

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Poland

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Russian Ban on Polish Apples Sweetened by U.S. Imports of Juice.

Report Categories:

Trade Policy Monitoring

Fresh Fruit

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Report Highlights:

Polish exports of apple juice to the United States in the last two months of 2014 and first two months of 2015 reached a record level of 21,020MT or US\$ 23.3 million. Despite the Russian ban on imports of agricultural products, Polish farmers were able to utilize the entire 2014 crop of apples. The opening of new export markets, increase of domestic demand, partial withdrawal of apples from the Polish market subsidized by the European Union and increase of sales of the apple juice to the United States are listed as major factors which helped Polish farmers to overcome the apple crisis caused by the Russian embargo.

General Information:

An increase of exports of apple juice to the United States was listed by Miroslaw Maliszewski, President of the Polish Association of Orchard Producers and a member of the Agricultural Commission of Parliament, as one of the factors helping Polish producers to deal with the apple crisis in the fall of 2014 and early 2015. In the last two months of 2014 and first two months of 2015, Polish exports of apple juice to the United States amounted to a record 21,020 MT (US\$23.3 million), as compared to almost zero for the same period in 2013/2014.

Miroslaw Maliszewski informed the Polish Press Agency (PAP) that, despite the Russian ban on imports of agricultural products, Polish farmers were able to utilize the entire 2014 crop of apples. According to Mr. Maliszewski, the opening of new export markets, increase of domestic demand, partial withdrawal of apples from the Polish market subsidized by the European Union and increase of sales of the apple juice to the United States helped to overcome the apple crisis caused by the Russian embargo.

In previous years Polish exports of apples have been dominated by the Russian market, but because of the ban, exporters intensified efforts to find new markets in Eastern and Southern Europe, Northern Africa and the Middle East. Polish exporters are also planning to have stronger position on apple markets in India, China, Vietnam and Malaysia. According to Mr. Maliszewski even if the Russian ban continues after August 2015, Polish producers will be able to export apples to other markets. He also emphasized that if Russia terminates the embargo, Poland will be less dependent on this market because of the diversification of exports.

Russia introduced the embargo at the beginning of August of 2014, just before the 2014 apple harvest season. Usually the largest volumes of apple exports to Russia started in January. In 2013, the Russian market share in apple exports was 55 percent. In 2013 Polish exports of apples to Russia amounted to 676,000 MT valued at US\$ 335 million. In 2014 Polish exports of apples to Russia decreased by 41 percent, leading to a decrease in domestic prices. In the fall of 2014 processing plants paid 10 groszy per kilogram of apples (US\$ 0.03). Currently, because of improved market situation prices for apples at the wholesale market vary from PLN 2.0 to 3.0 (US\$ 0.55-0.80).

The improvement of the situation for many Polish fruit and vegetable products in early 2015 was also noted by Jens Schaps, a Director in the European Commission's Agriculture Department (DG Agri), in charge of the single common market organization, economics and analysis of agricultural markets. Mr. Schaps reported on May 26, 2015 to the European Parliament on the post-embargo situation in the EU member states. Scheps noted that currently the average Polish apple prices are higher than those recorded at the same time last year, before introduction of the Russian ban. In addition, he mentioned that it is expected that the 2015 apple harvest should be smaller than that of 2014, which should help maintain these higher prices.