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**EU-28**

**Fresh Deciduous Fruit Annual**

**Production in 2013 to Rebound**

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**Report Highlights:**

This report provides EU-28 production, supply, and demand forecasts for fresh apples, fresh pears, table grapes and concentrated apple juice.

After a poor fresh deciduous fruit crop in the previous marketing year, a rebound in production is expected for 2013/14. Commercial apple production is forecast at 10.2 million metric tons (MMT) (up 2.6 percent), commercial pear production at 2.3 MMT (up 18.6 percent) and table grape production at 2.0 MMT (up 13.1 percent).

## Introduction

Disclaimer: This report presents the situation and outlook for apples, pears, concentrated apples juice (CAJ), and table grapes in the EU-28. 28 (EU-27 plus Croatia, which joined the EU on July 1, 2013) 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
EE	Eastern European
GTA	Global Trade Atlas
Ha	Hectare; 1 ha = 2.471 Acres
MT	Metric Ton = 1000 kg
MMT	Million Metric Tons
MRLs	Maximum Residue Limits
MS	EU Member State(s)

MY	Marketing year
Apples:	July/June
Pears:	July/June
CAJ:	July/June
Table Grapes:	June/May

NMS	New EU Member States Bulgaria, Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia, Slovenia
NR	Non reconstituted juices
OP	Operational Program
PO	Producer Organization
PSD	Production, supply and demand
RTD	Ready-to-drink
SFS	School Fruit Scheme
U.A.E	United Arab Emirates
USD	U.S. Dollar
WAPA	World Apple and Pear Association

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

Apples:	0808 10
Pears:	Until 12/31/2011: 0808 20 (pears and quinces) as of 01/01/2012: 0808 30 (pears) and 0808 40 (quinces) – in order to be consistent with previous data
CAJ:	2009 79
Table grapes:	0806 10 10

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## Executive Summary

Coordinated by Roswitha Krautgartner/FAS Vienna

This report provides EU-28 production, supply, and demand forecasts for fresh apples, fresh pears, concentrated apple juice, and table grapes.

### Production

The EU-28 is a leading producer of fresh deciduous fruits. Marketing Year (MY) 2013/14 production of apples, pears table grapes is expected to rebound from the previous year. Commercial apple production is forecast at 10.2 MMT (up 2.6 percent), commercial pear production at 2.3 MMT (up 18.6 percent) and table grape production at 2.0 MMT (up 13.1 percent). Significantly higher apple production is expected to occur in France, Italy, Spain, Romania, the United Kingdom and Portugal and to some extent in The Netherlands, Bulgaria and the Czech Republic. This increase is partially offset by lower production in Germany, Hungary, Poland, Greece, Belgium and Austria. Italy and Spain remain the major pear producing countries contributing to about half of total EU-28 production. Despite declining area, Italy's pear production is expected to be 14 percent higher compared to MY 2012/13. Concentrated apple juice production in the European Union is declining due to competition from other fruit juices. Major table grape producers within the EU reported higher yields than in the MY 2012/13. Italy remains the biggest table grape producer within the EU and ranks number six in table grapes production worldwide.

### Consumption and Trade

Apples are still the most popular fruit in the EU-28, followed by bananas, citrus, and pears. EU-28 fresh domestic apple consumption in MY 2013/14 is expected to rebound after the sharp decline in MY 2012/13 due to the small domestic supply in that year. However, in some member states, an overall decline in apple consumption is being reported. The most important apple varieties are Golden Delicious, Gala and Idared. Pear consumption is also forecast to see a rebound in the current MY. In northwestern Europe, the Conference pear is the most popular variety, while Abate Fetel, Blanquilla, Limonera and Rocha are popular pears in Southern Europe. Table grapes consumption has been rather stable in recent years. The majority of apples, pears, and table grape trade occurs within the European Union. Major off season apple suppliers to the EU are Chile, South Africa, and New Zealand. Pears are imported primarily from South Africa, Argentina, and Chile. Top destinations for EU-28 apples are Russia, Belarus, and Algeria and for EU-28 pears, Russia, Brazil, Belarus, and Norway. For MY 2013/14, the higher availability of apples is expected to result in somewhat lower imports. EU apple exports are expected to decrease as a result of the demand for the domestic market and lower exportable production in major exporting countries like Poland and Italy. EU Pear imports in MY 2013/14 from the Southern Hemisphere countries are expected to be up to meet the local and international demand.

### Policy

New MRLs for Diphenylamine (DPA) were published in the Official Journal on August 13, 2013 by [Commission Regulation 772/2013](#). The new MRLs are set at 0.1 mg/kg for both apples and pears and will apply as of March 2, 2014.

Tariff levels for 2014 are published in Commission Implementing Regulation 1001/2013. For details please refer to:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:290:0001:0901:EN:PDF>

## Apples

Coordinated by Roswitha Krautgartner/FAS Vienna

Table 1: EU-28 PSD for Fresh Apples (in ha, trees, MT)

Apples, Fresh European Union	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Jul 2011		Market Year Begin: Jul 2012		Market Year Begin: Jul 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	542,500	545,600	532,900	546,900		544,600
Area Harvested	525,000	529,100	517,320	536,100		531,000
Bearing Trees	0	0	0	0		0
Non-Bearing Trees	0	0	0	0		0
Total Trees	0	0	0	0		0
Commercial Production	10,707,110	10,790,549	9,779,250	9,956,435		10,217,308
Non-Comm. Production	1,362,000	1,547,039	1,517,710	1,483,435		1,242,485
Production	12,069,110	12,337,588	11,296,960	11,439,870		11,459,793
Imports	526,100	517,834	515,000	564,709		555,000
Total Supply	12,595,210	12,855,422	11,811,960	12,004,579		12,014,793
Fresh Dom. Consumption	7,687,110	8,068,800	6,876,960	7,159,280		7,549,321
Exports	1,511,900	1,506,000	1,500,000	1,572,289		1,517,000
For Processing	3,396,200	3,280,622	3,435,000	3,273,010		2,948,472
Withdrawal From Market	0	0	0	0		0
Total Distribution	12,595,210	12,855,422	11,811,960	12,004,579		12,014,793

HA, 1000 TREES, MT

Note: Data for tree numbers is only available for few member states; therefore lines referring to tree numbers are left blank.

Source: FAS EU-28

### Apples - Commercial Production

The EU-28 is one of the leading producers and consumers of apples in the world. Poland (23 percent of total production in MY 2013/14), Italy (21 percent), France (17 Percent), Germany (8 percent), and Spain (6 percent) are the top five producing member states and together account for 75 percent of the total EU commercial apple production.

Commercial apple production in MY 2013/14 is estimated at 10.2 MMT. This estimate is a 2.6 percent increase (260.8 MT) in production compared to the low output of MY 2012/13. Significantly higher production is expected to occur in France, Italy, Spain, Romania, the United Kingdom and Portugal and to some extent in The Netherlands, Bulgaria and the Czech Republic. This increase is partially offset by lower production in Germany, Hungary, Poland, Greece, Belgium and Austria. In contrast to estimates by WAPA and official Polish statistics, which forecast an increase in production, Polish industry estimates predict a 9 percent decline. The industry forecast is regarded to be more realistic and is therefore included in the FAS estimate. The decline in the apple crop in some of the above mentioned countries results from adverse weather conditions during spring. In Hungary for example the prolonged winter brought major losses in the honey bee population which, in combination with a short flowering period, led to poor pollination. Germany and Belgium also report lower crops due to cold spring conditions which caused problems during the fruit setting period. Earlier estimates for Austria have been revised down significantly because of high temperatures and drought during July and August, resulting in smaller fruit size and early fruit fall.

WAPA reports a lower quality of apples for the table market than in the previous MY 2012/13. Smaller fruit size and scab is being reported in many countries. In the Czech Republic, hail caused significant damage.

Table 2: EU-28 Commercial Apple Production by Country and Year in MT

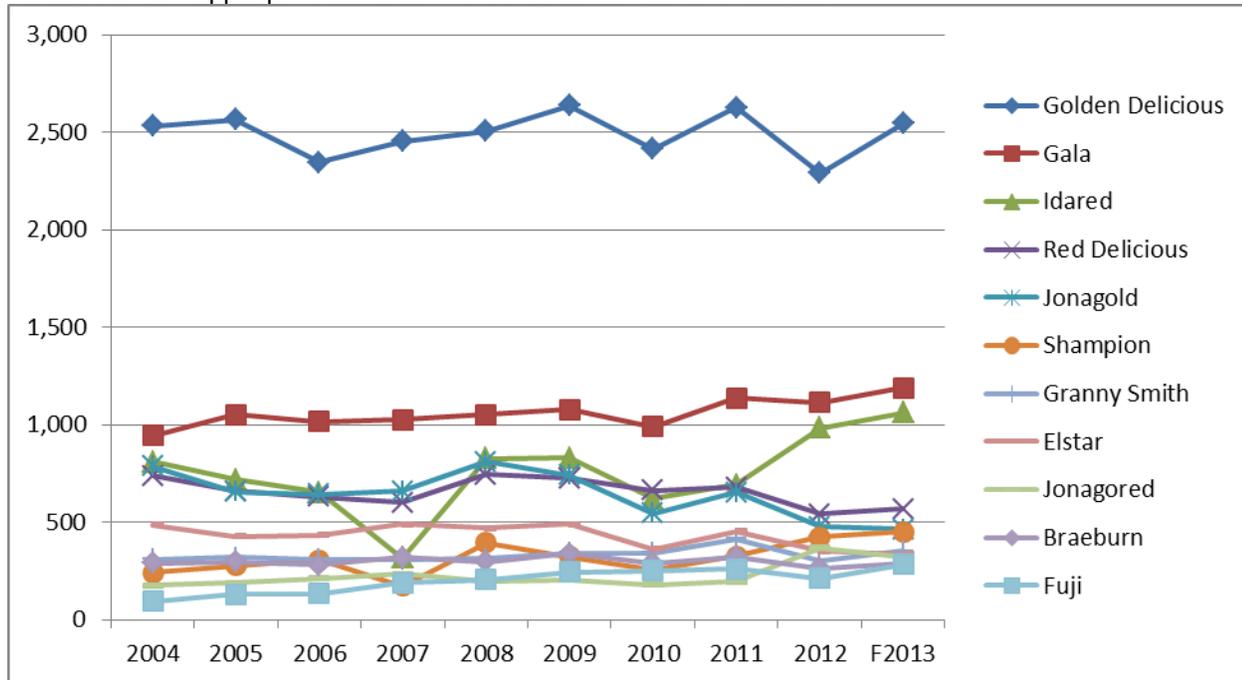
COUNTRY	2011/12	2012/13	2013/14 e	Change 2013:2012 in Percent	Percent of total Production
Poland	2,269,000	2,650,000	2,400,000	-9%	23%
Italy	2,292,762	1,939,014	2,147,963	11%	21%
France	1,857,000	1,383,000	1,732,000	25%	17%
Germany	953,000	972,000	798,000	-18%	8%
Spain	658,752	525,272	582,800	11%	6%
Hungary	193,000	470,000	358,000	-24%	4%
Romania	412,000	351,000	415,000	18%	4%
Netherlands	405,000	272,600	288,000	6%	3%
Greece	305,000	242,000	217,000	-10%	2%
Belgium	295,850	213,400	194,970	-9%	2%
Portugal	231,699	207,515	239,004	15%	2%
Austria	226,252	184,713	174,100	-6%	2%
United Kingdom	226,000	162,000	210,000	30%	2%
Czech Republic	105,879	117,897	127,471	8%	1%
Slovenia	81,323	55,341	50,000	-10%	0%
Slovak Republic	31,356	43,269	44,000	2%	0%
Lithuania	49,000	39,000	40,000	3%	0%
Croatia	99,676	37,414	90,000	141%	1%
Bulgaria	30,000	25,000	35,000	40%	0%
Ireland	19,000	20,000	20,000	0%	0%
Denmark	20,000	18,000	23,000	28%	0%
Sweden	17,000	14,000	17,000	21%	0%
Latvia	8,000	9,000	9,000	0%	0%
Finland	4,000	5,000	5,000	0%	0%
Total	10,790,549	9,956,435	10,217,308	3%	100%

e= estimated

Source: FAS/EU-28

Some 25 apple varieties are produced commercially in the EU in volumes exceeding 10,000 MT. Among these, *Golden Delicious*, *Gala* types, and *Idared* are the dominant varieties. However, production patterns vary. While *Golden Delicious* is the variety with the largest production in Italy, France, and Spain, *Elstar* is dominant in Germany and the Netherlands; *Idared* and *Jonathan* are the number one varieties in Poland and Hungary, respectively. However, new varieties, for example Pink Lady, Kanzi, Rubens, Tentation, have increased their share of production in recent years. In the Netherlands “new” varieties comprise 10 percent of total production.

Chart 1: EU-28 Apple production for selected varieties in thousand MT



F = forecast

Source: WAPA

### Apples - Non-commercial Production

Non-commercial production in MY 2013/14 is estimated at 1.2 MMT, which is 16 percent lower than in MY 2012/13. This is largely a result of a decline in Germany (minus 33 percent compared to MY 2012/13), Hungary (minus 17 percent), Poland (minus 12 percent), and Austria (minus 15 percent) that is only partially compensated by substantial rebound in production in Romania (up 17 percent), Czech Republic (up 119 percent), Spain (up 11 percent) and Portugal (up 15 percent).

However, most EU member states do not report estimates for non-commercial production. As a result, the production figure provided in table 1 is a rough estimate based on industry rather than official information. Non-commercial production tends to alternate between good and poor crop years.

Non-commercial production includes apples grown in home gardens and in untended trees in meadows or field edges. 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 diverted to 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. In general, non-commercial production is gradually decreasing in the EU-28 as hobby farmers get older. Younger generations have simply not shown the same interest in small-scale production. Instead, commercial production of higher acid apple varieties for processing is expected to increase to meet demand from the juice concentrate industry.

## Apples - Stocks

According to WAPA, EU stocks of apples amounted to a low 388,498 MT on June 1, 2013, compared to 578,225 MT at the same time in 2012. The low stock numbers are a result of the previous year's poor crop. Reporting of stocks varies by member state. In some member states the stock number comprised apples stored at producer organizations (POs) and in other member states, stocks are at POs and wholesalers. More important than 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. In this report, stocks are included in the "fresh domestic consumption" line in the PSD.

## Apples – Consumption

### Consumer preferences

Apples are the most popular fruit in all member states except for Spain, where oranges are number one. However, a closer look within the apple segment does show differences in consumer preferences between member states.

EU-28 fresh domestic apple consumption in MY 2013/14 is expected to rebound after the sharp decline in MY 2012/13 due to the small domestic supply in that year. However in some member states an overall declining trend in apple consumption is reported. In Hungary, annual consumption has decreased by 2 kg/capita over the past five years. This may be due to increased hypermarket grocery sales, where the availability of other fruits presents an attractive alternative. In the UK apples' consumption is decreasing due to cash-conscious consumers who buy less but better quality fruit. Also Spain reports a declining apples' consumption. In contrast to that apples consumption is on a stable to increasing trend in other member states like Bulgaria due to increasing health consciousness of consumers.

### Processing

In MY 2013/14, processing use of apples is expected to decline compared to MY 2012/13 because of lower both commercial and non-commercial apple production in Poland, Germany and Hungary.

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 used for processing varies significantly by member state, ranging from 2 percent in France to well over 60 percent in Hungary. The processing share also varies from year to year. The EU-28 average share of apples going into processing is forecast to amount to about 25 percent of total supply in MY 2013/14. Major member states with apple processing include Poland, Germany, Hungary, Italy, Romania, France, Austria, Spain, and the U.K. (in order of descending volume).

## Apples – Trade

The majority of trade occurs among the EU-28 countries. Over the past five years, on average about 2.2 million MT of apples were traded between EU member states, while roughly 500,000 to 800,000 MT were imported from outside the EU-28. In recent years imports, contributed between 5 and 8 percent of the total EU apple supply.

### EU-28 external trade

#### Imports

EU-28 apple imports from outside the bloc are forecast to decrease by roughly 10,000 MT in MY2013/14 or 1.8 percent, due to the somewhat increased domestic apple production. The increase of imports in MY 2012/13 is a result of lower domestic production.

Almost 90 percent of EU-28 apple imports originate from five top 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-28 imports. However, much of the volume entering the Netherlands will not be consumed there but eventually be transshipped to other member states.

U.S. apple exports to the EU-28 occur year-round; however, most arrive between November and April. U.S. apples compete with domestically produced apples and with competitively priced imports from China.

EU imports of U.S. apples decreased by 10 percent in MY 2011/12 mainly due to the enforcement of EU food additive legislation. For example, morpholine, a carrier for glazing agents applied to fruit, is approved for use in third countries such as Chile, the United States and Canada, but not in the EU. The U.S. apple industry has taken steps to ensure that fruit destined for the EU does not have any trace of morpholine. In MY 2012/13 EU apple imports from the U.S. remained fairly stable.

**Table 3: EU-28 Imports of Apples in MT**

	MY2010/11	MY2011/12	MY2012/13	Change MY2012/13 to MY2011/12	MY 2012/13 % of Total Imports
Chile	186,981	129,986	139,528	7.3%	24.7%
South Africa	121,546	107,615	137,376	27.7%	24.3%
New Zealand	145,899	120,484	123,558	2.6%	21.9%
Brazil	48,159	47,081	68,712	45.9%	12.2%
Argentina	52,825	28,870	43,967	52.3%	7.8%
Macedonia	17,961	14,870	15,611	5.0%	2.8%
<b>United States</b>	<b>12,016</b>	<b>10,808</b>	<b>10,733</b>	<b>-0.7%</b>	<b>1.9%</b>
Switzerland	1,126	6,456	8,030	24.4%	1.4%
China	5,769	3,620	6,712	85.4%	1.2%
Moldova	5,141	2,968	1,812	-38.9%	0.3%
Serbia	12,059	33,831	1,652	-95.1%	0.3%
Ukraine	729	861	1,418	64.7%	0.3%
Other	9,873	10,384	5,600	-46.1%	1.0%
World Total	620,084	517,834	564,709	9.1%	100.0%

Source: Global Trade Atlas (GTA)

## Exports

For MY 2013/14 total EU-28 apple exports are expected to decrease as a result of the demand for the domestic market and lower exportable production in major exporting countries like Poland and Italy.

In MY 2012/13 exports increased. This was largely due to higher exports from Poland.

The top destinations for EU-28 apples are Russia, Belarus, 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, Libya, Norway, and Saudi Arabia).

In some large foreign markets, EU and U.S. suppliers compete; including: Russia: with apples from Poland, Italy, Belgium, France, and Germany; U.A.E.: France, Italy Saudi Arabia: Italy, France

**Table 4: EU-28 Exports of Apples in MT**

	MY2010/11	MY2011/12	MY2012/13	Change MY2012/13 to MY2011/12	MY 2012/13 % of Total Imports
Russia	502,706	660,494	865,908	31.1%	55.1%
Belarus	44,953	139,674	143,637	2.8%	9.1%
Algeria	92,655	120,397	97,918	-18.7%	6.2%
Libya	34,968	46,225	57,408	24.2%	3.7%
Ukraine	84,573	113,794	57,345	-49.6%	3.6%
Kazakhstan	23,605	35,974	51,251	42.5%	3.3%
Saudi Arabia	36,669	55,103	44,378	-19.5%	2.8%
Egypt	21,316	66,548	39,452	-40.7%	2.5%
Norway	33,311	38,090	38,038	-0.1%	2.4%
United Arab Emirates	27,026	38,692	30,677	-20.7%	2.0%
Bosnia & Herzegovina	14,917	14,585	18,076	23.9%	1.1%
Albania	12,323	11,200	9,378	-16.3%	0.6%
Switzerland	9,658	9,105	8,814	-3.2%	0.6%
Melilla	10,283	11,916	8,801	-26.1%	0.6%
Morocco	10,808	8,985	7,659	-14.8%	0.5%
Brazil	4,723	11,960	6,995	-41.5%	0.4%
Serbia	4,797	4,989	6,692	34.1%	0.4%
Malaysia	9,296	6,318	5,820	-7.9%	0.4%
Other	111,626	111,951	74,042	-33.9%	4.7%
World Total	1,090,213	1,506,000	1,572,289	4.4%	100.0%

Source: Global Trade Atlas (GTA)

### Apples - Prices

Because of the expected rebound and normal availability this year, prices are expected to be average.

## Apples – Withdrawal from Market

The reform of the EU common market organization for fruits and vegetables (see policy section) also 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 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.

Since 2008, “withdrawal from market” is no longer available as a separate measure but has to be included as an emergency measure in the producer organizations’ operational program (OP). This means, the system moved 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, starting in MY 2008/09, member state authorities began administering “withdrawals from market” indirectly via approval of the OP. Thus, volume data is 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, and labeling requirements please see the respective sections at the end of the report.

## Pears, Fresh

Coordinated by Marcel Pinckaers/FAS The Hague

Table 5: EU-28 PSD for fresh pears

Pears, Fresh European Union	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Jul 2011		Market Year Begin: Jul 2012		Market Year Begin: Jul 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	131,085	134,241	128,900	129,233		129,223
Area Harvested	123,790	125,945	122,000	121,210		121,772
Bearing Trees	0	0	0	0		0
Non-Bearing Trees	0	0	0	0		0
Total Trees	0	0	0	0		0
Commercial Production	2,696,100	2,721,492	2,100,000	1,940,004		2,300,069
Non-Comm. Production	120,000	173,604	11,800	139,503		138,458
Production	2,816,100	2,895,096	2,111,800	2,079,507		2,438,527
Imports	225,600	227,395	255,000	279,877		311,473
Total Supply	3,041,700	3,122,491	2,366,800	2,359,384		2,750,000
Fresh Dom. Consumption	2,197,200	2,250,000	1,903,700	1,800,000		2,100,000
Exports	462,500	462,430	340,000	322,210		375,000
For Processing	382,000	410,061	123,100	237,174		275,000
Withdrawal From Market	0	0	0	0		0
Total Distribution	3,041,700	3,122,491	2,366,800	2,359,384		2,750,000

HA, 1000 TREES, MT

Note: lines referring to tree numbers are left blank since this data is only available for a few MS

Source: FAS/EU-28

## Pears – Production

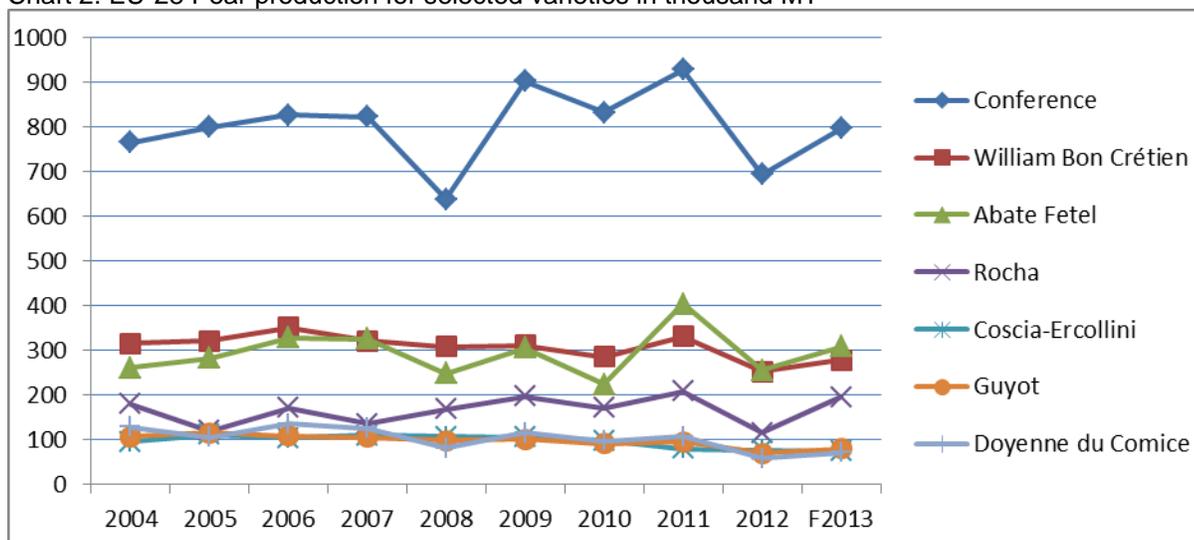
### Pears – Commercial Production

Commercial pear production in MY 2013/14 is estimated at almost 2.3 MMT, up by 19 percent compared to MY 2012/13 and similar to the average production of the past three years. The area harvested continues to range from 121,000 hectares to 125,000 hectares. Of the 5 largest pear producing countries within the EU, area harvested continues to go up in Belgium while Italy, Spain and the Netherlands show a downward trend.

Production continues to be led by the Conference variety, mainly grown in Belgium, the Netherlands, Spain and Italy. Other popular varieties include Abate Fetel (grown in Italy), William Bon Chrétien/Bartlett (grown in Italy, France and Spain) and Rocha (grown in Portugal).

The EU-28 is after China the world's largest producer of pears, followed by Argentina, the U.S., Turkey and South Africa. Italy, Spain, the Netherlands, Belgium and Portugal are the top five producing member states (MS) and together account for over 80 percent of total EU-28 commercial pear production.

Chart 2: EU-28 Pear production for selected varieties in thousand MT



Source: WAPA

Italy is still the largest pear producer, responsible for roughly a third of total EU production, with production concentrated in the North East region. Planted area however has been declining over the last decade due to the low profitability. Abate Fetel is the dominant variety, followed by William Bon Crétien, Conference and Kaiser. Italy's MY 2013/14 pear production is forecast at 741,000 MT, a 14 percent increase compared to MY 2012/2013 but similar to the production of the average of 2010-2011-2012 (three year average). An increased production is forecast for Kaiser (+16 percent) and Abate (+5 percent), both compared to the average of 2010-2011-2012. Due to the good flowering and fruit setting, fruit size and quality are forecast to be good.

Pear production in Spain is expected to be somewhat down (-5 percent) compared to the three year average. Total planted area has been decreasing as stone fruit orchards replace pear production. Three quarter of production takes place in Catalonia (52 percent), Aragon (13 percent) and La Rioja (12 percent). Conference continues to be the leading variety followed by Blanquilla, William Bon Crétien, Coscia-Ercollini and Guyot.

Table 6: EU-28 Commercial Pear Production by Country and Year

	MY 2010/11	MY 2011/12	MY 2012/13	MY 2013/14	% Change	% Production
Italy	680,000	934,000	650,000	741,000	14	32
Spain	470,543	514,888	395,793	434,720	10	19
Netherlands	265,780	325,920	193,000	258,000	34	11
Belgium	276,500	286,200	228,900	248,300	8	11
Portugal	174,523	227,525	114,892	208,122	81	9
France	149,000	171,000	124,000	148,000	19	6
Poland	41,850	57,200	58,200	67,500	16	3
Hungary	24,176	21,000	26,000	42,000	62	2
Germany	38,896	49,854	33,898	37,169	10	2
Greece	54,000	36,000	42,000	31,000	-26	1
United Kingdom	33,000	32,000	28,000	27,000	-4	1
Romania	20,000	28,000	19,000	24,000	26	1
Other	30,048	37,905	26,321	33,258	26	1
Total Production	2,258,316	2,721,492	1,940,004	2,300,069	19	100

Source: FAS/EU-28

In the Netherlands, pear production is forecasted to be similar compared to the three year average. In MY2013/2014, the acreage of pears is expected to be stable at an estimated 8,150 hectares. The production, quality and size of the leading variety Conference (responsible for 83 percent of total production) is expected to be good.

Pear production in Belgium is expected to be down by 6 percent compared to the three year average. The acreage of pears however is expected to further increase by over 4 percent to an estimated 8,921 hectares. Production of the leading variety Conference (responsible for 90 percent of total production) is expected to decrease by 7 percent. The cold and wet spring (frost damage during blossom) left its mark on pear production. The quality and size of the Belgian pears however promises to be good.

Pear production in Portugal is expected to be up by 21 percent compared to the three year average. The area harvested has been constant over the past few years. Portugal is the only EU country that produces the Rocha variety.

### Pears – Non-Commercial Production

Similar to the situation for apples, the non-commercial production of pears includes pears grown in residential gardens and meadows. The non-commercial production figures for pears are relatively large in Austria, Slovenia, Romania and the Czech Republic when compared to their respective total production figures. For MY 2013/14 non-commercial production is estimated at 138,000 MT and represents around 5 percent of total pear production.

## Pears – Consumption

Pears are still popular throughout the EU although apples, oranges and bananas continue to lead fresh fruit consumption. Like other fruit and vegetables, pear consumption is under pressure. The average per capita consumption of pears is around 4.5 kg/year. The high per capita consumer markets (9 kg/year or more) are Austria, Italy, Portugal and Spain. Further north, France, the Benelux and Nordic countries have an average pear consumption of 5 kg/year. Central and Eastern European countries have a per capita consumption of 2 kg/year or less.

On MS level, the most popular pear varieties are those that are locally or regionally grown. The Conference pear variety dominates pear consumption in North West Europe, while Abate Fetel, Blanquilla, Limonera and Rocha are popular pears in Southern Europe. The number of varieties offered in supermarkets is usually between 2 to 4. Main buyers of pears are senior couples and young bachelors. The industry furthermore believes that taste, price, texture and appearance are the main reasons for buying pears.

Varieties that have a good keeping quality, e.g. Conference, are available year round. Varieties with a somewhat lower keeping quality like Doyenne du Comice, Abate Fetel and Limonera are available after harvesting and are complemented by imports of Williams Bon Crétien and Packham from the Southern Hemisphere countries.

## Processing

In MY 2013/14 it is expected that the volume of pears that will be used for processing will be around 275 thousand MT mainly due to average pear production in EU's top five producing member states.

## Pears – Trade

The majority of the pear trade occurs within the EU-28. Over the past 5 years, roughly a quarter of total imported pears came from third countries, while a third of total exports went outside the EU-28.

### EU-28 external trade

#### Imports

The main EU-28 importing countries continue to be the Netherlands and Italy, together responsible for over two-third of EU-28 pear imports. Much of the volume however entering the Netherlands will be shipped to other MS like Germany.

Table 7: EU-28 Imports of Pears in MT

Country of Origin:	MY 2009/10	MY 2010/11	MY 2011/12	MY 2012/13
South Africa	100,036	108,623	85,402	107,272
Argentina	107,050	140,337	75,355	101,820
Chile	43,475	48,872	45,149	48,932
China	15,488	11,781	11,716	10,916
Turkey	5,042	5,081	4,773	5,904
Unites States	3,451	2,782	1,646	1,823
New Zealand	1,624	1,252	869	960
Uruguay	1,575	1,332	1,405	727
Other	1,292	1,219	1,072	1,523
World Total	279,033	321,279	227,395	279,877

Source: Global Trade Atlas, FAS/EU-28

In MY 2012/13, over ninety percent of the EU-28 pear imports came from South Africa, Argentina and Chile. Trade with these Southern Hemisphere countries starts in February and runs until June and does not directly compete with EU produced pears. Most popular imported varieties include Williams Bon Crétien, Packham and Anjou.

Other trade partners include China (Ya variety) and Turkey (quinces). The Ya pear is consumed by the Asian population within the EU while quinces are destined for the industry. U.S. pear (mainly Anjou variety) exports to the EU-27 occur between November and February. Although they compete with domestically grown pears, consumer demand is strong for U.S. pears and especially in the German and Nordic market.

The market for U.S. pears in the EU is constrained by a lack of awareness by importers and retailers' awareness, the EU's position on DPA and Morpholine and the availability of U.S. pears at a any given point during the season. Higher prices for pears in Europe could present additional opportunities for U.S. pears for MY 2013/14.

## Exports

The main EU-28 exporting countries remain Belgium and the Netherlands, which are together responsible for almost fifty percent of EU-28 pear exports. These two countries are also the EU's largest producers and exporters of Conference pears. Other leading exporters include Spain, Lithuania, Poland, Portugal and Italy.

Russia continues to be the most important market for European pears (mainly the Conference variety) and accounts for sixty percent of total EU-28 pear exports. In MY 2012/13, due to record low EU-28 pear production, exports to Russia dropped by over 30 percent, in line with decreases in total EU-28 pear exports. At the same time exports to Belarus, the third largest export market, increased. Exports to other countries that neighbor with Russia like Kazakhstan, Georgia and Moldova stabilized. Above developments indicate that Conference pears produced in the Netherlands and Belgium increasingly find alternative routes to the Russian consumer market.

Exports to Russia and neighboring countries start directly after harvesting and run until May. Starting in late February, EU pears face competition from Southern Hemisphere pears. Given the ample production of Conference pears in EU (especially in Poland), exports to Russia and Belarus in MY 2013/14 are expected to go up to an estimated 220 thousand MT.

Brazil's pear imports overall largely depend on Argentina. Portugal (Rocha variety) and Spain (Blanquilla, Limonera, Williams Bon Crétien varieties) are the country's second and third largest suppliers of pears and their combined market share is stable around 15 – 20 percent. Brazil imports from Argentina slow down as imports from Portugal and Spain start (between August and March). Since pear production in especially Portugal is expected to be good, EU-28 exports to Brazil in MY 2013/14 are expected to go up to an estimated 45,000 MT. Pear production in Argentina will greatly impact EU export opportunities as well.

Table 8: EU-28 Exports of Pears in MT

Country of Destination:	MY 2009/10	MY 2010/11	MY 2011/12	MY 2012/13
Russia	218,408	238,908	286,784	194,000
Brazil	25,574	29,052	58,870	32,206
Belarus	5,028	7,463	17,835	18,129
Norway	20,846	19,431	20,536	16,690
Libya	4,487	3,161	9,691	7,290
Morocco	3,095	5,046	8,435	6,361
Switzerland	4,519	6,017	3,580	6,129
Kazakhstan	2,385	3,027	5,740	5,355
Ukraine	2,601	4,301	7,814	4,908
Melilla	2,487	3,312	4,315	3,221
Other	20,297	24,315	34,157	24,418
World Total	309,727	344,033	457,757	318,707

Source: Global Trade Atlas

The EU-28's fourth largest export market is neighboring Norway. Norway's pear suppliers are the Netherlands and Belgium (responsible for 85 percent of pear imports). Exports to Norway have been stable for the past 5 years, except in MY 2012/13 when exports dropped due to the low EU-28 production. Exports for MY2013/14 are expected to back to regular numbers, an estimated 20,000 MT.

### Pears - Prices

Because of the expected higher availability resulting from a good average production this year, prices are expected to be average.

### Pears – Withdrawal from market

The situation is the same as with apples. Please refer to the respective paragraph in the 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 (CAJ) Juice

Coordinated by Ferenc Nemes/FAS Budapest

Note: CAJ statistics refer to EU-27 because there is no data available yet for Croatia.

### CAJ – Production

The share of CAJ production of the EU's apple processing continues to decline. WAPA forecasts indicate a 10 percent reduction in EU apple processing (3.2 MMT) while table apple consumption forecast to grow 13 percent (8 MMT) for MY 2013/14. Rising energy and raw material prices have put pressure on processing margins. On the demand side consumer, preferences are also turning towards new tastes. In the flavored juice mix category, relatively expensive CAJ is increasingly substituted by grape and pear juice concentrate. The seven CAJ producers in the European Union are Poland, Germany, Austria, Italy, Hungary, Spain, France, and Romania. These countries account for nearly all of the EU production.

### CAJ – Consumption

CAJ is mainly used by the drinks industry and is blended for juices, soft drinks and, to a smaller extent, cider.

Consumption of fruit/vegetable juices is decreasing in many Western European countries where the market saturated and competition of other soft drinks has grown in recent years. However, the decline is not uniform and a few new Member States are seeing relatively stable fruit juice purchases, perhaps due to their lower initial per capita consumption levels.

Main competitors to fruit based beverages in developed markets are ready-to-drink (RTD) teas, functional drinks, and energy drinks. There are regional differences though. According to Euromonitor, fruit and vegetable juice sales in Western Europe decreased 1.9 percent between 2007 and 2012 but sales in Eastern Europe dropped only 1.4 percent during the same period. A few EU countries have tried to discourage sweetened soft drink consumption. Examples include the “soda tax” in France, the “public health fee” in Hungary and a similar tax in Denmark.

As regards to taste, apple juice ranks third in terms of importance behind orange and flavor mixes in Europe. Austria, Slovenia, Germany, Denmark and some other countries form an “apple juice belt” where the share of apples juice out of total fruit juice consumption 20-30 percent above average, according to the analysis of the European Fruit Juice Association. Apple-flavored juice consumption is high in the Netherlands (26.9 percent) and the UK (25.3 percent). Italy and Spain are strong producers and net exporters of CAJ but apple juice took only 5.7 percent and 4.4 percent of pure fruit juice sales in 2012, according to Euromonitor.

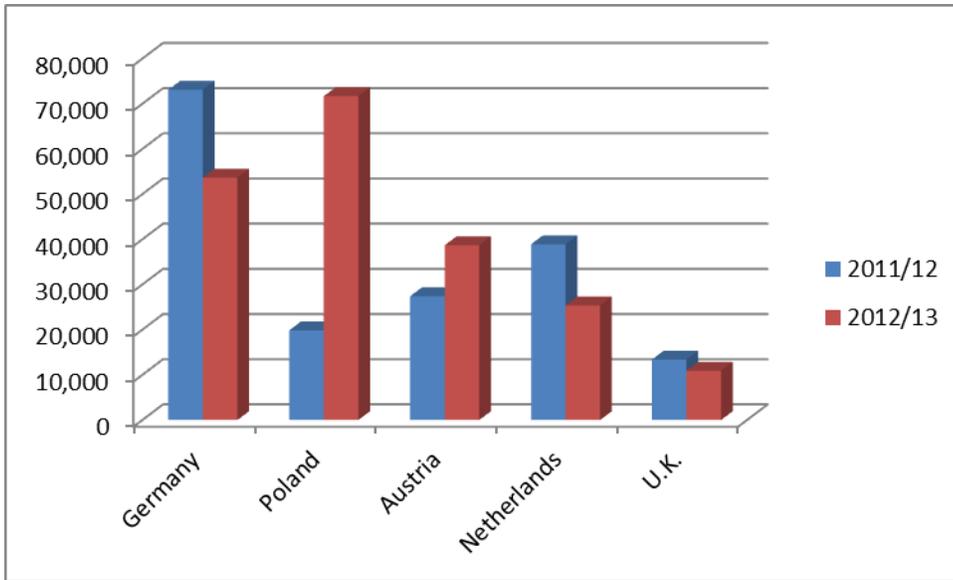
In the premium segment (100 percent juice, nectar) CAJ utilization is reduced by the growth of “non-reconstituted” (NR) juices made from fresh fruit. Beyond the increasing health consciousness of consumers, growing costs of from-concentrate juice production has also helped to close the price gap between from-concentrate and NR liquid fruit juices. In a few health-conscious countries, such as Austria or Germany, the turnover of NR juices grew 63 percent and 9 percent between 2010 and 2012 while the fruit juice segment as a whole faced heavy losses of – 3.2 and – 6.8 percent during the same period of time.

The cider market in Europe is experience better growth rate the overall fruit juice market. Apple and pear based cider have emerged as minor competitors to beer in the UK, France, Ireland, the Scandinavian countries and Poland. According to the analysis from AIJN/European Fruit Juice Association, EU’s annual cider production of 1,292.8 million liters (2012) used more than 107,000 MT CAJ equivalent.

## CAJ – Trade

Of the EU-27 countries Germany, Austria, the UK, Poland, the Netherlands, and France are the biggest consumers of CAJ. These countries belong to the major producers of apple juice concentrate as well. Poland, Hungary, Italy, and Spain form the group of big net suppliers of the EU with CAJ. Less than a third of the EU-27 CAJ utilization is from (extra EU) imports. CAJ trade of the EU is increasingly based on the turnover among member states and the importance of extra-Community trade is fading.

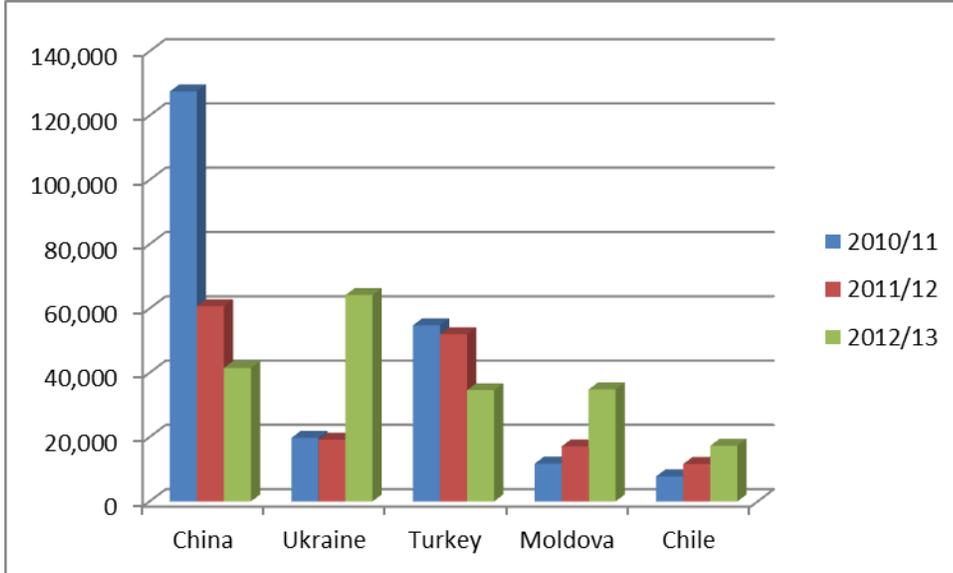
Chart 4: EU-27 Concentrated Apple Juice Imports by Selected Countries (Metric Tons)



Source: FAS Budapest based on GTA data

China remained one of the dominant CAJ sources of the EU in MY 2012/2013; however, Chinese import volume dropped to 41,500 MT from 52,462 MT in the previous marketing year. Chinese CAJ has not recently been price competitive in the EU. Alternative CAJ import sources for the EU have emerged in the last two years. Sales from Ukraine, Moldova and Chile have increased the most. Switzerland, Brazil and Serbia are also important CAJ sources.

Chart 5: EU-27 Concentrated Apple Juice Imports by Main Countries of Origin (Metric Tons) MY 2010/11 – MY 2012/13



Source: FAS Budapest based on GTA data

CAJ exports from the EU-27 account for less than five percent of annual production. Export volumes are relatively stable. Major destinations are Norway, Japan, Saudi Arabia, and the USA.

## Table Grapes

Coordinated by Ornella Bettini/FAS Rome

Table 8: EU-28 PSD for Table Grapes

Grapes, Fresh EU-28	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Jun 2011		Market Year Begin: Jun 2012		Market Year Begin: Jun 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	117,475	110,209	115,775	102,474		102,147
Area Harvested	114,197	104,882	112,470	97,257		96,623
Commercial Production	2,033,427	1,887,424	1,959,654	1,776,563		2,008,600
Non-Comm. Production	10,250	10,250	9,800	13,748		14,000
Production	2,043,677	1,897,674	1,969,454	1,790,311		2,022,600
Imports	548,144	573,976	575,962	550,213		547,000
Total Supply	2,591,821	2,471,650	2,545,416	2,340,524		2,569,600
Fresh Dom. Consumption	2,458,937	2,346,825	2,405,866	2,200,022		2,428,600
Exports	132,884	124,825	139,550	140,502		141,000
For Processing	0	0	0	0		0
Withdrawal From Market	0	0	0	0		0
Total Distribution	2,591,821	2,471,650	2,545,416	2,340,524		2,569,600
HA, MT						

Source: FAS EU-28

### Table grapes – Production

The European Union is a world leader in table grape production, together with China and Iran. Italy, Spain, and Greece account for 93 percent of EU-28 table grape production. After a dramatic fall in the last decade, EU-28 table grape area, if not production, continues to decrease. Reduced profitability, due to increasing production costs and strong competition from other suppliers, are the main factors behind the drop.

MY 2013/14 (June/May) EU-28 table grape production is forecast to jump 13 percent to 2.0 MMT. Significant increases are forecast to be registered in Italy's table grape production (+15 percent), followed by Spain (+19.6 percent) and Greece (+2.5 percent).

Table 9: EU-28 Table Grapes Production by Country and Year (1000 MT)

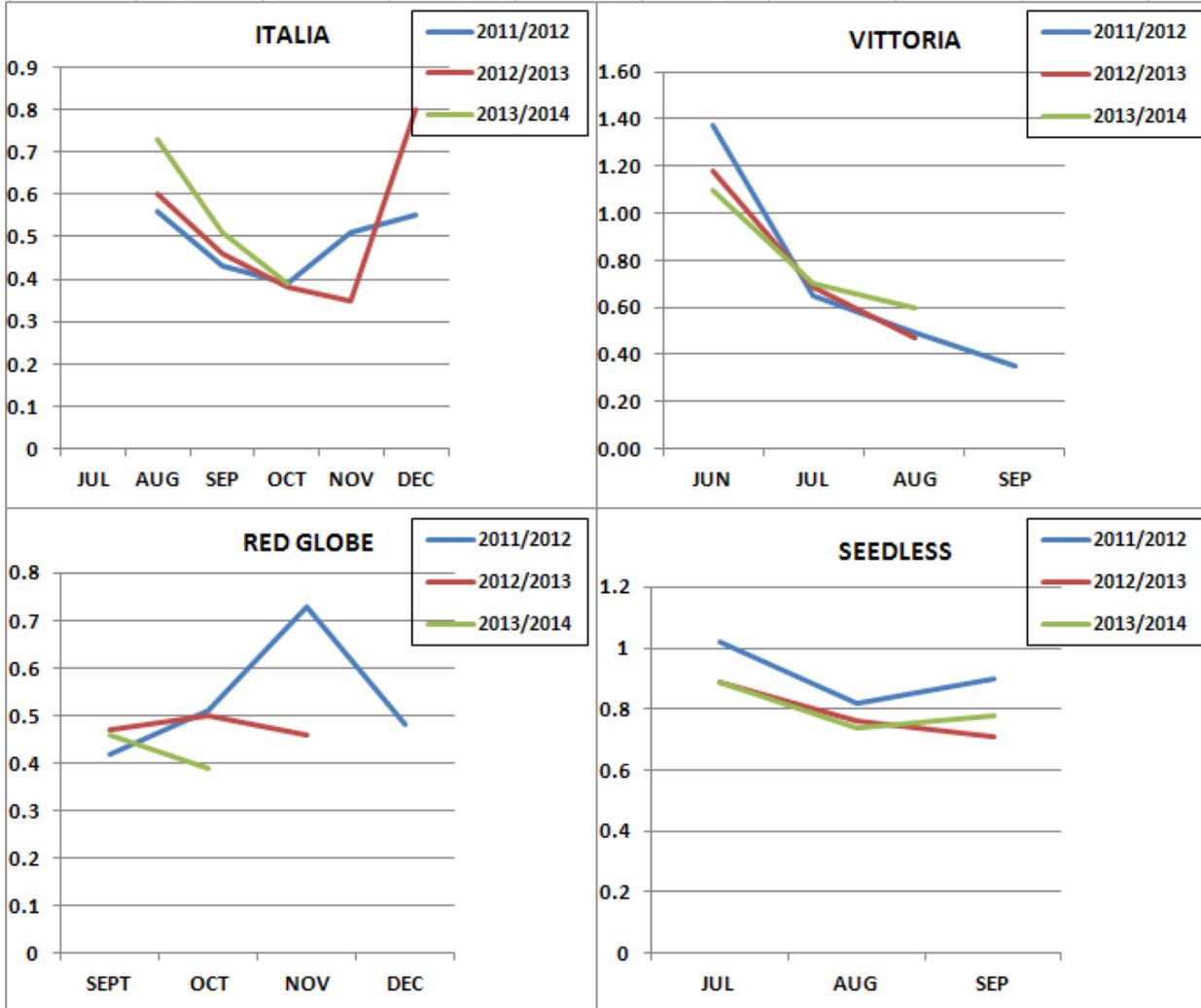
	2011	2012	2013
Italy	1,212	1,130	1,300
Spain	243	230	275
Greece	291	293	300
Other EU MSs	152	137	148
<b>Total</b>	<b>1,898</b>	<b>1,790</b>	<b>2,023</b>

Source: FAS EU-28

Italy ranks sixth in world's table grape production and third among table grape exporters, behind Chile and the United States. Italian table grape production is concentrated in Southern Italy, mainly in Apulia and Sicily, which account for 70 and 25 percent of the domestic production, respectively. Italia, Victoria and Red Globe are the main varieties in Italy, covering about 66 percent of the table grape area. In the last few years, Italy has gradually moved to seedless grapes cultivation, due to an increasing demand from intra and extra EU markets. Sugaone and Crimson are the most popular seedless varieties followed by Thompson, Centennial, and Sublime.

Italy's MY 2013/14 table grape production is forecast to increase significantly from the previous campaign, mainly due to favorable weather during flowering and fruit set. Early (Black Magic and Vittoria), medium and late (Italia, Palieri, Pizzutello Bianca, and Red Globe), and seedless varieties that have been grown using the overhead table grape vineyard system ("tendone" training system) are reported to be of excellent quality, color, and sugar content. Early varieties (Black Magic and Vittoria) are sold from May to the end of July. For medium and late varieties (Italia, Palieri, Pizzutello Bianca, and Red Globe) — mainly from Sicily, Abruzzo, Apulia, Basilicata, and Sardinia—the harvest occurs from August to December.

Chart 6: Average farm gate prices table grapes in Italy (Euro/kg)



Source: ISMEA, Agricultural Marketing Center

According to the latest data provided by the Spanish Ministry of Agriculture, Spain's MY 2013/14 table grape production is forecast to increase by 19.6 percent thanks to optimal weather conditions during the flowering and fruit set. Fruit size is forecast to be good. There are approximately 13,600 hectares currently cultivated with table grapes in Spain. The main producing areas include the Region of Murcia, the Comunidad Valenciana, and Andalusia. Murcia and Alicante account for 70 percent of the total production area. Over 50 table grape varieties are commercialized in Spain. Aledo, Ideal, Muscatel, Dominga, and Napoleon are the main ones. Seedless varieties represent 30 percent of total table grape production and are mainly produced in the Region of Murcia.

Greece is the third largest producer of table grapes in the EU-28, behind Italy and Spain. According to industry estimates, MY2013/14 table grape production is forecast to be satisfactory due to favorable weather conditions during flowering and fruit set. In Greece, there are approximately 17,960 hectares currently cultivated with table grapes. The main producing areas include the prefectures of Corinth in Peloponnese; Kavala in Macedonia; and Heraklion in the island of Crete. Sultana (Thompson Seedless) and Victoria are the major table grape varieties grown in Greece.

### Table Grapes – Consumption

Despite recent economic difficulties, EU-28 fresh grape consumption has been stable in recent years and stands at about 2.4 MMT. Starting in June and throughout the end of the year, EU-28 table grape consumption is mostly met by domestic production. Imports from third countries—normally coming in the first half of the calendar year from the Southern hemisphere—represent 22.5 percent of total consumption.

Italy is the leading table grape consumer in the EU-28, followed by Germany, the United Kingdom, France, and Spain. Despite the fact that Italian seeded grapes are still appreciated, experts claim that EU-28 consumers are increasingly demanding seedless varieties. Thus, many EU-28 table grapes farmers are replacing old seeded varieties with new seedless ones (i.e. . Sugaone, Crimson, Thompson, Centennial, Sublime, etc.)

### Table Grapes - Trade

**Table 10 – EU-28 Table Grapes trade Balance (MY June-May)**

	1000 Tons			mil \$		
	2010/2011	2011/2012	2012/2013	2010/2011	2011/2012	2012/2013
Import	546	574	550	1,445	1,395	1,454
Export	121	125	140	236	247	279
Balance	-425	-449	-410	-1,209	-1,148	1,175

Source: GTA

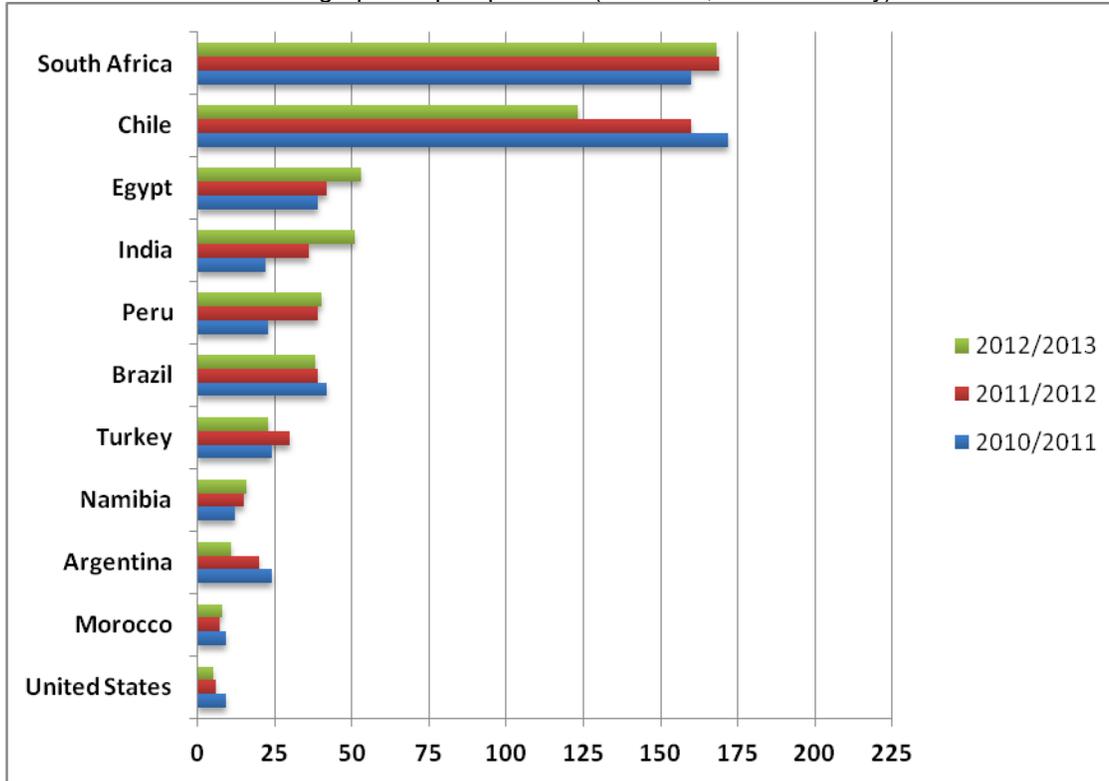
The EU-28 is a net importer of fresh table grapes. During MY2012/13, the EU-28 imported 550,213 MT of table grapes. South Africa (167,950 MT) and Chile (123,006 MT) confirmed to be the leading suppliers to the EU-28 market, followed by Egypt (53,193 MT), India (51,272 MT), Peru (40,464 MT), Brazil (38,548 MT), Turkey (23,007 MT), and Namibia (16,460 MT). The largest EU-28 importing countries remain the Netherlands, Germany, and the United Kingdom. The Netherlands serves mainly as a trans-shipping point. MY13/14 EU-28 table grape imports are forecast to stay flat. During MY2012/13, the EU-28 exported 140,502 MT of table grapes, mainly to Russia (45,526 MT), Switzerland (27,557 MT), Ukraine (14,792 MT), and Norway (13,091 MT). MY13/14 EU-28 table grape exports—mostly to Russia (31 percent)—are forecast to keep an upward trend.

Germany, France, and Poland continue to be the main destinations for Italy's table grapes. Spain, the Netherlands, Egypt, and Chile continue to be the main suppliers to the Italian table grape market.

Spain is a net exporter of table grapes and over 85 percent of its exports are destined to the EU-28 (United Kingdom, Germany, Portugal, and France). Italy, Chile, and Peru are the main suppliers to the Spanish market.

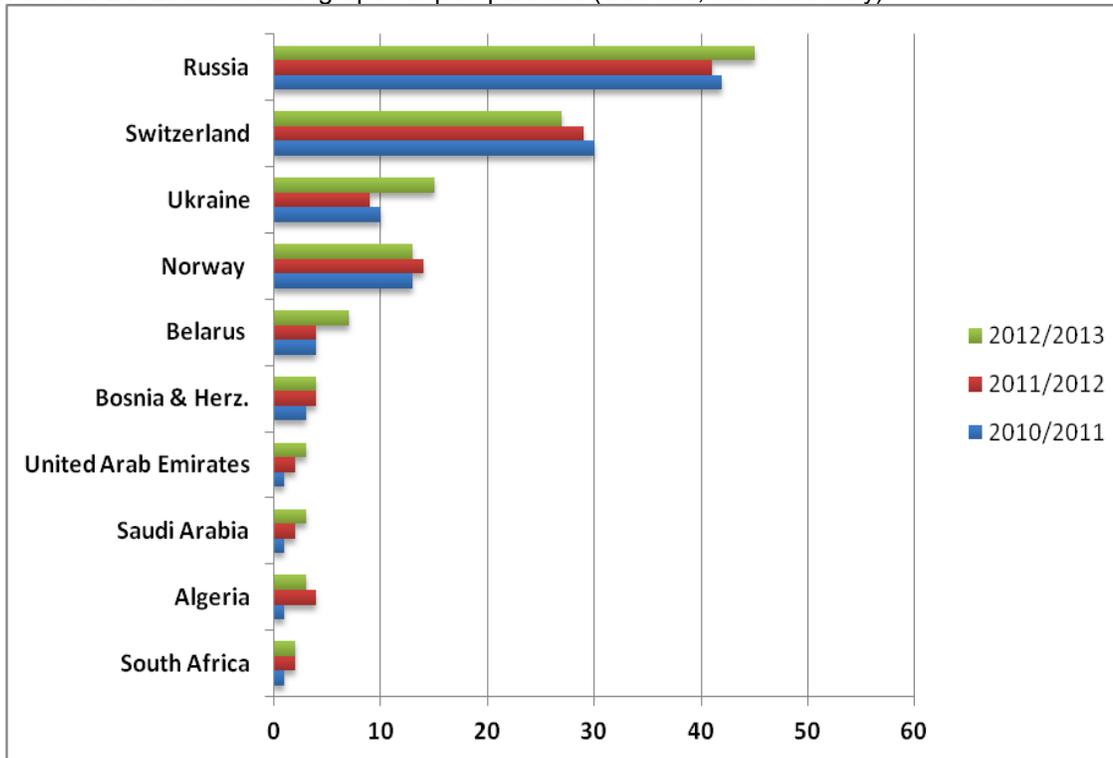
Greek table grapes (both seedless and seeded) are mainly marketed within Europe from late July to the end of September. Germany, the United Kingdom, and the Netherlands represent the main destinations for Greek table grapes (especially Victoria and Sultana varieties).

Chart 7: EU-28 main table grapes import partners (1000 MT, MY June-May)



Source: GTA

Chart 8: EU-28 main table grapes export partners ('000 MT, MY June-May)



Source: GTA

## Policy

Coordinated by Tania DeBelder/USEU/FAS Brussels

### Common Market Organization for Fruits and Vegetables

The EU Common Market Organization for Fruits and Vegetables was last changed in 2007. The aim was to bring the fruit and vegetable sector in line with other agricultural sectors covered by the [Common Agricultural Policy \(CAP\)](#). [Council Regulation 1234/2007](#) established a single common market organization (CMO) for all agricultural products and the policy changes for fruit and vegetables were incorporated into the single CMO by [Council Regulation 361/2008](#). The old-style production-linked payments have been replaced by decoupled payments. The shift from production support to direct aid to producers was designed to improve the competitiveness, market orientation, and sustainability of the sector. As of 2012, all payments are decoupled from fruit and vegetable production.

Producer Organizations (POs) are key to the operation of the EU's CMO for fruit and vegetables. POs are legal entities established by producers to market commodities. EU subsidies are not paid to individual producers but are channeled through POs. In order to qualify for EU subsidies, POs must submit an operational program to the Commission that includes provisions for an operational fund partly financed by producers. The EU contributes to the POs operational fund directly. The calculation of the estimated amount of contribution to the operational fund is based on the operational program and the value of marketed production. All the implementing rules of Council Regulation 1234/2007 have been incorporated in [Commission Implementing Regulation 543/2011](#).

The [Commission Implementing Regulation 701/2012](#) amended the crisis adaptation measures in Commission Implementing Regulation 543/2011 since August 2012 and was introduced as part of the ongoing CAP reform. On the request of Spain, Italy, and France, the Commission decided to improve the functioning of the crisis management system in the fruit and vegetable sector in the run-up to the entry into force of the CAP reform expected in 2014. The regulation also aims to make rules more flexible on green harvesting and non-harvesting. For information on the CAP after 2014, please see: [http://ec.europa.eu/agriculture/cap-post-2013/index\\_en.htm](http://ec.europa.eu/agriculture/cap-post-2013/index_en.htm)

The Commission has agreed to add compensation payments for withdrawing certain products. The amounts of aid per kilo paid to POs for products withdrawn from the market have been increased for certain products. These amounts have been set at levels that guarantee withdrawals become an effective instrument in times of crisis, whilst avoiding these kinds of withdrawals being made in normal market situations. The amounts have been increased to a minimum 20 percent of EU average prices for winter tomatoes, grapes, apricots, pears, aubergines, and melons.

The amount of support if the product is distributed free has been increased to a level that is 30 percent above average EU prices, affecting the products mentioned above, as well as cauliflowers, apples, watermelons, clementines, and lemons.

The regulation also improves implementation of the entry price system in force for imports of fruit and vegetables from non-EU countries by enhancing traceability of imported consignments from third countries in order to guarantee the effective functioning of the system and prevent fraud.

### EU Marketing Standards for Fruits and Vegetables

The [Commission implementing Regulation \(EU\) No 543/2011](#) provides for a general marketing standard for all fresh fruits and vegetables, repealing Commission Regulation 1221/2008. Specific marketing standards are still in place for ten products, including apples and pears. The specific marketing standards are set out in Part B of Annex I to this Regulation. The specific marketing standards for apples can be found in Part 1 of that same section on page 95 and for pears in Part 6 on page 129.

Fresh fruit and vegetable imports into the EU are checked for compliance with EU-harmonized marketing standards. These standards apply at all marketing stages and include criteria such as quality, size, labeling, packaging, and presentation.

## Certification of Fruit Shipments

Plant products need a phytosanitary certificate to be exported to the EU. Phytosanitary certificates issued by an APHIS inspector are required to accompany fruit, vegetable, and nut shipments. APHIS issues phytosanitary certificates in accordance with international regulations established 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.

[Council Directive 2000/29/EC](#) contains provisions concerning compulsory plant health checks. This includes documentary, identity, and physical plant health checks to verify compliance with EU import requirements. More information can be accessed on DG Health and Consumer Protection's website [http://ec.europa.eu/food/plant/organisms/imports/inspection\\_en.htm](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 when justified. The list of products recommended for plant health checks at reduced levels was [updated August 30, 2013](#). The frequency of testing consignments of U.S. Malus apples will increase from 35 % to 50% starting January 1, 2014.

## School Fruit Scheme

A key objective of the changes made to the Fruit and Vegetable regime was to reverse the declining consumption of fruit and vegetables. The European School Fruit Scheme (SFS) is one measure to combat child obesity.

[Commission Regulation 288/2009](#) lays 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. These SFSs include three elements: free distribution of fruit and vegetables in schools, a series of accompanying measures, such as information campaigns on healthy eating habits, and monitoring and evaluation. The SFS aims to provide fruit and vegetables to school children from the start of the school year.

The SFS makes €90 million of EU funds available to provide fruit and vegetables to school children to be matched by national and private funds. The 2013/2014 school year is the fifth year of the program and the [Commission implementing decision](#) of March 26, 2013, allocates the €90 million of EU funds to the 25 participating Member States (Sweden, Finland and UK have opted not to participate).

The main beneficiaries of the Scheme in 2013/2014 will be Italy, who is set to receive over € 20.5 million, followed by Poland (€ 13.6 million), Germany (€ 12 million), Romania (€ 4.9 million), France (€ 4.7 million), Hungary (€ 4.5 million), Spain (€ 4.4 million) and the Czech Republic (€ 4.2 million).

Information and documents on the SFS are available on internet at: [http://ec.europa.eu/agriculture/fruit-and-vegetables/school-fruit-scheme/index\\_en.htm](http://ec.europa.eu/agriculture/fruit-and-vegetables/school-fruit-scheme/index_en.htm)

## Maximum Residue Limits for apples and pears

Maximum Residue Limits (MRLs) for pesticides, including import tolerances, have been harmonized throughout the EU since September 2008. As a marketing tool, some retail chains in the EU adopt private standards that exceed EU regulations by requiring their suppliers to adhere to stricter company policies that limit the maximum residues to 30, 50, or 70 percent of the respective EU MRL. Please find the link to the [EU MRL database](#), as well as to the International [MRL database](#) developed by USDA for MRLs worldwide.

**Note:** The new MRLs for Diphenylamine (DPA) were published in the Official Journal on August 13, 2013 by [Commission Regulation 772/2013](#). The new MRLs are set at 0.1 mg/kg for both apples and pears and will apply as of March 2, 2014. DPA is a pesticide used on apples and pears to prevent scalding. However, DPA is not included in Regulation 1107/2009 on plant protection products and is no longer authorized for use in the EU. Industry sources estimate a 21 million USD loss to U.S. apple and pear growers once the new MRLs apply and DPA can no longer be used.

## EU-Russian MRLs harmonized

Fruit and vegetables are the largest EU agricultural export to Russia. The Russian Federation aligned some of its maximum levels for pesticide residues (MRLs) with the EU and international standards and reached a common understanding concerning pesticide residues for fruit and vegetables since June 2010, as some of the Russian MRLs were more restrictive than EU requirements. The development provides more favorable conditions for EU exporters of vegetables and fruit, such as apples and pears, grapes, citrus fruits and stone fruits (peaches, apricots, etc.). For more information:

[http://ec.europa.eu/food/international/trade/eu-russia\\_spsissues\\_en.htm](http://ec.europa.eu/food/international/trade/eu-russia_spsissues_en.htm)

## 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.

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

Tariff levels for 2014 are published in Commission Implementing Regulation 1001/2013. For details please refer to:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:290:0001:0901:EN:PDF>

Apples see pages 97 and 687-689

Pears see pages 97 and 689-691

CAJ see pages 168

Grapes see pages 96 and 686

## Trade Fairs

Coordinated by Roswitha Krautgartner/FAS Vienna

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:

<b>Fruit Logistica</b> Berlin, Germany (Interval: yearly) Target Market: Europe Good venue for exhibiting fresh and dried fruit, nuts and related products <a href="http://www.fruitlogistica.de">http://www.fruitlogistica.de</a>	Next Fair:  February 05-07, 2014	U.S. Pavilion Organizer: B*FOR International Tel: (540) 373-9935 Fax: (540) 372-1414
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For organic products there is a special trade fair held annually in Nuremberg, Germany

<b>Bio Fach</b> Nuremberg, Germany (Interval: yearly) Target Market: Germany/Europe The leading European trade show for organic food and non-food products <a href="http://www.biofach.de">http://www.biofach.de</a>	Next Fair:  February 12-15, 2014	U.S. Pavilion Organizer: B*FOR International Tel: (540) 373-9935 Fax: (540) 372-1411
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## Related Reports

Coordinated by Roswitha Krautgartner/FAS Vienna

<b>FAIRS Export Certificate Report Food and Agricultural Import Regulations and Standards - Certification Brussels USEU EU-27 1/23/2013</b>  This guide provides an overview of export health certificates needed for exporting plants, animals, foods and other animal origin products to the EU. U.S. regulatory agencies have been informed of the wide range of certificates changes that have occurred in the past months and have updated their export manuals to reflect those changes. In order to facilitate the reading of this report, updates since the previous FAIRS export certificate report have been highlighted. Please also check the refe... <a href="#">Food and Agricultural Import Regulations and Standards - Certification_Brussels USEU_EU-27_12-28-2012</a>
<b>FAIRS Country Report Food and Agricultural Import Regulations and Standards - Narrative Brussels USEU EU-27 1/1/2013</b>  This report updates each of the nine sections and provides an overview of food laws currently in force in the EU-27. Developments in EU food legislation and initiatives that may have an impact on U.S. exports of food and agricultural products are highlighted on a blue background. Information provided in this report is also available on the new USEU/FAS website <a href="http://www.usda-eu.org">http://www.usda-eu.org</a> . <a href="#">Food and Agricultural Import Regulations and Standards - Narrative_Brussels USEU_EU-27_12-27-2012</a>
<b>Stone Fruit Annual 2013 Stone Fruit Rome Italy 11/1/2013</b>  Italy is the largest peach and nectarine producer in the EU-28 and ranks second in the world after China. Italy's MY 2013/14 peach and nectarine production is forecast to decrease by 6.3 percent from the previous year, with a 5.7 percent decrease for peaches and 5.8 percent decline for nectarines, mostly due to a long, cold, and rainy spring. The cling peach harvest is likely to decline by 13 percent to 81,000 MT. Italy is the largest apricot producer in the EU-28, followed by France, Greece,... <a href="#">Stone Fruit Annual 2013_Rome_Italy_10-28-2013</a>
<b>Citrus Semi-Annual 2013 Citrus Rome Greece 10/17/2013</b>  MY 2012/13 (November/October) Greek production of tangerines and oranges is expected to increase slightly, due to favorable weather. Greece is a large importer of lemons. In MY 2011/12, Greece imported 30,997 MT of lemons, mainly from Argentina (15,770 MT), Turkey (5,903 MT), and Italy (4,191 MT).

[Citrus Semi-Annual 2013\\_Rome\\_Greece\\_10-2-2013](#)

**Citrus Semi-Annual 2013|Citrus|Rome|Italy|10/17/2013**

MY 2012/13 (November/October) Italian orange production is expected to decrease by 15 percent compared to the previous season, due to adverse weather conditions in early spring 2012. Italian lemon planted area has been decreasing progressively due to higher input costs and lower prices which have negatively affected crop profitability.

[Citrus Semi-Annual 2013\\_Rome\\_Italy\\_10-2-2013](#)

**Good Prospects for 2013 Poland's Cherries Export|Agricultural Situation Fresh Fruit Stone Fruit|Warsaw|Poland|8/14/2013**

The 2013 stone fruit crop, composed of sour cherries (182 thousand MT (TMT)), sweet cherries (48 TMT) and other stone fruits (plums, peaches and apricots - 123 TMT), is forecasted at six percent larger than the previous year's crop. Cherry exports are forecast to increase by 18 percent compared to the previous year with Russia and Germany the main destinations for fresh cherries and the USA and Canada new destinations for frozen cherries. In 2012, exports of frozen cherries to the USA rose to ...

[Good Prospects for 2013 Poland's Cherries Export\\_Warsaw\\_Poland\\_8-9-2013](#)

**Select 2013|Stone Fruit|Madrid|EU-27|8/14/2013**

EU-28 production of peaches and nectarines in MY 2013/14 is estimated at 3.97 million MT, 7.3 percent lower compared to 4.28 million MT registered in the previous harvest due to unfavorable weather conditions. The exception is overall Spanish production which was favorable despite the losses suffered as a result of the February frost. There has been an increase of early and mid-season peaches, mainly due to good flowering and fruit set, as well as the entry into production of new varieties. T...

[Stone Fruit Annual\\_Madrid\\_EU-27\\_8-8-2013](#)

**Select 2013|Citrus|Madrid|EU-27|6/18/2013**

Overall citrus production is expected to decline in the EU 27 year-to-year, however the production decline will be smaller than anticipated in the Annual Report (SP1242). Only grapefruit output is expected to be above last year's figures. Good yields in Greece citrus crop were not enough to offset the production decline that took place in Italy and Spain. However, quality and caliber is reportedly good in main producing member states, which has had a positive impact in the fresh production ch...

[Citrus Semi-annual\\_Madrid\\_EU-27\\_6-12-2013](#)

**Product Brief - Dried Fruits and Nuts|Dried Fruit Tree Nuts Product Brief|Sofia|Bulgaria|3/14/2013**

Though having a population of only 7.5 million people Bulgaria is considered as having a healthy market for dried fruits and nuts. In 2012 the United States nut sales to Bulgaria increased 44 percent, supporting positive perceptions of this market. Provided in this report is information on the market, trade, and regulatory requirements for U.S. suppliers.

[Product Brief - Dried Fruits and Nuts\\_Sofia\\_Bulgaria\\_3-11-2013](#)

**Results of German Fruit Tree Census|Fresh Deciduous Fruit Stone Fruit|Berlin|Germany|2/28/2013**

This report summarizes the results of the 2012 German fruit tree census and developments in the variety mix of apples and pears. While 14 percent of the German deciduous fruit farms have stopped operating since the previous census in 2007, total planted area only decreased by 3 percent. However, there was a shift towards apples whose area was expanded by 1 percent at the expense of tart cherries, plums, and pears, whose area decreased by 33, 11, and 4 percent, respectively.

[Results of German Fruit Tree Census\\_Berlin\\_Germany\\_2-22-2013](#)

**Export opportunities for U.S. organics in the EU market|Market Development Reports Product Brief Tree Nuts Dried Fruit Fresh Deciduous Fruit Special Certification - Organic/Kosher/Halal|The Hague|Netherlands EU-27|2/12/2013**

The organic arrangement between the U.S. and the EU in combination with growing demand for organic products in the EU creates opportunities for U.S. exporters. The potential market for U.S. organics on the EU market is estimated at almost USD 50 million and opportunities are to be found in vegetables, fresh fruit, dried fruit and nuts, specialty grains and processed products. This report was prepared by Karin Bendz, Hilde Brans, Roswitha Krautgartner, Marcel Pinckaers, Andrew Sowell and Kelly S...

[Export opportunities for U.S. organics in the EU market\\_The Hague\\_Netherlands EU-27\\_2-11-2013](#)

**Organic Products Market Report|Special Certification - Organic/Kosher/Halal Fresh Fruit Dried Fruit Vegetables Food Processing Ingredients Snack Foods Retail Foods|London|United Kingdom|2/11/2013**

Exports of U.S. fresh organic produce to the United Kingdom (UK) increased in 2012, and vegetables particularly may be

required again in 2013. Simpler import procedures, due to the implementation of the U.S. - EU organic agreement, may have contributed, but the main driver was the poor UK harvest, and for some products, a reduced European Union (EU)-wide availability. UK specialty organic or up-scale independent stores seek new and innovative processed products to differentiate their product r...

[Organic Products Market Report\\_London\\_United Kingdom\\_1-25-2013](#)

**Product Brief - Dried Fruits and Nuts|Dried Fruit Tree Nuts Product Brief|Berlin|Germany|1/28/2013**

The relative affluence of its population of 81.8 million people makes Germany an attractive outlet for exporters from many countries. Germany is one of the largest markets for dried fruits and nuts in Europe and a very important market for U.S. products. This product brief is intended for U.S. dried fruits and nut exporters interested in utilizing existing market opportunities in order to properly market their product in Germany.

[Product Brief - Dried Fruits and Nuts\\_Berlin\\_Germany\\_1-17-2013](#)

**Oranges, Fresh, Tangerines/Mandarins, Fresh, Lemons, Fresh, Grapefruit, Fresh, Orange Juice, Select 2012 Annual|Citrus|Madrid|EU-27|1/14/2013**

With the exception of grapefruit the production of all citrus crops is expected to be lower in the EU in MY2012/13, a consequence of Italy's lower orange crop and Spain's lower mandarin and lemon crops. The Autumn rains had a positive influence in the size and quality of fruits and the farmers are seeing this season as an opportunity to increase revenue and compensate for previous years when prices were lower. EU exports proceed at a good pace as production in some of the main competing countries...

[Citrus Annual\\_Madrid\\_EU-27\\_1-9-2013](#)

**Citrus Annual 2012|Citrus|Rome|Italy|1/3/2013**

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[Citrus Annual 2012\\_Rome\\_Italy\\_12-14-2012](#)

**Fresh Deciduous Fruit Annual 2012|Fresh Deciduous Fruit|Rome|Greece|1/3/2013**

MY 2012/13 (July/June) Greek pear production is forecast to increase by 22 percent due to favorable weather. MY 2012/13 table grape production is estimated to be satisfactory despite the severe drought from mid July to the last week of August that negatively affected fruit ripening. The bulk of Greece's fresh deciduous fruit trade occurs within the EU-27.

[Fresh Deciduous Fruit Annual 2012\\_Rome\\_Greece\\_12-21-2012](#)

**Fresh Deciduous Fruit Annual 2012|Fresh Deciduous Fruit|Rome|Italy|1/3/2013**

MY 2012/13 Italian apple production is forecast to decrease by 13.3 percent compared to the previous year, due mainly to the freeze and heavy rains during the blooming time. MY 2012/13 pear production is forecast at 717,000 MT, a 22 percent shortfall over last season's supply. The decline is due to the severe drought of this summer that affected the main producing areas, strongly hindering the normal development of the fruit. Italy ranks 6th in world's table grape production and 3rd among table...

[Fresh Deciduous Fruit Annual 2012\\_Rome\\_Italy\\_12-21-2012](#)

**Citrus Annual 2012|Citrus|Rome|Greece|12/21/2012**

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[Citrus Annual 2012\\_Rome\\_Greece\\_12-14-2012](#)

**Oranges, Fresh, Tangerines/Mandarins, Fresh, Lemons, Fresh, Grapefruit, Fresh, Orange Juice Good quality and lower volumes|Citrus|Madrid|EU-27|12/18/2012**

With the exception of grapefruit the production of all citrus crops is expected to be lower in MY2012/13, as a consequence of a dry and hot summer in southern Europe. The Autumn rains had a positive influence in the size and quality of fruits and the farmers are seeing this season as an opportunity to increase revenue and compensate for previous years when prices were lower. EU exports proceed at a good pace as production in some of the main competing countries is lower.

[Citrus Annual\\_Madrid\\_EU-27\\_12-12-2012](#)

**Poland Becomes a Leading Exporter of Apples|Fresh Deciduous Fruit Fresh Fruit|Warsaw|Poland|12/18/2012**

Poland's MY 2012/13 product is estimated at 2.9 million metric tons, accounting for 26 percent of total EU production. While increasing production was favorably supported by weather this year, growing investment in orchard development and better organization of producer groups in recent years are the catalysts for the apple sector's rising productivity. With domestic consumption of fresh apples on the decline, Poland relies on external demand, primarily in Russia, Belarus and Kazakhstan, and th...

<p><a href="#">Poland Becomes a Leading Exporter of Apples_Warsaw_Poland_12-12-2012</a></p>
<p><b>Select Unfavorable Weather Affects 2012 Crop Fresh Deciduous Fruit Vienna EU-27 11/5/2012</b></p> <p>The production of MY 2012/13 is characterized by unfavorable weather conditions like cold and wet conditions in spring, local hailstorms, high winds, and drought in summer in many of the major producing countries. This is expected to lead to significant lower fresh deciduous fruit production. Commercial apple production is forecast to be at 9.8 MMT (minus 9 percent), commercial pear production at 2.1 MMT (minus 22 percent) and table grape production at 1.8 MMT (minus 5 percent).</p> <p><a href="#">Fresh Deciduous Fruit Annual_Vienna_EU-27_10-29-2012</a></p>
<p><b>Stone Fruit Annual 2012 Stone Fruit Rome Greece 10/29/2012</b></p> <p>Greece is the 3rd largest</p> <p><a href="#">Stone Fruit Annual 2012_Rome_Greece_10-24-2012</a></p>
<p><b>Stone Fruit Annual 2012 Stone Fruit Rome Italy 10/29/2012</b></p> <p>Italy is the largest</p> <p><a href="#">Stone Fruit Annual 2012_Rome_Italy_10-24-2012</a></p>
<p><b>Kiwifruit Overview Kiwifruit Rome Greece 9/19/2012</b></p> <p>Kiwi</p> <p><a href="#">Kiwifruit Overview_Rome_Greece_9-14-2012</a></p>
<p><b>Kiwifruit Overview Kiwifruit Rome Italy 9/19/2012</b></p> <p>Kiwifruit</p> <p><a href="#">Kiwifruit Overview_Rome_Italy_9-14-2012</a></p>