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Trends to watch for apples and pears



Ahead of the annual EU crop forecasts, WAPA secretary general Philippe Binard talks to Fruitnet about the upcoming season

Detailed production forecasts for the 2020/21 European apple and pear seasons are due to be published during the first ever virtual meeting of Prognosfruit on 6 August. So we asked Philippe Binard, secretary general of organiser the World Apple and Pear Association, for a run-down of the most important trends going into the new campaign. Here are seven key developments to keep an eye on...

1 Forecasting the forecast

Next season's production forecast remains subject to confirmation at Prognosfruit, of course, but already it's clear that Europe's combined apple harvest will not be a larger-than-average one in 2020. "It's been a relatively mild winter," Binard reports, "but there have been a repeated number of repeated cold nights in April and May which might affect quite significantly crops in several countries. Primarily Eastern Europe but maybe some other countries too will not

have the full potential because of these little incidents in some places. There has been some strong hail already which could affect some of the production in Spain."

In a couple of weeks' time, all should become clear. "We usually receive the data by the end of July when we put them all together," says Binard. "At the moment we are just in the quality assessment and the volume will come a little bit later. But we know it will not be a full crop, definitely. It will not be an extremely low crop, but it might be a moderate low."

2 Europe still has the potential to produce too many apples

In his main role as general delegate of industry association Freshfel Europe, Binard recently briefed the European Commission on future challenges for the EU topfruit business. The coronavirus pandemic seems to have boosted

demand for the time being (see below), but with consumption in decline and competition from berries, exotics and other categories increasing, it appears there is now greater potential for supply to exceed demand.

"The EU apple crop could be 13.5m tonnes if every country produces to the maximum of its potential and climate conditions are perfect everywhere," he notes. "But we know that probably today the balance of the market is around 11.5 or maximum 12m tonnes. That's probably what the market can consume."

3 Having said that, coronavirus is boosting demand

Apples and pears seem to have been among the winners as far as new consumer trends during and after lockdown. "During [the past few months], there was relatively strong demand for products which were requiring less mechanisation and which also were

readily available and picked," Binard observes. "That was the case for apples, pears and citrus, which also have very healthy connotations. So there were very strong sales. Most of these products were also mainly for the fresh channel, so mainly supermarkets, unlike maybe asparagus or strawberries, where foodservice was also very important."

Of course, not all topfruit is sold through retail channels. "I will not say that apples weren't also very important in some of the foodservice segments. They are supplied to children in schools for example, or in some of the transport catering or canteens. But overall the main channel of sales was the retail business, which was the one which remained relatively open and unaffected by the crisis."

For pears too, the story has been similar. "Pears were among the well-established fruit categories which benefited from greater attention and also the availability of the product. Maybe a little bit early to draw a final conclusion, but both the apple and pear markets worked relatively well last season, particularly in the second part of the year. No doubt at all."

4 Last season's crop sold out completely, ahead of schedule

That strong demand, especially in March and April, has helped to clear apple stocks in most European countries, following a 2019 harvest that was only above average in France and Spain. According to Binard, the upcoming campaign will begin with European coldstores having been clear of apples for a number of weeks.

"Last year, the final apple crop was 10.6m tonnes, which led to the situation where now we are ending the 2019/20 season with a completely empty market and seeing very high prices for Polish apples," he says. "They have been selling at a price that is higher than for Italian [apples] for the last few weeks. I think this is the first time that this has happened."

5 Pressure on the market from counter-seasonal supply remains low

Although Europe has had to look further afield for apple supply over the past few weeks as Europe's own stocks sold out, there are no signs of a major influx of produce from the Southern Hemisphere. Fruitnet understands markets in Asia have held up well in terms of demand, meaning the exporters in countries such as New Zealand have not felt any need to divert supply.

Covid-19's impact on the practical side of things has also been a factor, Binard suggests. "I don't think there has been huge pressure from Southern Hemisphere countries, because there have been a number of logistical constraints regarding controls and social distancing measures in those places," he says. "There have been issues with containers too. All of that has played a role and affected the volume. It's still a bit early to know the exact figures, but probably the volume which came from the Southern Hemisphere will not be at the peak for this year."

6 Outside the EU, things are changing fast

Increasingly, says Binard, new and emerging sources of supply in eastern Europe and central Asia are playing a part in shaping the global apple market. "There are a lot of things happening outside the EU in the apple sector," he explains. "New orchards in Russia, growing orchards in Ukraine, in Kazakhstan, Uzbekistan, Turkey. There is a lot of investment for example by the FAO in these countries."

From the perspective of European suppliers, markets outside the EU have provided significant opportunity for export growth in the past decade, but this could change if local production keeps expanding. "As the production grows in these countries, not only will it be more difficult to export there as they become self-sufficient, but we might find them also in other markets,"

he predicts. "If Russia is going to open, maybe Kazakhstan will be a market leader in that country, or we could find them moving into Middle East markets."

7 Europe's forecasts are remarkably accurate

These days, with all of the EU's major apple and pear-producing countries fully signed up to the idea of contributing good forecast data to achieve an accurate overall forecast, the quality of information on offer during Prognosfruit is extremely high.

"Our level of accuracy is usually quite good," Binard tells Fruitnet. "We try to ensure we have only 2-3 per cent variation, which is not bad at all. When we consolidate it with official data from the authorities, which come much later, we see that our data was right. Prognosfruit is normally a place for networking, which is why we have around 300 people due to take part, but it is also a place where we tell the story as it is."

Of course things can change, for example due to weather. "Sometimes we announce something in August and we already in September have completely different figures." Either way, however, Binard believes everyone working in the topfruit business appreciates the value of presenting a complete picture every August. "People might not like that story, but we try to be as accurate as we can. We don't try to influence people. If we tell the truth, everyone can make their own informed decision based on the situation, and manage sales responsibly according to the market. In the end, the market will never lie."

Prognosfruit takes place online on 6 August 2020. A full programme and details of how to take part are available on the event's official website.