European apple and pear crops are likely to reduce, it was announced at the annual Prognosfruit conference in Hamburg, but the reaction from delegates and speakers was largely positive due to a slightly reduced forecast for fresh production and more balance between supply and demand.

According to the World Apple and Pear Association’s (WAPA) apple forecast for 2016, overall EU production will drop by three per cent, falling to just over 12 million tonnes. But volumes are set to remain high following a dramatic increase in production from just over 10 million tonnes in 2012 to more than 12.3 million in 2015.

Despite political complications and some difficult climatic conditions in Eastern Europe, supply and demand are expected to be more balanced than last year on account of reduced fresh volumes being available.

This is due in part to huge crop losses in Austria, Slovenia, Croatia and Slovakia, which experienced a freak frost in April this year. This will offer export opportunities to the EU’s largest apple producing countries in particular: Poland, Italy, France and Germany.

“The crop is a little bit less than last year,” said Philippe Binard, secretary general of the World Association of Apples and Pears. “But there might be a bit less volume available for the fresh market, which might help with balancing [supply and demand].”

Binard expressed hopes that the European apple market could make a “clean start” for the coming season with stocks expected to phase out in a timely manner, with little or no overlap expected between harvests.

Most varieties are expected to decrease in production - number one variety Golden Delicious by 7 per cent and second-largest variety Gala by 4 per cent. Laurent Maldes of leading French exporter Blue Whale reacted positively to the news, saying: “We are quite enthusiastic because less production could be a good opportunity for the French export market, with a lack of production in the centre of Europe.”

Russian embargo continues

On the downside, price pressure caused by continued high production and retailer competition are likely to continue to affect most varieties – especially given the fact that a larger proportion of European production will remain in the EU with the continuation of the Russian embargo.

“What happens in the relationship between the EU and Russia is the key question for the immediate future,” said Dominik Wozniak of Polish apple exporter Rajpol.
Before Russia introduced a ban on EU food imports in 2014, the EU exported around 800,000 tonnes of apples to Russia. However, since 2013, the value of exports to non-EU countries has dropped by around 10 per cent. This is an indication of the importance of the Russian export market – particularly to Europe’s biggest apple producer Poland. Poland accounted for around 75 per cent of Russia’s apple imports before the embargo.

“I have a feeling that after the Russian boycott in 2014 our world is not the same,” said Dominik Wozniak of Polish exporter Rajpol. “Things that should happen haven’t happened and things that shouldn’t have happened,” he added in an apparent reference to the suspected destruction in May this year of 193 tonnes of apples from Poland in the Smolensk Oblast border area of Russia.

But Wozniak reported that Poland has successfully moved to exporting more apples to Belarus and Kazakstan in the past two years. At 1.73 million tonnes, Belarus was by far the biggest destination for EU apples in 2015 and Wozniak indicated that some of these exports were making their way through to Russia on the grey market. “We don’t know what volumes are reaching Russia,” he said. “But we are trying our best to re-enter the market.”

Distributors and producers from other countries also said they were looking to expand their export base in response to the Russian embargo. German fruit exporter Elbe-Obst has identified China, India and Taiwan as its key target markets for the near future, and the company is working with the German government to try to secure market access.

However the firm’s managing director Frank Döscher acknowledges Germany will face stiff competition from large producing nations like Poland, Italy and France. “Russia was a very big market for us,” he said. “And now we are starting again at zero. But we are not alone. The Polish are also looking to access new markets in the same area.”

Laurent Maldes of Blue Whale emphasised the importance of looking to a range of export markets as a way of spreading risk and not being so hard hit by overseas political problems and currency fluctuations. His firm exports to 70 nations.

Pear crop down but quality high
As with apples, the forecast for pear production was also down - from 2.39 million tonnes in 2015 to a predicted 2.17 million in 2016. This is a nine per cent drop on last year.

Reductions in production were most significant in Slovenia and the Czech Republic on account of adverse climatic conditions and Europe-wide the volume of the two main varieties, Conference and Abate, are expected to fall. Conference will be down by 49,000 tonnes and Abate by 43,000 tonnes.

WAPA’s Daphne van Doorn reacted favourably to the reduction in overall pear production. Speaking at the Prognosfruit conference, she said: “It’s quite a good starting point for the upcoming season. We hope there will be a bit less pressure [on prices]. And maybe this will have a good impact... since the prices in 2015 were very low.”

Helwig Schwartau from market expert AML, which collaborated with WAPA on the forecast, added: “For me, it is especially positive to see better quality [of pears] and better growing conditions.” He hopes that there will opportunities to stretch the growing season this year and noted that exports to markets outside the EU are still expanding.

President of the Dutch Fruit Growers Organisation Michiel Gerritsen identified China as a promising market for Dutch pears, which are of a very high quality this year, he says. “I expect that pear exports to China will increase significantly this year,” he predicted.

The crop of Conference pears in the Netherlands is set to rise by five per cent to just below 290,000 tonnes, according to the WAPA. Holland is forecast to be Europe’s second largest pear producer, ahead of Spain but behind Italy.