

Apple market Review season 2016/17

PROGNOSFRUIT CONGRESS 2017
HELWIG SCHWARTAU, AMI

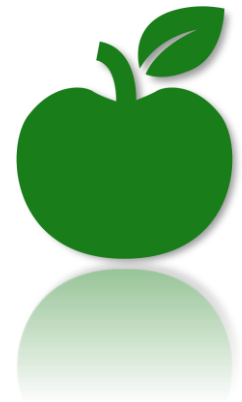


natürlich informiert.

What did we learn in 2016/17?



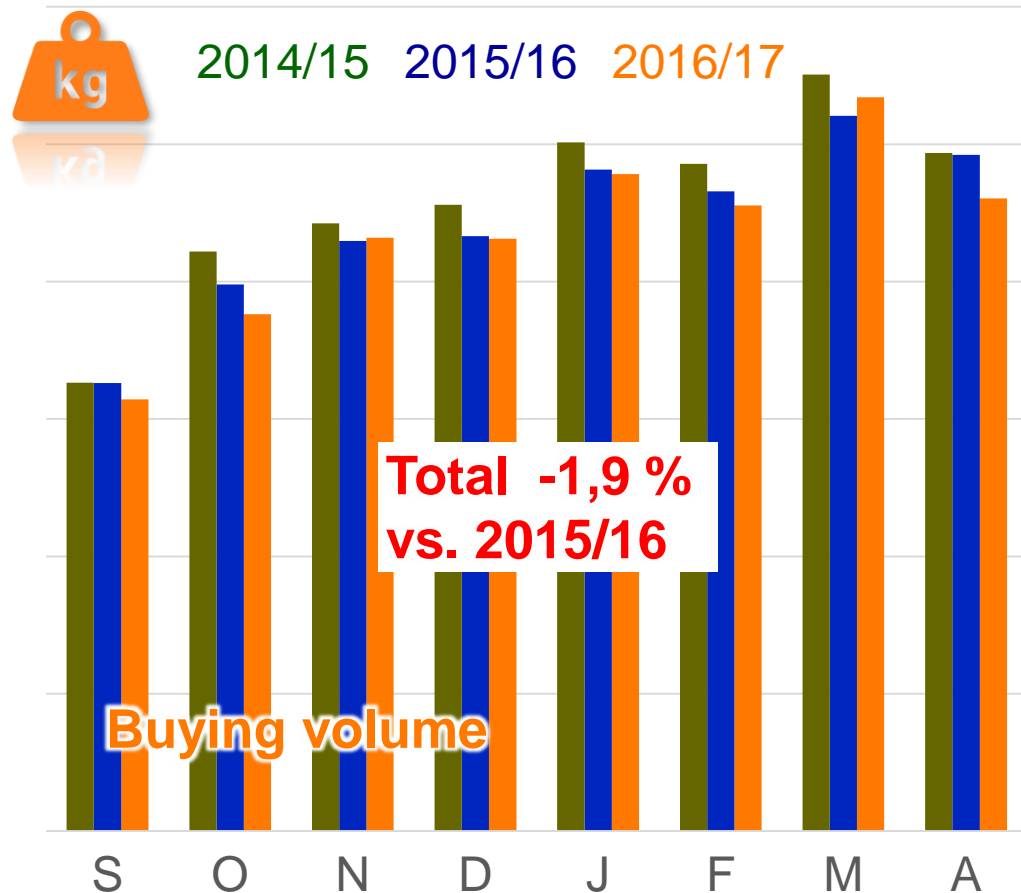
- We didn't stop the negative consumption trend.
 - ✓ Golden and Jonagold are not modern, we need new varieties
 - ✓ Increasing market shares for Club varieties and organic apples
- A lot of export markets were unstable...
 - ✓ Russia extended ban to the end of 2018
 - ✓ Exports to Northern Africa were decreasing
 - ✓ Only slightly increasing exports to Asia, exception India
- Minimum price für processing apples!
- Same prices for table apples as last year, but better quality and less processing apples in storage  Higher turnover/ha



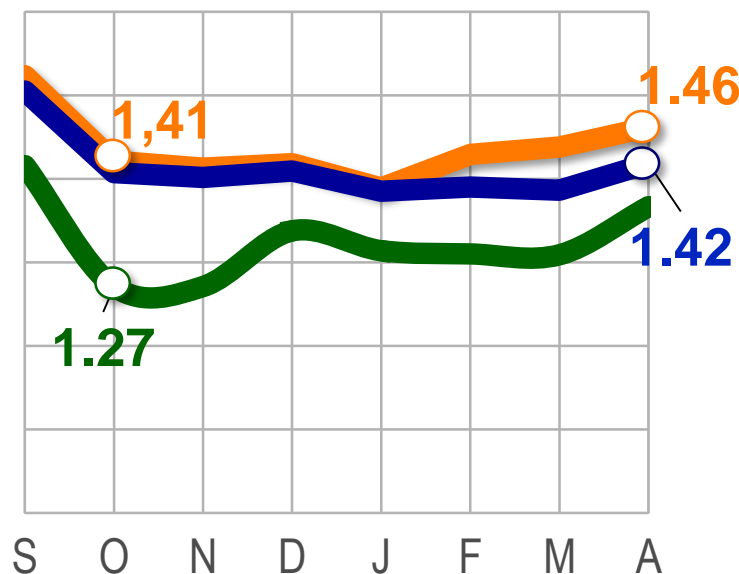
Less EU apple consumption



Germany, Italy, Spain, France – Monthly consumption and retail price (EUR/kg)



Ø Monthly retail price

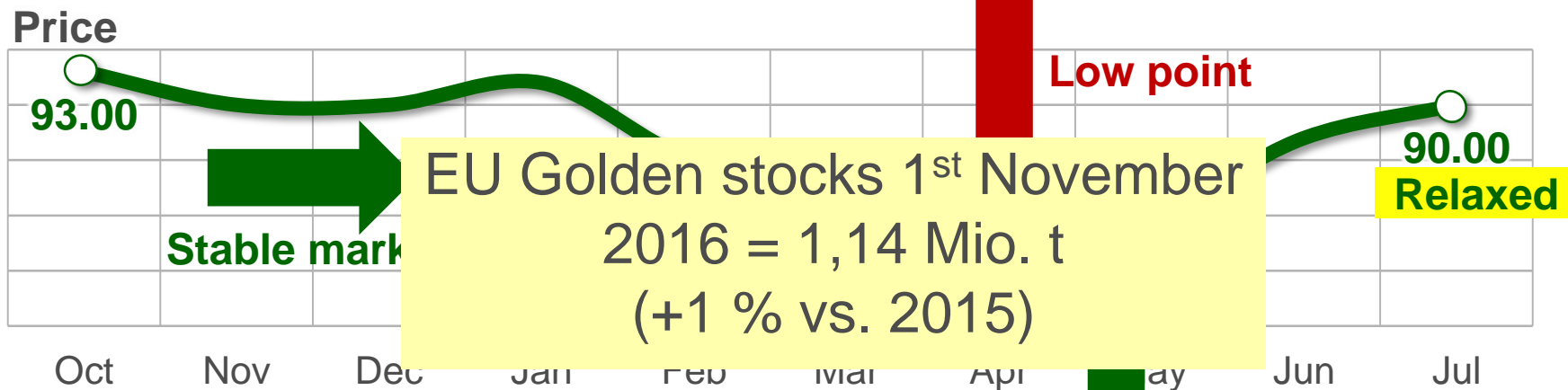


AUT, UK, BEL, NL, FRA, ITA, SP, GER = Consumption 2016 vs. 2015 = **-1,6%**

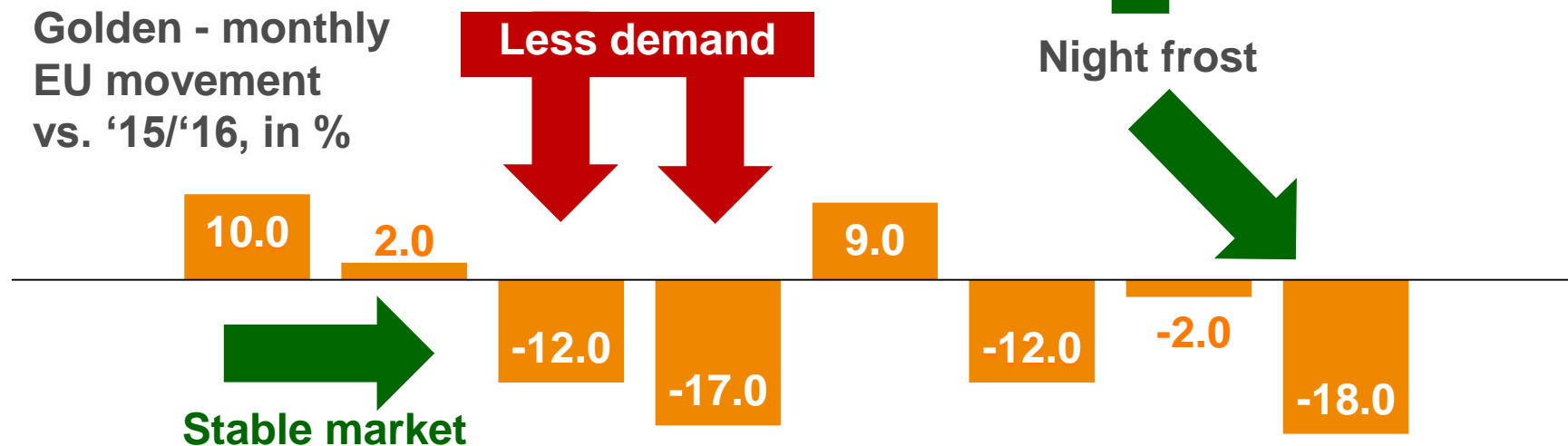
Golden Delicious – Season 2016/17



French Golden Delicious, price 75-80 mm one layer – ex. region in EUR/100kg net, incl. package



**Golden - monthly
EU movement
vs. '15/'16, in %**

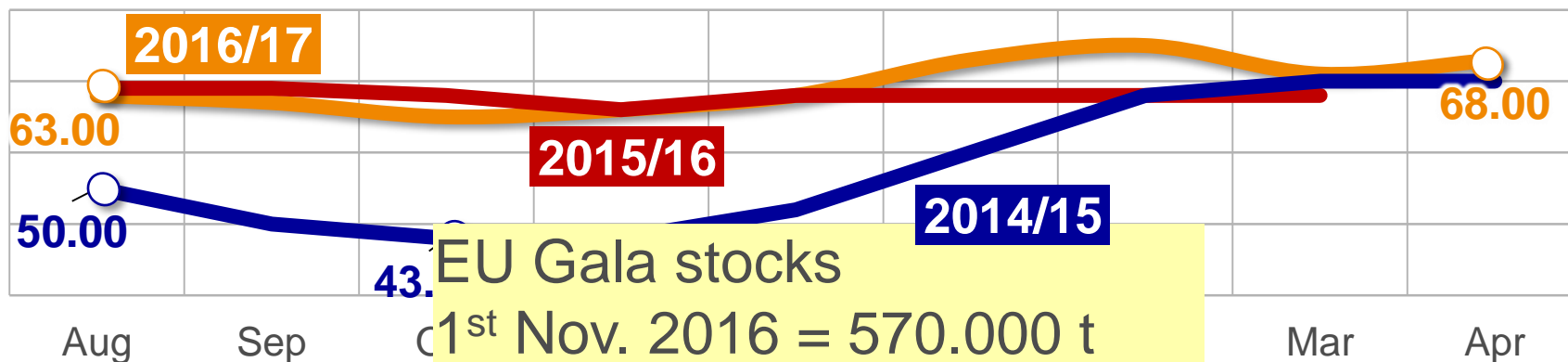


Royal Gala – Season 2016/17



South Tyrol Gala 70-75 mm, price ex. region in EUR/100kg, excl. package

Price



EU Gala stocks

1st Nov. 2016 = 570.000 t
(+9 % vs. 2015)

Gala - Monthly EU movement vs. 2015/16, in %

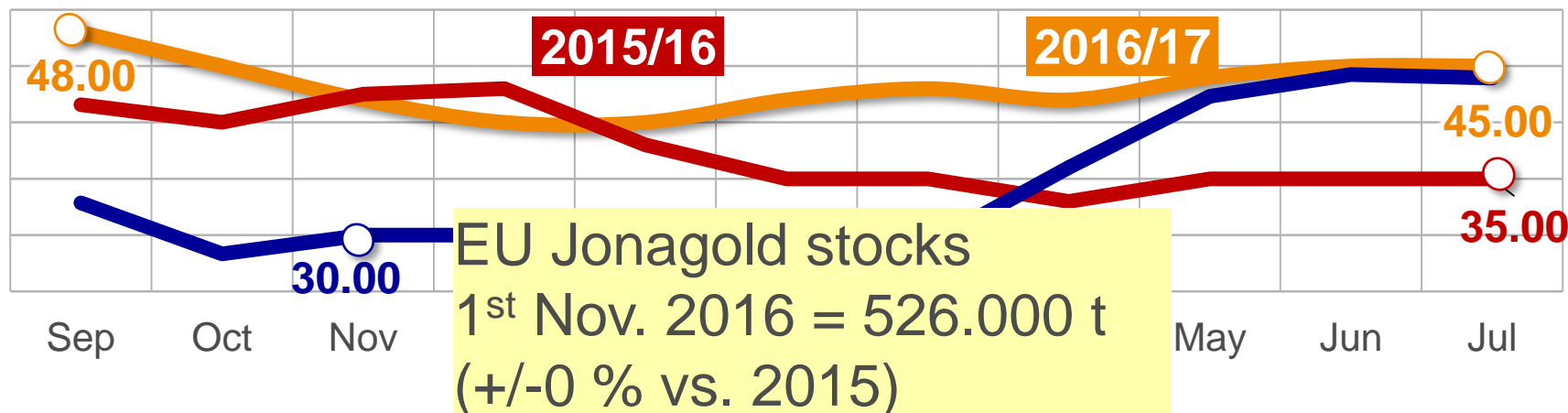


Jonagold – Season 2016/17

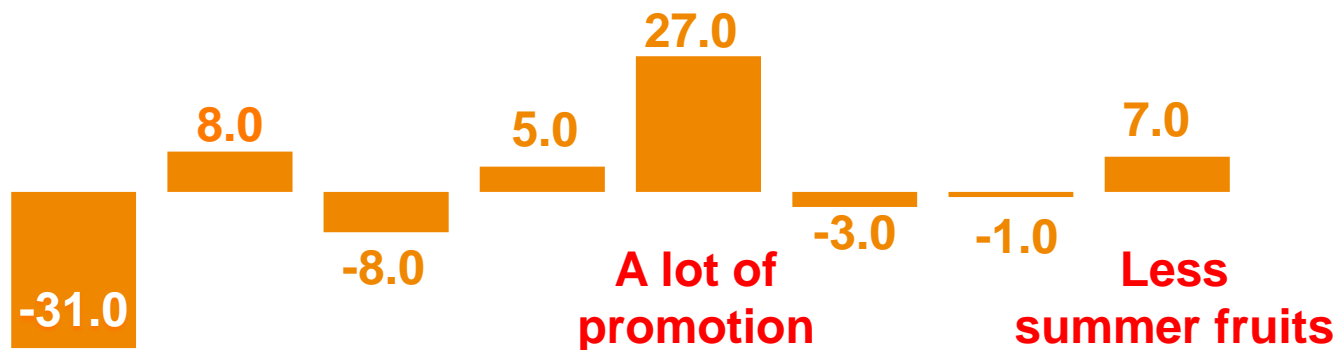


Dutch Jonagold 70-80 mm, price ex. region in EUR/100kg net, excl. package

Price

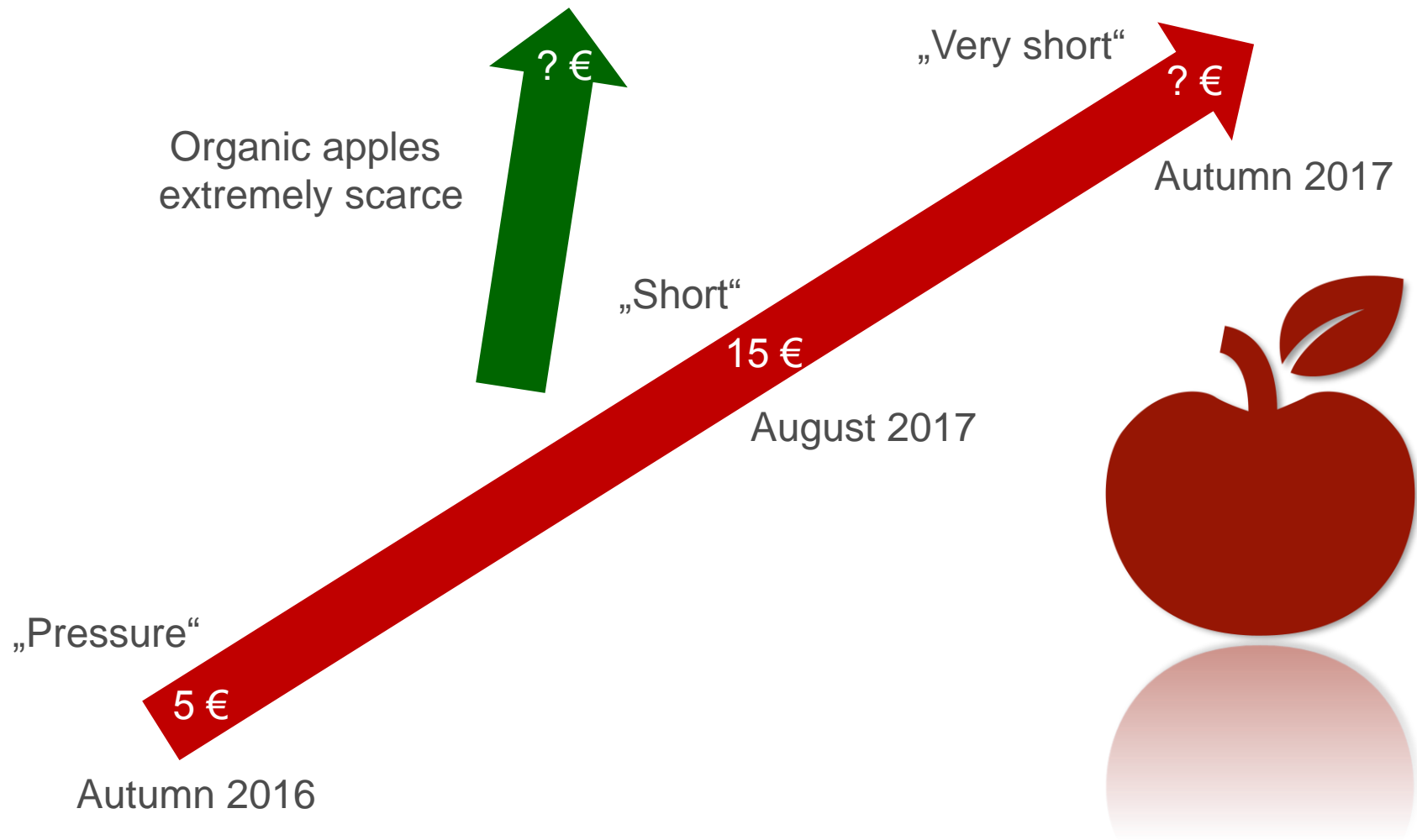


Jonagold - Monthly EU movement vs. 2015/16, in %



Processing - incredible development

Price for Polish processing apples, free industry in EUR/100kg



Apple market Outlook season 2017/18

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What is to be expected?



Basic points

- Lowest crop since 2007
 - Producers expect a high price level
 - Be careful, the consumption could switch to other products
- We don't want: Pressure in spring 2018, based on too many apples**
- Do we get more oversea imports?
Certainly we will have less EU exports! 300.000 tons ?
 - Processing - We will have a very short supply, price > 20 EUR?



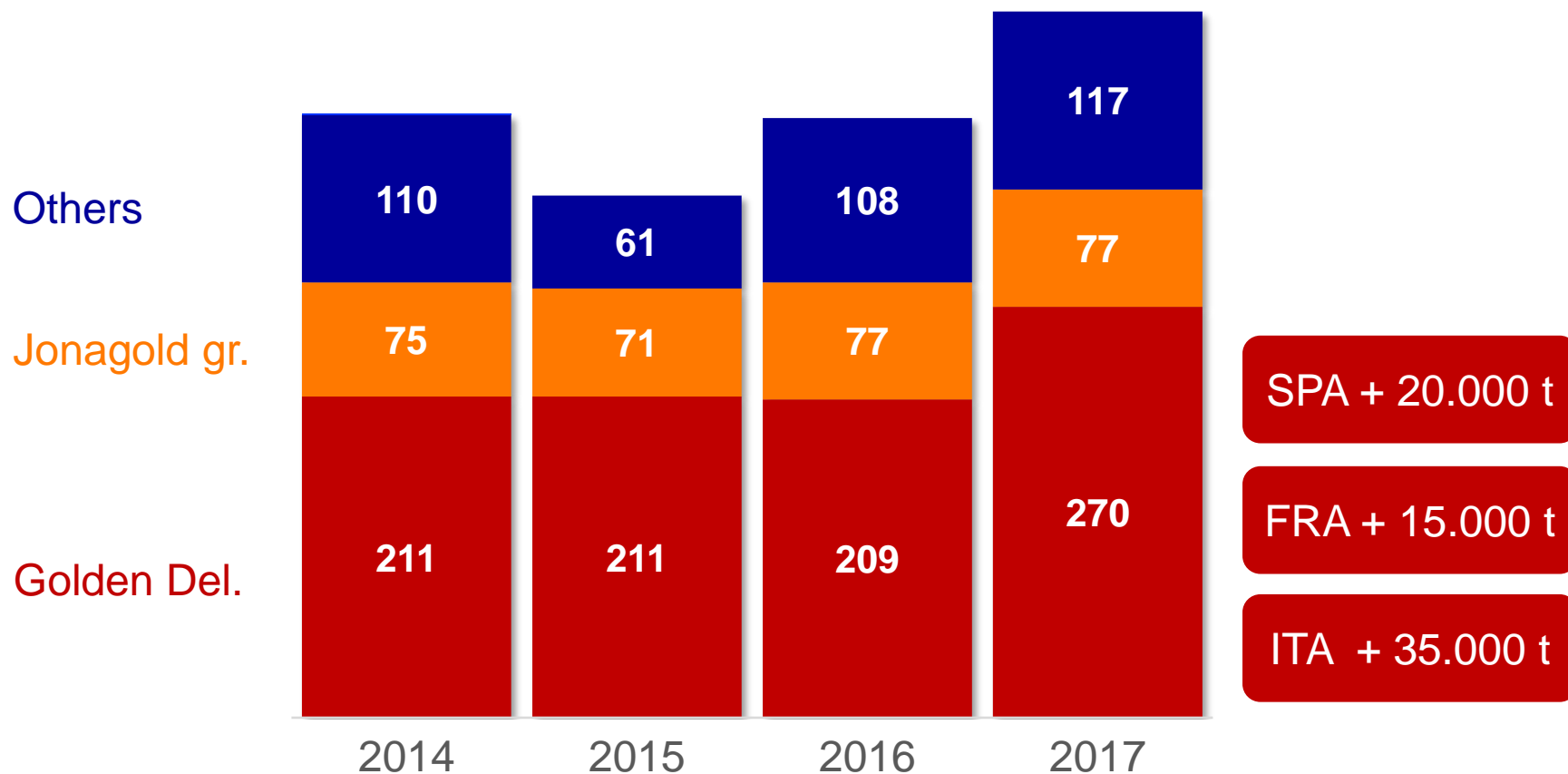
Balanced market – which is the right price level and starting price?

Have a look at the crystal ball!



Only more Golden Delicious

EU 28: Apple stocks 1st July, in 1.000 t

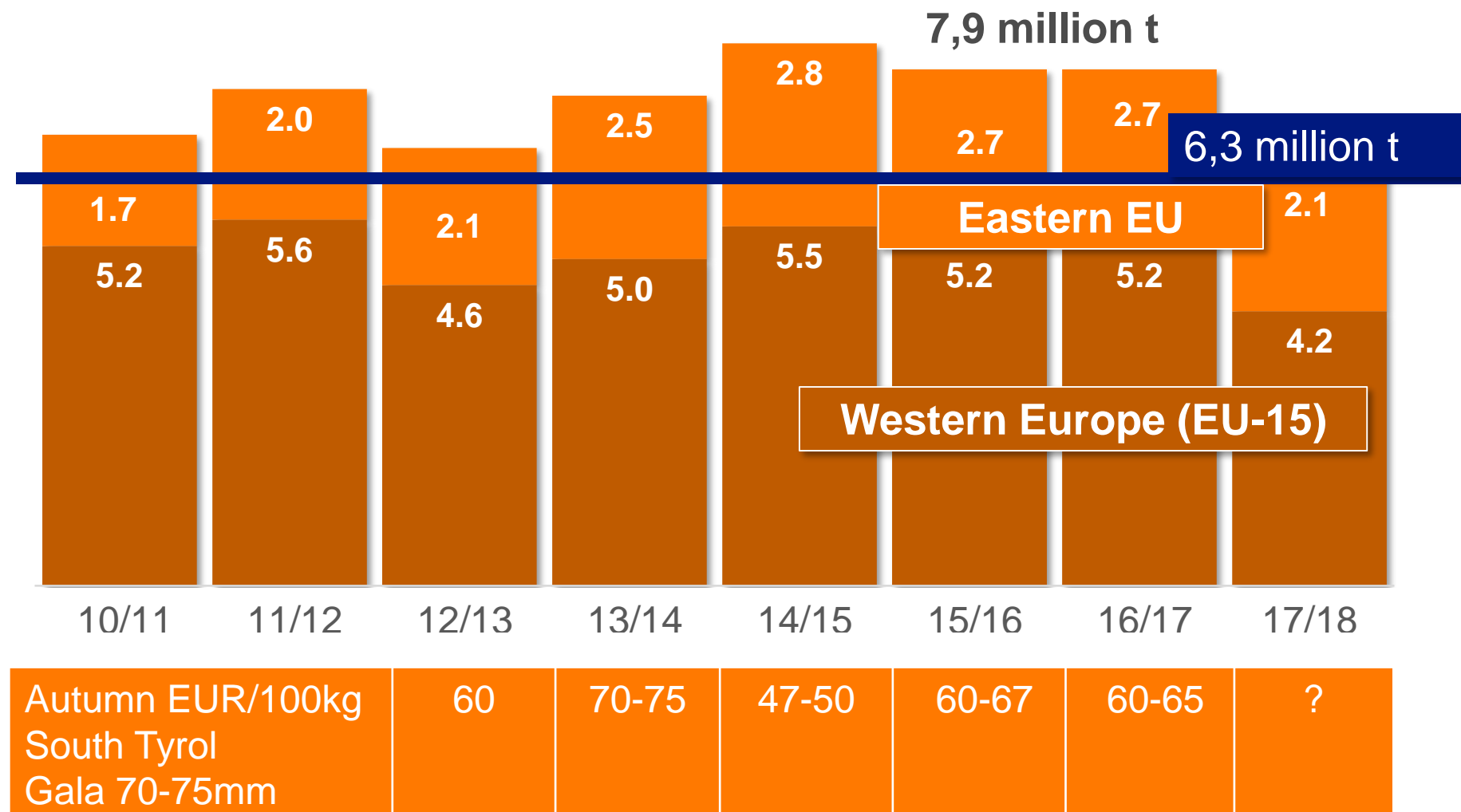


Overseas: Low demand (competition Red Jonaprince) with higher stocks

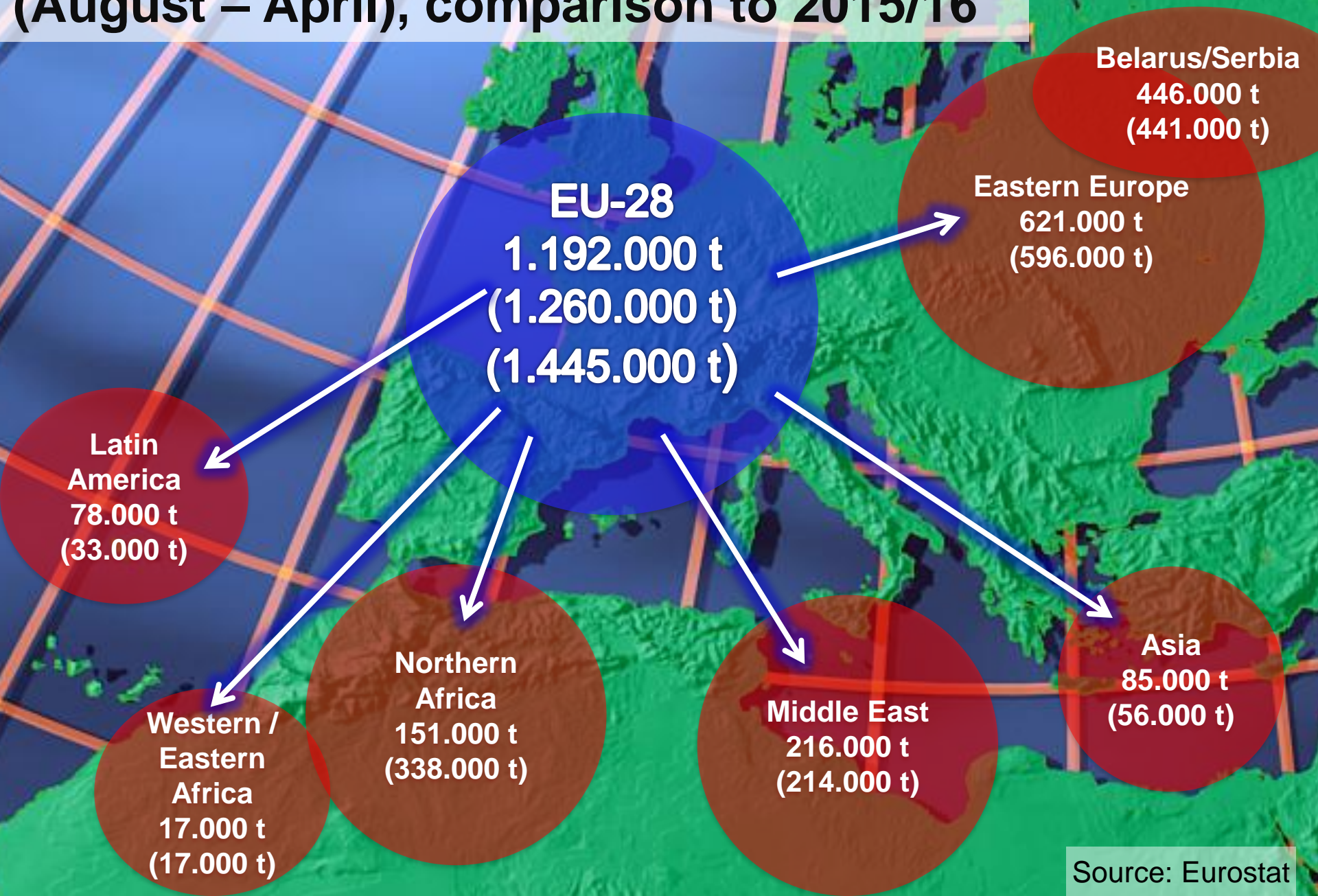
Extremely small table apple volume



EU 28: Estimated apple volume for fresh market, in million tons



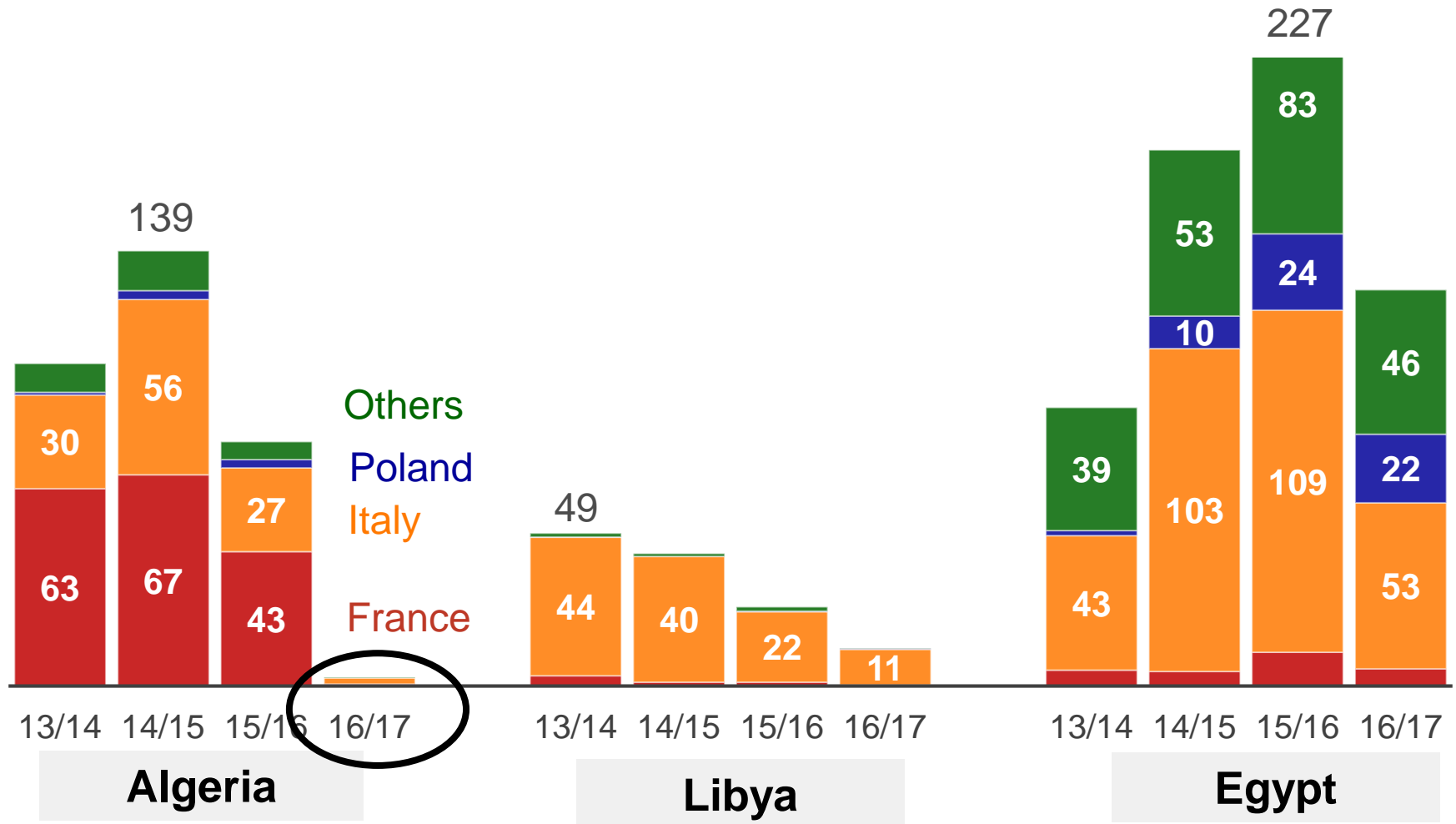
EU 28 - Apple exports in 2016/17 (August – April), comparison to 2015/16



Northern Africa – imports decreased



EU apple exports - August till April, in 1.000 t



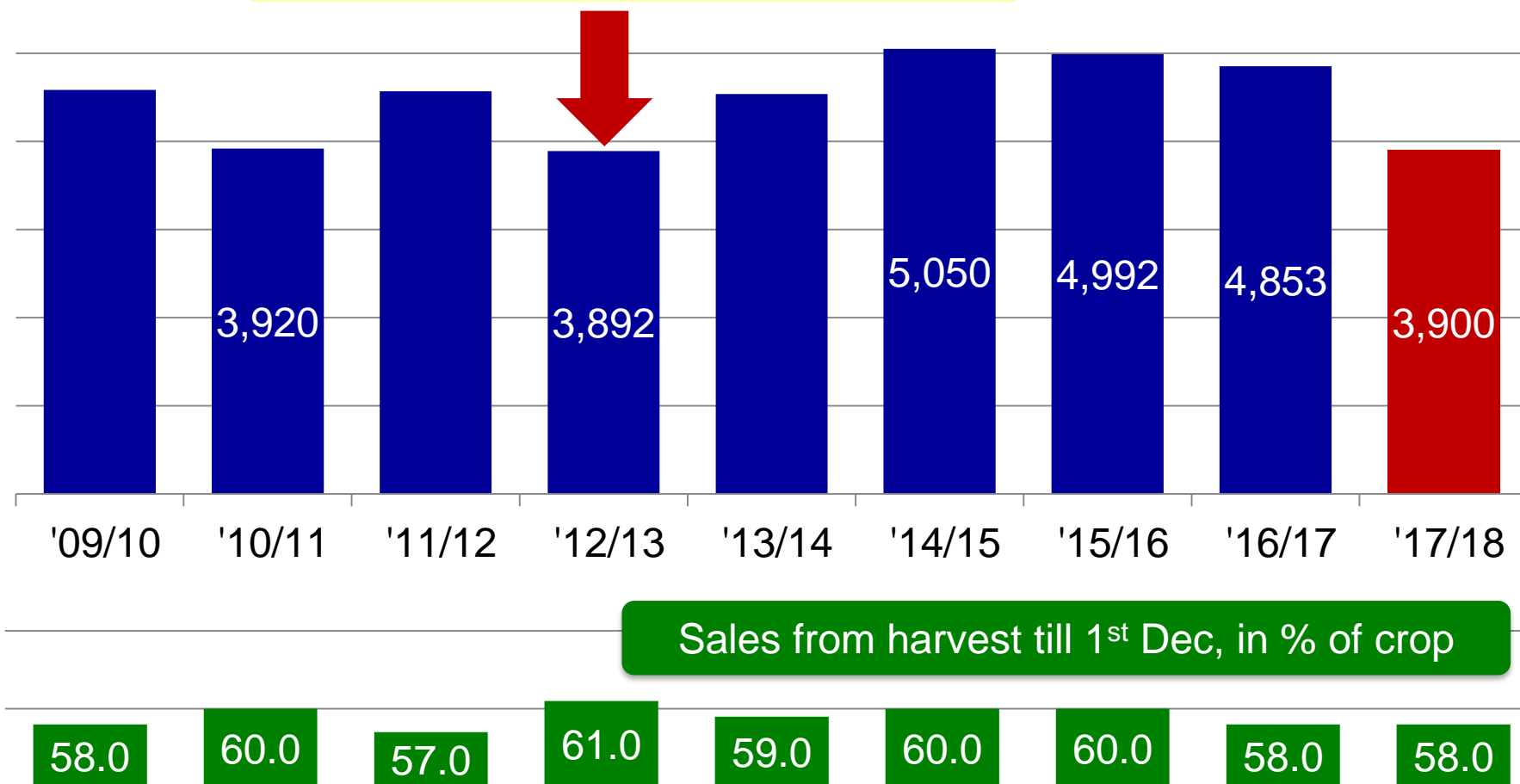
Estimates

EU stocks 1

Price 1st December 2012 (EUR/100kg)

Niederelbe Elstar 75-80 mm 75,-
 South Tyrol Gala 70-75-80 mm 60/73,-
 South Tyrol Golden 75-80 mm 60,-,
 Dutch Jonagold 75-80 mm 45/50,-.

for 2017/18?



EU commodity flow Production 2017 (tons) in % to 2016

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Stretching sea
to June

Italy/France
focus on Germany

Difference to last
year
- 250.000 t

Focus Germany, hardly export to
Africa, less Brazil/Middle East

EU commodity flow Production 2017 (tons) in % to 2016

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Golden/Jonagold
Difference to last
year
- 535.000 t

Defensive trading,
ending till spring/summer

Difference
Elstar/Gala/Braeburn
to last year
- 250.000 t

Less pressure in Southern Europe
Particularly in Italy

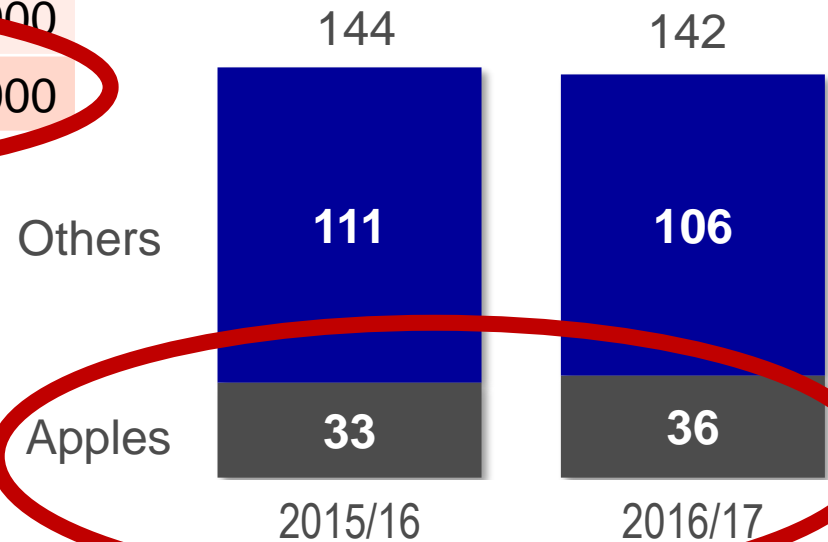
Lucky bag - Austrian apple market



Austrian apple market, in tons

tons	2015/16	2016/17
Stocks 1st Nov.	129.000	31.000
- Processing	7.000	2.000
- Export Aug-April	66.000	29.000
+ Import Aug-April	13.500	69.000
Domestic market	69.500	63.000

Austrian fruit consumption (most important 10 fruits) 4./1. quarter, in 1.000 t



Winner – Retailer

Retail price

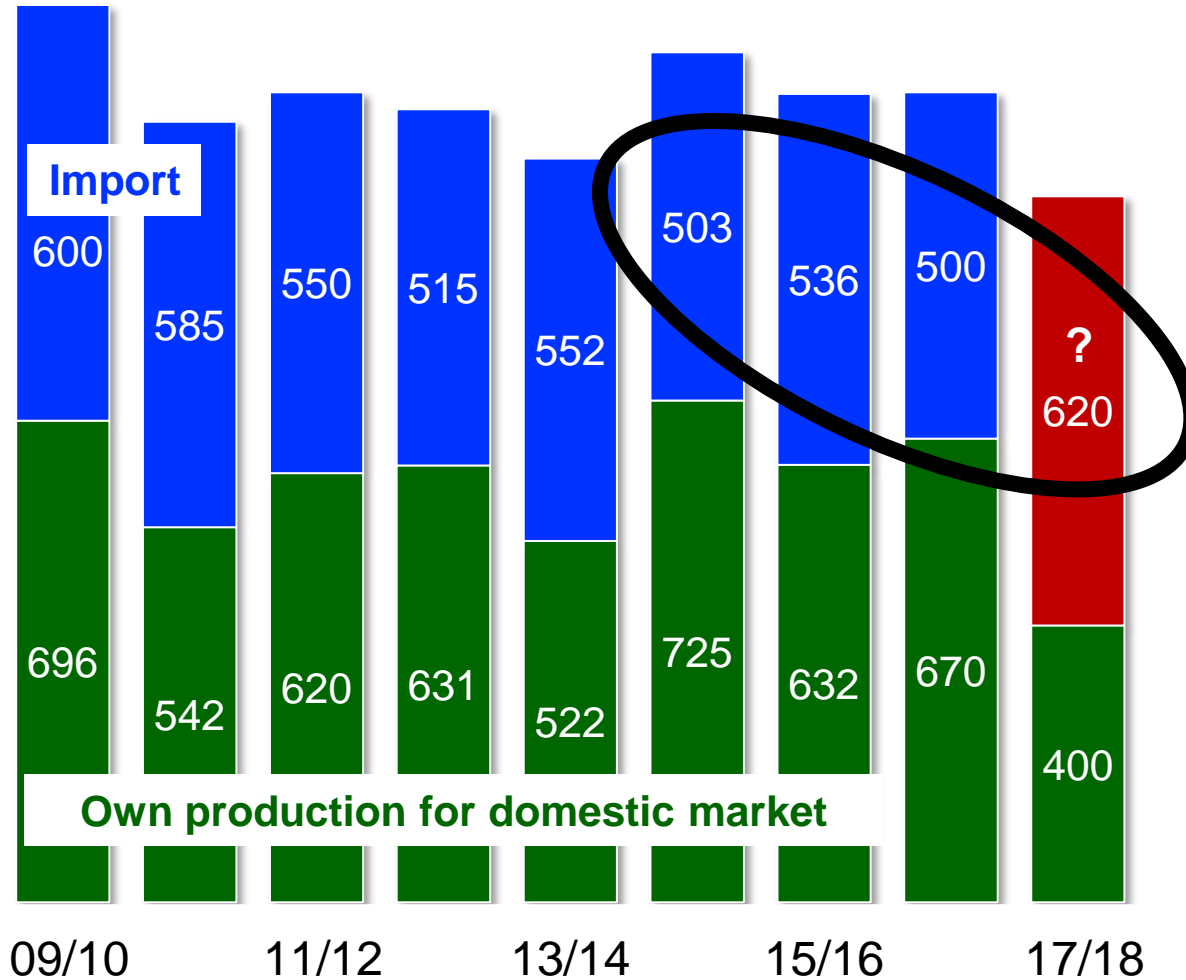
2016/17 = 1,50 EUR/kg
(+8,7%)



German market open for apple exports



German market, share of own and import apples, in 1.000 t

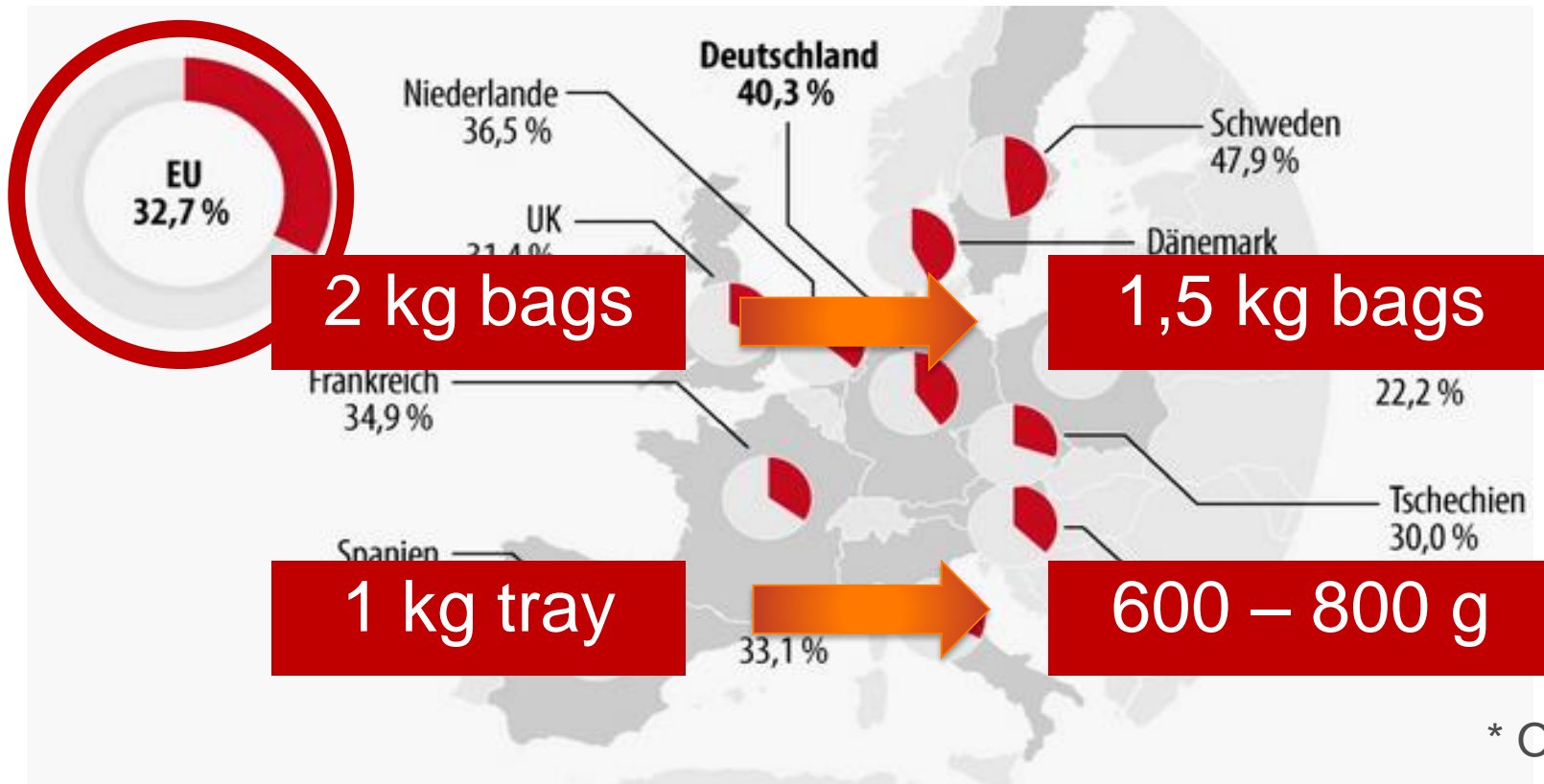


German harvest
- 30 % processing and
- 5 % export
= Own production for
domestic market

Degree of self supply
usually 60 %
2017/18 = 40% ???

More single households in Europe (2014)*

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Special situation in Germany -

75 % households consist of one/two adults

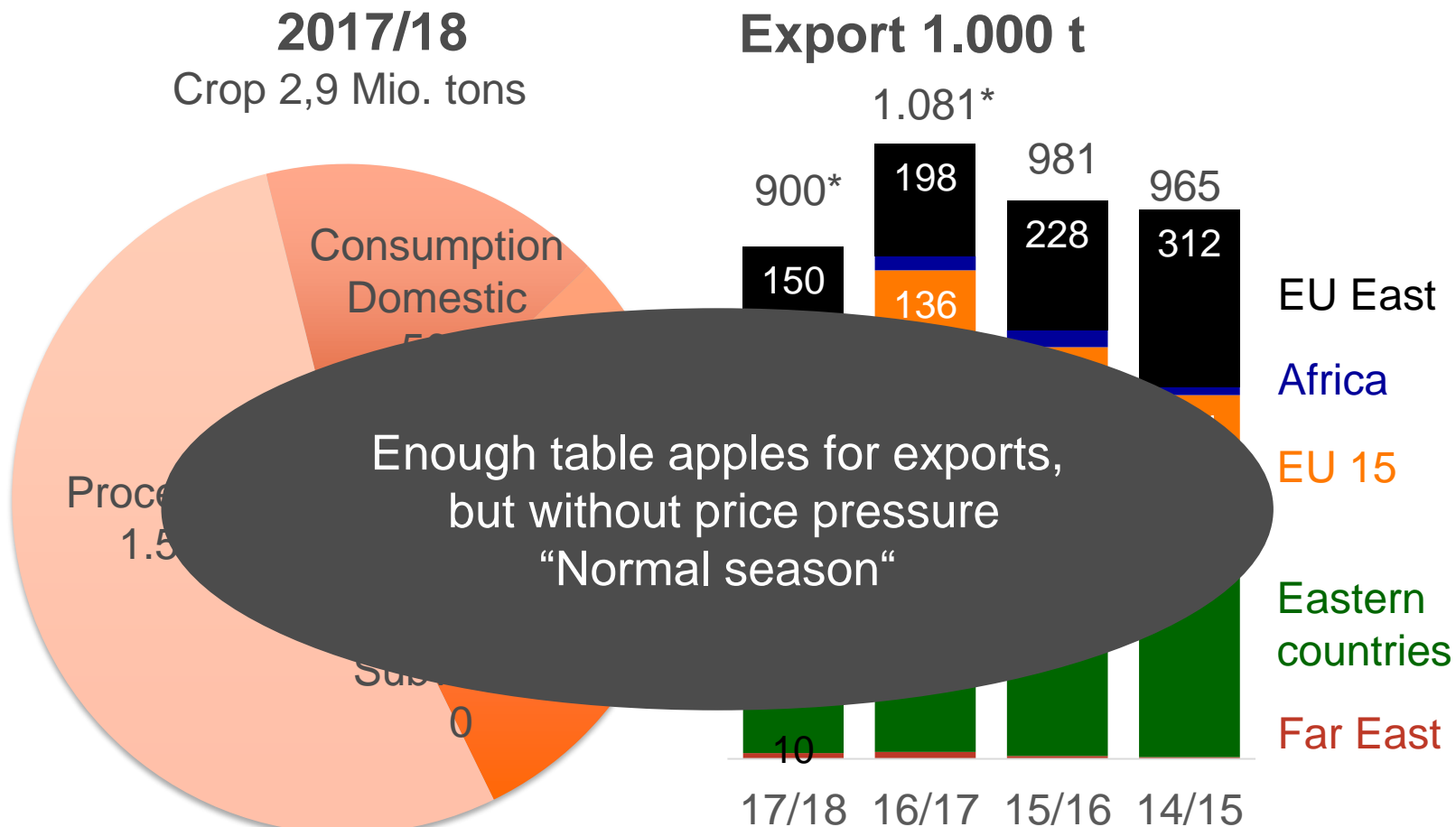


Provide more smaller packages
Chance for **higher turnover**

Poland – Supply and demand now in line?



Estimation - Application apple crop (1.000 t)

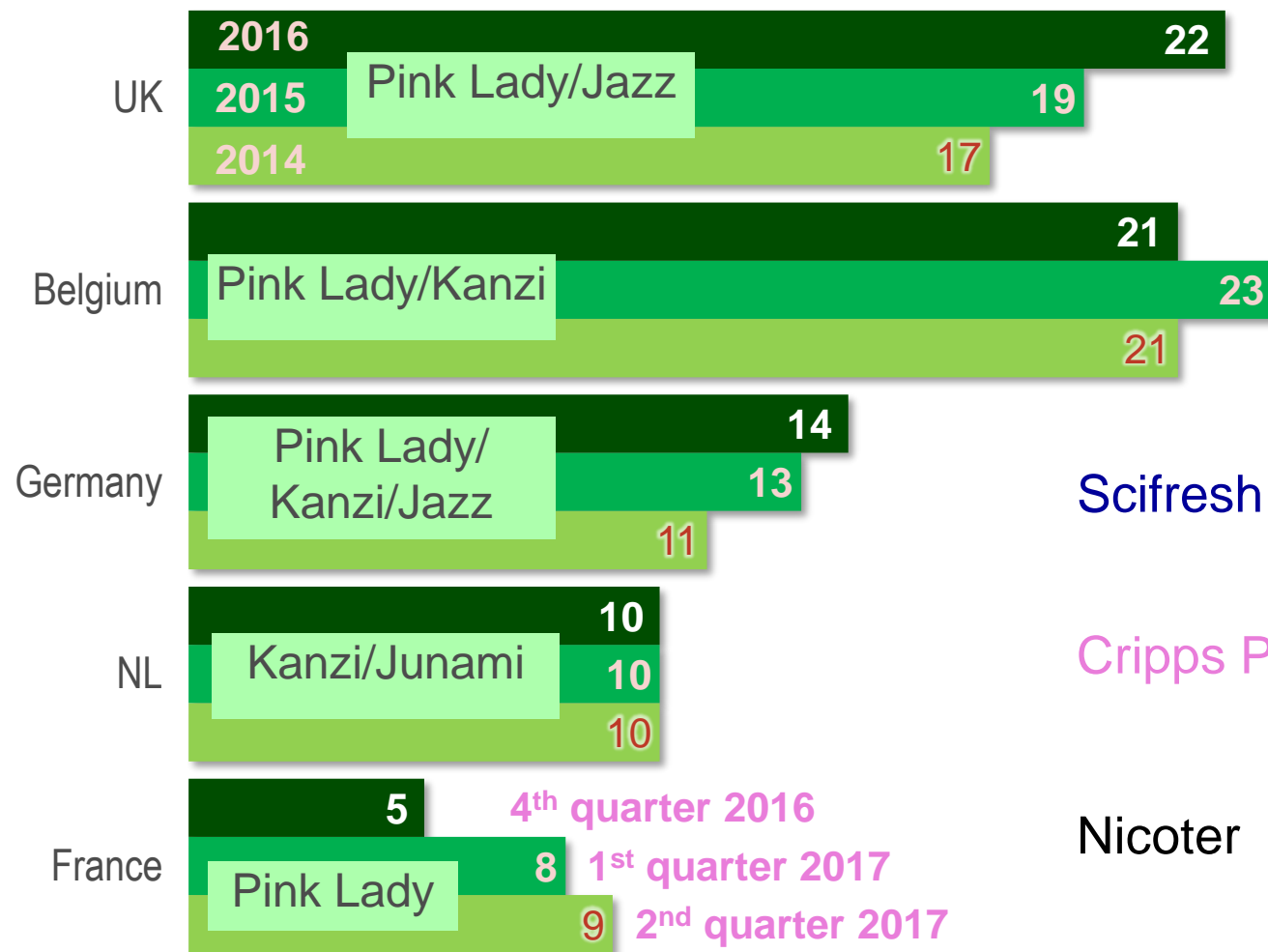


* estimated

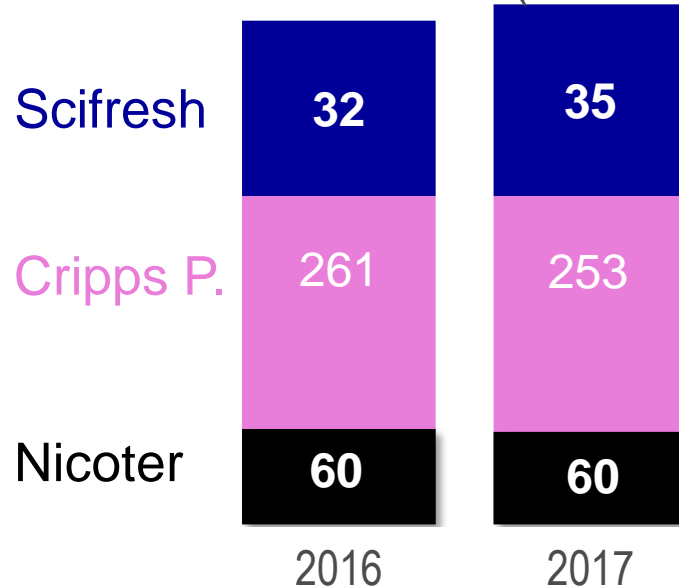
European consumers like Club varieties



Market shares for club varieties, turnover in %



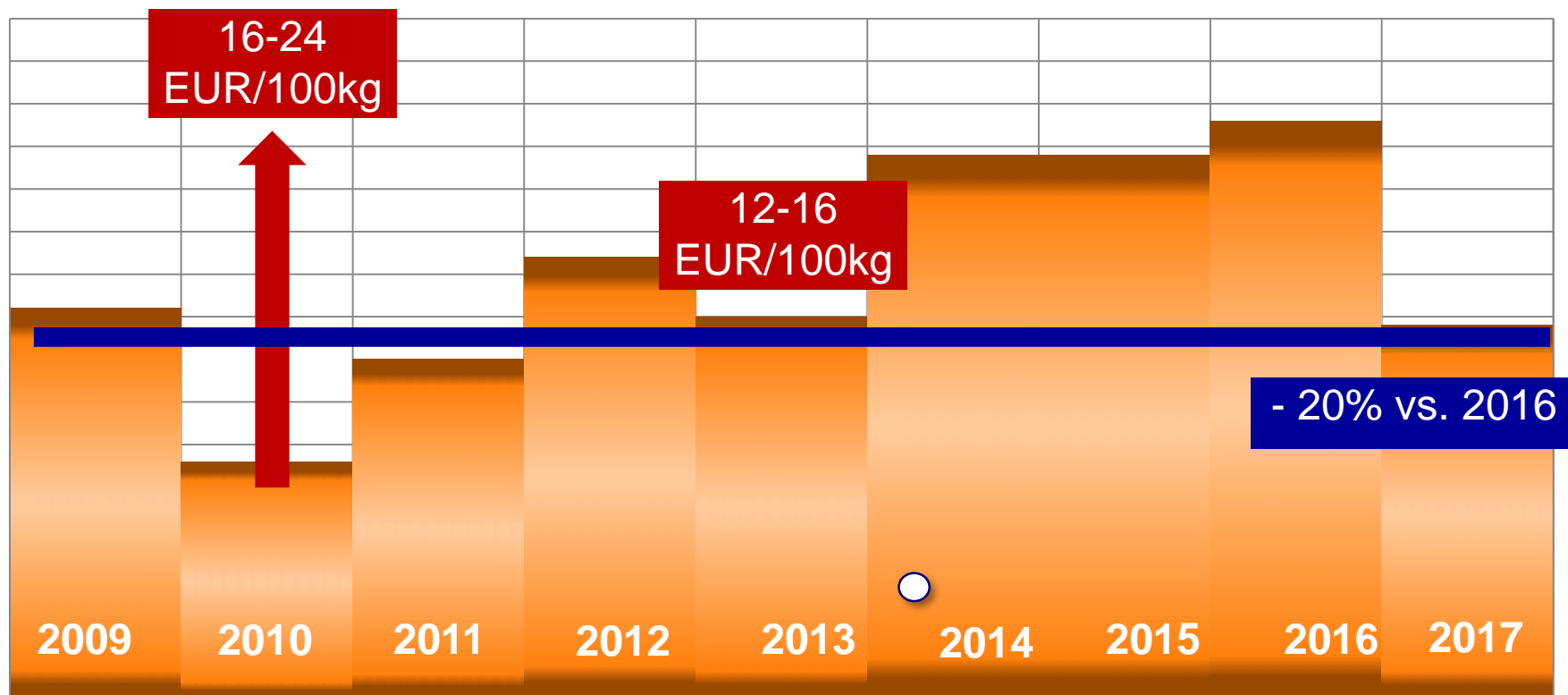
Production (1.000 t)



Processing – Very short volume

Caculation apple harvest for processing.

(Volume EU/Turkey/Ukraine/Moldova/Serbia)



Processing index value, in %

Supply for processing, EU 28 and bordering Eastern countries

Index, Ø 2010 to 2017 equals 100

Region	2010	2011	2012	2013	2014	2015	2016	2017
East. Europe	85	89	93	104	96	101	127	128
EU 28	78	91	104	92	118	118	113	83
Total	80	90	101	95	113	114	116	94

Process. apple (Sep/Oct)						
GER prod.org. Ø EUR/100kg	15	16	6	13	5-8	19-23
POL free indus. EUR/100kg	12-13	12-14	3-5	11-13	5-6	17-19

Eastern Europe: Turkey, Ukraine, Moldova and Serbia
EU 28, including German and Polish backyards

Commodity flow – Processing apples

Organic apples

Processing ≥ 50 EUR/100kg ?


Golden Del. ≥ 80 EUR/100kg ?

Free
Industry
20-25
EUR

GER/
Benelux

15-19
EUR

Prospect for 2017/18

- Lowest EU crop of the last years
 - Gap in Golden/Jonagold (last part of season)
 - Increasing prices for processing apples expected
- Table apples – Export minus 300.000 t ?
More oversea imports?
- German market for export countries in focus
- Polish production minus 1 Mio t, but still enough table apples for export
- 500.000 t less Italian apples, stable domestic market
- High price level  Long season, remember...



**Thanks a lot for your
attention.**

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