freshfel
EUROPEAN FRESH PRODUCE ASSOCIATION

WAPA

Changing trade flows: changing consumers?

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Interpera - 15 June 2017

Agenda

- Global production trends
  - Main producers and some variety breakdown
- Trade
  - World trade trends
  - Main importers / main exporters
  - New markets

Freshfel Europe & WAPA

- WAPA – World Apple & Pear Association
  - ✓ World Apple and Pear Association
  - ✓ 18 leading apples and pears producing countries
- Freshfel – European fresh produce association
  - ✓ European Association representing EU fresh f&v sector
  - ✓ Based in Brussels
  - ✓ Supply chain approach (production down to retail)
  - ✓ National associations and companies
  - ✓ Intra and extra EU

www.wapa-association.org

www.freshfel.org

www.freshquality.eu

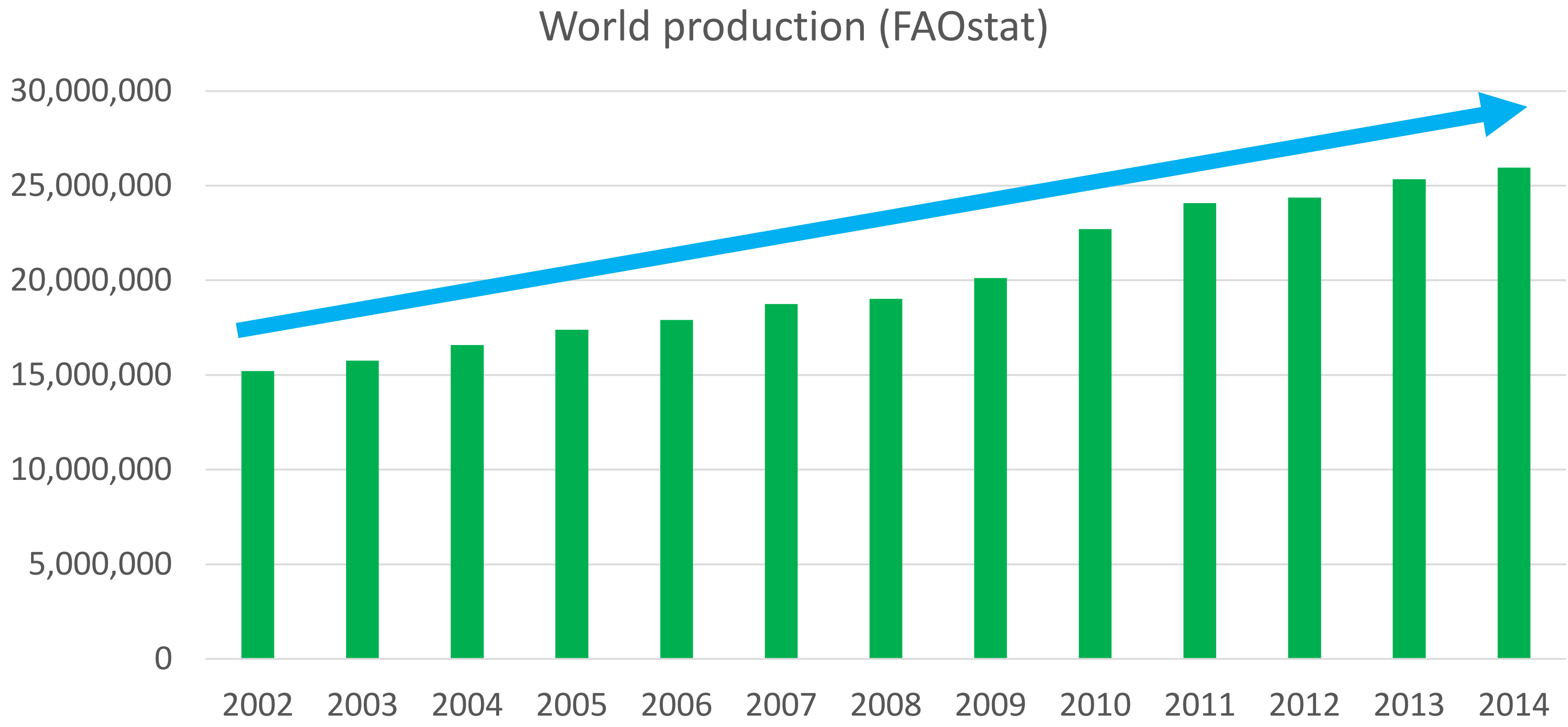
www.enjoyfresh.eu

www.kidsenjoyfresh.eu

Production of pears
Setting the scene

World production

- World production has gradually increased. In 2014 it was estimated at 25.9 mil T.



World production - top 10

70 % of the production in China!

		2010	2011	2012	2013	2014
1	China	15.231.858	15.945.013	17.073.000	17.300.752	17.964.400
2	EU	2.276.000	2.652.000	1.888.000	2.327.000	2.425.000
3	Argentina	704.242	812.633	825.115	837.577	856.176
4	United States	738.085	876.087	851.200	877.100	831.600
5	Turkey	380.003	386.382	439.656	461.826	462.336
6	South Africa	368.495	350.527	338.584	379.546	411.991
7	India	336.049	334.774	340.000	325.000	316.700
8	South Korea	307.820	290.494	172.599	282.212	302.731
9	Japan	284.900	312.800	299.000	294.400	295.100
10	Algeria	234.274	233.147	211.191	240.709	228.114
	All others	1.841.767	1.891.292	1.924.326	2.015.073	1.858.146
	Total	**22.703.493**	**24.085.149**	**24.362.670**	**25.341.195**	**25.952.294**

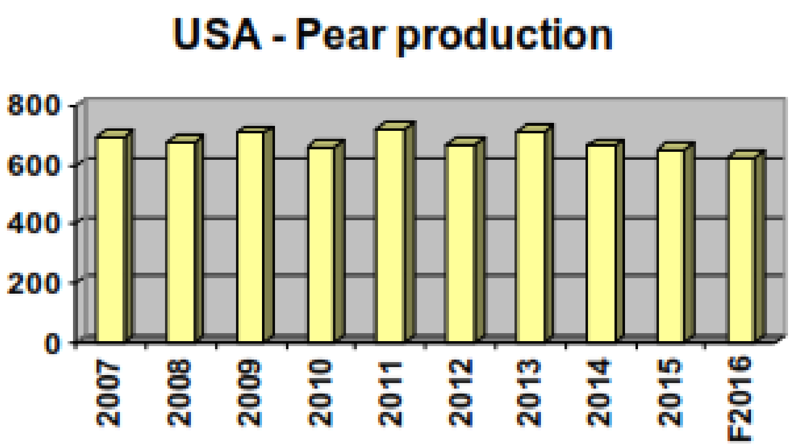
Data in Metric Ton

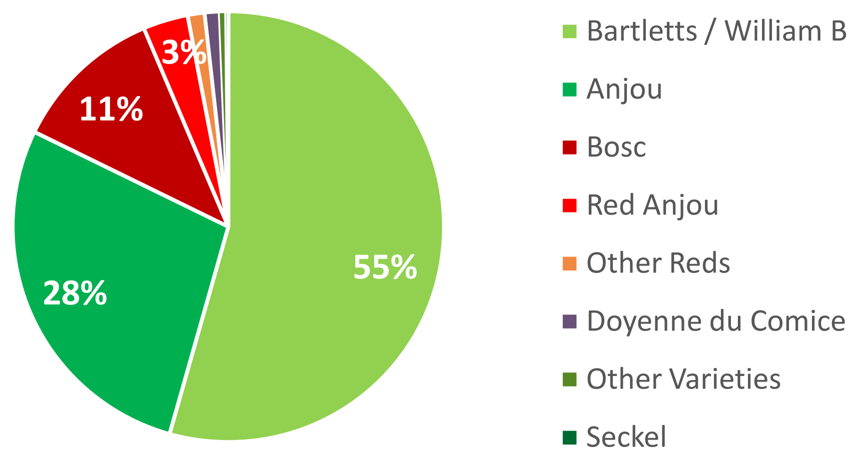
US variety breakdown

USA

x 1000 tons

	Variety	2007	2008	2009	2010	2011	2012	2013	2014	2015	F2016	(1)	(2)
2	Anjou	215	178	222	202	228	205	232	224	194	174	-11	-20
1	Bartletts / William B	389	397	378	361	371	356	363	336	347	340	-2	-2
	Bosc	56	67	69	61	82	65	75	62	70	71	1	3
	Doyenne du Comice	5	6	6	6	6	5	6	5	4	7	79	49
	Red Anjou	18	16	19	19	19	20	22	22	19	21	8	0
	Seckel	2	1	1	2	2	1	1	1	1	1	27	-2
	Other Reds	1	1	1	0	1	1	7	8	10	8	-13	1
	Other Varieties	11	11	11	9	12	13	6	5	3	3	-15	-37
	Total USA:	**697**	**677**	**707**	**660**	**720**	**666**	**711**	**663**	**648**	**625**	**-4**	**-7**





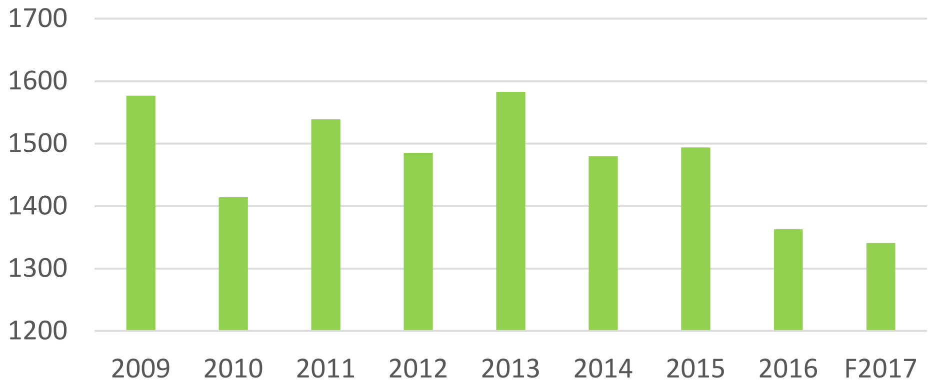
Southern Hemisphere

Pears

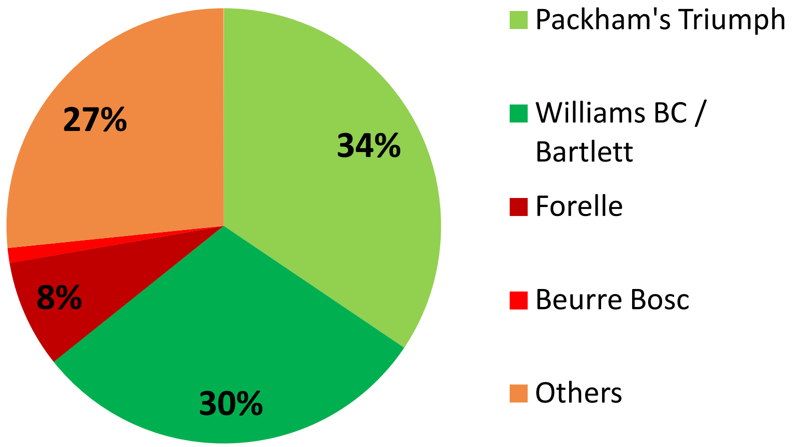
x 1000 tons

Country	2009	2010	2011	2012	2013	2014	2015	2016	F2017	(1)	(2)
Argentina	895	770	843	801	863	794	810	630	611	-3	-18
Australia	127	107	130	124	129	107	104	100	99	-1	-4
Chile	176	170	194	189	200	170	188	177	179	1	0
New Zealand	12	11	11	9	12	10	12	12	12	4	9
South Africa	366	356	360	361	379	399	380	444	440	-1	8
Total	**1,577**	**1,414**	**1,539**	**1,485**	**1,583**	**1,480**	**1,494**	**1,363**	**1,341**	**-2**	**-7**

(1) Percentage difference between F2017 and 2016
(2) Percentage difference between F2017 and the average of 2014- 2015 - 2016

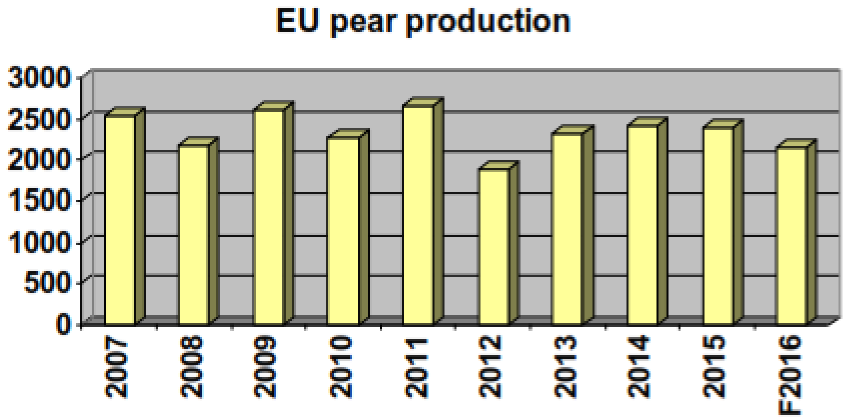


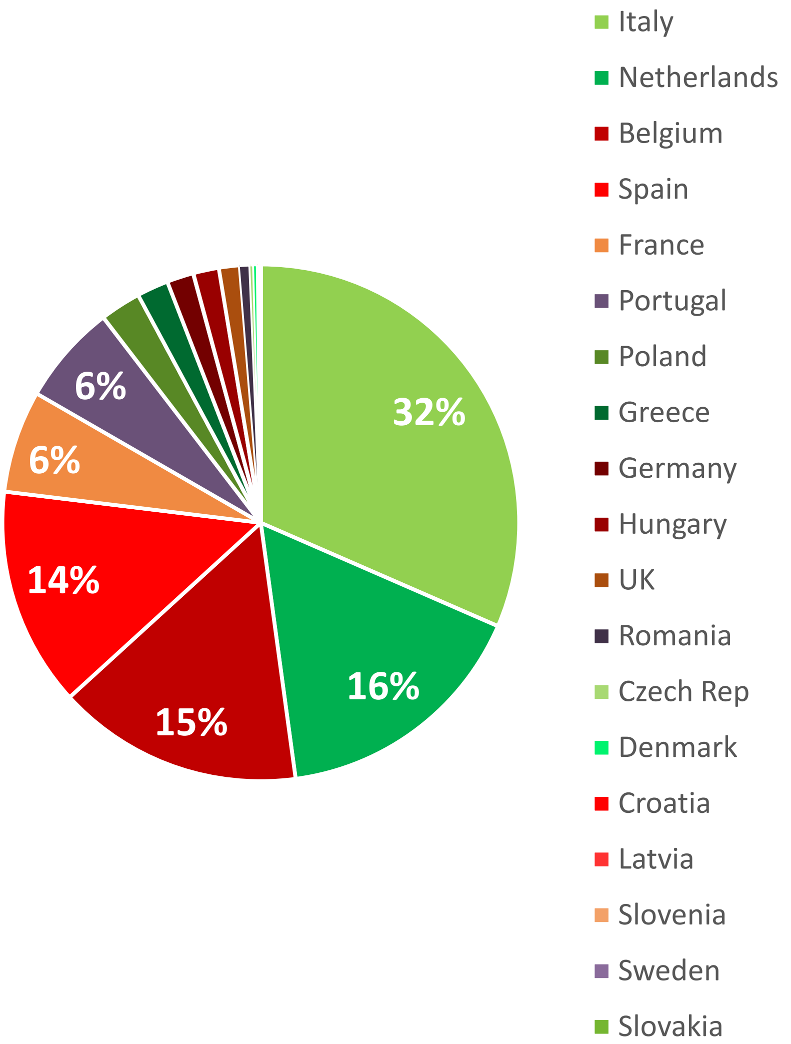
SH Pear production by variety



EU production detail

- EU pear production for 2016 was 2,156 mil T.
- Main producers: IT, NL, BE, ES (FR & PT)



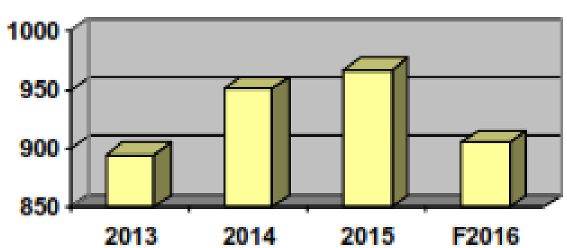


EU variety breakdown

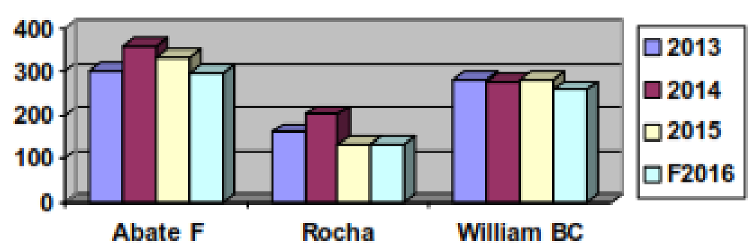
x 1000 tons

	Variety	2007	2008	2009	2010	2011	2012	2013	2014	2015	F2016	(1)	(2)
2	Abate F	325	249	306	224	404	256	304	358	333	296	-11	-11
	Blanquilla	133	82	86	81	78	59	54	49	44	37	-16	-25
1	Conference	823	639	903	832	928	693	894	951	967	905	-6	-3
	Coscia-Ercollini	110	107	106	98	80	77	80	66	79	65	-18	-14
	Doyenne du Comice	126	82	116	97	107	58	83	94	87	76	-13	-14
	Durondeau	7	6	8	6	7	5	6	6	5	4	-31	-38
	Guyot	105	98	102	92	96	70	80	67	74	59	-20	-20
	Kaiser	59	39	65	42	60	39	54	33	45	38	-17	-15
	Passacrassana	25	21	19	15	17	17	14	11	12	11	-13	-14
4	Rocha	136	168	197	171	209	115	162	203	134	135	0	-19
3	William BC	322	309	312	286	332	252	283	278	283	259	-9	-8
	Other	373	369	382	331	333	246	315	309	330	274	-17	-14
	Total:	**2,545**	**2,168**	**2,603**	**2,276**	**2,652**	**1,888**	**2,327**	**2,425**	**2,394**	**2,156**	**-10**	**-9**

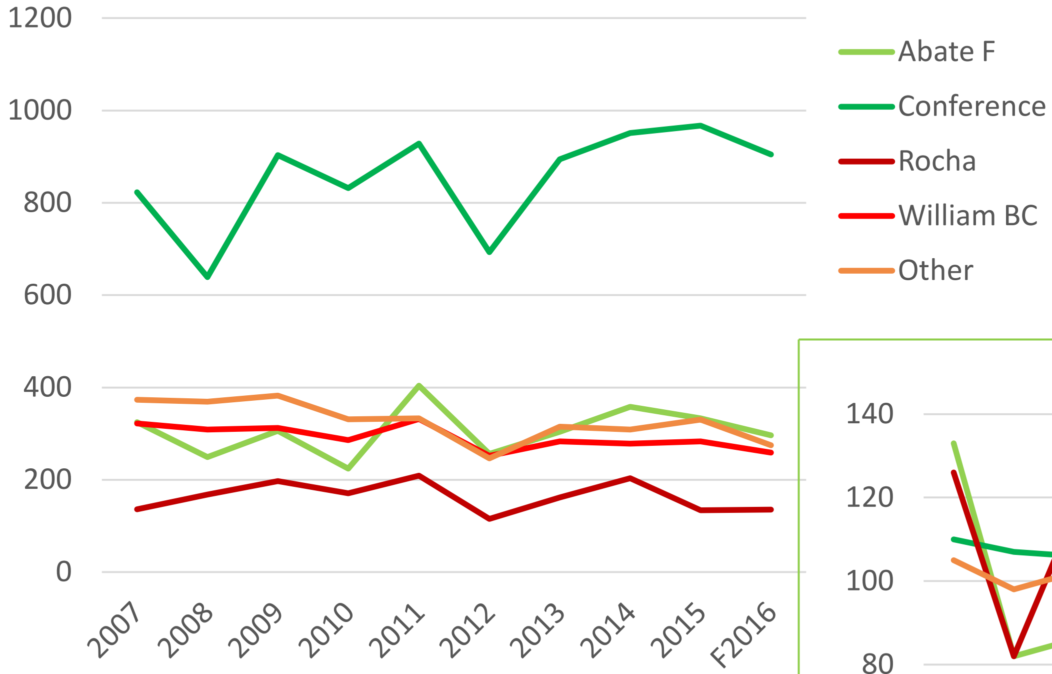
Top 1 variety - Conference



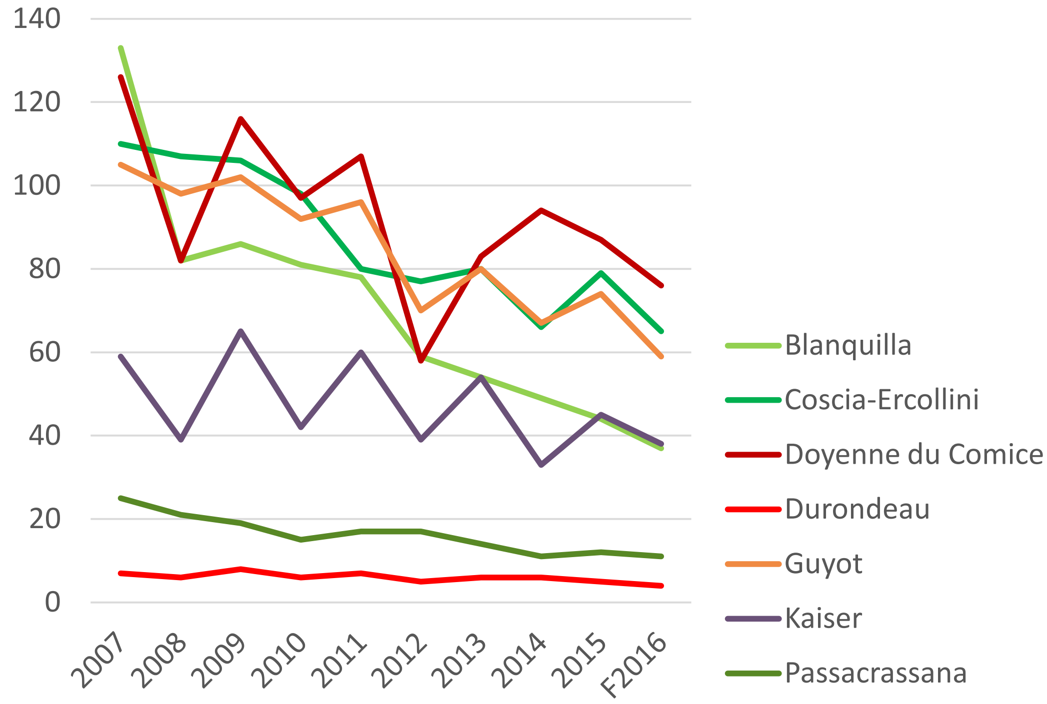
Top 3 varieties of pear production after Conference



EU variety developments



Market mainly dominated by Conference pears



Smaller varieties decreasing

NH Forecast 2017

- No clear indication yet (comes in August 2017 - Prognosfruit), but European crop will be less.
- Major cold spell in Europe in April. Affecting blossoming and fruit setting.
- Apple crop will be more affected than pear crop. First rough estimate is 10% less pears.
- Questions remain regarding quality.

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Trade overview
New market developments

Trade trends & development

- Total trade worldwide in 2015 was approx 2.7 mil T
- Total world trade in 2005 was 2.2 mil T

- 2005: 17 mil T production = 13% traded.
- 2015: 26 mil T production = **only 10% traded**! (of which 1 mil T is intra EU trade)

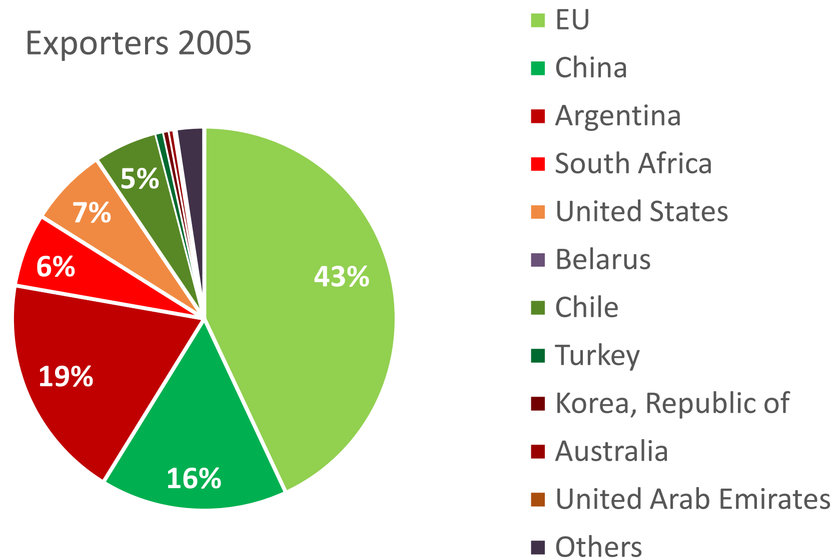
- Of pear production, not much is traded, so the majority of the production is **consumed locally!**

Trade developments - export

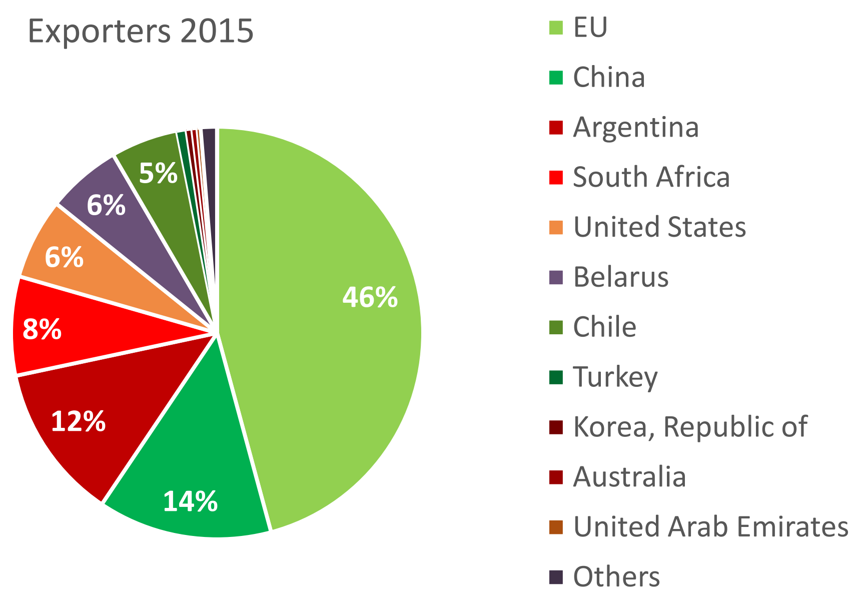
Increased concentration of exporters worldwide!

Largest exporters 2005 vs 2015			
	2015	2005	05/15
EU	1.247.933	989.469	26%
China	372.182	362.241	3%
Argentina	333.140	436.649	-24%
South Africa	212.049	141.809	50%
United States	172.843	151.701	14%
Belarus	158.464	56	280403%
Chile	143.705	124.176	16%
Turkey	20.288	15.175	34%
Rep Korea	12.416	11.010	13%
Australia	10.989	9.042	22%
UAE	7.216	2.775	160%
Others	34.618	55.307	-37%

EU intra trade is approx 880.000 T!



* Figures also inlcude EU intra trade



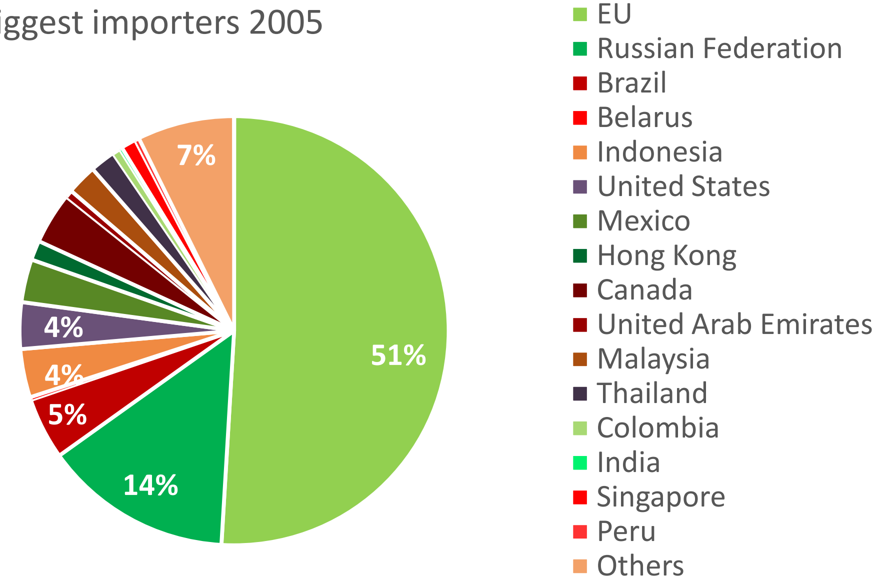
Trade developments - import

More fragmentation!

Largest importers 2005 vs 2015	2015	2005	05/15
EU	1.103.392	1.116.334	-1,2%
Russia	242.342	310.597	-22,0%
Brazil	179.306	101.754	76,2%
Belarus	160.490	4.535	3438,7%
Indonesia	103.128	79.680	29,4%
United States	89.308	77.190	15,7%
Mexico	85.032	70.947	19,9%
Hong Kong	72.463	32.134	125,5%
Canada	71.321	85.282	-16,4%
UAE	45.223	12.032	275,9%
Malaysia	38.658	49.720	-22,2%
Thailand	35.829	41.890	-14,5%
Colombia	27.832	12.982	114,4%
India	21.978	4.139	431,0%
Singapore	21.142	24.974	-15,3%
Peru	19.242	6.591	191,9%
Others	261.788	160.180	63,4%

EU intra trade is approx 880.000 T!

Biggest importers 2005



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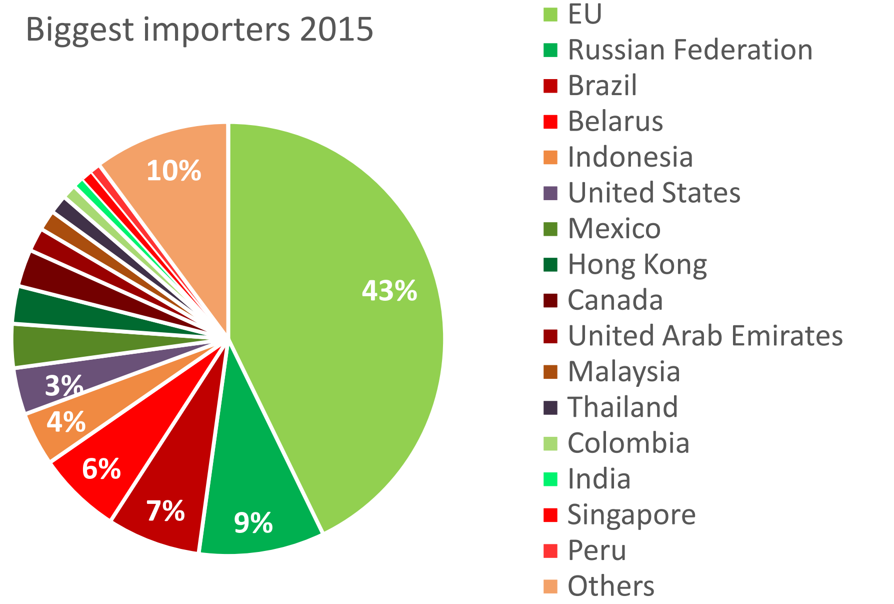
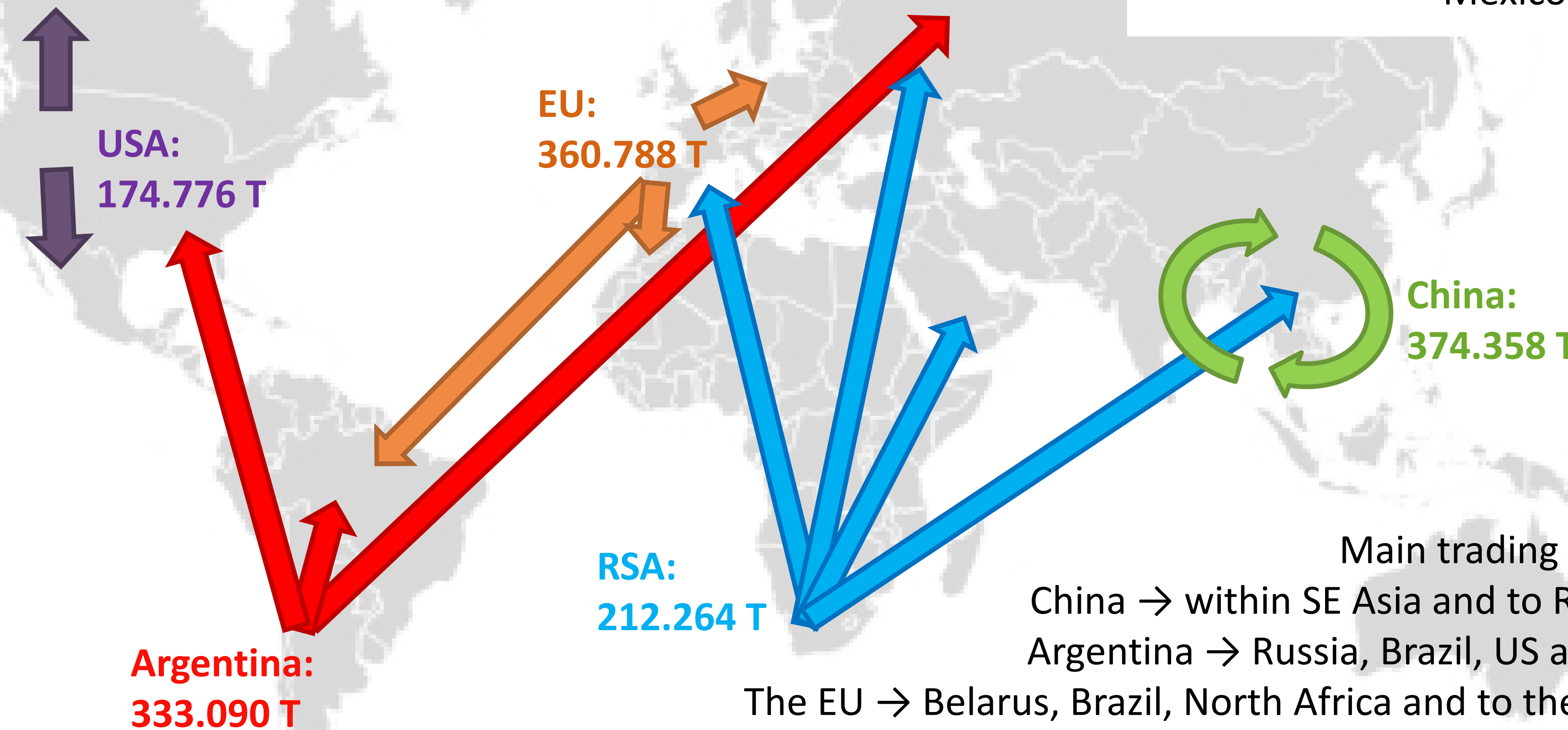
Biggest importers 2015



Exports in 2015

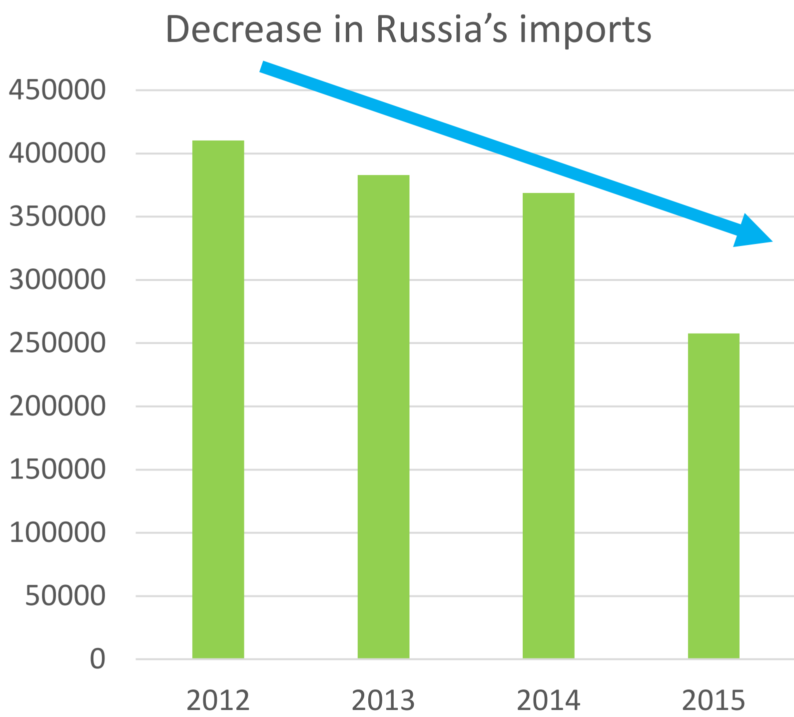
Few main / larger exporters (producers) vs. many smaller importers

Main importers:
Russia - 9.6% of total exports
Brazil – 6.7%
USA – 3.3%
Mexico: 3.2%

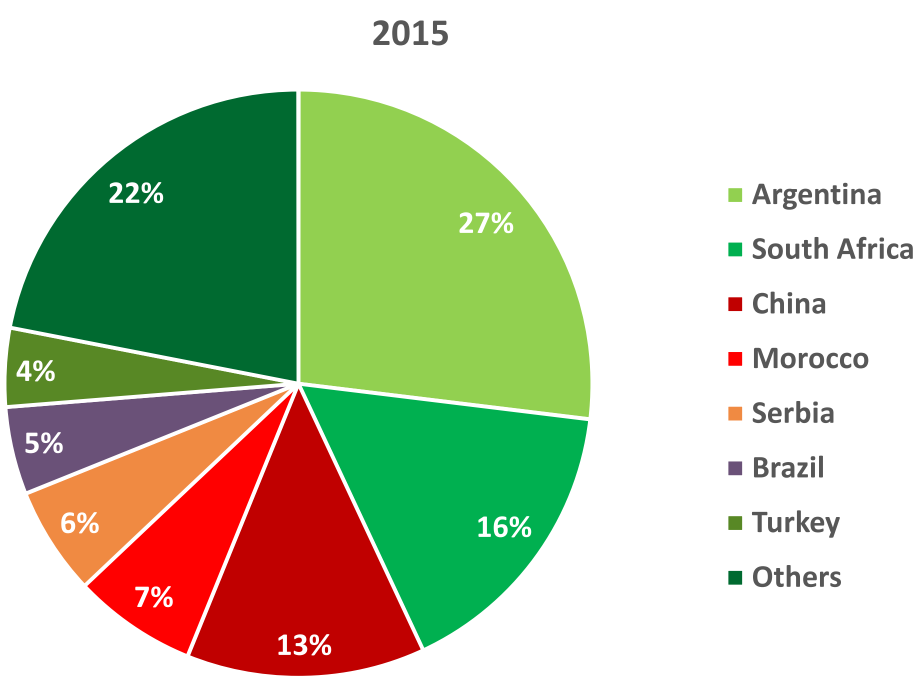


Main trading flows:
China → within SE Asia and to Russia.
Argentina → Russia, Brazil, US and EU
The EU → Belarus, Brazil, North Africa and to the East.
South Africa → EU and a little to Middle East and Asia.
The US → Canada and Mexico, little trade to Middle East

Russia imports

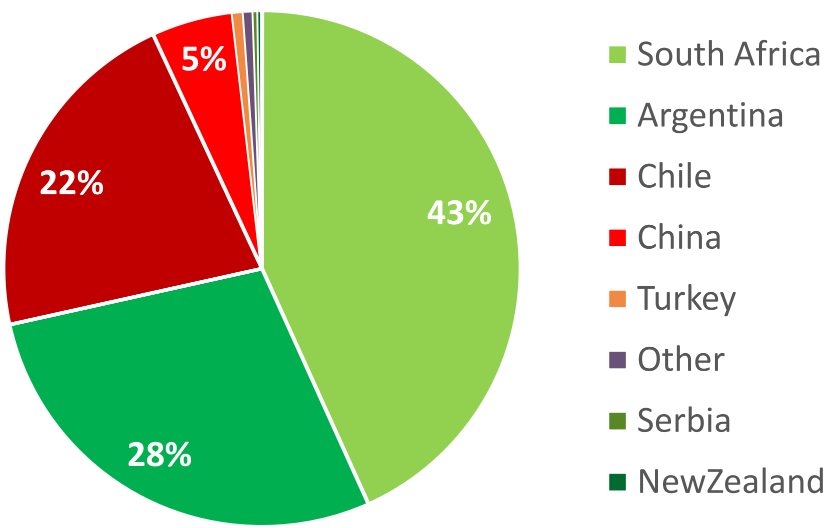


Clear decrease in imports for Russia, also there a large effect from the trade embargo Russia set vis-a-vis the EU and others

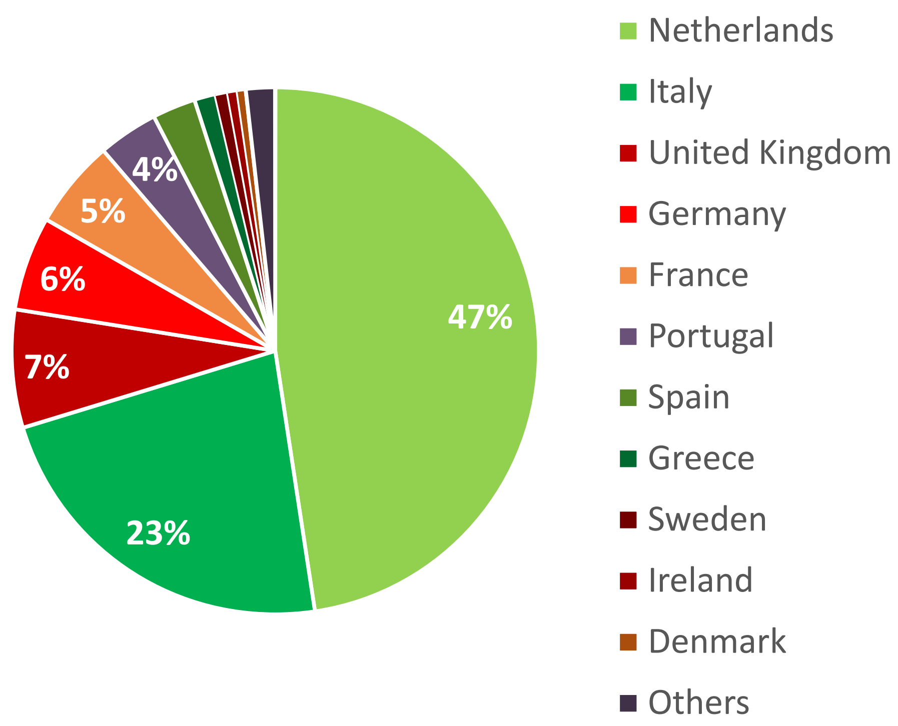


EU import by third country

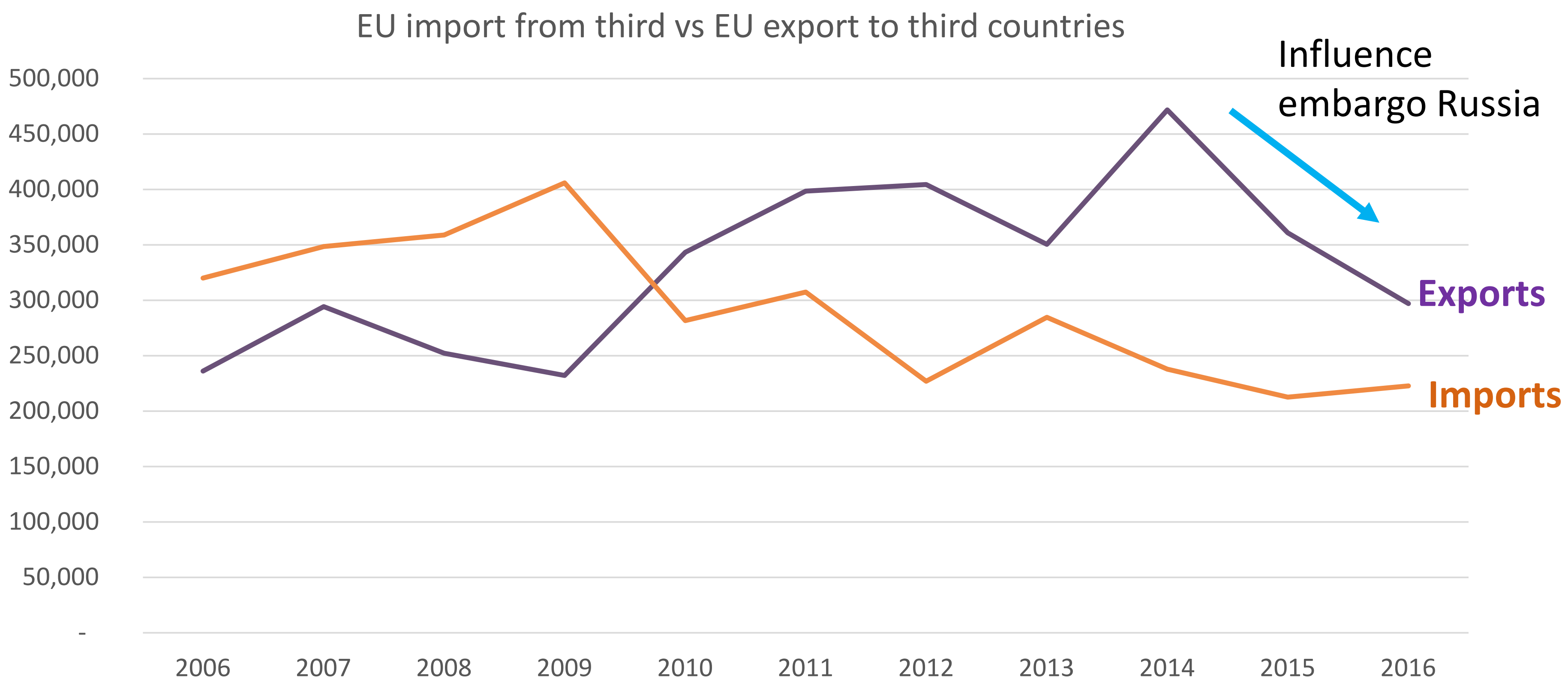
EU import in pears by third country partner in 2016



EU import in pears from third countries by destination in 2016



EU exports increasing & imports decreasing



Within 10 years, the EU has switched from more import focus to more export focus

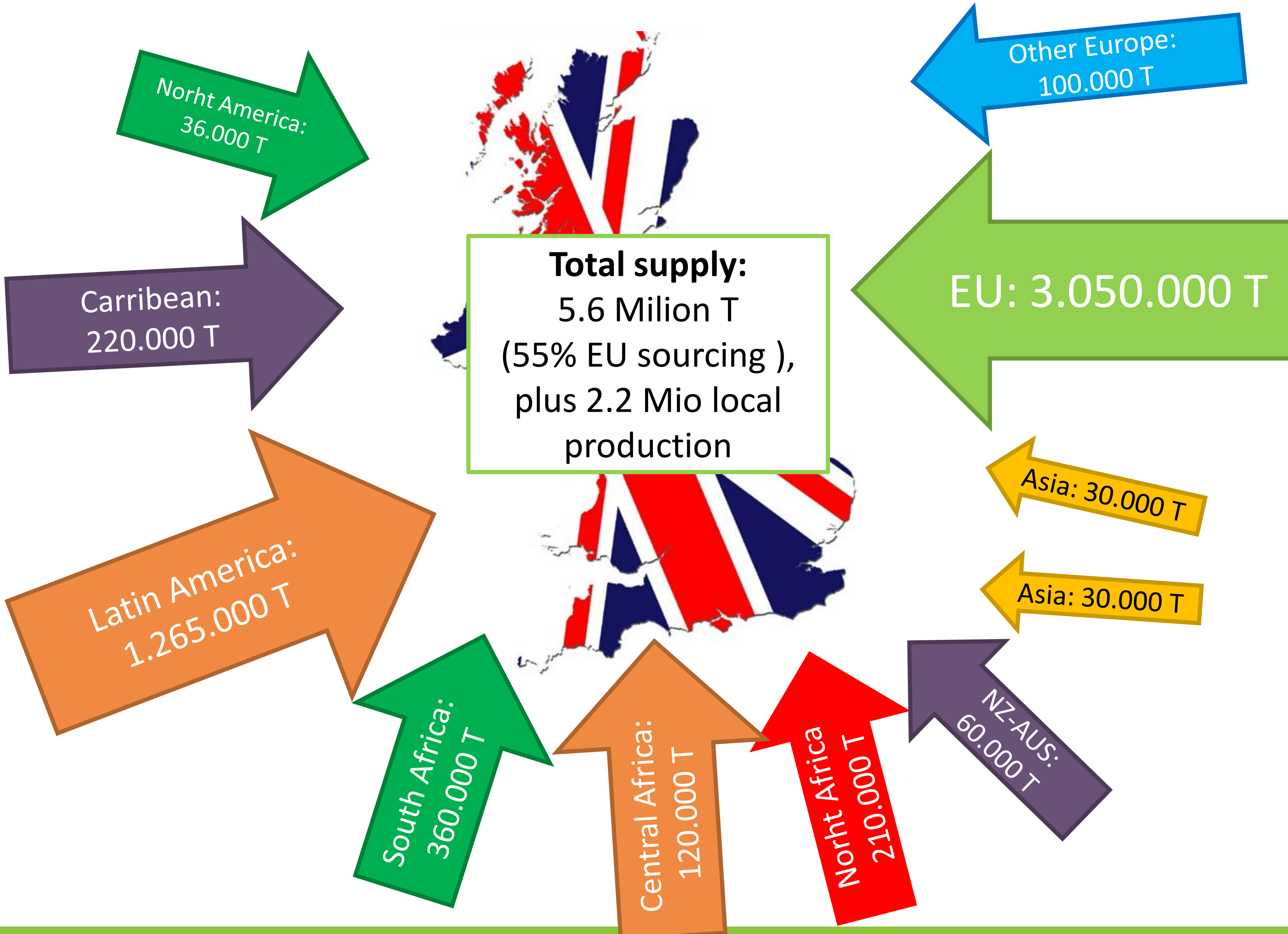
In 2006 Imports: 319.931 T
Exports: 236.087 T

In 2016 Imports: 222.587
Exports: 297.005 T

UK and the EU

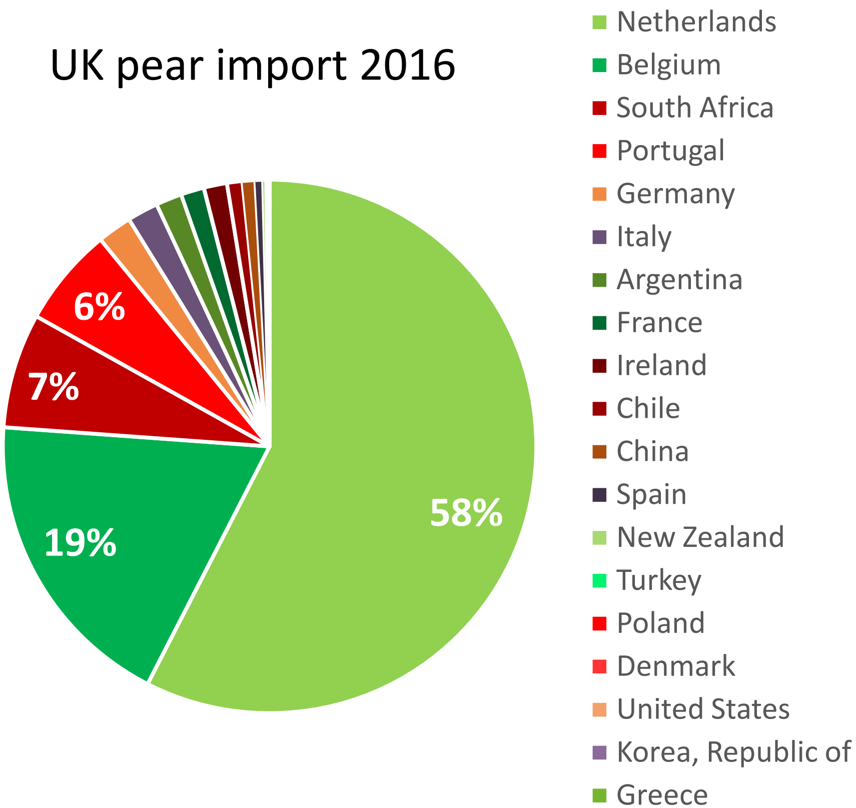
- The British Government triggered Art. 50 in March 2017. This sets the divorce deadline for 29th of March 2019.
- The EU has agreed on a two-phase negotiation approach:
  - First settling the rights of citizens and businesses
  - Only after an agreement on this matter will the future relationship be discussed.
- Period of uncertainties for businesses, and in particular for the fresh produce industry, is laying in front of us. Many issues unclear: customs, duties, control procedures, but also legislation like plant health, food quality, tariff, taxes, certificates, organic, etc.

UK fresh produce trade



UK pear trade

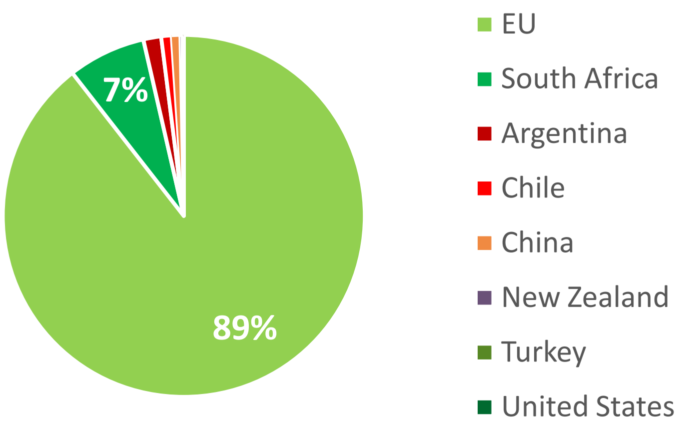
UK pear import 2016



In 2016 the UK imported 152.770 T. of fresh pears. The UK exports only 1.138 T (mainly to Ireland).

89 % of the UK's pear imports in 2016 came from the EU!

UK pear imports 2016



Trade developments: conclusion

- Increasing concentration of suppliers of pears worldwide. Production countries main exporters. Majority still consumed locally.
- Increasing fragmentation of destinations, more and increased efforts for market diversification – More consumers reached?
- Challenges: UK-EU relationship, but also world political & economic developments
- On the other hand more opportunities for trade in (SE)Asia, India, Middle East - all growth regions.

Any questions?

Thank you for your attention!

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