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NOTE

From:	General Secretariat of the Council
To:	Delegations
Subject:	Situation on the European apple and pear market – exceptional market conditions - Information from the Belgian delegation, on behalf of the Belgian and Polish delegations

Delegations will find in Annex a note from the Belgian delegation, on behalf of the Belgian and Polish delegations on the above subject, concerning an item under "Any other business" at the Council ("Agriculture and Fisheries") on 14 May 2019.

Situation on the European apple and pear market – exceptional market conditions

The hard fruit sector in several European Member States is affected by a very difficult market situation, due to a combination of unfavourable market factors.

Indeed, this difficult market situation results from the combination of the drawbacks of the closure of the Russian market to EU exports of apples and pears, the drastic reduction of the products price resulting from excess supply on the European markets and the increasing production costs.

Over the past years, the sector has made great efforts to turn the tide, including massive promotion activities in order to open new markets, to enhance diversification and to search for new promising varieties... Despite all these efforts, but also because of the very poor market situation now, the sector is once again facing a severe crisis.

The harvest of both apples and pears has been exceptionally good throughout the EU. The European apple harvest for this season is estimated at 12.6 million tonnes, which is the highest harvest recorded in recent years and means an increase of 36% compared to last year.

The European pear harvest for this season is estimated at 2.3 million tonnes, amounting up an increase of 4% over the previous year. Specifically for the Conference pear, the most commonly grown pear in the EU, the yield this season has increased by almost 10%.

At the start of the new season, the prices for apples and pears on the European market have dropped considerably. The fall in prices varies according to the Member State and fruit variety, but it is clear that the average prices for apples and pears in the EU have been well below the multi-annual average since last November. This season, the average European price for pears is almost 15% below the multi-annual average. This price level is the lowest for the last 5 years, since the Russian market disappeared and does not cover any more the production costs.

The export of European apples and pears is not going well either. Eurostat figures show that European exports of apples and pears are 10% and 17% lower than in previous years. This despite the fact that the global apple supply this season is the lowest in 8 years. This is also reflected in the current European stocks of apples and pears, which are still abnormally high.

The European market is therefore still saturated with apples and pears. Moreover, there are no prospects of more favourable selling conditions for producers in the short term.

The CMO policy provides for a wide range of instruments such as crisis management measures and the omnibus regime has created additional opportunities, such as the common funds. Many producers are already making sensible use of the available crisis measures today.

However, the current market problems exceed the carrying capacity of the current CMO policy, which is currently unable to provide sufficient support to producers to cope with this market crisis.

In view of the very low prices, the financially difficult situation of the producers and given the fact that finding alternative markets is time-consuming, Belgium and Poland therefore urge the European Commission to make additional resources available to the hard fruit sector and to support the European apple and pear producers with specific intervention measures as soon as possible.
