ prices to further reduce consumer prices of apple juice to about 0.50 Euro per liter. This should have a positive effect on household consumption of apples juice in MY 2009/10.

The preference for apple vs. other fruit juice depends on the culture and availability. An Euromonitor analysis shows that in Germany and Austria the share of apple juice sales as a portion of total pure fruit juices is 44% and 40 %, respectively. The share is also high in the Netherlands 28% and the UK 24.5 %. By contrast, apple juice sales in Italy and Spain accounted for only 5.7% and 4.0% of fruit juice sales in 2007, even though both countries are strong producers and net exporters of CAJ.

Table 9: German Per Capita Consumption of Select Juices and Fruit Drinks 2002-2008 (in liters)

	2002	2004	2005	2006	2007	2008p	% Change
Apple Juice	12.17	12.88	12.42	12.02	11.35	9.25	-18.5%
Orange Juice	9.52	9.24	8.93	8.92	8.32	8.00	-3.8%
Grape Juice	1.31	1.31	1.29	1.28	1.25	1.00	-20.0%
Grapefruit Juice	0.34	0.32	0.36	0.36	0.36	0.30	-16.7%
Pear Juice	0.20	0.30	0.25	0.25	0.26	0.25	-3.8%
Vegetable Juice	0.97	0.99	1.35	1.36	1.35	1.20	-11.1%
Citrus Nectar	7.65	7.35	7.26	7.30	7.20	8.00	11.1%
Other Juice/Nectar	8.27	8.26	8.18	8.34	8.21	9.40	14.5%
Total	40.43	40.65	40.04	39.83	38.30	37.40	-2.3%

p= preliminary

Note: "Other juice /nectar" includes but is not limited to banana, cherry, cranberry, grape, mango, peach, plum, and red current juice/nectar.

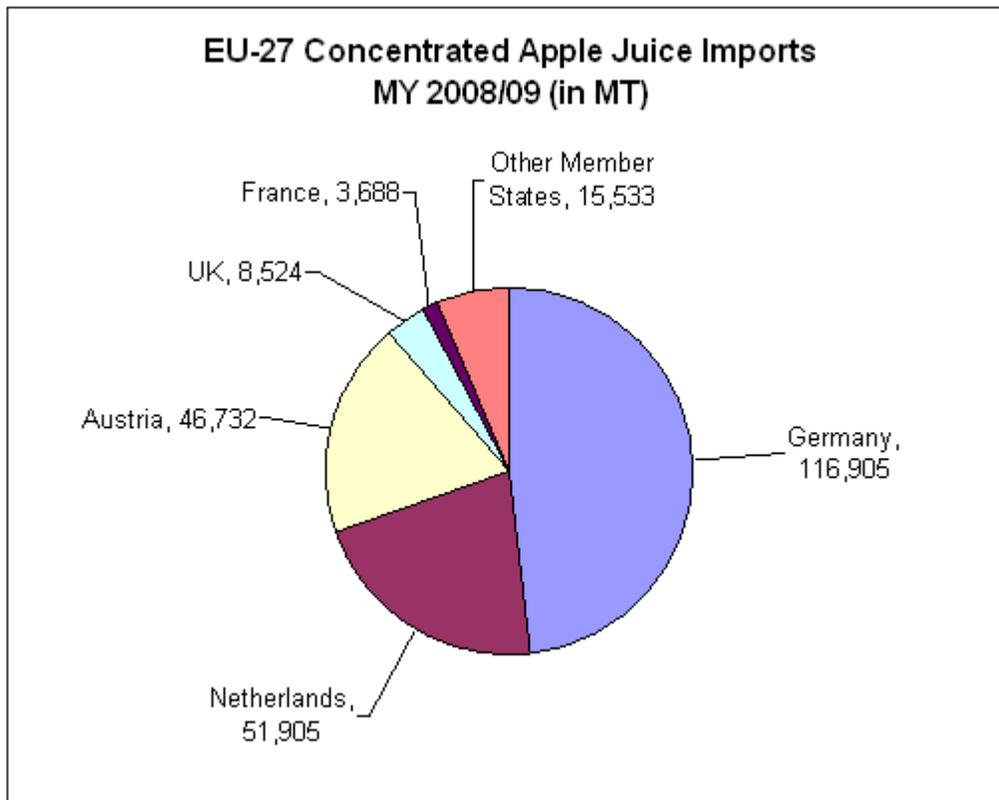
Source: VdF, Association of the German Fruit Juice Industry, Annual Report 2008, page 45.

The non-juice use of CAJ continues to increase. Cider making is not only a competitor for the fresh apple raw material, but a growing user of CAJ as well. The UK's cider industry uses 6,000-7,000 MT imported CAJ annually (source: DEFRA UK, 2006). Other food processing industries such as baking, ice cream, and dairy are also growing consumers of CAJ, as is the cosmetics and wellness industry.

CAJ - Trade

The EU is the largest apple juice concentrate importer of the world. Germany, Netherlands, and Austria were the biggest buyers in MY 2008/2009 accounting for 45%, 25%, and 17%, respectively, of the total EU CAJ imports (see Chart 3).

Chart 3: EU-27 CAJ imports by country

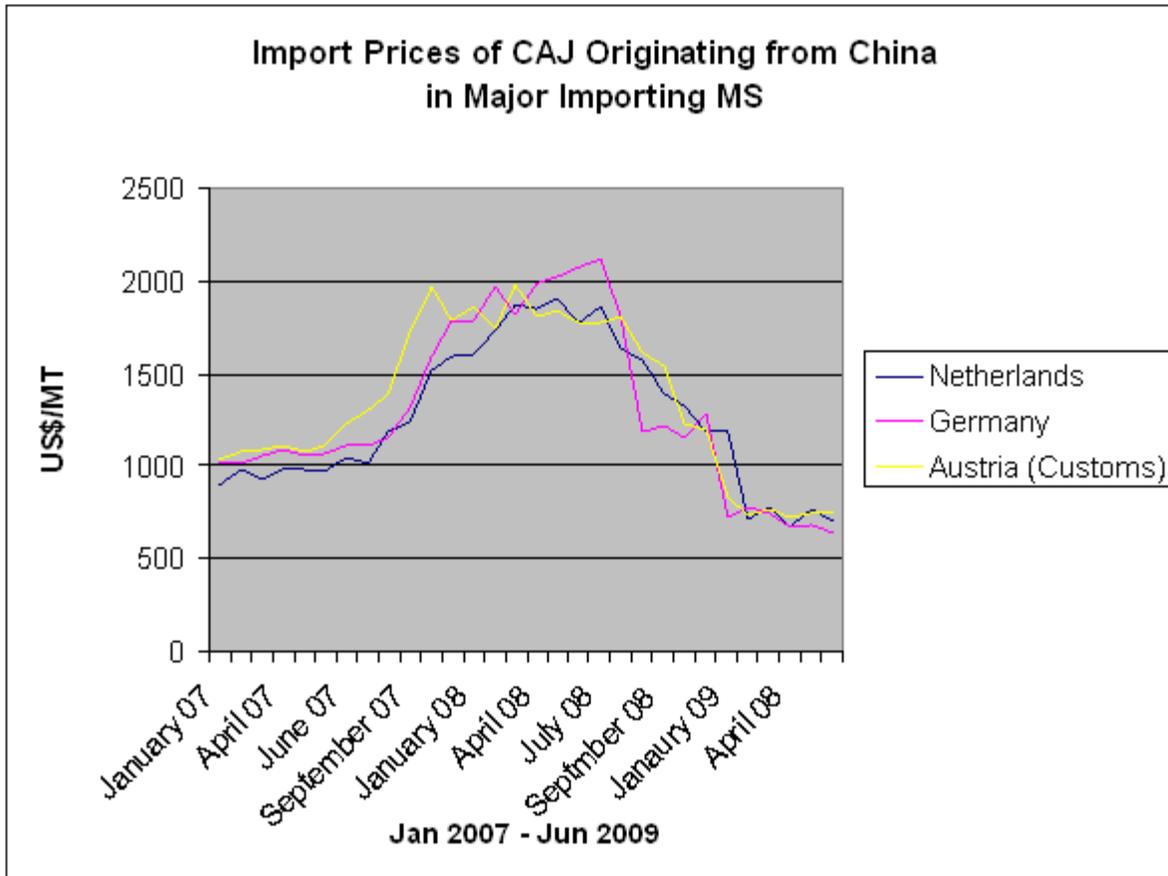


Source: FAS Budapest based on data from GTA

China was the dominant origin for EU-27 CAJ imports in MY 2008/09, while Switzerland, Turkey, Ukraine, and Moldova followed with quite some distance (see table below).

EU-27 CAJ imports from China dropped 25 percent in MY 2008/09 compared to the previous MY, partly because of the rebound in domestic supply in the EU-27, and partly because of the very high CAJ prices (see Chart). Imports from Turkey, Ukraine, Moldova, Georgia and other smaller suppliers also dropped, while Switzerland kept its important position in the CAJ trade of the EU in MY 2008/2009. Industry expects increased EU-27 imports for MY 2009/2010, benefitting from the lower domestic production, despite bearish juice consumption forecasts.

Chart 4: Chinese Apple Juice Price



Source: FAS Budapest based on data from GTA

In MY 2008/09 exports out of the EU continued their decline of recent years and were four percent lower than in the previous MY 2007/08. Germany and Austria were the largest CAJ exporters in the EU. The biggest buyers of CAJ from the EU were Norway, Saudi Arabia, Japan, and the U.A.E. (see table 9) in MY 2008/2009. Exports of CAJ to the U.S. fell to 1,209 MT but the trade balance was still positive for the EU. For MY2009/10, EU-27 CAJ exporters hope to preserve their good position in the aforementioned markets despite economic recession.

Table 9: EU-27 External CAJ Trade**CAJ Imports of the EU-27 by volume and value**

Country	MY 2007/2008		MY 2008/2009	
	MT	US\$	MT	US\$
China	208,495	327,364,326	156,537	159,777,076
Turkey	40,803	94,192,199	27,681	36,456,498
Ukraine	37,362	91,389,502	22,188	17,483,838
Switzerland	20,068	20,987,067	15,041	15,332,471
Moldova	43,401	46,451,825	12,656	12,354,885
Iran	9,145	18,480,922	2,286	2,877,557
Serbia	2,656	7,974,837	1,204	2,453,865
Brazil	10,101	3,995,712	1,036	1,442,453
Georgia	2,353	23,825,717	796	1,329,431
Other Countries	11,428	14,539,922	3,862	6,861,087
Total Imports	385,812	649,202,029	243,287	256,369,161

CAJ Exports of the EU-27 by volume and value

Country	MY 2007/2008		MY 2008/2009	
	MT	US\$	MT	US\$
Norway	8,709	16,607,902	9,458	6,237,480
Saudi Arabia	7,665	11,343,994	7,666	7,807,868
Japan	11,869	21,719,942	7,326	10,256,482
U.A. Emirates	2,120	3,312,704	2,211	1,454,463
Russia	1,333	1,460,918	1,770	1,015,652
Switzerland	1,928	3,159,888	1,629	693,639
Nigeria	739	950,760	1,130	1,683,135
Other Countries	2,270	1,867,520	989	796,100
Total Exports	47,893	72,859,188	41,979	37,145,031

Source: GTA

CAJ - Prices

CAJ prices dropped considerably during MY 2008/09 from their peak in spring of 2008 as a result of surveys reporting excellent fruit setting for MY 2008/09, lower juice consumption, and increasing stocks.

Table 10: Average Price for Exported CAJ in Germany, Hungary, and Poland 2007-2009 (in US\$/MT)

Year/Month	Jul-07	Nov-07	Jan-08	Jun-08	Nov-08	Jan-09	Jun-09
Germany	1,471	2,018	2,242	2,442	1,818	1,579	1,445
Hungary	1,494	2,668	3,302	2,024	924	1,065	1,025
Poland	1,629	2,595	3,119	2,338	959	1,120	1,151

Source: GTA

Crushing apple prices, which processors derive from CAJ prices, were low in MY 2008/2009. The producer prices for industrial apple prices averaged only €0.06-0.08/kg in Hungary, € 0.05-0.07/kg in Poland, and € 0.08/kg in Germany. MY 2009/10 does not promise better industrial apple prices. In Germany prices declined further to € 0.04-0.06/kg. Reduced consumer demands, high industry CAJ stocks keep prices low and farmers left a considerable part of the crop unharvested in many countries.

Table Grapes

Coordinated by Sandro Perini/FAS Rome

Table 11: EU-27 PSD for Fresh Table Grapes (in ha, MT)

Grapes EU- 27	2007			2008			2009			
	2007/2008			2008/2009			2009/2010			
	Market Year Begin: Jun 2007			Market Year Begin: Jun 2008			Market Year Begin: Jun 2009			
	USDA Official Data	Post Old Data	Post New Data	USDA Official Data	Post Old Data	Post New Data			Post New Data	
Area Planted	137,300	137,300	130,700	138,000	138,000	126,100			125,300	(HA)
Area Harvested	134,200	134,200	124,000	134,500	134,500	122,800			122,500	(HA)
Commercial Production	1,853,8 00	1,853,8 00	1,977,0 00	2,240,0 00	2,240,0 00	2,011,0 00			1,968,0 00	(MT)
Non-Comm. Production	120,000	120,000	0	110,000	110,000	0			0	(MT)
Production	1,973,8 00	1,973,8 00	1,977,0 00	2,350,0 00	2,350,0 00	2,011,0 00			1,968,0 00	(MT)
Imports	621,000	601,484	601,484	598,000	600,000	635,920			600,000	(MT)
Total Supply	2,594,8 00	2,575,2 84	2,578,4 84	2,948,0 00	2,950,0 00	2,646,9 20			2,568,0 00	(MT)
Fresh Dom. Consumption	2,308,2 03	2,289,1 10	2,442,3 10	2,643,0 00	2,660,0 00	2,485,3 39			2,418,0 00	(MT)
Exports	136,597	136,174	136,174	155,000	140,000	161,581			150,000	(MT)
For Processing	150,000	150,000	0	150,000	150,000	0			0	(MT)
Withdrawal From Market	0	0	0	0	0	0			0	(MT)
Total Distribution	2,594,8 00	2,575,2 84	2,578,4 84	2,948,0 00	2,950,0 00	2,646,9 20			2,568,0 00	(MT)

Source: FAS EU-27

Table Grapes - Production

The European Union is one of the leading producers and at the same time importer of table grapes for fresh usage. Most of its production is concentrated in just three member states: Italy, Spain, and Greece. These three together on average account for 90 percent of the total EU-27 production. After a dramatic drop in the past decade, EU table grape area continues to decline albeit at a slower pace. The persistent market problems, including reduced profitability, increasing production costs, as well as the strong competition from other suppliers on the leading export markets, are the main factors behind this development. Nonetheless, the EU remains a leading producer of table grapes.

Table 12: EU-27 Table Grape Production by Country and Year (MT)

	2007	2008	2009
Italy	1,354,000	1,368,000	1,250,000
Spain	264,000	292,000	315,000
Greece	156,000	150,000	193,000
Other countries	203,000	201,000	210,000
TOTAL	1,977,000	2,011,000	1,968,000

Note: The above figures do not include grapes used for processing (mainly for the production of grape juices).

Total EU-27 table grape production in MY 2009/10 is estimated slightly lower than in the previous year. Increases in some regions are not high enough to compensate for the decline in production in Italy, where about two thirds of the total production is concentrated.

In **Italy**, adverse weather in spring (excess of rains and relatively low temperatures) in the leading producing areas not only affected yields, but also caused a delay of about three weeks of the actual start of the marketing season. Excessive rains and unusually cold temperatures in mid-October led to quality problems (mould and rotten grapes). Although table grapes in Italy are usually produced using a plastic film cover, in order to control sunlight and temperature, the excess of humidity or cold temperatures made it necessary for the farmers to apply bunch cleaning, in order to remove the affected grapes. The leading table grape variety in Italy continues to be *Italia* (about two thirds of the total), followed by other seeded varieties (*Victoria*, *Regina*, and *Red Globe*). In contrast, production of seedless grapes continues to be marginal, due to their lower profitability, particularly in terms of yields, although their prices are substantially higher than those of the seeded grapes.

Overall **Spanish** production is estimated some 8-percent larger than in 2008, thanks to generally favorable weather conditions. In Spain, over 50 varieties of grapes are produced and marketed, but the most important are still the popular traditional varieties, including *Aledo*, *Ideal*, *Muscatel*, *Domingo* and *Napoleon*. However the share of seedless grapes continues to increase, and has reached about 30 percent of the total. In Murcia, in particular, production of seedless grapes now represents more than half of the total, and the large majority of that is shipped to the UK market.

In **Greece**, table grape production for fresh consumption is estimated to have recovered in MY 2009/10 after the drop in MY 2008/09. This is despite intensive rains in Spring, delaying ripening, and in September, shortening the harvesting period. Quality is reported to be good for the seedless varieties and average for the seeded grapes which represent about two-thirds of total table grape production. Greek grapes (both seedless and seeded) are mainly marketed in Europe during late July through the end of September.

Table Grapes - Consumption

Total EU-27 fresh grape consumption has been rather stable in the most recent years at about 2.3/2.4 MMT, although still fluctuating in function of the domestic production trend. Imports from third countries, normally coming in the first half of the calendar year from the southern hemisphere, represent approximately 25 percent of total consumption. Starting in June and throughout the end of the year, EU grape consumption mostly consists of the domestic crops, along with minor quantities coming from Turkey and Morocco. Italy is not only the main table grape producer but also the main consumer in the EU, with almost one-third of the total consumption, still predominantly the traditional seeded varieties. Following behind Italy, the main consumers of table grapes are Germany, the UK, and France. In MY 2008/09, both German and French consumers showed a strong preference for the Italian seeded grapes, although imports of seedless grapes continue to grow. In contrast, in the U.K., consumption is almost exclusively concentrated on seedless grapes, coming from both other EU countries and outside the EU.

For MY 2009/10, a decline in consumption is expected as a result of the international economic crisis. The current unfavorable market trend affects the whole horticultural sector, but is particularly difficult for the table grape industry. Unlike apples for instance, table grapes need to be marketed soon after the harvest. Quality concerns, caused by the adverse weather, as pointed out above, are also affecting consumption, further reducing the volume actually eaten by the Europeans.

Table Grapes – Trade

Table 13: EU Imports and Exports of Table Grapes by Origin and Destination

EU/27
IMPORTS OF TABLE GPAPES (Metric Tons)
Marketing Year June-May

Country of origin	2006/07	2007/08	2008/09
South Africa	185,498	161,376	182,114
Chile	177,805	189,094	195,732
Brazil	43,514	57,327	53,492
Argentina	43,626	18,467	27,736
Egypt	32,259	38,624	41,415
Turkey	44,220	38,269	36,481
India	31,632	35,640	36,740
Namibia	14,895	13,490	14,186
U.S.	6,716	9,586	10,397
Morocco	10,974	9,549	9,450
Other countries	26,547	30,092	28,177
TOTAL	617,686	601,484	635,920

Source: GTA

EU/27
EXPORTS OF TABLE GPAPES (Metric Tons)
Marketing Year June-May

Country of destination	2006/07	2007/08	2008/09
Russia	38,128	38,773	57,400
Switzerland	23,778	30,724	30,104
Ukraine	25,120	21,986	24,792
Norway	12,069	13,681	15,615
Croatia	8,765	8,789	8,329
Bosnia-Herzegovina	6,134	5,328	6,136
Belarus	4,213	3,431	4,371
Albania	5,192	2,636	2,058
Other countries	13,888	10,828	17,147
TOTAL	137,287	136,174	161,581

Source: GTA

The EU is the second largest importer of table grapes in the world, after the United States. In addition, the EU is a net importer of table grapes with imports exceeding exports more than four times by volume. The import value has continued to increase in the past years, reaching 1.5 billion dollars in 2008, while the export value has also grown, but remained well below the 300 million dollars. Imports into the EU for MY 2009/10 are likely to be reduced, as a consequence of the economic crisis.

The major suppliers into the European market come from the southern hemisphere, where production is counter-seasonal to the EU, with South Africa and Chile in a leading position. Other important suppliers are Turkey and Egypt, which take advantage of their climate and have their crops available earlier than the EU producing countries. Imports from the U.S. have grown, and are mainly directed to the U.K. market. The largest EU importing countries are Germany, the U.K., and the Netherlands, but while the first two countries are also the largest consumers (after Italy) the Netherlands mainly serve as a trans-shipping point.

Table grape exports outside the EU grew significantly in MY 2008/09 (+19 percent), but are expected to decrease again in MY 2009/10, due to the reduced demand again caused by the global recession. Major destinations are other European countries outside of the EU.

Table Grapes - Price Table

Table 14: Average Growers' prices in Italy (Euro/kg)

Variety	Marketing Year	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
Italia	2007/08	-	0.80	0.68	0.51	0.45	0.39	0.47
	2008/09	-	1.15	0.68	0.47	0.39	0.31	0.24
	2009/10	-	-	0.56	0.44	0.31		
Victoria	2007/08	1.32	0.83	0.53	-	-	-	-
	2008/09	1.19	0.73	0.51	-	-	-	-
	2009/10	1.40	0.68	0.44	-	-		
RedGlobe	2007/08	-	-	-	0.43	0.45	0.29	0.14
	2008/09	-	-	-	0.54	0.49	0.41	0.25
	2009/10	-	-	-	0.43	0.39		
Seedless	2007/08	-	0.94	0.65	-	-	-	-
	2008/09	-	0.95	0.70	-	-	-	-
	2009/10	-	1.01	0.66	0.74	-		

Source: Agricultural marketing Institute, ISMEA

As can be seen growers' prices of *Italia* (the leading table grape variety) during the current marketing year have decreased dramatically, averaging some 21 percent less in October 2009 than in October 2008 and 31 percent lower than two years ago. This is a result of the limited demand from both domestic and export markets. Greece has been experiencing a partially similar situation, with producer prices averaging well below last year's levels. An additional factor in Greece and for seedless table grapes in Spain is the strong Euro exchange rate, compared to the British pound and other currencies. This has reduced demand for instance from the UK.

Policy

Coordinated by Tania DeBelder/USEU Brussels

Common Market Organization for Fruits and Vegetables

The EU Common Market Organization for Fruits and Vegetables (CMO) was last reformed in 2007 with [Council Regulation 1182/2007](#). The reform aims to bring the F&V sector in line with other agricultural sectors that have already been reformed under the Common Agricultural Policy (CAP). The old-style production-linked payments are to be replaced by decoupled payments. The shift from production support to direct aid to producers is designed to improve the competitiveness, market orientation and sustainability of the sector. The new CMO entered into force January 1, 2008. [Commission Regulation 1580/2007](#) (last amended by Regulation 441/2009) lays down rules for the implementation of the reform.

Fruit School Scheme

A key objective of the reform of the Fruit and Vegetable regime was to reverse the declining consumption of fruit and vegetables. The consumption of fruit and vegetables has been falling in the EU, especially among children. The World Health Organization recommends 400g a day of fruit and vegetables, but children's intake is falling below this. The lack of available produce is apparently one of the factors responsible for the low consumption of fruit and vegetables. This, some state, is resulting in increasing weight problems and obesity in the EU especially among young children.

The European School Fruit Scheme (SFS) is one measure to combat child obesity. [Commission Regulation 288/2009](#) is laying down the rules for applying Council Regulation 1234/2007 as regards Community aid for supplying fruit and vegetables, processed fruit and vegetables and banana products to children in educational establishments, in the framework of a School Fruit Scheme. All schemes would consequently include three elements: free distribution of fruit (and/or vegetables) in schools, a series of accompanying measures (for example information campaigns on healthy eating habits), and monitoring and evaluation.

The definitive allocation of Community aid per Member State participating in the School Fruit Scheme was established for the period from 1 August 2009 to 31 July 2010 in the Annex to [Commission Decision C\(2009\) 5514](#). European funds worth €90 million every year will pay for the purchase and distribution of fresh fruit and vegetables to schools and the system will be reviewed after 3 years. The scheme began at the start of the 2009/2010 school year. Information and documents on the School Fruit Scheme are available on internet at: http://ec.europa.eu/agriculture/markets/fruitveg/sfs/index_en.htm .

Import Licenses

To ensure a timely transmission of statistical data on EU apple imports, particularly for imports originating from the Southern Hemisphere, the EU requires imported apples to have an import license. For details on the system please refer to report E36009, which can be accessed at: <http://www.fas.usda.gov/gainfiles/200601/146176623.pdf> .

Maximum Residue Levels for Fruits

Maximum Residue Levels (MRLs) for pesticide have been harmonized throughout the EU, and new legislation on the approval of pesticides has been approved and will be implemented by the end of 2010. For detailed up-to-date information please visit: <http://www.fas.usda.gov/posthome/useu/pesticides.html>.

As a marketing tool, some retail chains in the EU exceed the EU regulations and require their suppliers to adhere to stricter company policies that limit the maximum residues to 30, 50 or 70 % of the respective EU MRL (or so-called private standards).

Certification of Fruit Shipments

Unlike animal products, certification of plants and plant products is not harmonized in the EU. Phytosanitary certificates, issued by an APHIS inspector, are required to accompany U.S. shipments. APHIS issues phytosanitary certificates in accordance with the international regulations set down by the International Plant Protection Convention of the Food and Agriculture Organization of the United Nations. This standard-setting body coordinates cooperation between nations to control plant and plant product pests and to prevent their spread. An overview of EU mandatory and voluntary certificates can be found at: <http://www.fas.usda.gov/posthome/useu/certificates-overview.html>.

Council Directive [2000/29/EC](#) contains provisions concerning compulsory plant health checks. The checks consist of documentary, identity and physical plant health checks to verify compliance with EU import requirements. More information can be accessed on DG Health & Consumer Protection's website http://ec.europa.eu/food/plant/organisms/imports/inspection_en.htm .

Commission Regulation [1756/2004](#) provides for plant health checks to be carried out at reduced frequency where this can be justified (list of products recommended for plant health checks at reduced levels [updated June 26, 2009](#)). Starting September 1, 2005, EU member states are authorized to reduce the frequency of inspections on imports of U.S. apples (see GAIN report E35173).

Tariffs

Imports of fresh fruit and vegetables are subject to the *Entry Price System* (EPS) which has been in place in its current form since the Uruguay Round. It is a complex tariff system that provides a high level of protection to EU producers. In this system fruits and vegetables imported at or above an established entry price are charged an ad valorem duty only. Produce valued below the entry price are charged a tariff equivalent in addition to the ad valorem duty. The tariff equivalent is graduated for products valued between 92 and 100 percent of the entry price. The ad valorem duty and the full tariff equivalent are levied on imports valued at less than 92 percent of the entry price.

Financed by the Commission of the European Union and carried out by a consultancy, a study assessing the impact of changing the EPS was conducted in April 2008. The report concluded that the EPS can be considered as a way of signaling market disturbances rather than as a relevant trade restriction. The entire report can be found at:

http://ec.europa.eu/agriculture/eval/reports/fruitveg/index_en.htm .

Whether or not the EU will maintain the EPS will be discussed in the context of the Doha Round trade talks. The EPS is not necessarily discriminatory for U.S. exporters. The U.S. tends to sell high quality products, which are usually relatively high priced and do not face any additional duty. Replacing the EPS with fixed tariffs could result in higher ad valorem duties.

Tariff levels for 2010 are published in EU Regulation 948/2009. For details please refer to:

<http://eur-lex.europa.eu/JOHtml.do?uri=OJ:L:2009:287:SOM:EN:HTML>

Apples see pages 87 and 688-690

Pears see pages 88 and 690-692

CAJ see pages 156/157 and 873

Grapes see pages 87 and 687

Marketing

Coordinated by Sabine Lieberz/FAS Berlin

Information on marketing standards and industry certification has not changed from our 2008 report but is repeated below for year convenience.

Marketing standards

In order to facilitate fruit and vegetable trade, the EU has marketing standards in place for a variety of products. While specific marketing standards for 26 types of fruits have been repealed effective July 1, 2009, those for apples, pears, and grapes remain in place.

The marketing standards also regulate the labeling of produce. The labeling must be at least in the language of the country where the produce will be put on the market. Multi-language labels are permitted.

Each package must bear the following particulars in letters grouped on the same side, legibly and indelibly marked, and visible from the outside:

A. Identification

- Packer and/or dispatcher: Name and address or officially issued or accepted code mark. However, where a code (symbol) is used, the words "packer and/or dispatcher" (or an equivalent abbreviation) must appear close to this code (symbol).

B. Nature of produce

- "Apples"/"Pears"/"Table Grapes", if the contents are not visible from the outside;
- Name of the variety or, where applicable, varieties.

C. Origin of produce

- Country (or, where applicable, countries) of origin and, optionally, district where grown, or national, regional or local place name.

D. Commercial specifications

- Class.

E. Official control mark (optional)

Consolidated versions of the EU standards can be accessed at:

Apples: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CONSLEG:2004R0085:20080531:EN:PDF>

Pears: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CONSLEG:2004R0086:20040520:EN:PDF>

Table grapes: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CONSLEG:1999R2789:20050106:EN:PDF>

Industry Certification

The number of food scandals that have occurred in Europe in recent years involving various commodities - including fresh produce - has prompted the food industry to come up with various programs to ensure the safety of the traded food. While these programs are voluntary, the majority of retail chains in the UK and Germany require certification of good agricultural practice.

For fruits and vegetables the most common program throughout the EU-27 is the GlobalGap certification (formerly EurepGap). In Germany, some retailers prefer the Q+S system. While Q+S is a three-tier system that involves everyone

who handles the produce from producers, to wholesalers, and the retail chains, GlobalGap mainly focuses on the producer level and is often supplemented by the IFS (International Food Standard) on the wholesalers level. A major component of both systems is the extensive documentation requirement for all stages of the production process.

Both systems/standards are open to international producers provided that they comply with the system and obtain a certification. Also a simultaneous certification for Q+S and GlobalGap is possible at the producer level.

For more information please visit:

www.globalgap.org

<http://www.q-s.de/en/>

Trade fairs

In the EU, trade fairs play a key role in presenting new products to the trade or in finding additional buyers and importers.

The major international trade fair for the fruit and vegetable trade is held each February in Berlin, Germany:

<p>Fruit Logistica Berlin, Germany (Interval: yearly) Target Market: Germany/EU/Central & Eastern Europe Good venue for exhibiting fresh and dried fruit, nuts and related products http://www.fruitlogistica.de</p>	<p>Next Fair: February 03-05, 2010</p>	<p>U.S. Pavilion Organizer: B*FOR International Tel: (540) 373-9935 Fax: (540) 372-1414</p>
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Another great show is held in the Netherlands:

<p>Fresh Rotterdam Rotterdam, The Netherlands (interval: bi-annually) Excellent local Fruit & Vegetable trade show</p>	<p>Next Fair: September 2011</p>	<p>Show contact information: Tel: +31-(0)10-2933300 Fax: +31-(0)10-2933399 www.freshrotterdam.nl</p>
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For organic products there is a special trade fair held annually in Nuremberg, Germany

<p>Bio Fach Nuremberg, Germany (Interval: yearly) Target Market: Germany/Europe The leading European trade show for organic food and non-food products http://www.biofach.de</p>	<p>Next Fair: February 17-20, 2010</p>	<p>U.S. Pavilion Organizer: B*FOR International Tel: (540) 373-9935 Fax: (540) 372-1411</p>
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Related reports:

Country/ Report Number	Date	Title
USE U E49 048	08/07 /2009	Food and Agricultural Import Regulations and Standards (FAIRS) Report http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Food%20and%20Agricultural%20Import%20Regulations%20and%20Standards%20-%20Narrative Brussels%20USEU EU-27 8-7-2009.pdf
USE U E49 013	02/09 /2009	Fruits & Vegetables: EU Marketing Standards http://www.fas.usda.gov/gainfiles/200902/146327220.pdf
EU- 27 E48 136	11/26 /2008	Fresh Deciduous Fruit Annual http://www.fas.usda.gov/gainfiles/200811/146306601.pdf
USE U E48 108	09/29 /2008	EU Certification Guide -Update http://www.fas.usda.gov/gainfiles/200809/146295939.pdf
USE U E48 001	01/07 /2008	Market Development Reports - Fruit and Vegetables http://www.fas.usda.gov/gainfiles/200801/146293410.pdf

