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## **EU-28**

### **Fresh Deciduous Fruit Annual**

#### **Fresh Deciduous Fruit Annual 2016**

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**Report Highlights:**

EU-28 commercial apple production in MY 2016/17 is estimated at 11.3 MMT, a 2 percent decrease compared to the previous year, as weather related dramatic losses in Central-East EU are not compensated by record production in Poland. EU commercial pear production is estimated at almost 2.4 MMT, down by 8 percent while EU-28 table grape production is forecast to slightly decline by 3.5 percent and reach approximately 1.7 MMT. In response to the Russian import ban for European fruit and vegetables, some member states were able to increase their exports to other destinations. In addition, the EU Commission extended the temporary exceptional support measures until July 2017.

**Commodities:**

Apples, Fresh  
 Pears, Fresh  
 Grapes, Table, Fresh

**Author Defined:****Introduction**

Disclaimer: This report presents the situation and outlook for apples, pears, and table grapes in the EU-28. 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       |
| e             | Estimate                         |
| 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 Levels           |
| MS            | EU Member State(s)               |
| MY            | Marketing year                   |
| Apples:       | July/June                        |
| Pears:        | July/June                        |
| Table Grapes: | June/May                         |
| OP            | Operational Program              |
| PO            | Producer Organization            |
| PSD           | Production, supply and demand    |
| R             | revised                          |
| SFS           | School Fruit Scheme              |
| U.A.E.        | United Arab Emirates             |
| U.K.          | United Kingdom                   |
| 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)<br>as of 01/01/2012: 0808 30 (pears) |
| Table grapes: | 0806 10 10   |

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## Policy

Coordinated by Tania De Belder/USEU/FAS Brussels

Fresh deciduous fruit falls under the EU fruit and vegetables regime and is part of the Common Agriculture Policy (CAP). The following section explains the main elements of the EU fruit and vegetables policy that refer to the fresh deciduous fruit sector. The second part explains the EU measures that were taken in response to the Russian embargo.

### I. EU Policy Related to Fresh Deciduous Fruit

#### 1. The New Common Agriculture Policy (CAP) Reform

The CAP 2020 reform consists of four [basic regulations](#), supplemented by delegated acts. [Commission Delegated Regulation \(EU\) No 499/2014](#), which entered into force on May 16, 2014, amended the implementing rules for the fresh and processed fruit and vegetables sectors ([Commission implementing Regulation \(EU\) No 543/2011](#)).

These market measures aim to:

##### a. Create a more competitive and market-oriented sector

Producer Organizations (POs) are still the key elements in the EU's CMO for fruit and vegetables. POs are legal entities established by producers to market commodities, including apples, pears and table grapes. EU subsidies are not paid to individual producers but are channeled through POs. In order to qualify for EU subsidies, a PO must submit an operational program financed through an operational fund. The EU's financial contribution is paid directly into the POs' operational fund. The calculation of the estimated amount of the operational fund is based on the value of the marketed production. As of January 20, 2014, operational programs are approved under the Regulation (EU) No 1308/2013. Commission Delegated Regulation 499/2014 introduced new elements regarding the operational programs. It clarifies the criteria that POs have to comply with in order to be eligible for EU funding and introduces a sanction mechanism in the case of non-compliance.

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. Commission implementing Regulation (EU) No 543/2011 provides for a general marketing standard for all fresh fruits and vegetables. 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: for apples in Part 1 of that same section on page 95 and for pears in Part 6 on page 129.

b) Diminish crisis-related fluctuations in producers' income

To achieve this objective, EU funding is offered under the OP for:

- Product withdrawal
- Green harvesting/non-harvesting;
- Promotion/communication tools;
- Training measures;
- Harvest insurance;
- Assistance to secure bank loans, and support for administrative costs associated with setting up mutual funds.

National authorities must determine, in their national strategy, which of these instruments can be funded in their countries. POs may take out loans on commercial terms to finance crisis prevention and management measures. The repayment of the capital and the interest on those loans may be eligible for financial assistance under the operational programs of POs.

c) Encourage increased consumption of fruit and vegetables in the EU

The European “School Fruit Scheme” (SFS) originated in 2009 as a measure to combat child obesity and includes three elements: free distribution of fruit and vegetables in schools, information campaigns on healthy eating habits, and monitoring and evaluation. As in previous years, the EU funds of \$164 million (€150 million) was allocated in the school year 2016/2017 to 25 [Member States](#) that decided to participate in the program - with Sweden, Finland and United Kingdom opting out.

The Regulation on the new School Scheme for Milk, Fruit and Vegetables was published in the Official Journal on May 24, 2016. [Regulation EU No 2016/791](#) will apply as of **August 1, 2017**.

The sector may also benefit from the European [promotion](#) budget for agricultural products and [quality schemes](#). The Commission reformed its promotion policy with an extension of the product scope and a greater focus on export markets. The promotion budget is increase gradually from \$76 million (€60 m) to \$255 million (€200 m) annually until 2020. National co-funding will no longer be needed and EU associations will be able to apply directly for a program.

d) Increase the use of environmentally friendly cultivation and production techniques

At least 10 percent of operational program funding must be spent on environmental actions that go beyond mandatory environmental standards. MS with recognized POs must draw up a National Framework for Environmental Action (NEF) as part of their “national strategy for sustainable

operational program.” The NEF must contain a non-exhaustive list of environmental actions and the conditions applicable to them in the Member State concerned.

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)

## 2. Certification of Fruit Shipments

Plant products need a phytosanitary certificate to be exported to the EU. Phytosanitary certificates issued by a USDA/Animal Plant Health Inspection Service (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 and prevent the spread of plant and plant product pests.

[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 issued on [October 22, 2015](#). On an annual basis, the Commission monitors imports of fruit and vegetables to determine how to adjust the frequency of testing consignments.

## 3. Maximum Residue Levels for Fruit

Maximum Residue Levels (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 [USDA MRL database](#) for MRLs worldwide.

*Note: Diphenylamine (DPA) is a pesticide used on apples and pears to prevent scalding but is no longer authorized for use in the EU. Subsequently, the MRLs for DPA decreased to 0.1 mg/kg for both apples and pears on March 2, 2014. Since then, the volumes of apples exported to the EU have decreased substantially. Only a few shippers exporting to Europe have designated special DPA-free facilities to stay below the currently allowed levels.*

## 4. Tariffs

EU 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.

Commission Delegated Regulation (EU) No 499/2014 has introduced provisions on the entry price system, which aligns the clearance of goods that are subject to the entry price to the custom code. These provisions, applicable since October 1, 2014, introduced a flat rate, which is the standard import value, to clear customs when products are sold on consignment.

Tariff levels for 2016 are published in [Commission Implementing Regulation 2015/1754](#).

*Apples see pages 97 and 687-689*

*Pears see pages 97 and 689-691*

*CAJ see pages 168 and 888*

*Grapes see pages 96 and 686*

The United States tends to sell high quality products at higher prices which typically do not face additional duties.

## II. Russian ban on agricultural products

On August 7, 2014, the Russian government implemented a ban for one year on a range of agricultural and food products, including apples and pears and table grapes, from the United States, the European Union (EU), Canada, Australia and Norway, in response to U.S. and EU sanctions over Russian actions in Ukraine. The CMO rules (see Regulation 1308/2013 in part I) provide various market management tools to stabilize markets and the Commission is also empowered under the reformed CAP to take "exceptional measures" in case of market disruption. As such, the Commission introduced specific market support measures for the European fruit and vegetables sector since the start of the ban in 2014.

[Commission Delegated Regulation \(EU\) 2016/921](#) introduces the new aid scheme for fruit and vegetable producers as the ban continues through 2017. It extends the previous scheme but with a lower budget and ceilings for volumes to be withdrawn. As before, the Commission proposes an additional quantity of up to 3000 tons for all Member States to further stabilize the market. The aid for market withdrawals and free distribution entered into force on July 1, 2016, and producers of fruit and vegetables have until July 31, 2017, to apply for their allocation.

Note: The total volumes of apples and pears that received intervention support from the European Commission are not reflected in the tables of this report, since the numbers were not available at the time of writing.

More information on the Commission's response to the Russian ban can be found here:

[http://ec.europa.eu/agriculture/russian-import-ban/index\\_en.htm](http://ec.europa.eu/agriculture/russian-import-ban/index_en.htm)

**Apples**

Coordinated by Sabine Lieberz/FAS Berlin

## Summary:

At the beginning of MY2016/17, market prospects for apples are very different for table apples versus apples for processing. The market for table apples is in better condition than in the previous marketing year when over mature apples put pressure on the market. In contrast, prices for processing apples have plummeted. Total apple production (commercial and non-commercial) is down by 1 percent. Poland reports record production while Central-East Europe (Austria, Slovenia, Slovakia, the Czech Republic, Croatia, and Hungary) suffered from a severe late frost that resulted in dramatically low production in that area. In Austria, which was hit the hardest, commercial production decreased as much as 87 percent. This provides opportunities for neighboring countries to export their excess production into this region and ultimately stabilize the market.

**Table 1: EU-28 PSD for Fresh Apples**

| <b>Apples, Fresh</b>          | <b>2014/2015</b>     |                 | <b>2015/2016</b>     |                 | <b>2016/2017</b>     |                 |
|-------------------------------|----------------------|-----------------|----------------------|-----------------|----------------------|-----------------|
| <b>Market Begin Year</b>      | <b>Jul 2014</b>      |                 | <b>Jul 2015</b>      |                 | <b>Jul 2016</b>      |                 |
| <b>European Union</b>         | <b>USDA Official</b> | <b>New Post</b> | <b>USDA Official</b> | <b>New Post</b> | <b>USDA Official</b> | <b>New Post</b> |
| <b>Area Planted</b>           | 529475               | 529475          | 522300               | 529650          | 0                    | 523800          |
| <b>Area Harvested</b>         | 519320               | 519320          | 510100               | 514600          | 0                    | 503660          |
| <b>Bearing Trees</b>          | 0                    | 0               | 0                    | 0               | 0                    | 0               |
| <b>Non-Bearing Trees</b>      | 0                    | 0               | 0                    | 0               | 0                    | 0               |
| <b>Total Trees</b>            | 0                    | 0               | 0                    | 0               | 0                    | 0               |
| <b>Commercial Production</b>  | 11990800             | 12122468        | 11140400             | 11581136        | 0                    | 11347400        |
| <b>Non-Comm. Production</b>   | 1627700              | 1513955         | 1079600              | 1077766         | 0                    | 1246800         |
| <b>Production</b>             | 13618500             | 13636423        | 12220000             | 12658902        | 0                    | 12594200        |
| <b>Imports</b>                | 400000               | 400121          | 485000               | 449208          | 0                    | 462000          |
| <b>Total Supply</b>           | 14018500             | 14036544        | 12705000             | 13108110        | 0                    | 13056200        |
| <b>Fresh Dom. Consumption</b> | 7770725              | 7780332         | 7233900              | 7497490         | 0                    | 7541200         |
| <b>Exports</b>                | 1795200              | 1792234         | 1575000              | 1590180         | 0                    | 1595000         |
| <b>For Processing</b>         | 4127800              | 4139203         | 3696100              | 3851750         | 0                    | 3820000         |
| <b>Withdrawal From Market</b> | 324775               | 324775          | 200000               | 168690          | 0                    | 100000          |
| <b>Total Distribution</b>     | 14018500             | 14036544        | 12705000             | 13108110        | 0                    | 13056200        |
|                               |                      |                 |                      |                 |                      |                 |

(HA) ,(1000 TREES) ,(MT)

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

Sources:

Trade: GTA

Withdrawal from market MY2014/15: EU Commission

All other: FAS/EU-28 estimates

### **Apples - Commercial Production**

The EU-28 is one of the leading producers and consumers of apples in the world. Poland (30 percent of total EU production in MY 2016/17), Italy (20 percent), France (13 Percent), Germany (9 percent), and Spain (5 percent) are the top five producing member states and together account for 77 percent of the total EU commercial apple production. However, Spanish apple area is slowly but steadily decreasing as producers replace apple orchards with more profitable stone fruit orchards. In Romania, the amended retail law requires retailers to purchase at least 51 percent of fruits from “short supply chain” producers starting in January 2017. In the medium and long term this may incentivize domestic producers to invest more in their operations.

Commercial apple production in MY 2016/17 is estimated at 11.3 MMT. This estimate is a 2 percent decrease (233,732 MT) compared to the previous year. However, this masks different developments throughout the member states. The central-eastern part of the EU was hit by a severe late frost and snow spell in late April that led to dramatic reductions in production in Slovenia, Austria, Slovakia, Croatia, the Czech Republic, and Hungary of 82, 78, 63, 27, 27, and 8 percent, respectively. This decrease was partially offset by increased production in Poland, Germany, Spain, Romania, Greece, and the United Kingdom. In Poland, the increase is a result of new intensive orchards coming into full production; in Germany, Spain, and Romania production rebounded from the lower level in the previous year.

According to the German Agricultural Market Information Company (*Agrarmarkt Informations-Gesellschaft mbH*, AMI) EU organic apple production is estimated at 151,000 MT. This contributes roughly 1.2 % to EU total commercial apple production. The largest producer of organic apples is Italy followed by Germany and Austria.

Generally, quality and fruit size are reported to be very good. However, Poland, Germany, Hungary, and Belgium report local hail damage.

Note: The redistribution of production between commercial and non-commercial in MY 2014/15 is a result of revised data in Hungary.

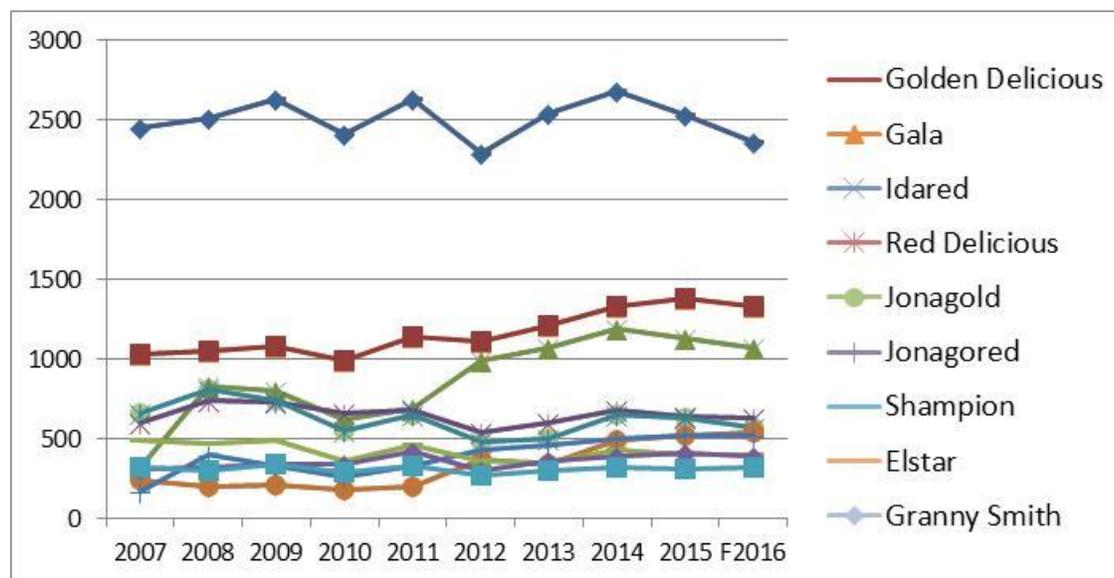
**Table 2: EU-28 Commercial Apple Production by Country and Year in MT**

| COUNTRY         | 2014/15           | 2015/16           | 2016/17 e         | Change 2016:2015<br>in Percent | Percent of total<br>Production<br>in 2016 |
|-----------------|-------------------|-------------------|-------------------|--------------------------------|---|
| Poland          | 3,195,000         | 3,169,000         | 3,400,000         | 7%                             | 30%                                       |
| Italy           | 2,456,215         | 2,279,808         | 2,281,814         | 0%                             | 20%                                       |
| France          | 1,524,000         | 1,600,000         | 1,515,000         | -5%                            | 13%                                       |
| Germany         | 1,115,900         | 973,462           | 998,900           | 3%                             | 9%  |
| Spain           | 592,576           | 563,000           | 598,000           | 6%                             | 5%  |
| Romania         | 390,000           | 350,000           | 380,000           | 9%                             | 3%  |
| Hungary         | 667,500           | 407,000           | 375,000           | -8%                            | 3%  |
| Netherlands     | 344,175           | 327,600           | 323,700           | -1%                            | 3%  |
| Greece          | 272,210           | 276,746           | 285,000           | 3%                             | 3%  |
| United Kingdom  | 225,000           | 243,000           | 250,000           | 3%                             | 2%  |
| Portugal        | 257,298           | 308,990           | 244,000           | -21%                           | 2%  |
| Belgium         | 308,460           | 276,450           | 227,000           | -18%                           | 2%  |
| Czech Republic  | 128,292           | 155,361           | 113,045           | -27%                           | 1%  |
| Croatia         | 96,703            | 96,182            | 70,000            | -27%                           | 0.6%                                      |
| Bulgaria        | 47,502            | 50,000            | 52,000            | 4%                             | 0.5%                                      |
| Lithuania       | 52,000            | 55,000            | 52,000            | -5%                            | 0.5%                                      |
| Austria         | 229,299           | 216,092           | 47,915            | -78%                           | 0.4%                                      |
| Ireland         | 44,000            | 44,000            | 44,000            | 0%                             | 0.4%                                      |
| Denmark         | 26,000            | 24,000            | 22,000            | -8%                            | 0.2%                                      |
| Sweden          | 16,000            | 21,000            | 20,000            | -5%                            | 0.2%                                      |
| Slovak Republic | 48,494            | 46,250            | 17,000            | -63%                           | 0.1%                                      |
| Slovenia        | 71,034            | 83,855            | 15,000            | -82%                           | 0.1%                                      |
| Latvia          | 10,000            | 9,000             | 10,000            | 11%                            | 0.1%                                      |
| Finland         | 4,810             | 5,340             | 6,030             | 13%                            | 0.1%                                      |
| <b>Total</b>    | <b>12,122,468</b> | <b>11,581,136</b> | <b>11,347,404</b> | <b>-2%</b>                     |   |

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* is the number one variety in Poland and Hungary. In contrast, *Gala* is not dominating in any country. It achieves its position as the second most produced apple in the EU rather by being grown in numerous MS. New varieties, for example *Pink Lady*, *Kanzi*, *Rubens*, *Tentation*, and *Kiku*, 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 Top 10 Varieties in Thousand MT**

F = forecast

Source: FAS/EU-28 based on WAPA data

### Apples - Non-commercial Production

Non-commercial production in MY 2016/17 is estimated at 1.24 MMT, which is a 16 percent increase compared to MY 2015/16. This increase is largely a result of higher non-commercial production in Germany and Hungary, which more than compensate for decreases due to weather damage in Austria, Slovenia, and the Czech Republic. 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. In MY 2016/17, non-commercial production represents about 10 percent of total apple production.

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 396,616 MT on July 1, 2016, compared to 365,037 MT at the same time in 2015, i.e. an increase of 8.7 percent. In some member states the stock number comprised apples stored at 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**

Apples are the most popular fruit in all member states except for Spain, where oranges are number one. However, per capita consumption of apples has been decreasing in recent years as consumers eat more soft fruit instead (for example in the U.K.) or reduce fresh fruits consumption altogether (for example in Germany and Hungary). The trend to buy local and organic products is getting traction in most MS, albeit on the whole it is still at a limited scale.

### **Processing**

In MY 2016/17, processing use of apples is expected to decrease compared to MY 2015/16 by 1 %. While Poland could potentially increase its processing volumes by 27 % to find a home for its higher commercial apple production, this is not enough to compensate for lower processing volumes across the rest of the EU. If prices for processing apples remain at the current very low level, some orchards may not be harvested at all. In early October 2016, producer prices for processing apples were as low 0.05 Euro per kg.

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 none in Greece, Sweden, and Denmark 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 29 percent of total supply in MY 2015/16. Major member states with apple processing include Poland, Germany, Hungary, Italy, Romania, France, Spain, the U.K., the Netherlands, and Austria (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 400,000 to 800,000 MT were imported from outside the EU-28. In recent years imports from outside the EU-28, contributed between 3 and 6 percent of the total EU apple supply.

For MY 16/17, it is expected that the dramatically low production in Austria, the Czech Republic, Slovenia, Slovakia, and Hungary will result in increased imports from neighboring countries, especially Poland and Italy.

### **EU-28 external trade**

#### **Imports**

For MY 2016/17, EU-28 apple imports from outside the bloc are forecast to continue their moderate rebound from the very low level of MY2014/15 but still remain about 25 percent below the ten year

average. More than 70 percent of EU-28 apple imports originated from three top suppliers, all of which are located in the southern hemisphere and export mostly during the European off-season.

The main importers of apples were the U.K. and the Netherlands, who together account for 58 percent of the EU-28 imports. However, much of the volume entering the Netherlands is not consumed there but eventually be transshipped to other member states.

Imports from the United States to the EU-28 occur year-round; however, most arrive between November and April. The majority of U.S. apple exports to the EU are shipped to the United Kingdom. U.S. apples compete with domestically produced apples and with competitively priced imports from China. The large drop from MY13/14 to MY14/15 is a result of the reduction of the EU MRL for DPA in March 2014 (see page 8 of policy section).

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

|                         | MY2013/14      | MY2014/15      | MY2015/16      | Change MY2015/16<br>to MY2014/15 | MY 2015/16<br>% of Total<br>Imports |
|-------------------------|----------------|----------------|----------------|----------------------------------|-------------------------------------|
| Chile                   | 183,981        | 113,212        | 120,762        | 7%                               | 27%                                 |
| New Zealand             | 137,097        | 113,499        | 108,265        | -5%                              | 24%                                 |
| South Africa            | 117,118        | 96,391         | 96,329         | 0%                               | 21%                                 |
| Macedonia               | 36,910         | 10,744         | 35,887         | 234%                             | 8%                                  |
| Brazil                  | 37,662         | 31,849         | 24,029         | -25%                             | 5%                                  |
| Serbia                  | 42,395         | 827            | 23,648         | 2759%                            | 5%                                  |
| Argentina               | 36,222         | 14,712         | 15,098         | 3%                               | 3%                                  |
| Albania                 | 2,147          | 211            | 7,190          | 3308%                            | 2%                                  |
| <b>United States</b>    | <b>10,676</b>  | <b>6,918</b>   | <b>5,356</b>   | <b>-23%</b>                      | <b>1.2%</b>                         |
| Bosnia &<br>Herzegovina | 6,564          | 251            | 4,039          | 1509%                            | 0.9%                                |
| Uruguay                 | 1,586          | 2,245          | 2,399          | 7%                               | 0.5%                                |
| China                   | 3,484          | 655            | 2,071          | 216%                             | 0.5%                                |
| Moldova                 | 3,314          | 2,136          | 181            | -92%                             | 0.0%                                |
| Other                   | 3,166          | 6,471          | 3,954          | -39%                             | 0.9%                                |
| <b>World total</b>      | <b>622,322</b> | <b>400,121</b> | <b>449,208</b> | <b>-12%</b>                      | <b>100%</b>                         |

Source: Global Trade Atlas (GTA)

## Exports

In MY2016/17, EU-28 apple exports are forecast to increase only marginally. In response to the Russian import ban EU exporters looked at increasing exports to other destinations (Eastern Europe, Northern Africa, the Middle East, and Brazil) with varying success. Those countries that were most successful either have the right variety mix (Gala, Granny Smith, Golden Delicious, Red Delicious) and/or were able to build on efforts to open new markets that they started well before the Russian import ban. For example, efforts to open or expand new or nascent markets proved successful in India (by Italy, Belgium, and France). Since the start of the pre-clearance program in October 2014, Italy and

France are eligible for export to the United States. Poland has concluded agreements with Vietnam and a number of other Asian countries.

The top destinations for EU-28 apples in MY15/16 were Belarus, Egypt, and Algeria. The five largest EU exporters, together accounting for 90 percent of EU apples exports, were Poland (mostly to Belarus, Kazakhstan, Serbia, and Egypt), Italy (to North Africa and Saudi Arabia), France (mainly to Algeria, U.A.E., Saudi Arabia, and Egypt), Lithuania (mostly to Belarus) and Greece (mainly to Egypt and Jordan).

In some large foreign markets, EU and U.S. suppliers compete. These include:

U.A.E. with apples from: France, Italy;

Saudi Arabia: Italy, France;

India: Italy, Belgium, Poland, France.

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

|                         | MY2013/14        | MY2014/15        | MY2015/16        | Change MY2015/16<br>to MY2014/15 | MY 2015/16<br>% of Total<br>Imports |
|-------------------------|------------------|------------------|------------------|----------------------------------|-------------------------------------|
| Belarus                 | 254,693          | 636,476          | 563,556          | -11%                             | 35%                                 |
| Egypt                   | 98,795           | 186,987          | 252,622          | 35%                              | 16%                                 |
| Algeria                 | 124,329          | 159,799          | 88,891           | -44%                             | 6%                                  |
| Saudi Arabia            | 40,480           | 63,074           | 80,171           | 27%                              | 5%                                  |
| Kazakhstan              | 56,182           | 85,650           | 75,577           | -12%                             | 5%                                  |
| United Arab<br>Emirates | 40,232           | 69,310           | 66,447           | -4%                              | 4%                                  |
| Serbia                  | 4,428            | 37,803           | 57,746           | 53%                              | 4%                                  |
| Jordan                  | 13,880           | 28,583           | 40,732           | 43%                              | 3%                                  |
| Norway                  | 35,417           | 38,512           | 40,106           | 4%                               | 3%                                  |
| Libya                   | 59,002           | 50,211           | 32,728           | -35%                             | 2%                                  |
| Ukraine                 | 34,825           | 63,112           | 25,125           | -60%                             | 2%                                  |
| India                   | 3,173            | 18,160           | 23,836           | 31%                              | 1%                                  |
| Bosnia &<br>Herzegovina | 8,272            | 41,080           | 21,725           | -47%                             | 1%                                  |
| Israel                  | 21,869           | 8,787            | 19,927           | 127%                             | 1%                                  |
| Brazil                  | 9,906            | 27,105           | 17,728           | -35%                             | 1%                                  |
| Switzerland             | 13,680           | 12,010           | 12,828           | 7%                               | 1%                                  |
| Colombia                | 3,324            | 6,683            | 11,769           | 76%                              | 1%                                  |
| Malaysia                | 6,179            | 8,494            | 10,624           | 25%                              | 1%                                  |
| Other                   | 743,960          | 250,398          | 148,042          | -41%                             | 9%                                  |
| <b>World</b>            | <b>1,572,626</b> | <b>1,792,234</b> | <b>1,590,180</b> | <b>-11%</b>                      | <b>100%</b>                         |

Source: Global Trade Atlas (GTA)

Note: The table is grouped by ranking in MY 2015/16. As a result, Russia is not listed despite having been the top destination in MY2013/14. Instead, export volumes to Russia are included in the “other” category.

**Apples – Withdrawal from Market**

Normally, the EU does not offer withdrawal from market/ market intervention programs for apples (see paragraph below). However, in 2014 and in reaction to the Russian ban of fruit import from the EU, the European Commission introduced temporary exceptional market support programs for the sector. When Russia prolonged its import ban, the EU extended the temporary measures. They are currently due to expire on June 30, 2017 (see policy section). These measures include non-harvest, green harvest and destruction, and donations to charities (e.g. kindergardens, food banks, hospitals and prisons).

Classic intervention (also called “withdrawal from market”) is no longer available as a separate EU measure since the 2008 reform of the EU common market organization for fruits and vegetables (see policy section). Instead, intervention may be included as an emergency measure in the producer organizations’ operational programs (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.

**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: PDS Table Pears, Fresh**

| <b>Pears, Fresh</b>           | <b>2014/2015</b>     |                 | <b>2015/2016</b>     |                 | <b>2016/2017</b>     |                 |
|-------------------------------|----------------------|-----------------|----------------------|-----------------|----------------------|-----------------|
|                               | <b>Jul 2014</b>      |                 | <b>Jul 2015</b>      |                 | <b>Jul 2016</b>      |                 |
| <b>European Union</b>         | <b>USDA Official</b> | <b>New Post</b> | <b>USDA Official</b> | <b>New Post</b> | <b>USDA Official</b> | <b>New Post</b> |
| <b>Area Planted</b>           | 123800               | 122993          | 122100               | 122268          | 0                    | 122248          |
| <b>Area Harvested</b>         | 116600               | 113626          | 114300               | 112858          | 0                    | 112974          |
| <b>Bearing Trees</b>          | 0                    | 0               | 0                    | 0               | 0                    | 0               |
| <b>Non-Bearing Trees</b>      | 0                    | 0               | 0                    | 0               | 0                    | 0               |
| <b>Total Trees</b>            | 0                    | 0               | 0                    | 0               | 0                    | 0               |
| <b>Commercial Production</b>  | 2458600              | 2429851         | 2327000              | 2373130         | 0                    | 2173952         |
| <b>Non-Comm. Production</b>   | 135700               | 135857          | 123000               | 126052          | 0                    | 105100          |
| <b>Production</b>             | 2594300              | 2565708         | 2450000              | 2499182         | 0                    | 2279052         |
| <b>Imports</b>                | 220100               | 220808          | 202000               | 221504          | 0                    | 275000          |
| <b>Total Supply</b>           | 2814400              | 2786516         | 2652000              | 2720686         | 0                    | 2554052         |
| <b>Fresh Dom. Consumption</b> | 2051038              | 2026769         | 2084500              | 2028240         | 0                    | 2016314         |
| <b>Exports</b>                | 417000               | 416727          | 328000               | 309847          | 0                    | 265500          |
| <b>For Processing</b>         | 287600               | 294015          | 223500               | 368770          | 0                    | 266738          |
| <b>Withdrawal From Market</b> | 58762                | 49005           | 16000                | 13829           | 0                    | 5500            |
| <b>Total Distribution</b>     | 2814400              | 2786516         | 2652000              | 2720686         | 0                    | 2554052         |
|                               |                      |                 |                      |                 |                      |                 |

(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**

The EU is the world's largest producer of pears after China. For MY 2016/17, EU commercial pear production is estimated at almost 2.3 MMT, down by 8 percent compared to MY 2015/16. Except for the Netherlands where production is up, production is expected to be down by double digits in the leading pear producing countries Italy, Belgium and Spain. In MY 2016/17, their combined production accounts for three quarter of total EU commercial pear production.

Italy is the EU's largest pear producer with production concentrated in the northern Emilia-Romagna region. Pear production is estimated at 678,000 MT, a decrease of 11 percent compared to MY 2015/16

and 9 percent lower than the past three year average. Production is down for all varieties including the leading variety *Abate Fetel*, due to lower yields and lower area harvested. Temperatures below average, from spring to mid-June, resulted in fewer pears per tree. Despite these issues, the quality and size of the harvested pears this year is expected to be good.

Pear production in the Netherlands is expected to be slightly up this year (estimated at 343,200 MT) and up by 3 percent compared to the past three year average. The higher area harvested was partly offset by somewhat lower yields. The quality and size of the leading variety *Conference* is expected to be good.

In Belgium, however, pear production is expected to be down by 10 percent this year and by 6 percent compared to the three year average. Cold and wet weather conditions during blossoming and in the growing season resulted in lower yield. Also, several pear orchards were hit by a hail storm late June which resulted in fruit to be severely damaged.

In Spain, pear production is estimated at a record low of 308,760 MT (down by 42,650 MT). Production will be 19 percent lower compared to the past three year average due to lower yields. Bad weather conditions during spring in Catalonia and Aragon resulted in poor flowering and fruit setting. In addition there were several hail storms in the last months of the growing season. Production of *Conference*, *Blanquilla*, *William Bon Crétien*, *Limonera* and *Ercolini* are all expected to be down.

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

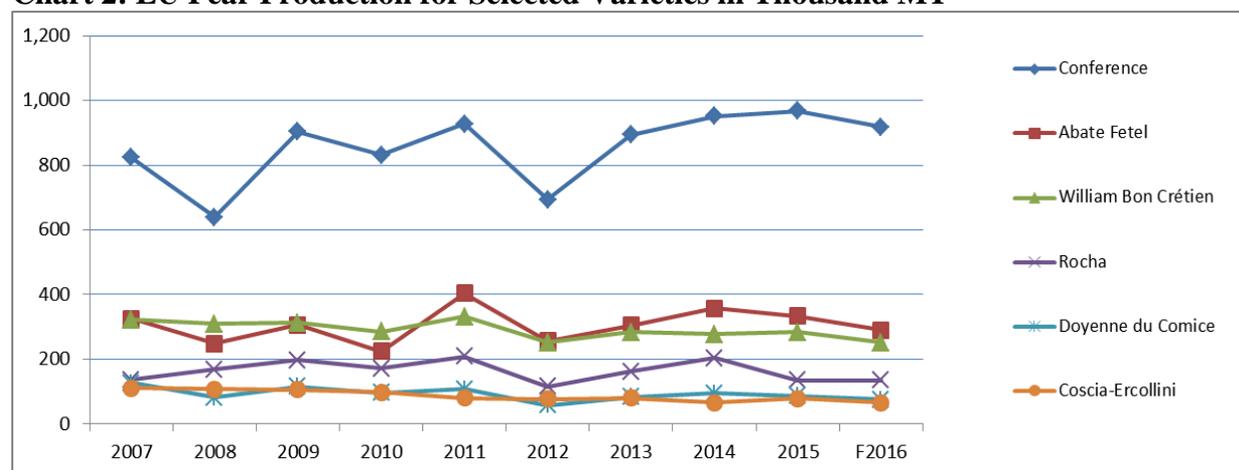
|                     | MY<br>2013/14 | MY<br>2014/15 | MY<br>2015/16 | MY<br>2016/17 | %<br>Change | % of Total EU<br>Production |
|---------------------|---------------|---------------|---------------|---------------|-------------|-----------------------------|
| Italy               | 726,000       | 736,000       | 764,000       | 678,000       | -11         | 31                          |
| Netherlands         | 317,190       | 340,275       | 340,275       | 343,200       | +1          | 16                          |
| Belgium             | 305,550       | 362,780       | 367,500       | 323,000       | -10         | 15                          |
| Spain               | 420,879       | 369,280       | 351,410       | 308,760       | -12         | 14                          |
| Portugal            | 200,458       | 207,909       | 139,190       | 139,000       | 0           | 6                           |
| France              | 142,900       | 133,000       | 141,000       | 130,000       | -18         | 6                           |
| Poland              | 68,500        | 69,200        | 63,900        | 72,000        | +13         | 3                           |
| Greece              | 63,607        | 73,488        | 65,385        | 62,000        | -5          | 3                           |
| Germany             | 34,000        | 44,972        | 43,071        | 36,000        | -16         | 2                           |
| United<br>Kingdom   | 26,000        | 24,000        | 25,000        | 28,000        | +12         | 1                           |
| Romania             | 25,000        | 21,000        | 17,000        | 19,000        | +12         | 1                           |
| Hungary             | 14,000        | 17,660        | 26,900        | 14,500        | -46         | 1                           |
| Other               | 42,720        | 30,287        | 28,499        | 20,392        | -28         | 1                           |
| Total<br>Production | 2,386,804     | 2,429,851     | 2,373,130     | 2,173,852     | -8          | 100                         |

Source: FAS/EU-28

The EU area harvested is forecasted to stabilize around 113,000 hectares this year. The area harvested in Italy and Spain is expected to further decline as pear orchards are being replaced by more profitable stone fruit orchards. On the other hand, the area harvested in Belgium and the Netherlands are expected to increase further as growing *Conference* pears is somewhat more profitable than growing apples.

Over 40 percent of all pears grown in the EU are *Conference* pears, mainly grown in Belgium, the Netherlands and some in Spain. Other popular varieties include *Abate Fetel* (grown in Italy), *William Bon Crétien/Bartlett* (grown in Italy, Spain, and France) and *Rocha* (grown in Portugal).

**Chart 2: EU Pear Production for Selected Varieties in Thousand MT**



F = forecast

Source: WAPA data

### Pears – Non-Commercial Production

Romania, Austria, Czech Republic and Slovakia have non-commercial production figures of 50 percent or more of total pear production. Non-commercially produced pears include pears grown in house gardens and in meadows. If they are harvested, they are mainly used for fresh consumption or further processing for domestic use. For MY 2016/17, non-commercial pear production is estimated at 105,100 MT, a drop of over 20,000 MT; representing about five percent of total EU pear production.

### Pears – Consumption

In the EU, the overall consumption of fresh fruit is declining. Apples, oranges, and bananas continue to be the most popular consumed fresh fruit. Depending on the price, the per capita consumption of pears can fluctuate annually. In general, the average per capita consumption of pears in the EU is estimated at 4 kg per year and slightly declining. The highest per capita consumption can be found in the leading pear producing countries. Italy, for instance, has the highest per capita consumption with 9.4 kg per year, followed by Portugal, the Netherlands, Greece, Spain and Belgium. The lowest per capita consumption markets in the EU, 2 kg per year or less, are Hungary, Slovakia, Poland and Lithuania. In MY 2016/17 the consumption of fresh pears is expected to follow the overall fresh fruit consumption trend and is expected to drop by 12,000 MT to an estimated 2 MMT.

On the MS level, the most popular pear varieties are those that are regionally grown. The number of varieties offered at retail level is usually between two to four. Main buyers of pears are senior couples and young bachelors. Industry contacts have indicated that taste, price, texture and appearance are the main reasons for buying pears. Finally the demand for local and organic pears is growing.

## Processing

EU growers produce pears primarily for the fresh market; however, some pears are not suitable for the fresh market due to their shape, size or quality. Those pears tend to be used for further processing, such as for the canning, juice and baking industry. Pears not suitable for human consumption are used for animal feed or fermenting. The processing numbers also include pears not suitable for either animal or human consumption. In MY 2015/16, the number for processing was higher than usual as heavy rainfall during harvest led to a large number of damaged pears.

In MY 2016/17, it is expected that the volume of pears used for processing will be around 267,000 MT, a quarter less compared to last year's processing number. Weather conditions while harvesting have been very favorable, while pear production is down. Italy, the Netherlands, Spain and Poland have the highest processing figures and their combined numbers account for the majority of total EU pear processing number. In Italy, the juice industry is the leading buyer of pears that are not suitable for fresh consumption, while in the Netherlands pears are used by the canning industry or are processed into juice and fruit jelly.

## Pears – Trade

### EU28 external trade

The majority of the pear trade occurs within the EU. Over the past three years, almost 900,000 MT of pears on average were traded between the EU member states. Imports from outside the EU totaled around 230,000 MT per year.

### Imports

The Netherlands and Italy continue to be the main importers of pears. Together they account for 70 percent of EU pear imports. Other importing MS are the United Kingdom, Germany, and France. The majority of the volume entering the port of Rotterdam is shipped to MS like Germany, France, and the U.K.; while Italy's imports predominantly stay in the Italian market.

The EU imports pears from Southern Hemisphere countries to complement domestic production. Import from these countries starts directly after harvesting in these countries in February, peaks in April and ends around July. Popular imported varieties include *Williams Bon Crétien*, *Packham* and *Abate Fetel*. The amount of pears imported in MY 2015/16 were similar to the amount imported in the previous Marketing Year.

**Table 7: EU Import of Pears in MT**

| Country of Origin: | MY 2013/14r | MY 2014/15r | MY 2015/16 | Change MY 2015/16 to MY 2015/14 | % of Total EU Imports |
|--------------------|-------------|-------------|------------|---------------------------------|-----------------------|
| South Africa       | 105,459     | 93,396      | 95,582     | +2                              | 43                    |
| Argentina          | 88,629      | 59,249      | 63,472     | +7                              | 29                    |
| Chile              | 44,655      | 55,326      | 47,430     | -14                             | 21                    |
| China              | 8,324       | 7,882       | 10,892     | +38                             | 5                     |
| Turkey             | 1,642       | 722         | 1,568      | +117                            | 1                     |
| New Zealand        | 1,176       | 858         | 540        | -37                             | 0                     |
| Belarus            | 19          | 181         | 535        | +196                            | 0                     |

|                      |              |            |            |            |          |
|----------------------|--------------|------------|------------|------------|----------|
| Serbia               | 890          | 91         | 341        | +275       | 0        |
| Bosnia & Herzegovina | 1,201        | 187        | 302        | +61        | 0        |
| Uruguay              | 1,201        | 1,323      | 285        | -78        | 0        |
| <b>United States</b> | <b>1,180</b> | <b>535</b> | <b>154</b> | <b>-71</b> | <b>0</b> |
| Switzerland          | 171          | 148        | 92         | -38        | 0        |
| South Korea          | 53           | 118        | 85         | -28        | 0        |
| Peru                 | 0            | 94         | 73         | -22        | 0        |
| Brazil               | 2            | 162        | 68         | -58        | 0        |
| Other                | 269          | 536        | 85         |            | 0        |
| Total                | 254,871      | 220,808    | 221,504    | +0         | 100      |

Source: Global Trade Atlas

r = revised numbers

China is the only exporter of the *Ya* variety. This variety is consumed by the Asian population in the EU. U.S. pears compete with domestically produced pears. EU imports of *Anjou* pears from the United States dropped between MY 2012/13 and MY 2015/16 from 1,823 to 154 MT due to sufficient local availability. For MY 2016/17, total EU pear imports are expected to increase to an estimated 275,000 MT mainly due to the decrease in EU production.

## Exports

Due to the Russian import ban, EU pear exports dropped by a third during the past two marketing years and there is more pressure on the EU market. In MY 2015/16, Belarus continued to be the largest export market for EU *Conference* pears. Furthermore EU exports of pears shifted from Kazakhstan, Azerbaijan and Armenia to Bosnia & Herzegovina and Moldova. Pear exports to these countries are expected to further decline in MY 2016/17.

Pear exports to Brazil were down in MY 2015/16 due to lower production in Portugal. Despite the low harvest of *Rocha* pears in Portugal this year, EU exports to Brazil in MY 2016/17 are expected to slightly increase. Two years ago, Dutch *Conference* pears gained access to the Brazilian market. Although still small scale, exports tripled to 200 MT in MY 2015/16 and are expected to grow further this year.

EU pear exports to mature markets, such as Norway were down by 5 percent in MY 2015/16 and are not expected to change a lot for MY 2016/17. EU exports to countries in Northwest Africa in MY 2015/16 were down due to lower pear production in Spain. For MY 2016/17 exports to Northwest Africa are expected to further drop due to the record low pear production in Spain this year.

Countries in the Middle East have proven to be profitable markets for EU pears. Exports to Saudi Arabia and Jordan alone more than doubled last year. Exports to the UAE grew by a steady 3 percent. Pear exports to the Middle East are expected to grow further in MY 2016/17.

Exports to Hong Kong dropped while trade with China continued to grow in MY 2015/16. Hong Kong seems to be a saturated market but the industry expects exports to China to grow further in MY 2016/17.

Due to the Russian import ban, pear producers not only want to grow existing markets, in addition they are looking for new markets in places such as Asia, the Middle East and the Americas. It is important to

note that even when these new markets open, it takes years to develop a sustainable market for unknown varieties.

**Table 8: EU Export of Pears in MT**

| Country of Destination: | MY 2013/14r | MY 2014/15r | MY 2015/16 | Change MY 2015/16 to MY 2015/14 | % of Total EU Exports |
|-------------------------|-------------|-------------|------------|---------------------------------|-----------------------|
| Belarus                 | 53,235      | 184,321     | 148,378    | -20                             | 48                    |
| Brazil                  | 55,011      | 69,172      | 42,815     | -38                             | 14                    |
| Norway                  | 16,436      | 18,116      | 17,287     | -5                              | 6                     |
| Morocco                 | 13,895      | 20,553      | 15,268     | -26                             | 5                     |
| Kazakhstan              | 7,839       | 14,515      | 10,190     | -30                             | 3                     |
| Bosnia & Herzegovina    | 1,659       | 6,908       | 9,435      | +37                             | 3                     |
| Libya                   | 11,163      | 11,770      | 6,783      | -42                             | 2                     |
| Switzerland             | 5,974       | 4,403       | 6,026      | +37                             | 2                     |
| Saudi Arabia            | 3,218       | 3,029       | 5,864      | +94                             | 2                     |
| Israel                  | 5,436       | 4,522       | 5,264      | +16                             | 2                     |
| Hong Kong               | 3,014       | 5,631       | 4,468      | -20                             | 1                     |
| United Arab Emirates    | 3,227       | 4,251       | 4,381      | +3                              | 1                     |
| China                   | 911         | 2,499       | 3,130      | +25                             | 1                     |
| Melilla                 | 3,305       | 2,914       | 2,844      | -2                              | 1                     |
| Albania                 | 1,805       | 3,095       | 2,283      | -26                             | 1                     |
| Azerbaijan              | 2,921       | 4,230       | 2,239      | -47                             | 1                     |
| Jordan                  | 249         | 603         | 2,202      | +265                            | 1                     |
| Serbia                  | 743         | 2,411       | 2,179      | -10                             | 1                     |
| Armenia                 | 2           | 3,516       | 2,103      | -40                             | 1                     |
| Canada                  | 1,216       | 1,874       | 2,017      | +8                              | 1                     |
| Other                   | 277,773     | 48,394      | 14,691     |                                 | 3                     |
| Total                   | 469,032     | 416,727     | 309,847    | -26                             | 100                   |

Source: Global Trade Atlas, USDA Foreign Agricultural Service  
r = revised numbers

**Pears - Prices**

Despite the fact that the Russian market is still closed, producer prices for pears are somewhat higher compared to last year due to the decrease in production. The pear industry has been successful in opening new markets and will continue to do so.

**Pears – Withdrawal from Market**

As described in the Policy Chapter, the EU has introduced several temporary exceptional support measures for pears. For MY 2016/17, an estimated 5,500 MT is expected to be purchased for withdrawal from the market. More detailed information on withdrawal from market can be found in the Policy Chapter.

**Pears – Additional Information**

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

**Table Grapes**

Coordinated by Ornella Bettini/FAS Rome

**Table 9: EU-28 PSD for Table Grapes**

| <b>Grapes, Fresh</b>          | <b>2014/2015</b>     |                 | <b>2015/2016</b>     |                 | <b>2016/2017</b>     |                 |
|-------------------------------|----------------------|-----------------|----------------------|-----------------|----------------------|-----------------|
| <b>Market Begin Year</b>      | <b>Jun 2014</b>      |                 | <b>Jun 2015</b>      |                 | <b>Jun 2016</b>      |                 |
| <b>European Union</b>         | <b>USDA Official</b> | <b>New Post</b> | <b>USDA Official</b> | <b>New Post</b> | <b>USDA Official</b> | <b>New Post</b> |
| <b>Area Planted</b>           | 97,300               | 96,759          | 96,500               | 94,975          |                      | 94,698          |
| <b>Area Harvested</b>         | 92,900               | 91,185          | 92,900               | 91,518          |                      | 91,126          |
| <b>Commercial Production</b>  | 1,628,900            | 1,630,145       | 1,675,500            | 1,747,190       |                      | 1,685,030       |
| <b>Non-Comm. Production</b>   | 5,500                | 8,094           | 7,500                | 9,034           |                      | 8,900           |
| <b>Production</b>             | 1,634,400            | 1,638,239       | 1,683,000            | 1,756,224       |                      | 1,693,930       |
| <b>Imports</b>                | 603,000              | 603,748         | 585,000              | 608,036         |                      | 612,000         |
| <b>Total Supply</b>           | 2,237,400            | 2,138,964       | 2,268,000            | 2,364,260       |                      | 2,305,930       |
| <b>Fresh Dom. Consumption</b> | 2,125,970            | 2,140,559       | 2,179,770            | 2,276,228       |                      | 2,221,230       |
| <b>Exports</b>                | 101,400              | 101,428         | 87,000               | 87,182          |                      | 84,000          |
| <b>Withdrawal From Market</b> | 10,030               | 1,5950          | 1,230                | 850             |                      | 700             |
| <b>Total Distribution</b>     | 2,237,400            | 2,241,987       | 2,268,000            | 2,364,260       |                      | 2,305,930       |
|                               |                      |                 |                      |                 |                      |                 |
| (HA),(MT)                     |                      |                 |                      |                 |                      |                 |

Source: FAS EU-28

**Table Grapes – Production**

The European Union is a world leader in table grape production, with Italy, Greece, and Spain accounting for approximately 93 percent of the total. After a good campaign in MY 2015/16 (June/May), MY 2016/17 EU-28 table grape production is forecast to slightly decline by 3.5 percent and reach approximately 1.7 MMT. Decreases are expected in Bulgaria (-17.4 percent), Greece (- 6.9 percent), France (- 6.7 percent), and Italy (- 4.3 percent). After a dramatic fall in the last decade, the EU-28 table grape area continues to shrink. Reduced profitability due to increasing production costs and strong competition from other suppliers are the main factors behind the drop.

**Table 10: EU-28 Table Grapes Production by Country and Year (MT)**

| <b>Country</b> | <b>2014/15</b> | <b>2015/16</b> | <b>2016/17</b> |
|----------------|----------------|----------------|----------------|
| Italy          | 998,627        | 1,044,607      | 1,000,000      |
| Greece         | 299,339        | 311,491        | 290,000        |
| Spain          | 231,700        | 270,742        | 281,030        |

|              |                  |                  |                  |
|--------------|------------------|------------------|------------------|
| Other EU MSs | 108,573          | 129,384          | 122,900          |
| <b>Total</b> | <b>1,638,239</b> | <b>1,756,224</b> | <b>1,693,930</b> |

Source: FAS EU-28

Italy is the leading table grape producer in the EU-28, followed by Greece and Spain. Italy's MY 2016/17 table grape production is forecast to decrease by 4.3 percent because of adverse weather during fruit set. Fruit quality is expected to be very good. The Italian table grape production is concentrated in Southern Italy, mainly in Puglia and Sicilia, which account for 70 and 25 percent of the domestic production, respectively. *Italia*, *Victoria*, and *Red Globe* are the main varieties, covering approximately 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. *Sugraone* and *Crimson* are the most popular seedless varieties, followed by *Thompson* and *Sublime*. However, table grape planted area has been declining over the last four years due to lack of profitable investment opportunities. 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 Sicilia, Abruzzo, Puglia, Basilicata, and Sardegna—the harvest occurs from August to December.

According to industry estimates, Greece's MY 2016/17 table grape production is forecast to drop by 6.9 percent to 290,000 MT due to summer drought in Crete and heavy rains in Corinth. In Greece, there are approximately 17,300 hectares currently cultivated with table grapes. The main producing areas include the prefectures of Corinth in Peloponnese; Kavala in Macedonia; and Heraklion on the island of Crete. *Sultana (Thompson Seedless)* and *Victoria* are the leading table grape varieties. Moreover, a greater focus is now being placed on diversifying Greece's grape offer to extend the marketing season into October and November.

According to the latest data provided by the Spanish Ministry of Agriculture, Spain's MY 2016/17 table grape production is forecast to increase by 3.8 percent compared to the previous season. There are approximately 14,000 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.

### **Table Grapes – Consumption**

Despite the enduring economic crisis, the EU-28 fresh grape consumption has been rather stable in recent years and stands at approximately 2.2 MMT, although still fluctuating in function of the domestic production trend. Starting in June and throughout the end of the calendar year, the EU-28 table grape consumption is mostly met by domestic production. In addition, imports from third countries—normally coming in the first half of the calendar year from the Southern hemisphere—represent approximately 22 percent of total consumption.

Italy is the leading table grape consumer in the EU-28, followed by Germany, the United Kingdom, Greece, France, Spain, Romania, Czech Republic, Portugal, Austria, Bulgaria, Slovakia, Croatia, and Slovenia. Despite the fact that Italian seeded grapes are still greatly appreciated, experts claim that EU-28 consumers are increasingly demanding seedless varieties because of their quality and convenience. Thus, many EU-28 table grape farmers are replacing old seeded varieties with new seedless ones (i.e.

*Sugraone, Crimson, Thompson, Regal, Summer Royal, Centennial, Sublime*, etc.). Moreover, a greater focus is now being placed on late varieties (i.e. *Crystal* and *Princess*), in order to make the European grapes available after the busy summer fruit season.

## Table Grapes - Trade

**Table 11: EU-28 Table Grapes Trade Balance (MY June-May)**

| Trade   | Metric Tons |          |          | Million \$ |         |         |
|---------|-------------|----------|----------|------------|---------|---------|
|         | 2013/14     | 2014/15  | 2015/16  | 2013/14    | 2014/15 | 2015/16 |
| Import  | 576,780     | 603,748  | 608,036  | 1,563      | 1,446   | 1,403   |
| Export  | 152,258     | 101,428  | 87,182   | 286        | 197     | 168     |
| Balance | -424,522    | -502,320 | -520,854 | -1,277     | -1,249  | -1,235  |

Source: GTA

The EU-28 is a net importer of fresh table grapes. During MY 2015/16, the EU-28 imported 608,036 MT of table grapes. South Africa (197,211 MT) and Chile (102,902 MT) remained the leading suppliers to the EU-28 market, followed by India (77,019 MT), Peru (63,880 MT), Egypt (54,946 MT), Brazil (28,813 MT), Turkey (24,326 MT), and Namibia (18,041 MT). The largest EU-28 importing countries remain the Netherlands, Germany, and the United Kingdom. The Netherlands serves mainly as a trans-shipping point. MY 2016/17, EU-28 table grape imports are forecast slightly up compensating a domestic reduced production. During MY 2015/16, the EU-28 exported 87,182 MT of table grapes, mainly to Switzerland (29,148 MT) and Norway (14,214 MT). Moreover, new strategic markets are developing in Africa, Asia, and Middle East. MY 2016/17, EU-28 table grape exports are forecast to continue the downward trend as a result of the decreased production and a rather stable domestic consumption.

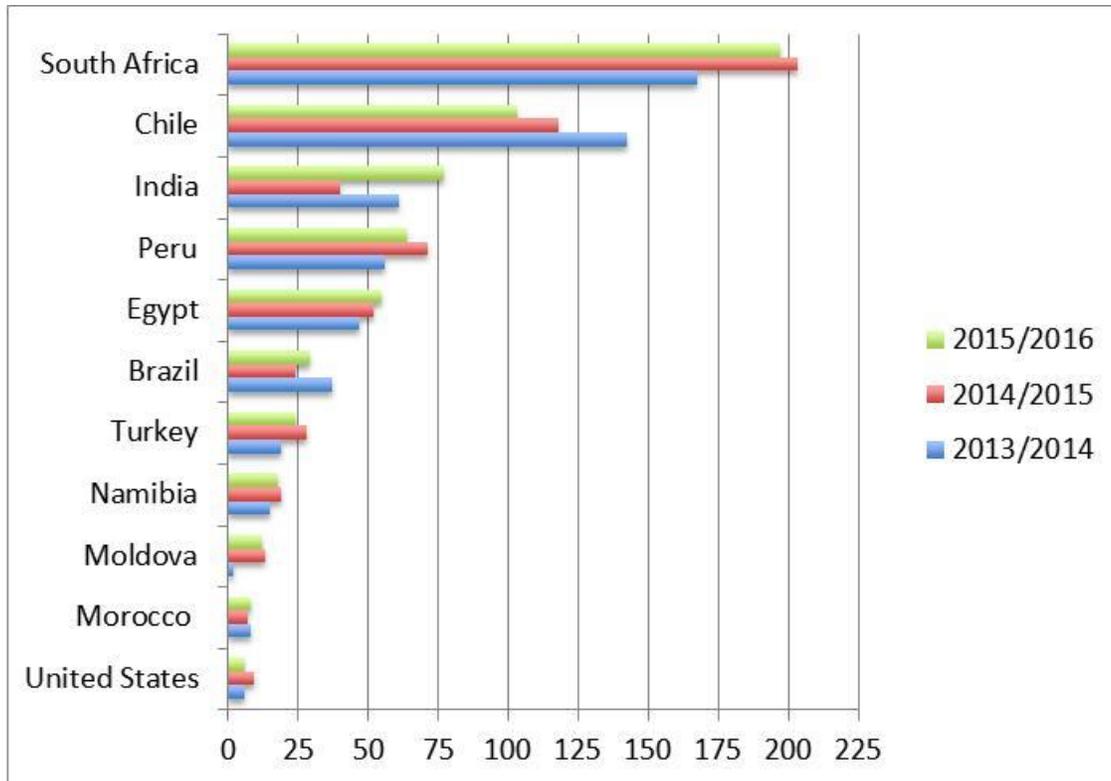
In MY 2015/16, Italy exported 467,464 MT of table grapes, mainly to Germany (124,748 MT), France (98,585 MT), and Poland (43,523 MT), accounting for 27, 21, and 9 percent of total exports, respectively. Germany, Poland, and the Baltic States prefer the bigger Apulian grapes, while France favors the smaller Sicilian ones. Furthermore, new strategic markets are represented by Northern Europe, Middle East, and North Africa. As a consequence of the Russian ban, approximately 500 MT of Italian table grapes were withdrawn from the market and mainly donated to charity in MY 2015/16. Seedless varieties (i.e. *Sugar Crisp*, *Sweet Sunshine*, *Sweet Celebration*, *Sweet Sapphire*, *Jack's Salute*, *Cotton Candy*) were not heavily affected by the Russian embargo as they are mainly sent to the United Kingdom, Scandinavian countries, and the United Arab Emirates. In MY 2015/16, Italy imported 24,746 MT of table grapes, mainly from Spain (6,022 MT), the Netherlands (5,858 MT), and Egypt (3,517 MT), accounting for 24, 24, and 14 percent of total imports, respectively.

Spain is a net exporter of table grapes (148,937 MT in MY 2015/16) and approximately 90 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.

In MY 2015/16, Greece exported 82,214 MT of table grapes, mainly to Germany (26,505 MT), the United Kingdom (15,051 MT), the Netherlands (9,060 MT), and Romania (5,147 MT). Greek table grapes (both seedless and seeded) are mainly marketed within Europe from late July to the end of

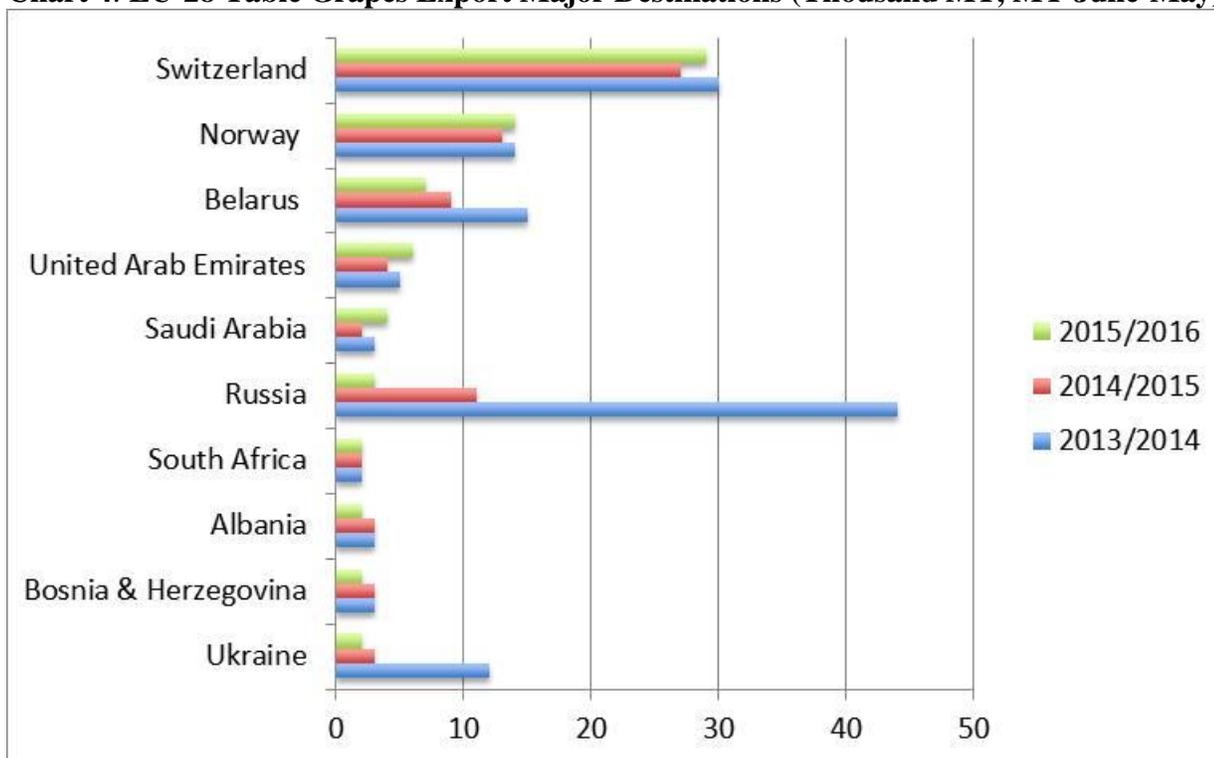
September. In MY 2015/16, Greece imported 1,209 MT of table grapes, mainly from Italy (345 MT) and the Netherlands (268 MT).

**Chart 3: EU-28 Table Grapes Import Major Origins (Thousand MT, MY June-May)**



Source: GTA

**Chart 4: EU-28 Table Grapes Export Major Destinations (Thousand MT, MY June-May)**



Source: GTA

**Trade Fairs**

Coordinated by Sabine Lieberz/FAS Berlin

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><b>FRUIT LOGISTICA</b><br/>                 Berlin, Germany (Interval: yearly)<br/>                 Target Market: Europe, Middle East, India<br/>                 Good venue for exhibiting fresh and dried fruit, nuts, and related products<br/> <a href="http://www.fruitlogistica.de">http://www.fruitlogistica.de</a></p> | <p>Next Fair:<br/>                 February<br/>                 8 – 10,<br/>                 2017</p> | <p>U.S. Pavilion Organizer:<br/>                 B*FOR International<br/>                 Tel: +1 (540) 373-9935<br/>                 E-mail:<br/>                 Info@b-for.com</p> |
|--|--|---|

For organic products there is a special trade fair held annually in Nuremberg, Germany

|  |   |   |
|--|---|---|
| <p><b>BioFach</b><br/>                 Nuremberg, Germany (Interval: yearly)<br/>                 Target Market: Germany/Europe<br/>                 The leading European trade show for organic food and non-food products<br/> <a href="http://www.biofach.de">http://www.biofach.de</a></p> | <p>Next Fair:<br/>                 February<br/>                 15 – 18,<br/>                 2017</p> | <p>U.S. Pavilion Organizer:<br/>                 NuernbergMesse North America, Inc.<br/>                 Tel: +1 (770) 618-5845<br/>                 E-mail: cameron.hames@nuernbergmesse-north-america.com</p> |
|--|---|---|

**Related Reports**

Coordinated by Sabine Lieberz/FAS Berlin

**Prognosfruit 2016|Fresh Deciduous Fruit|Berlin|Germany|10/17/2016**

On August 4 - 6, 2016, the World Apple and Pear Association (WAPA) presented the 2016 EU apple and pear crop forecast at the 40th Prognosfruit convention in Hamburg/Germany. WAPA forecasts the 2016 EU fresh apples crop at 12 million metric tons (MT). This is a decrease of 3 percent compared to the large crop in 2015. Production of fresh pears is forecast at 2.1 million MT, versus 2.4 million MT in 2015. This is a decrease of 9 percent. This forecast reflects the situation as of mid-July.

[Prognosfruit 2016 Berlin Germany 10-7-2016](#)

**Fresh Deciduous Fruit Annual 2015|Fresh Deciduous Fruit Agricultural Situation|Bucharest|Romania|12/1/2015**

Adverse weather conditions characterized by lack of precipitation and high temperature variations reduced the expectation for good yields for deciduous fruits. Apple production is expected to decline by at least 10 percent and so is pear production. Imports are expected to continue growing triggered by rising demand for fresh products and lower local availabilities.

[Fresh Deciduous Fruit Annual 2015 Bucharest Romania 11-24-2015](#)

**Fresh Deciduous Fruit Annual 2015|Fresh Deciduous Fruit|Rome|Italy|12/1/2015**

With more than 2.3 MMT, Italy provides approximately 20 percent of the EU-28 apple production. Italy's MY 2015/16 apple production is forecast to decrease by 5.2 percent compared to the previous year. Italy is the largest EU-28 pear producer. Fruit size is forecast to be normal and quality excellent. Italy's MY 2015/16 pear production is forecast at 723,000 MT, 1.8 percent less than last season's supply. Italy is the leading table grape producer in the EU-28, followed by Spain and Greece. ...

[Fresh Deciduous Fruit Annual 2015 Rome Italy 11-25-2015](#)

**Fresh Deciduous Fruit Annual 2015|Fresh Deciduous Fruit Agriculture in the News Agricultural Situation|Prague|Czech Republic|11/9/2015**

Despite an extremely hot and dry summer, the Czech apple and pear crops remains strong, estimated at 140,660 MT of apples and 9,372 MT of pears.

[Fresh Deciduous Fruit Annual 2015 Prague Czech Republic 11-4-2015](#)

**Better Market Prospects for Fresh Fruits|Fresh Deciduous Fruit|Vienna|EU-28|11/4/2015**

This report provides EU-28 production, supply, and demand forecasts for fresh apples, fresh pears, and table grapes. Lower EU domestic production but still good demand from the processing industry offer good market prospects for apples and pears in marketing year (MY) 2015/16. Commercial EU apple production in MY 2015/16 is estimated to decrease by 7 percent compared to the record output of MY 2014/15 and reach 11.2 MMT. The forecast for EU commercial pear production in MY 2015/16 is at 2.3 M...

[Fresh Deciduous Fruit Annual Vienna EU-28 10-27-2015](#)

**Fresh Deciduous Fruit Sector Update |Fresh Deciduous Fruit|Sofia|Bulgaria|5/26/2015**

Over the last two years, Bulgarian apple and pear production enjoyed very good average yields and production hit a record high for the last 15 years. Table grapes were an exception with a record low crop in MY2014/15 due to adverse weather conditions. Prospects for MY2015/16 to date for the three major products are very good due to favorable winter weather with moderate temperatures, sufficient soil moisture and an almost ideal spring in May. Investment in new orchards and new horticultur...  
[Fresh Deciduous Fruit Sector Update\\_Sofia\\_Bulgaria\\_5-21-2015](#)

**Product Brief Fresh Fruits|Product Brief Fresh Fruit Fresh Deciduous Fruit Citrus Stone Fruit Strawberries|Berlin|Germany|2/11/2015**

Germany is one of the largest markets for fruit in Europe. The relative affluence of its population of 82 million people makes it an attractive outlet for exporters from many countries. This product brief highlights certain aspects of the German fruit market to aid U.S. exporters in successfully marketing their products in Germany.

[Product Brief Fresh Fruits\\_Berlin\\_Germany\\_1-27-2015](#)

**Select 2016|Stone Fruit|Madrid|EU-28|8/24/2016**

EU-28 production of peaches and nectarines in MY 2016/17 is estimated at almost 3.7 million MT, 6 percent lower compared to the previous harvest due to unfavorable weather conditions with considerable decreases in the main European producers, Spain and Italy, while Greek production shows an increase. Total cherry production in MY 2016/17 is projected at 623,664 MT, or almost 11 percent decrease compared with last season, where the growth in Poland and Spain could not compensate for the decline ...

[Stone Fruit Annual\\_Madrid\\_EU-28\\_8-19-2016](#)

**Select 2016|Tree Nuts|Madrid|EU-28|9/22/2016**

The United States is the most important supplier of nuts to the European Union. In the last decade, tree nut shipments from the United States to the EU-28 have doubled, reaching a record \$2.98 billion in 2015, of which \$1.8 billion were almonds. The positive reputation of nuts and the increased consumer awareness of the health benefits of nuts have been extremely beneficial to boost sales.

[Tree Nuts Annual\\_Madrid\\_EU-28\\_9-8-2016](#)