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Global Agricultural Information Network

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EU-27

Fresh Deciduous Fruit Annual

Unfavorable Weather Affects 2012 Crop

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Report Highlights:

Important fruit producing areas in EU-27 countries were affected by a range of unfavorable weather conditions, including a cold and wet spring, localized hail, high winds, and summer drought. This results in lower fruit production estimates for marketing year (MY) 2012/13. Commercial apple production is forecast at 9.8 MMT (minus 9 percent), commercial pear production at 2.1 MMT (minus 22 percent) and table grape production at 1.8 MMT (minus 5 percent).

Introduction

Disclaimer: This report presents the situation and outlook for apples, pears, concentrated apples juice (CAJ), and table grapes in the EU-27. This report presents the views of the authors and does not reflect the official views of the U.S. Department of Agriculture (USDA). The data are not official USDA data.

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Abbreviations and definitions used in this report

CAJ	Concentrated Apple Juice
CMO	Common Market Organization
EU	European Union
EE	Eastern European
GTA	Global Trade Atlas
Ha	Hectare; 1 ha = 2.471 Acres
MT	Metric Ton = 1000 kg
MMT	Million Metric Tons
MRLs	Maximum Residue Limits
MS	EU Member State(s)
MY	Marketing year
	Apples: July/June
	Pears: July/June
	CAJ: July/June
	Table Grapes: June/May
NMS	New EU Member States Bulgaria, Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia, Slovenia
NR	Non reconstituted juices
OP	Operational Program
RTD	Ready-to-drink
SFS	School Fruit Scheme
U.A.E	United Arab Emirates
USD	U.S. Dollar
WAPA	World Apple and Pear Association

Trade data cited in this report was derived by using the following HS tariff codes:

Apples:	0808 10
Pears:	Until 12/31/2011: 080820 (pears and quinces) as of 01/01/2012: 080830 (pears) and 080840 (quinces) – in order to be consistent with previous data
CAJ:	2009 79
Table grapes:	0806 10 10

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Executive Summary

Coordinated by Roswitha Krautgartner/FAS Vienna

Production

The EU-27 is a leading producer of fresh deciduous fruit. MY 2012/13 (July/June) production was affected by a range of unfavorable weather conditions, including a cold and wet spring, local hailstorms, high winds, and summer drought in important producing countries. As a result, production of apples and pears is expected to fall significantly and grape production is also down. Commercial apple production in MY 2012/13 is estimated at 9.8 MMT, which is a decrease of 9 percent compared to the previous year. The decrease is largely the result of late spring frosts in northwestern Europe and wet weather in Spain and Italy during blossoming. Fruit quality is expected to be generally good with the exception of hail damage in Spain and some localized areas of Germany. The forecast volume of apples for processing is up 1 percent but overall EU-27 concentrated apple juice (CAJ) production continues to decline. Commercial pear production in MY 2012/13 is estimated at 2.1 MMT, which is 22 percent less than last year and 17 percent lower than the three year average. Summer drought in Italy combined with decreased planted area led to a decline in pear production. MY 2012/13 table grape production is forecast to decrease by 5 percent to 1.8 MMT, due to summer drought in the three top producing countries (Italy, Spain, and Greece) and declining planted area.

Consumption and Trade

Apples are still the most popular fruit in the EU-27, followed by bananas, citrus, and pears. In many member states, the popularity of local and seasonal produce has grown. Due to lower EU-27 domestic supplies, imports of apples and pears are expected to increase. Major off season apple suppliers to the EU are Chile, New Zealand, and South Africa. Pears are imported primarily from South Africa, Argentina, and Chile. Top destinations for EU-27 apples are Russia, Belarus, and Algeria and for EU-27 pears, Russia, Brazil, and Norway. For MY 2012/13, the lower availability of apples is expected to result in a significant decrease in exports from France and Italy, while Poland is expected to increase its exports to Russia, Belarus, and the Ukraine. EU-27 table grape consumption has been stable in recent years.

Policy

[Commission implementing Regulation \(EU\) No 543/2011](#) provides marketing standards for fresh fruits and vegetables and imports into the EU are checked against this standard. Criteria include quality, size, labeling, packaging, and presentation.

The School Fruit Scheme EU funding available to provide fruit and vegetables to school children. This amount is to be matched by national and private funds. The 2012/2013 school year is the fourth year of the program and the [Commission implementing decision](#) of March 2012, allocates the €90 million of EU funds to the 24 participating member states.

Apples

Coordinated by Sabine Lieberz/FAS Berlin

Table 1: EU-27 PSD for Fresh Apples (in ha, trees, MT)

Apples, Fresh EU-27	2010/2011		2011/2012		2012/2013	
	Market Year Begin: Jul 2010		Market Year Begin: Jul 2011		Market Year Begin: Jul 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	528,930	537,350	0	542,500		532,900
Area Harvested	495,390	516,400	0	525,000		517,320
Bearing Trees	0		0			
Non-Bearing Trees	0		0			
Total Trees	0	0	0	0		0
Commercial Production	9,691,100	9,687,610	10,472,000	10,707,110		9,779,250
Non-Comm. Production	1,197,900	1,397,585	1,362,000	1,622,220		1,519,230
Production	10,889,000	11,085,195	11,834,000	12,329,330		11,298,480
Imports	616,500	632,282	550,000	526,047		639,000
Total Supply	11,505,500	11,717,477	12,384,000	12,855,377		11,937,480
Fresh Dom. Consumption	7,666,500	7,655,567	7,772,300	7,946,354		7,000,480
Exports	1,089,200	1,089,110	1,500,000	1,512,848		1,502,000
For Processing	2,749,800	2,972,800	3,111,700	3,396,175		3,435,000
Withdrawal From Market	0		0			
Total Distribution	11,505,500	11,717,477	12,384,000	12,855,377		11,937,480

HA, 1000 TREES, MT

Note: Data for tree numbers is only available for few member states; therefore lines referring to tree numbers are left blank.

Source: FAS EU-27

Apples - Commercial Production

The EU-27 is one of the leading producers and consumers of apples in the world. Poland, Italy, France, Germany, and Spain are the top five producing member states and together account for 76 percent of the total EU commercial apple production.

Commercial apple production in MY 2012/13 is estimated at 9.8 MMT. However, this estimate is provisional since the harvest is still ongoing in some of the major production regions. This estimate is 0.7 percent more than what was projected in August by the World Apple and Pear Association (WAPA) but a 9 percent decrease in production compared to MY 2011/12. All member states with the exception of Poland, Hungary, the Slovak Republic, Ireland, and Finland show a decrease in production; however, the decrease is most pronounced in the north-western part of Europe, namely the Benelux countries, France and the U.K., due to frosts during blossoming time. Our increase compared to the August WAPA estimate is a result of higher estimates for France and Spain.

The quality of apples for the table market is good. Substantial hail damage occurred in Spain and in some localized areas in Germany and Austria. The UK crop was affected by high rainfall throughout the summer combined with unseasonably cool temperatures, localized hail, and high

winds. This has caused some weather marking on apple skins.

Table 2: EU-27 Commercial Apple Production by Country and Year in MT

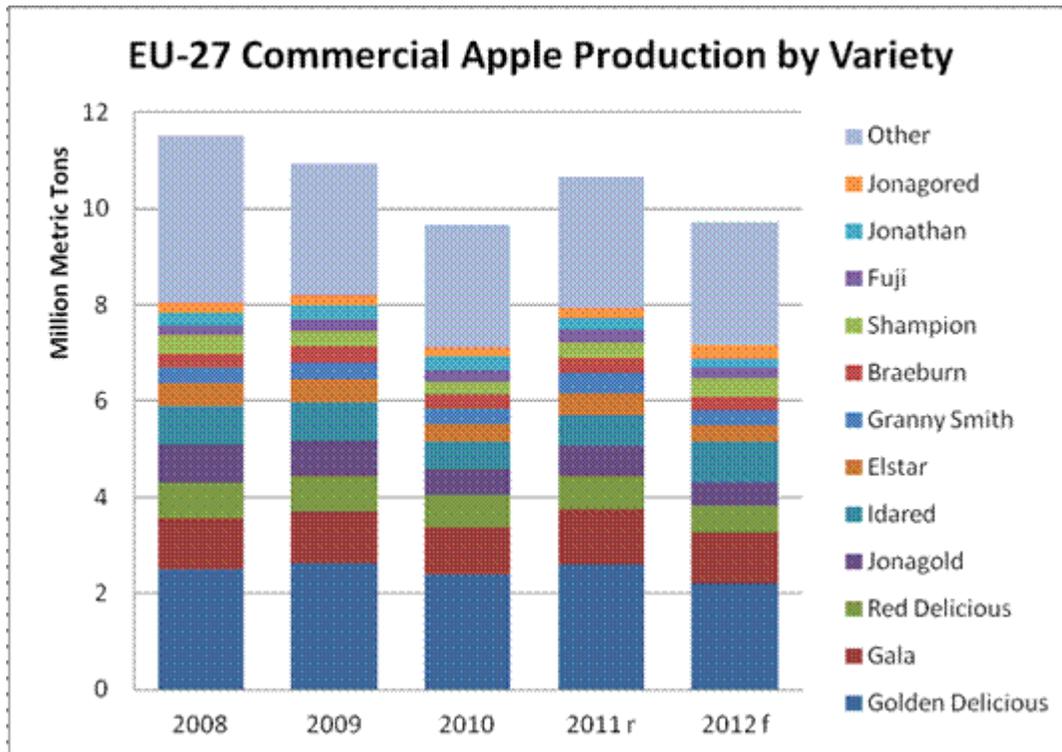
COUNTRY	2010	2011	2012e	Change 2012:2011 in percent	Percent of Total Production
Poland	1,690,000	2,269,000	2,608,000	15%	27%
Italy	2,179,000	2,293,000	1,987,000	-13%	20%
France	1,788,000	1,859,000	1,408,000	-24%	14%
Germany	834,960	953,000	935,000	-2%	10%
Spain	605,669	658,752	542,568	-18%	6%
Romania	423,000	425,000	390,000	-8%	4%
Netherlands	324,000	405,000	303,800	-25%	3%
Greece	254,000	305,000	297,000	-3%	3%
Hungary	308,400	193,000	235,000	22%	2%
Belgium	279,360	295,850	205,640	-30%	2%
Portugal	199,555	231,699	196,752	-15%	2%
Austria	197,413	226,252	181,600	-20%	2%
United Kingdom	214,000	226,000	163,000	-28%	2%
Czech Republic	129,476	105,879	102,110	-4%	1%
Slovenia	77,303	81,323	60,000	-26%	1%
Lithuania	46,000	49,000	39,000	-20%	0%
Slovak Republic	34,215	31,355	32,776	5%	0%
Bulgaria	30,000	30,000	29,000	-3%	0%
Ireland	16,000	20,000	20,000	0%	0%
Denmark	21,000	20,000	18,000	-10%	0%
Sweden	20,000	17,000	14,000	-18%	0%
Latvia	12,000	8,000	7,000	-13%	0%
Finland	4,262	4,000	4,000	0%	0%
TOTAL EU- 27	9,687,613	10,707,110	9,779,246	-9%	

e= estimated

Source: FAS/EU-27

Some 25 apple varieties are produced commercially in the EU in volumes exceeding 10,000 MT. Among these, *Golden Delicious*, *Gala types*, and *Jonagold* are the dominant varieties. However, production patterns vary. While *Golden Delicious* is the variety with the largest production in Italy, France, and Spain, *Elstar* is dominant in Germany and the Netherlands; *Idared* and *Jonathan* are the number one varieties in Poland and Hungary, respectively. However, new varieties, for example Pink Lady, Kanzi, Rubens, Tentation, have increased their share of production in recent years. In the Netherlands "new" varieties comprise 10 percent of total production.

Chart 1: Commercial Apple Production in the EU-27 by Variety and Year in 1,000 MT



r = revised

f = forecast

Note: Category "Other" includes but is not limited to: Annurca, Ariane, Belgica, Boskoop, Bramley, Cameo, Cortland, Cox Orange, Cripps Pink, Diwa, Glockenapfel, Gloster, Gravensteiner, Greenstar, Honey crunch, Ingrid Marie, James Grieve, Jazz, Junami, Kanzi, Lobo, Mariac, Morgenduft, Pinova, Reinette Grise du Canada, Rubens, Tentation, Topaz, Wellant

Source: FAS/EU-27, based on data from WAPA

Apples - Non-commercial Production

Non-commercial production in MY 2012/13 is estimated at 1.5 MMT, which is 6 percent lower than in MY 2011/12. This is largely a result of a decline in Germany (minus 20 percent compared to MY 2010/11) that is only partially compensated by substantial rebound in production in Hungary (plus 62 percent), Poland (plus 8 percent), and Austria (plus 5 percent).

However, most EU member states do not report estimates for non-commercial production. As a result, the production figure provided in table 1 is a rough estimate based on industry rather than official information. Non-commercial production tends to alternate between good and poor crop years. (For background explanation please refer to page 7 of [E48163](#))

Non-commercial production includes apples grown in home gardens and in untended trees in meadows or field edges. Typically, non-commercial production is used for fresh consumption, apple juice and spirits production, baking (cakes, tarts) or preserved foods (canned, dried, and cooked). The amount of apples diverted to the different segments varies depending on the price

for processing apples. Higher processing apple prices generally result in a higher proportion of fruit entering juice production. In general, non-commercial production is gradually decreasing in the EU-27 as hobby farmers get older. Younger generations have simply not shown the same interest in small-scale production. Instead, commercial production of higher acid apple varieties for processing is expected to increase to meet demand from the juice concentrate industry.

Apples - Stocks

According to WAPA, EU stocks of apples amounted to 486,514 MT on June 1, 2012, compared to 581,484 MT at the same time in 2011. Data for the end of the MY (June 30, 2012) is not yet public but reportedly a lot lower. Reporting of stocks varies by member state. In some member states the stock number comprised apples stored at producer organizations (POs) and in other member states, stocks are at POs and wholesalers. More important than the actual number is the year-on-year-change of stocks, as end of MY stocks can have a detrimental effect on the prices for the new harvest. In this report, stocks are included in the "fresh domestic consumption" line in the PSD.

Apples – Consumption

Consumer preferences

Apples are the most popular fruit in all member states except for Spain, where oranges are number one. However, a closer look within the apple segment does show differences in consumer preferences between member states. For information on variety and size preferences by member state please refer to page 9 of [E48163](#).

In Hungary, annual consumption has decreased by over 3 kg/per capita over past five years. This may be due to increased hypermarket grocery sales, where the availability of other fruits presents an attractive alternative.

The movement to buy local and seasonal produce has gained a lot of traction in some member states such as the UK, Belgium, the Netherlands, Germany and Austria. To the British, apples are iconic local produce that conjure up nostalgia for traditional harvests and days gone by. In the UK, the strong demand for local produce has resulted in an increase of the share of domestically produced apples in recent years, from 25 percent in 2003 to 40 percent in 2010. Potentially, the UK could produce 50 percent of its apple consumption. The market is also responding to policy drivers on food security, climate change, and health. In Germany, this behavior can be found with consumers who buy at weekly and farmers markets. They tend to prefer local produce over products from other countries and even over products from other regions in Germany.

Processing

In MY 2012/13, processing use of apples is expected to increase compared to MY 2011/12 because of higher both commercial and non-commercial apple production in Hungary and Poland. In addition, due to attractive prices for processing apples, the sector absorbs low quality apples (hail and frost damage) from the table apple market.

Processing uses for apples include, among others, apple juice, concentrated apple juice (CAJ), cider, wine/brandy, apple sauce, preserves, canning, apple chips, and peeled apples for bakeries. The share of apples used for processing varies significantly by member state, ranging from 2 percent in France to well over 60 percent in Hungary. The processing share also varies from year to year. The EU-27 average share of apples going into processing is forecast to amount to about 29 percent of total supply in MY 2012/13. Major member states with apple processing include

Poland, Germany, Hungary, Italy, Romania, France, Austria, the U.K., and Spain (in order of descending volume).

As of 2012, Austria started accounting for fresh apple consumption by looking at sales at the retail level. Apples bought on farmer markets and apples from non-commercial production are now listed under processing and for this reason there is a slight impact on this reports PS&D calculation.

Apples – Trade

The majority of trade occurs among the EU-27 countries. Over the past five years, on average about 2.2 million MT of apples were traded between EU member states, while roughly 500,000 to 800,000 MT were imported from outside the EU-27. In recent years imports, contributed between 5 and 8 percent of the total EU apple supply.

EU-27 external trade

Imports

EU-27 apple imports from outside the bloc are forecast to increase by roughly 100,000 MT or 20 percent, due to the smaller EU-27 domestic apple production. The increase is limited by the tight availability of apples on the world market. The decrease of imports in MY 2011/12 is a result of lower table apple imports from the Southern Hemisphere.

Almost 90 percent of EU-27 apple imports originate from the top five suppliers, all of which are located in the southern hemisphere and export mostly during the European off-season. The main importers of apples are the U.K. and the Netherlands, who together account for more than half of the EU-27 imports. However, much of the volume entering the Netherlands will not be consumed there but eventually be transshipped to other member states.

Increased imports of processing apples in MY 2011/12 mainly originated from Serbia, Croatia, Macedonia, Moldova, Switzerland, and Albania and are partly a result of the high prices for processing apples in the EU. In addition, Serbia and Croatia enjoy a preferential, zero-tariff rate quota for export of industrial apples to Hungary between September–December.

U.S. apple exports to the EU-27 occur year-round; however, most arrive between November and April. U.S. apples compete with domestically produced apples and with competitively priced imports from China. For example, the average import price for U.S. apples in MY 2011/12 was 1,650 USD per MT, while Chinese apples were imported at 1,212 USD per MT (source: GTA). The main importers of U.S. apples in MY 2011/12 were the U.K., Finland, Sweden, the Netherlands, and Ireland.

EU imports of U.S. apples decreased by 10 percent compared to MY 2010/11 mainly due to the enforcement of EU food additive legislation. For example, morpholine, a carrier for glazing agents applied to fruit, is approved for use in third countries such as Chile, the United States and Canada, but not in the EU. The U.S. apple industry has taken steps to ensure that fruit destined for the EU does not have any trace of morpholine.

Table 3: EU-27 Imports of Apples in MT

Country of Origin	MY 2009/10	MY 2010/11	MY 2011/12	Change
Chile	161,968	186,640	129,739	-30%
New Zealand	126,958	145,881	120,468	-17%
South Africa	121,588	121,405	107,634	-11%
Brazil	71,486	48,159	47,157	-2%
Serbia	2,198	12,059	33,831	181%

Argentina	46,425	52,778	28,870	-45%
Macedonia	13,920	17,961	14,789	-18%
Croatia	6,008	13,783	11,603	-16%
United States	23,643	12,017	10,808	-10%
Switzerland	731	1,115	6,438	477%
China	14,137	5,769	3,620	-37%
Uruguay	1,918	4,973	3,028	-39%
Moldova	1,972	5,141	2,968	-42%
Albania	-	139	1,169	741%
Canada	1,386	1,221	1,150	-6%
Other	1,613	3,241	2,775	-14%
World Total	595,951	632,282	526,047	-17%
Thereof processing apples	9,473	40,119	53,356	33%

Source: Global Trade Atlas (GTA)

Exports

For MY 2012/13 total EU-27 apple exports are expected to slightly decrease as a result of lower EU production. However, this masks differences by member state. While exports from France (to Algeria, Russia, Saudi Arabia, UAE and Malaysia) are expected to decline significantly, higher production in Poland leaves room for a further increase of exports especially to Russia, Belarus, and the Ukraine.

In MY 2011/12 exports rebounded from a low level in MY 2010/11. This was due to higher exports from Poland, France, and Italy. The largest increases in exports were achieved to Russia and Belarus (from Poland), and Egypt (from Italy, and to a lesser extent from Greece and France).

The top destinations for EU-27 apples are Russia, Belarus, and Algeria. The largest EU exporters are Poland (mostly to Russia and Ukraine), France (mainly to Algeria, Russia, U.A.E., and Saudi Arabia), and Italy (to Russia, Libya, Norway, and Saudi Arabia).

In some large foreign markets, EU and U.S. suppliers compete; including:
Russia: with apples from Poland, Italy, Belgium, France, and Germany
U.A.E.: France, Italy
Saudi Arabia: Italy, France

Table 4: EU-27 Exports of Apples in MT

Country of Destination	MY 2009/10	MY 2010/11	MY 2011/12	Change
Russia	524,608	500,384	659,630	32%
Belarus	41,064	44,952	139,859	211%
Algeria	88,949	92,327	120,397	30%
Ukraine	255,735	84,534	114,000	35%
Egypt	2,862	21,286	66,567	213%
Saudi Arabia	34,713	36,669	55,103	50%
Libya	34,358	34,968	46,235	32%
United Arab Emirates	24,995	27,026	38,692	43%
Norway	35,068	33,311	38,161	15%
Kazakhstan	30,918	23,605	36,013	53%
Bosnia & Herzegovina	10,663	9,024	12,655	40%
Brazil	5,612	4,727	11,959	153%
Croatia	8,518	7,866	11,937	52%

Melilla	10,227	10,283	11,916	16%
Albania	15,149	12,343	11,146	-10%
Other	89,412	141,416	128,896	-9%
World Total	1,217,218	1,089,111	1,512,848	39%

Source: Global Trade Atlas (GTA)

Apples - Prices

Lower production has led to increased prices both at the farm gate as well as the wholesale level. For example, in October 2012, Italian farmers received 23 percent higher prices for their Golden Delicious apples than in October 2011. Average wholesale market prices in Germany in the week of October 8, were dependent on the variety between 2 and 48 percent higher than a year ago, with Elstar and Holsteiner Cox showing the largest increases.

Apples – Withdrawal from Market

The reform of the EU common market organization for fruits and vegetables (see policy section) also brought about a change in the intervention system (also called “withdrawal from market”). Previously, a producer organization was allowed to dispose up to 8.5 percent of its marketed volume of apples through intervention programs. However, unlike other commodities, these volumes were not allowed to re-enter the market at a later stage. Instead, they had to be permanently “withdrawn from the market”, for example by donation to charity or be destroyed.

Since 2008, “withdrawal from market” is no longer available as a separate measure but has to be included as an emergency measure in the producer organizations’ operational program (OP). This means, the system moved from being financed entirely by EU funds to a co-financing system where producer organizations have to bear 50 percent of the costs.

As a consequence, from MY 2008/09, member state authorities began administering “withdrawals from market” indirectly via approval of the OP. Thus, volume data is no longer available. Also, some member states (for example Germany) have opted to do away with intervention for fruits and vegetables altogether.

Apples – Additional Information

For information on tariffs, maximum residue levels, and labeling requirements please see the respective sections at the end of the report.

Additional Information on EU-27 Member States

Austria:

Due to dry conditions, frost damage, regional hailstorms and wind, the 2012 commercial apple crop is expected to decline significantly (20 percent) compared to 2011. Average fruit size is expected to be 25 percent less but fruits may be more aromatic than in average years.

Belgium

All varieties are expected to be down due to night frosts in April. Quality is expected to be somewhat lower while size will similar be to previous years. Given the low production, prices increased by roughly a quarter compared to last year.

Bulgaria

The MY 2012/13 apple crop is likely to decline to under 40,000 MT. This is a result of heavy 2011/12 winter with record low temperatures and heavy snowfall which uprooted and damaged many trees; spring frosts and unusual heavy rains in May during the blossoming period, which caused poor pollination, and finally summer heat and drought. Lower crop quality (size, juice content etc.) may increase consumption of local apples for processing while imports for fresh consumption are likely to be higher.

Czech Republic

A drop in apple production was caused by frosts, especially those that occurred in the second half of May. In some parts of the Czech Republic the damage to fruit growers was compounded by hailstorms in August.

Because of the significant losses caused by adverse weather conditions, Czech fruit growers are calling for financial support from the Czech government. Many farmers complain about low returns on investments in the fruit growing sector and consider diversification into other more profitable crops, such as grains only oilseeds.

France

French apple production is down by 24 percent from 2011 (and 22 percent from the five year average) due to poor weather conditions (frost, hail and excess of rains) in spring which damaged buds. Apple area is also down by 2 percent, a continuation of a long term trend. Damages were most acute for the Granny Smith and Golden varieties (- 30 percent for Golden apple production).

In Limousin (central France), the main producing region for Golden apples, with high altitude orchards, the production was almost wiped out (- 81 percent) by late spring frost.

Germany

Harvest is still ongoing and final production could be somewhat higher than estimated due to larger fruit diameter. Quality is good and there is less hail damage than last year. Large differences between day and night temperatures close to harvest have led to a very good color development of red and bi-color varieties.

Greece

According to industry estimates, MY 2012/13 (July/June) Greek apple production is forecast to slightly decrease by 3 percent, but the quality is very good.

Hungary

Apple orchards of Szabolcs-Szatmar-Bereg county were hit by strong frosts in May. More than half of the expected crop was wiped out in an area that represents 55 percent of the country's apple production potential. Extreme drought during the vegetation period further diminished the crop by reducing the size of fruit. However, 2012 production is still an increase compared to the record low production in 2011 and in total volume the harvest is average; however, the share of quality table apples (above 65 mm diameter) is much lower than in a typical year.

Italy

MY 2012/13, Italian apple production is forecast to decrease by 13.3 percent compared to the previous year, mainly due to the freeze and heavy rains during blossoming. The largest decreases are forecast for Red Delicious, Renetta, Gala, and Fuji varieties. Fruit quality good. In terms of price, the fall in European apple production (-9 percent) should ensure better prices compared to last year.

Netherlands

In MY 2012/2013, acreage is expected to further decline (-4 percent) to an estimated 7,950

hectares. Apple production is expected to be down by 25 percent compared to last year, especially for leading varieties such as Elstar and Jonagold. The Netherlands experienced frost in April leading to lower quality apples size variance.

Poland

Poland's total production for MY 2012/13 is forecast up (14.3 percent), despite a 2.6 percent decrease in apple tree area. Favorable weather is the main reason for this year's good harvest. The crop is very good quality, a result of growing investment in orchards and better organization through producers' groups.

Portugal

The area harvested has been constant in recent years at around 12,500 ha. The Ministry of Agriculture forecasts point to significant reductions in the yields of apple and pear orchards this year, resulting from adverse weather (cold and frost) during flowering/pollination and lower temperatures at setting.

Romania

The severe drought and extreme heat during the summer of 2012 hurt orchards and vineyards. Apple production is anticipated to decline by 11 percent as a result of lack of water and high temperatures. Fruit size is smaller than normal.

Slovakia

Slovak fruit growers experienced adverse weather conditions resulting in a decline in apple production of up to 10 percent.

Spain

Total planted and harvested areas have been slowly but continually falling in recent years. The latest official statistics released by the Spanish Ministry of Agriculture forecast an 18 percent fall in the 2012/13 production. The Department of Agriculture of Cataluña and the Association of Fruit Companies of Cataluña (AFRUCAT) announced that this will be the region's worst apple and pear campaign in 20 years, a result of a bad fruit set after intense April rains and hail in the region of Lleida in July.

United Kingdom

The UK trend towards supporting locally produced apples will be tested this season. Harvest was completed three weeks later than normal, the crop is estimated to be down 28 percent over the previous year, and (like other EU producers) packhouse storage facilities will have to cope without the use of Diphenylamine (DPA) to address post-harvest storage scald.

The UK crop was affected by high rain fall throughout the summer combined with unseasonably cool temperatures, hail, and high winds. This has caused weather marking on the skins of some apples. The shortage of domestic apples has led supermarkets to relax their standards and accept slightly marked fruit in order to increase supplies, but price rises are also expected.

Pears, Fresh

Coordinated by Marcel Pinckaers/FAS The Hague

Table 5: EU-27 PSD for fresh pears

Pears, Fresh EU-27	2010/2011		2011/2012		2012/2013	
	Market Year Begin: Jul 2010		Market Year Begin: Jul 2011		Market Year Begin: Jul 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	136,241	129,817	0	131,085		128,888
Area Harvested	127,881	121,453	0	123,790		122,058
Bearing Trees	0	0	0	0		0
Non-Bearing Trees	0	0	0	0		0
Total Trees	0	0	0	0		0
Commercial Production	2,185,000	2,258,316	2,550,000	2,696,102		2,095,067
Non-Comm. Production	119,700	139,984	120,000	146,411		118,078
Production	2,304,700	2,398,300	2,670,000	2,842,513		2,213,145
Imports	314,500	321,226	202,000	225,077		320,000
Total Supply	2,619,200	2,719,526	2,872,000	3,067,590		2,533,145
Fresh Dom. Consumption	2,107,700	2,200,000	2,138,200	2,220,000		2,100,000
Exports	347,400	348,004	473,800	465,551		310,000
For Processing	164,100	171,522	260,000	382,039		123,145
Withdrawal From Market	0	0	0	0		0
Total Distribution	2,619,200	2,719,526	2,872,000	3,067,590		2,533,145

HA, MT

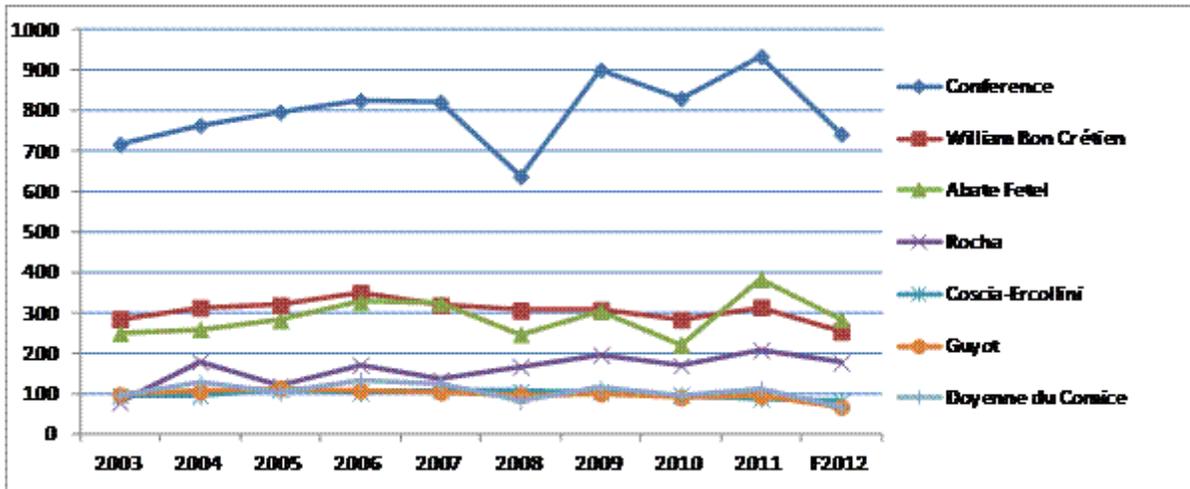
Note: lines referring to tree numbers are left blank since this data is only available for a few member states.

Source: FAS/EU-27

Pears – Production**Pears – Commercial Production**

The EU-27 is after China the world's largest producer of pears, followed by the United States and Argentina. Italy, Spain, Belgium, and the Netherlands are the top four producing member states and together account for over three-quarter of total EU-27 commercial pear production. Portugal and France are the EU's 5th and 6th largest pear producing countries. Production continues to be led by the Conference variety, mainly grown in Belgium, the Netherlands, Spain, and Italy. Other popular varieties include Abate Fetel (grown in Italy), William Bon Crétien/Bartlett (grown in Italy, Spain and France), and Rocha (grown in Portugal).

Chart 2: EU-27 Pear production for selected varieties in thousand MT



Source: WAPA

Commercial pear production in MY 2012/13 is estimated at 2.1 MMT, down by 22 percent compared to MY 2011/12 and 17 percent lower than the three year average. Although there was a small reduction in area, this year's low production is mainly the result of overall low yields.

The six largest producing countries are responsible for almost 90 percent of EU's pear production. Italy is the largest pear producer (mostly the Abate Fetel variety), responsible for roughly a third of total EU production. Planted area, however, has been declining for a decade due to the low profitability. This year's low production, close to the 2010 record low, is also attributed to drought this summer that hindered overall growth. Lower yields are expected for all varieties. Although the size is expected to be smaller than last year, this year quality is good. Pear production in Spain is expected to be record low, down by 22 percent. Bad weather conditions early in the season followed by a hail storm in July damaged pear production. The production of the Blanquilla variety continues to go down, an estimated 58,000 MT this year compared to over 200,000 MT ten years ago. Conference is the leading variety in Spain.

Belgium's pear production is expected to be lower by 14 percent compared to last year, due to the cold and wet weather during bloom and frost in April. Pear production in the Netherlands is expected to be one of the lowest of the past decade, at 198,000 MT. Pear production in both Portugal and France is expected to be down by at least a quarter. Portugal is the only EU country producing the Rocha variety while France produces Guyot, William Bon Crétien and Conference varieties.

Table 6: EU-27 Commercial Pear Production by Country and Year

MY	MY	MY	MY	%	%
2009/10	2010/11	2011/12	2012/13	Change	Production

Italy	871,225	680,000	915,000	717,000	-22	34.2
Spain	434,200	470,543	514,888	401,543	-22	19.1
Belgium	291,650	276,500	286,200	247,400	-14	11.8
Netherlands	285,950	265,780	325,920	201,760	-38	9.6
Portugal	249,109	174,523	227,525	159,300	-30	7.6
France	188,000	149,000	167,000	125,000	-25	6.0
Poland	75,000	41,850	57,148	57,645	0	2.7
Greece	43,000	54,000	36,000	44,000	+22	2.1
Germany	52,000	38,896	46,854	35,000	-25	1.7
United Kingdom	30,000	33,000	32,000	29,000	-9	1.4
Hungary	30,000	24,176	26,590	25,500	-4	1.2
Romania	24,000	20,000	28,000	25,000	-11	1.2
Other	31,064	30,048	32,977	26,919	-19	1.4
Total						
Production	2,605,198	2,258,316	2,696,102	2,095,067	-22	100

Source: FAS/EU-27

Pears – Non-Commercial Production

Similar to apples, the non-commercial production of pears includes house gardens and production in meadows. For the EU as whole, MY2012/13 non-commercial production is estimated at 118,000 MT or about 5 percent of total pear production. However, the share of non-commercial production is higher in Austria, the Czech Republic, Romania, Slovenia, and Slovakia.

Pears – Consumption

Pears are still popular throughout the EU although apples, oranges, and bananas continue to lead fresh fruit consumption. Like other fruit and vegetables, pear consumption is under pressure. The average per capita consumption of pears is 5 kg/year. The high per capita consumer markets (9 kg/year or more) are Austria, Italy, Portugal, and Spain. Further north, France, the Benelux, and Nordic countries have an average pear consumption of 5 kg/year. Central and Eastern European countries have a per capita consumption of 2 kg/year or less.

On a member state level, the most popular pear varieties are those that are locally or regionally grown. The Conference pear variety dominates pear consumption in North West Europe, while Abate Fetel, Blanquilla, Limonera and Rocha are popular pears in Southern Europe. The number of varieties offered in supermarkets is usually around 3 or 4. Main buyers of pears are senior couples and young bachelors. The industry furthermore believes that taste, price, texture and appearance are the main reasons for buying pears.

Varieties that have a good storage qualities (e.g., Conference) are available year round. Varieties with a somewhat lower keeping quality like Doyenne du Comice, Abate, and Limonera are available after harvesting and are complemented by imports of Williams Bon Crétien and Packham from the Southern Hemisphere.

Since pear consumption is under pressure the industry is seeking to stimulate consumption, including developing quality brands recognized by consumers, focusing on young consumers, and highlighting health benefits.

Processing

In MY 2012/13, it is expected that the volume of pears that will be used for processing will be around 125,000 MT, mainly due to lower pear production in Italy, the Netherlands, Spain, and Poland.

Pears – Trade

The majority of the pear trade occurs within the EU-27. Over the past 5 years, roughly 825,000 MT of pears traded between member states, while on average 275,000 MT were imported from third countries, accounting for a quarter of the total EU-27 pear supply.

EU-27 external trade

Imports

The main EU-27 importing countries continue to be the Netherlands and Italy, which together responsible for over two-third of EU-27 pear imports. However, much of the volume entering the Netherlands will be transshipped to Germany and other member states.

Table 7: EU-27 Imports of Pears in MT

Country of Origin:	MY 2008/09	MY 2009/10	MY 2010/11	MY 2011/12
South Africa	128,302	100,036	108,565	84,650
Argentina	164,349	107,050	140,319	74,356
Chile	60,717	43,475	48,873	44,665
China	20,869	15,488	11,781	11,641
Turkey	8,658	5,042	5,081	4,773
Unites States	6,306	3,451	2,782	1,646
Uruguay	1,273	1,575	1,332	1,405
New Zealand	2,079	1,624	1,252	869
Other	1,368	1,292	1,241	1,072
World Total	393,921	279,033	321,226	225,077

Source: Global Trade Atlas

In MY 2011/12, ninety percent of the EU-27 pear imports came from South Africa, Argentina, and Chile. Trade with these Southern Hemisphere countries starts after harvest in January and runs until June and does not directly compete with EU pears. Most popular imported varieties include Williams Bon Crétien, Packham, and Anjou.

Other trade partners include China (Ya variety) and Turkey (quinces). The Ya pear is consumed by the Asian population within the EU while quinces are destined for the industry. U.S. pear (Anjou variety) exports to the EU-27 occur between November and February. Although they compete with domestically grown pears, consumer demand is strong for U.S. Anjou pears and especially in the German and Nordic market. High prices for pears in Europe present additional opportunities for U.S. pears for MY 2012/13.

For MY 2012/13, pear imports from the Southern Hemisphere countries are expected to be higher compared to MY 2011/12, due to low pear production in the EU. Imports however will also depend on this year's pear production in the Southern Hemisphere, local demand for pears and its price development. Pear imports from China and Turkey are not expected to show any significant changes as they serve a specific market.

Exports

The main EU-27 exporting countries continue to be Belgium and the Netherlands, together responsible for over fifty percent of EU-27 pear exports. These two countries are the EU's largest producers and exporters of Conference pears. Other leading exporters include Spain, Portugal, and Lithuania.

The leading export market for EU-27 pears is Russia, responsible for over sixty percent of total pear exports. Brazil and Norway are EU's 2nd and 3rd largest markets.

Table 8: EU-27 Exports of Pears in MT

Country of Destination:	MY 2008/09	MY 2009/10	MY 2010/11	MY 2011/12
-------------------------	------------	------------	------------	------------

Russia	152,575	218,408	238,927	286,844
Brazil	9,802	25,574	29,077	58,920
Norway	21,247	20,846	19,430	20,530
Belarus	3,453	5,028	7,463	17,825
Libya	2,362	4,487	3,161	9,691
Morocco	1,956	3,095	5,043	8,435
Ukraine	3,707	2,601	4,300	7,818
Kazakhstan	274	2,385	3,027	5,740
Melilla	1,810	2,487	3,312	4,315
Algeria	932	4,777	2,848	3,835
Switzerland	7,835	4,519	6,017	3,580
Other	17,943	19,641	25,399	38,018
World Total	223,896	313,848	348,004	465,551

Source: Global Trade Atlas

Russia continues to be the most important market for European Conference pears. Belgium and also the Netherlands lead this market. Exports start directly after harvesting and run until the end of spring. As of late February EU pears face competition from Southern Hemisphere pears. Given the low production of Conference pears in the EU, prices are high. Depending on who is willing to pay the best price, EU-27 exports to Russia for MY 2012/13 will go down or might stabilize.

Brazil's pear imports overall largely depend on Argentina. Portugal (Rocha variety) and Spain (Blanquilla, Limonera, Williams BC varieties) are the country's second and third largest suppliers of pears and their combined market share continues to grow. Brazil imports from Argentina slow down as imports from Portugal (Rocha variety) start (between August and March). Given the record low production in Portugal and Spain, EU-27 exports to Brazil are expected to be down for MY 2012/13.

Norway's pear suppliers are the Netherlands and Belgium. Exports to Norway have been stable for the past 5 years; no change is expected for MY2012/13. Albeit still very small, exports to China further grew in MY 2011/12 to 481 MT, due to an agreement with Belgium. EU exports to Hong Kong have tripled to 2,647 MT during the past two years. Since Conference pears are considered to be expensive, exports are expected to stabilize in MY 2012/13.

Pears - Prices

Because of the expected lower availability resulting from decreased production this year, prices are up.

Pears – Withdrawal from market

The situation is the same as with apples. Please refer to the respective paragraph in the section of this report for detailed information.

Pears – Additional Information

For information on tariffs, maximum residue levels, labeling requirements please see the respective sections at the end of the report.

Concentrated Apple (CAJ) Juice

Coordinated by Ferenc Nemes/FAS Budapest

CAJ – Production

The seven largest apple juice concentrate (CAJ) producers of the European Union are Poland,

Germany, Italy, Hungary, Spain, Romania, and Austria. They account for nearly all EU production. European CAJ production was estimated 522,000 MT in MY 2011/2012. Forecasts indicate a 1.1 percent increase in volume of apples for processing for MY 2012/13, despite 9 percent drop of the total apple crop. This is driven by low CAJ stocks and resulting high prices. In addition, drought, hailstorms and other unfavorable weather conditions that hit the main production countries during the year led to a higher percentage of lower quality fruits. The forecasted increase of apple processing in MY 2012/13, is the highest in the eastern European member states, where CAJ is the leading product from apple processing.

Longer term, EU-27 CAJ production is declining. Growing energy prices and soaring raw material prices limit margins. On the demands side, consumer preferences are turning towards new tastes. In the trendy flavored juice mixes market, the relatively expensive CAJ is increasingly substituted by grape and pear juice concentrates.

CAJ – Consumption

Main user of CAJ is the fruit juice industry in apple or blended soft drinks and smaller extent is cider making.

Consumption of fruit/vegetable juices decreased in most West European Countries as the market became saturated and competition from other soft drinks grew. Some new member states, however, still see growth due to lower initial per capita consumption levels.

Main competitors to fruit based beverages in developed markets are ready-to-drink (RTD) teas, functional drinks, and energy drinks. There are regional differences though. According to Euromonitor, fruit and vegetable juice sales in Western Europe decreased by 2.6 percent between 2005 and 2010 but sales in Eastern Europe grew by 17.4 percent during the same period.

With regard to taste, apple juice ranks third in terms of importance behind orange and flavor mixes in Europe. Austria, Slovenia, Germany, Denmark and some other countries form an “apple juice belt” where the share of apples of the total fruit juice consumption represents 20-30 percent and above according to the analysis of the European Fruit Juice Association. However, in the breakdown of the total category (juices, nectars, drinks etc.) orange overtook apple in Germany for the first time in 2009.

Table 9: Annual Per Capita consumption of Select Juices and Fruit Drinks in Germany (in liter)

	2000	2005	2009	2010r	2011p	% Change
Apple Juice	12.20	12.42	8.50	8.10	8.00	-1.23%
Orange Juice	9.53	8.93	9.00	8.65	8.20	-5.20%
Grape Juice	1.32	1.29	1.00	1.00	1.00	0.00%
Grapefruit Juice	0.39	0.36	0.30	0.30	0.30	0.00%
Pear Juice	0.18	0.25	0.20	0.20	0.20	0.00%
Vegetable Juice	0.96	1.35	1.20	1.20	1.20	0.00%
Citrus Nectar	7.75	7.26	6.50	6.00	5.70	-5.00%
Other Juice/Nectar	8.31	8.18	10.30	10.80	10.40	-3.70%
Total	40.64	40.04	37.00	36.25	35.00	-3.45%

r = revised

p= preliminary

Source: VdF, Association of the German Fruit Juice Industry, Annual Report 2011, page 32.

The apple flavor is also popular in the juice consumption in the Netherlands (28 percent) and the UK (24.5 percent). Italy and Spain are strong producers and net exporters of CAJ but apple juice took only 5.7 percent and 4 percent of pure fruit juice sales in 2008, according to Euromonitor.

In the premium segment (100 percent juice, nectar) CAJ utilization is reduced by the growth of "non reconstituted" (NR) juices made of fruit. Beyond the increasing health consciousness of consumers, growing costs of from-concentrate juice making also contributed to reduce the price divide between the from-concentrate and NR liquid fruit juices. According to Prognosfruit, while sales in the total fruit juice segment dropped by 1.9 percent in 2011, consumption of NR indicated 6.7 percent in the EU average.

Home extraction of fruit juice, bars and health food vendors offer new consumption "culture" on the basis of the all year availability of seasonal fruit. According to fruit juice association estimates, about 20 percent of German apple juice production is bottled directly, while 80 percent are further processed into CAJ.

Cider market in Europe indicates better growth rate than the declining fruit juice. Apple and pear based cider became competitors to beer in the UK, Ireland, the Scandinavian countries and in Poland. According to the analysis of AIJN European Fruit Juice Association the production of the annual 1,520 million liter (2011) cider and perry took more than 124,000 MT CAJ equivalent.

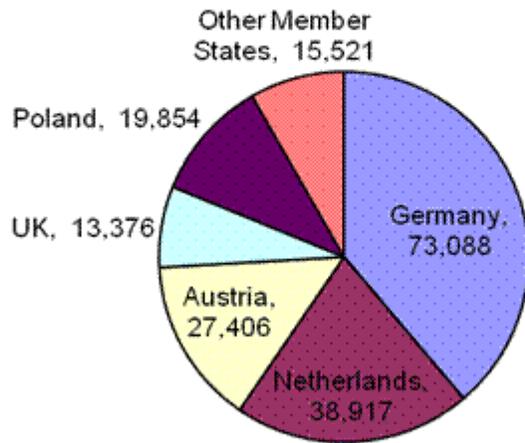
CAJ – Trade

Of the EU-27 countries Germany, the Netherlands, Austria, the UK, and Denmark are the biggest consumers of CAJ. These countries belong to the major producers of apple juice concentrate as well. Poland, Hungary, Italy, and Spain form the group of big net suppliers of the EU with CAJ. About half of the EU-27 CAJ utilization is from (extra EU) imports.

China remained the dominant source of the imports in MY 2011/2012 however China's sales to the EU dropped to 52,400 MT. This volume takes 28 percent of the total imports a drop from more than 50 percent market share five years earlier. In the last years, China increased its CAJ exports to Russia and the USA most. About half of China's CAJ is destined for the U.S. market. The revocation of anti-dumping process and the free access to the U.S. market since November 2010 contributed to the decline of China CAJ sales to the European Union. Alternative CAJ import sources for the EU have emerged in the last two years. Sales from Turkey increased most, Ukraine and Moldova could stabilize their position among the five biggest suppliers to the shrinking EU market. Switzerland, Brazil, and Serbia are also important sources for apple juice concentrate imports of the EU.

Chart 3: EU-27 Concentrated Apple juice Imports by Country

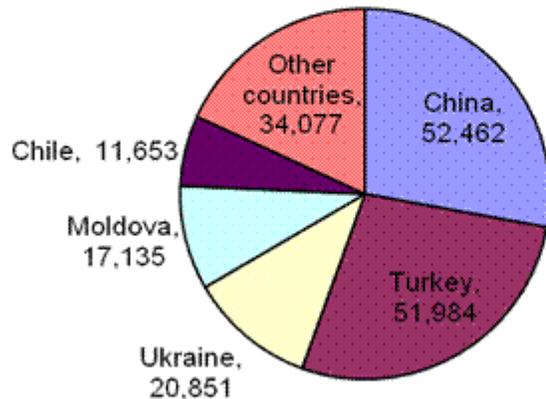
Concentrated Apple Juice Imports of the EU-27, by Member States MY 2011/12 (Metric Tons)



Source: FAS Budapest based on GTA data

Chart 4: EU-27 Concentrated Apple Juice Imports by Country of Origin

Concentrated Apple Juice Imports of the EU-27, by countries of origin MY 2011/12 (Metric Tons)



Source: FAS Budapest based on GTA data

CAJ exports of the EU-27 are about 10 percent of its annual production. Export volumes are relatively stable, with some annual fluctuations. Major destinations of external sales are Norway, Japan, Saudi Arabia, and other Gulf countries.

CAJ – Prices

Low CAJ stocks in Europe, poor crop in 2011, and modest export of China drove international prices up from 800-1,200 USD/MT to around 1,700 USD by the end of MY 2010/11. In the last Marketing Year 2011/12, this high price level has been stabilized as it is shown by Chart 5. According to “Prognosfruit” Conference studies apple concentrate prices will run high for MY 2012/2013 as well because of low opening CAJ stocks, increasing production costs, and only limited production increase in Europe (in Poland and Hungary first of all). Prices of concentrate in China are also set high in fall of 2012.

Chart 5: Prices of CAJ imported to the EU-27 by country of origin September, 2011-July, 2012

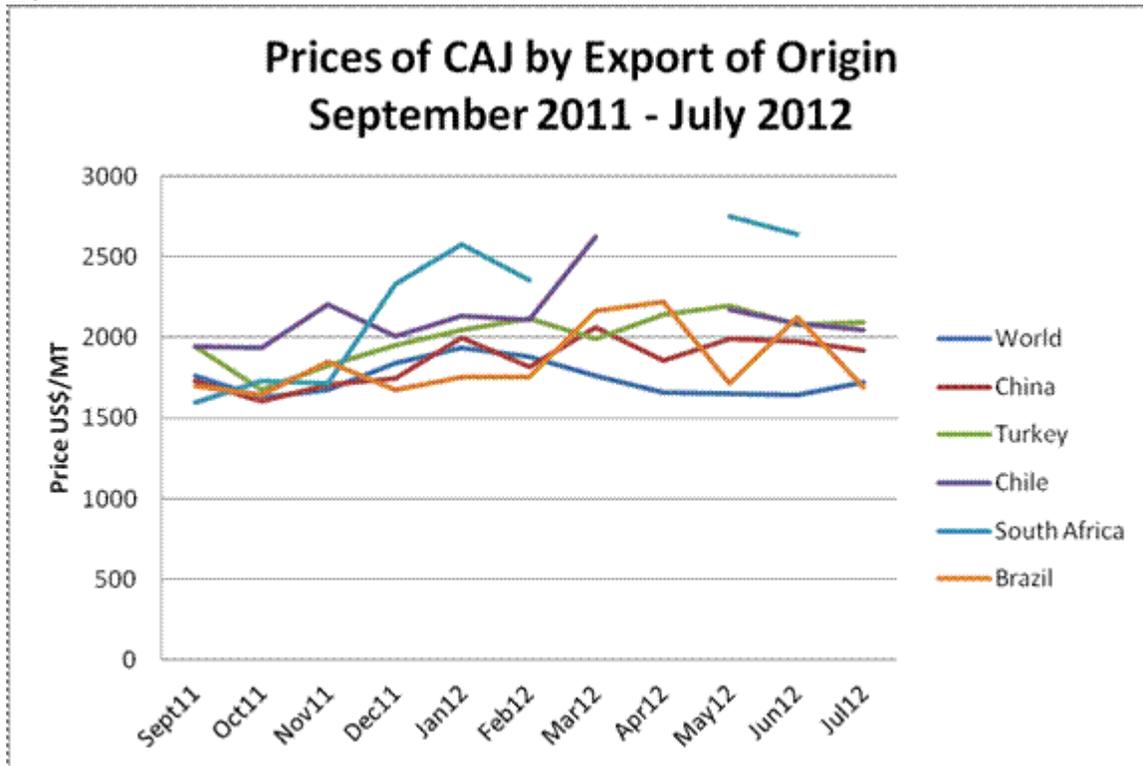


Table Grapes

Coordinated by Ornella Bettini/FAS Rome

Table 10: EU-27 PSD for Table Grapes

Grapes, Fresh EU-27	2010/2011		2011/2012		2012/2013	
	Market Year Begin: Jun 2010		Market Year Begin: Jun 2011		Market Year Begin: Jun 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	123,882	122,729	122,797	117,475		115,775
Area Harvested	119,706	117,982	119,323	114,197		112,470
Bearing Trees	0	0	0	0		0
Non-Bearing Trees	0	0	0	0		0
Total Trees	0	0	0	0		0
Commercial Production	2,073,765	2,077,323	2,046,600	2,033,427		1,959,654
Non-Comm. Production	13,500	12,200	11,000	10,250		9,800
Production	2,087,265	2,089,523	2,057,600	2,043,677		1,969,454
Imports	542,973	568,078	555,000	548,144		575,962
Total Supply	2,630,238	2,657,601	2,612,600	2,591,821		2,545,416
Fresh Dom. Consumption	2,497,344	2,543,169	2,491,600	2,458,937		2,405,866
Exports	132,894	114,432	121,000	132,884		139,550
For Processing	0	0	0	0		0
Withdrawal From Market	0	0	0	0		0
Total Distribution	2,630,238	2,657,601	2,612,600	2,591,821		2,545,416

HA, MT

Source: FAS EU-27

Table grapes – Production

The European Union is a world leader in table grape production, together with China and Iran. Italy, Spain, and Greece account for 93 percent of EU-27 table grape production. After a dramatic fall in the last decade, EU-27 table grape area continues to decrease. Reduced profitability, due to increasing production costs and strong competition from other suppliers are the main factors behind the drop. MY 2012/13 (June/May) EU-27 table grape production is forecast to decrease slightly by 3.6 percent to 1.9 MMT.

Table 11– EU-27 Table Grapes Production by Country and Year ('000 MT)

	2010	2011	2012
Italy	1,361	1,343	1,276
Spain	237	290	277
Greece	328	260	275
Other EU member states	163	151	141
Total	2,089	2,044	1,969

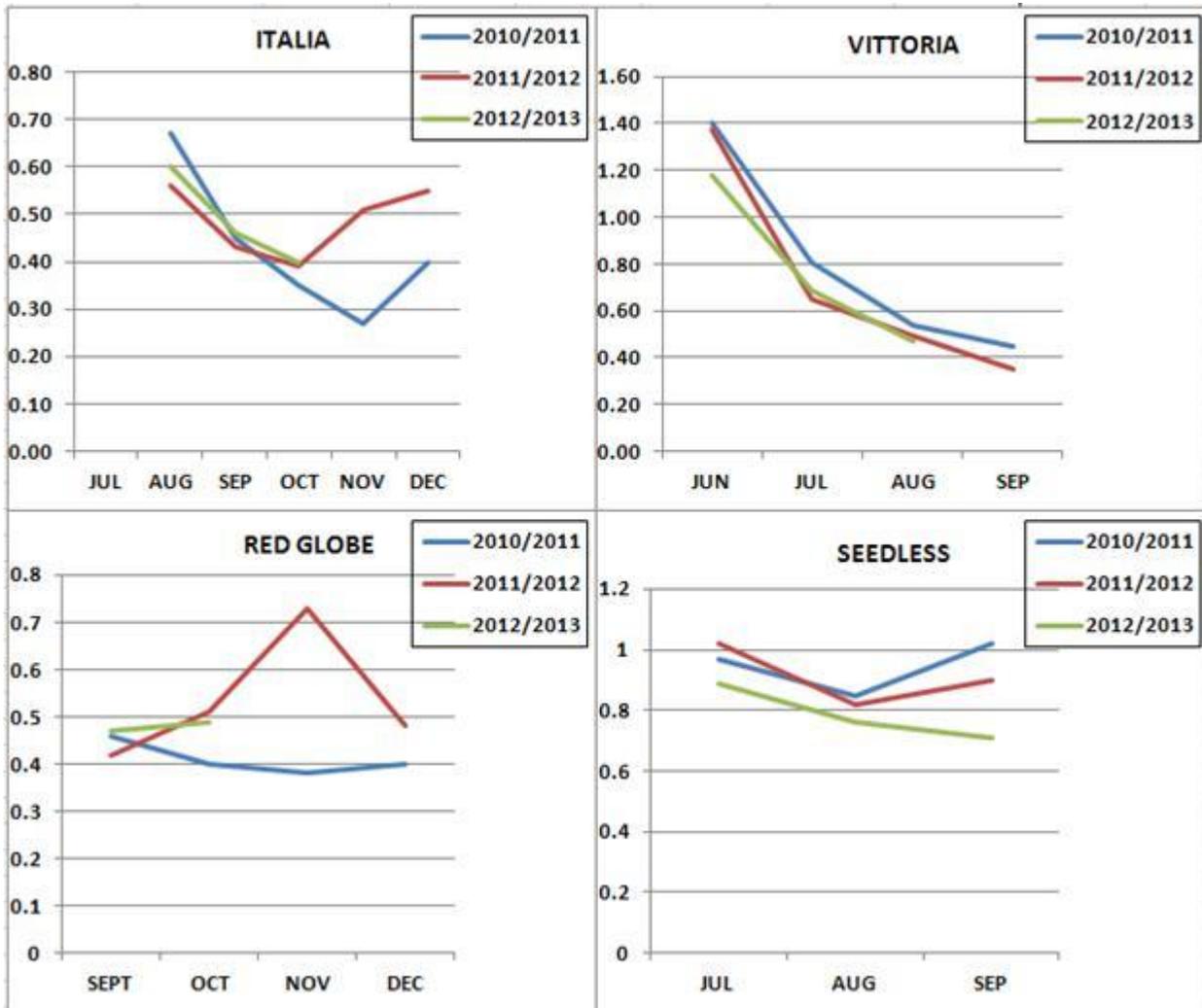
Source: FAS EU-27

Italy ranks 6th in world's table grape production and 3rd among table grape exporters, behind Chile and the United States. Italian table grape production is concentrated in Southern Italy, mainly in Apulia and Sicily, which account for 75 and 25 percent of the domestic production, respectively. *Italia*, *Victoria*, and *Red Globe* are the main varieties in Italy, covering about 66 percent of the table grape area. In the last few years, Italy has gradually moved to seedless grapes cultivation, to an increasing demand from intra and extra EU markets. *Sugraone* and *Crimson* are the most popular seedless varieties followed by *Thompson*, *Centennial*, and *Sublime*.

MY 2012/13 Italian table grape production is estimated to decrease slightly because of summer drought that negatively affected the growth of mid to late maturing varieties, thus reducing fruit size. However, sugar content of the grapes, which is forecast to be particularly high. Early varieties (*Victoria* and *Black Magic*) from Sicily are reported to have excellent quality, color, and sugar content. Early varieties are sold at higher prices from May to the end of July. They are grown using the overhead table grape vineyard system ("tendone" training system): polyethylene sheets are draped over the vines in spring to accelerate fruit growth through a greenhouse effect.

For medium and late varieties (*Italia*, *Palieri*, *Pizzutello Bianca*, and *Red Globe*) - from Sicily, Abruzzo, Apulia, Basilicata, and Sardinia - the harvest occurs from August to December.

Chart 6: Average farm gate prices table grapes in Italy (Euro/kg)



Source: ISMEA, Agricultural Marketing Center

In **Spain**, following last year's record crop, MY 2012/13 table grape production is estimated down by 4 percent. There are approximately 13,600 hectares currently cultivated with table grapes in Spain. The main producing areas include the Region of Murcia, the Comunidad Valenciana, and Andalusia. Murcia and Alicante account for 70 percent of the total production area. Over 50 table grape varieties are commercialized in Spain. *Aledo*, *Ideal*, *Muscatel*, *Dominga*, and *Napoleon* are the main ones. Seedless varieties represent 30 percent of total table grape production and are mainly produced in the Region of Murcia.

Greece is the EU's third largest producer of table grapes. According to industry estimates, MY 2012/13 table grape production is estimated to be satisfactory despite the severe drought from mid July to the last week of August that negatively affected fruit ripening. The main producing areas include the prefectures of Corinth in Peloponnese; Kavala in Macedonia; and, Heraklion on the island of Crete. *Sultana (Thompson Seedless)* and *Victoria* are the main varieties.

Table Grapes – Consumption

Despite the enduring economic crisis, EU-27 fresh grape consumption has been rather stable in

recent years and stands at about 2.4 MMT, although still fluctuating as a function of domestic production. From June-December, EU-27 table grape consumption is mostly met by domestic production, along with minor quantities coming from Egypt, Turkey and Morocco. Imports from third countries—normally coming in the first half of the calendar year from the Southern hemisphere—represent 26 percent of total consumption.

Italy is the leading table grape consumer in the EU-27, followed by **Germany**, the **United Kingdom**, **France**, and **Spain**. Despite the fact that Italian seeded grapes are still appreciated, experts claim that seedless varieties are increasingly being demanded by EU-27 consumers. Farmers often replacing ageing seeded varieties with seedless ones.

Table Grapes - Trade

The EU-27 is a net importer of fresh table grapes. MY 2012/13 EU-27 imports are likely to increase by 5 percent.

Table 12 – EU-27 Table Grapes trade Balance (MY June-May)

	1000 Tons			mil \$		
	2009/2010	2010/2011	2012/2013	2009/2010	2010/2011	2012/2013
Import	569	548	576	1,384	1,446	1,396
Export	114	133	140	206	245	260
Balance	-455	-415	-436	-1,178	-1,201	-1,136

Source: GTA

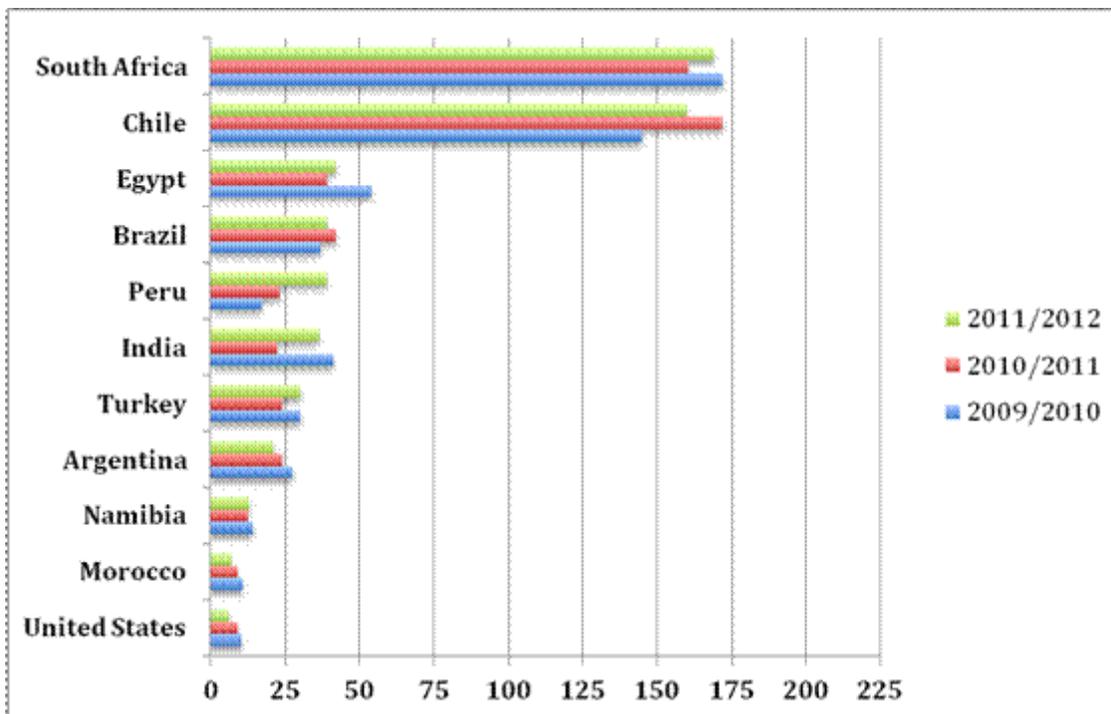
South Africa and Chile are the leading suppliers to the EU market, followed by Egypt, Brazil, Peru, India, and Turkey. The largest EU-27 importing countries remain the Netherlands, Germany, and the United Kingdom. The Netherlands serves mainly as a transshipment point. EU-27 table grape exports –mostly to Russia (31 percent) and Switzerland (21.5 percent)- are expected to continue to increase.

Germany, France, and Poland continue to be the main destinations for **Italian** table grapes. Spain, the Netherlands, Chile, Egypt, and Peru are the main suppliers to the Italian table grape market.

Spain is a net exporter of table grapes and over 90 percent of its exports are destined to the EU-27 (United Kingdom, Germany, and Portugal). Italy and Chile are the main suppliers to the Spanish market.

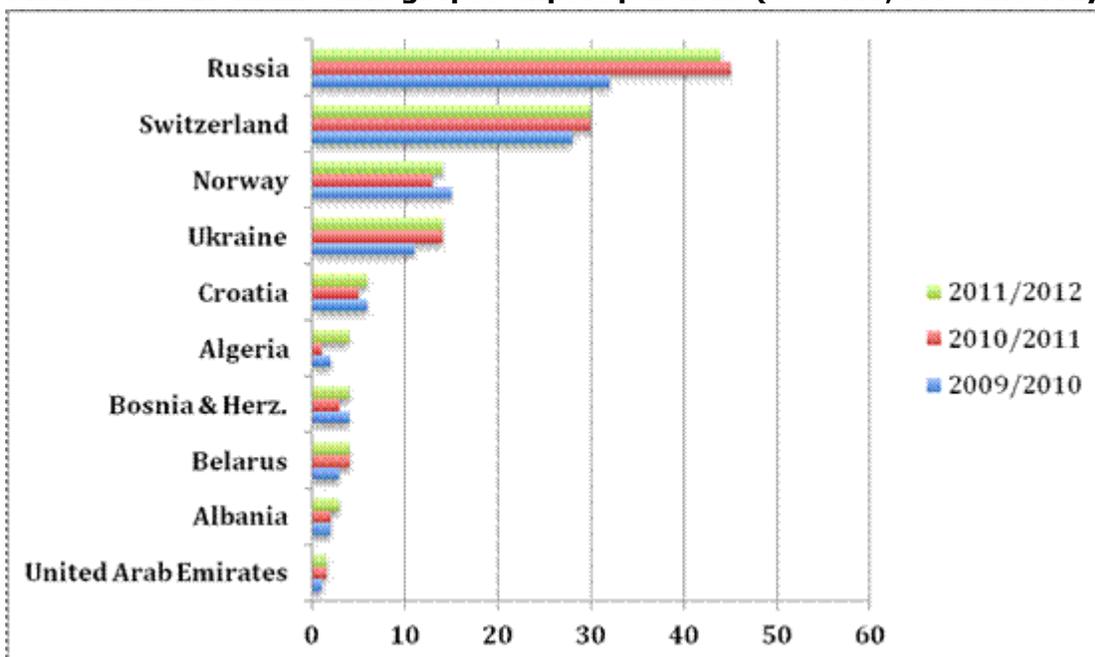
Greek table grapes (both seedless and seeded) are marketed within Europe from late July to the end of September. Germany, The Netherlands, and the United Kingdom represent the main destinations for Greek table grapes, accounting for 65 percent of the total.

Chart 7: EU-27 main table grapes import partners ('000 MT, MY June-May)



Source: GTA

Chart 8: EU-27 main table grapes export partners ('000 MT, MY June-May)



Source: GTA

Policy

Coordinated by Tania DeBelder/USEU/FAS Brussels

Common Market Organization for Fruits and Vegetables

The EU Common Market Organization for Fruits and Vegetables was last changed in 2007. The aim was to bring the fruit and vegetable sector in line with other agricultural sectors covered by the [Common Agricultural Policy \(CAP\)](#). [Council Regulation 1234/2007](#) established a single common market organization (CMO) for all agricultural products and the policy changes for fruit and vegetables were incorporated into the single CMO by [Council Regulation 361/2008](#). The old-style production-linked payments have been replaced by decoupled payments. The shift from production support to direct aid to producers was designed to improve the competitiveness, market orientation, and sustainability of the sector. As of 2012, all payments are decoupled from fruit and vegetable production.

Producer Organizations (POs) are key to the operation of the EU's CMO for fruit and vegetables. POs are legal entities established by producers to market commodities. EU subsidies are not paid to individual producers but are channeled through POs. In order to qualify for EU subsidies, POs must submit an operational program to the Commission that includes provisions for an operational fund partly (50 percent) financed by producers. The EU contributes to the POs operational fund directly. The calculation of the estimated amount of contribution to the operational fund is based on the operational program and the value of marketed production. All the implementing rules of Council Regulation 1234/2007 have been incorporated in [Commission Implementing Regulation 543/2011](#).

The [Commission Implementing Regulation 701/2012](#) amended the crisis adaptation measures in Commission Implementing Regulation 543/2011 since August 2012 and was introduced as part of the ongoing CAP reform. On the request of Spain, Italy, and France, the Commission decided to improve the functioning of the crisis management system in the fruit and vegetable sector in the run-up to the entry into force of the CAP reform expected in 2014. The regulation also aims to make rules more flexible on green harvesting and non-harvesting. For information on the CAP after 2014, please see: http://ec.europa.eu/agriculture/cap-post-2013/index_en.htm

The Commission has agreed to add compensation payments for withdrawing certain products. The amounts of aid per kilo paid to POs for products withdrawn from the market have been increased for certain products. These amounts have been set at levels that guarantee withdrawals become an effective instrument in times of crisis, whilst avoiding these kinds of withdrawals being made in normal market situations. The amounts have been increased to a minimum 20 percent of EU average prices for winter tomatoes, grapes, apricots, pears, aubergines, and melons.

The amount of support if the product is distributed for free has been increased to a level that is 30 percent above average EU prices, affecting the products mentioned above, as well as cauliflowers, apples, watermelons, clementines, and lemons.

The regulation also improves implementation of the entry price system in force for imports of fruit and vegetables from non-EU countries by enhancing traceability of imported consignments from third countries in order to guarantee the effective functioning of the system and prevent fraud.

EU Marketing Standards for Fruits and Vegetables

The [Commission implementing Regulation \(EU\) No 543/2011](#) provides for a general marketing standard for all fresh fruits and vegetables, repealing Commission Regulation 1221/2008. Specific marketing standards are still in place for ten products, including apples and pears. The specific marketing standards are set out in Part B of Annex I to this Regulation. The specific marketing

standards for apples can be found in Part 1 of that same section on page 95 and for pears in Part 6 on page 129.

Fresh fruit and vegetable imports into the EU are checked for compliance with EU-harmonized marketing standards. These standards apply at all marketing stages and include criteria such as quality, size, labeling, packaging, and presentation.

Certification of Fruit Shipments

Plant products need a phytosanitary certificate to be exported to the EU. Phytosanitary certificates issued by an APHIS inspector are required to accompany fruit, vegetable, and nut shipments. APHIS issues phytosanitary certificates in accordance with international regulations established by the [International Plant Protection Convention of the Food and Agriculture Organization of the United Nations](#). This standard-setting body coordinates cooperation between nations to control plant and plant product pests and to prevent their spread.

Council Directive [2000/29/EC](#) contains provisions concerning compulsory plant health checks. This includes documentary, identity, and physical plant health checks to verify compliance with EU import requirements. More information can be accessed on DG Health and Consumer Protection's website http://ec.europa.eu/food/plant/organisms/imports/inspection_en.htm.

Commission Regulation [1756/2004](#) provides for plant health checks to be carried out at reduced frequency when justified. The list of products recommended for plant health checks at reduced levels was [updated June 29, 2011](#).

School Fruit Scheme

A key objective of the changes made to the Fruit and Vegetable regime was to reverse declining consumption of fruit and vegetables. The European School Fruit Scheme (SFS) is one measure to use increased fruit consumption to combat child obesity. [Commission Regulation 288/2009](#), last amended by [Commission Implementing Regulation 1208/2011](#), lays down the rules for applying Council Regulation 1234/2007 as regards Community aid for supplying fruit and vegetables, processed fruit and vegetables and banana products to children in educational establishments.

These SFSs include three elements: free distribution of fruit and vegetables in schools, a series of accompanying measures, such as information campaigns on healthy eating habits, and monitoring and evaluation. The SFS aims to provide fruit and vegetables to school children from the start of the school year.

The SFS makes €90 million of EU funds available to provide fruit and vegetables to school children to be matched by national and private funds. The 2012/2013 school year is the fourth year of the program and [Commission implementing decision](#) from March 2012, allocates the €90 million of EU funds to the 24 participating Member States (Sweden, Finland and UK have opted not to participate). The main beneficiaries of the scheme in 2012/2013 are Italy, who is set to receive over € 20.5 million, followed by Germany (€ 11.6 million), Romania (€ 9.8 million), Poland (€ 9.2 million), France (€ 5.6 million), and Spain (€ 4.8 million). Based on the member state evaluations and an external evaluation which DG Agri is currently preparing, the Commission will draft the report to the European Parliament and the Council by the end of 2012.

Information on the SFS is available at: http://ec.europa.eu/agriculture/fruit-and-vegetables/school-fruit-scheme/index_en.htm

Maximum Residue Limits for Fruit

since September 2008, Maximum Residue Limits (MRLs) for pesticides, including import tolerances, have been harmonized throughout the EU. As a marketing tool, some retail chains

have adopted private standards that exceed EU regulations by requiring their suppliers to adhere to stricter company policies that limit the maximum residues to 30, 50, or 70 percent of the respective EU MRL.

For more detailed information, please click on the following the link to the [EU MRL database](#), as well as to the International [MRL database](#) (which was developed by USDA for MRLs worldwide).

EU-Russian MRLs harmonized

Fruit and vegetables are the largest EU agricultural export to Russia. The Russian Federation aligned some of its maximum levels for pesticide residues (MRLs) with the EU and international standards in 2010. The development provides more favorable conditions for EU exporters of vegetables and fruit, such as apples and pears, grapes, citrus fruits and stone fruits (peaches, apricots, etc.). For more information:

http://ec.europa.eu/food/international/trade/eu-russia_spsissues_en.htm

Tariffs

Imports of fresh fruit and vegetables are subject to the Entry Price System (EPS) which has been in place in its current form since the Uruguay Round. It is a complex tariff system that provides a high level of protection to EU producers. In this system, fruits and vegetables imported at or above an established entry price are charged an ad valorem duty. Produce valued below the entry price are charged a tariff equivalent in addition to the ad valorem duty. The tariff equivalent is graduated for products valued between 92 and 100 percent of the entry price. The ad valorem duty and the full tariff equivalent are levied on imports valued at less than 92 percent of the entry price.

Whether or not the EU will maintain the EPS will be discussed in the context of the Doha Round trade talks. The U.S. tends to sell high quality products, which are usually relatively higher priced and typically do not face any additional duty.

Tariffs

Tariff levels for 2013 are published in EU Regulation 927/2012. For details please refer to: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:304:0001:0915:EN:PDF>

Apples see pages 97 and 687-689

Pears see pages 97 and 689-691

CAJ see pages 168 and 888

Grapes see pages 96 and 686

Trade Fairs

Coordinated by Roswitha Krautgartner/FAS Vienna

In the EU, trade fairs play a key role in presenting new products to the trade or in finding additional buyers and importers. The major international trade fair for the fruit and vegetable trade is held each February in Berlin, Germany:

Fruit Logistica Berlin, Germany (Interval: yearly) Target Market: Europe Good venue for exhibiting fresh and dried fruit, nuts and related products http://www.fruitlogistica.de	Next Fair: February 06-08, 2013	U.S. Pavilion Organizer: B*FOR International Tel: (540) 373- 9935 Fax: (540) 372-
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For organic products there is a special trade fair held annually in Nuremberg, Germany

Bio Fach Nuremberg, Germany (Interval: yearly) Target Market: Germany/Europe The leading European trade show for organic food and non-food products http://www.biofach.de	Next Fair: February 13-16, 2013	U.S. Pavilion Organizer: B*FOR International Tel: (540) 373-9935 Fax: (540) 372-1411
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Related Reports

Coordinated by Roswitha Krautgartner/FAS Vienna

Report Title
 Kiwifruit Overview Kiwifruit Rome Greece 9/19/2012 Kiwi Kiwifruit Overview Rome Greece 9-14-2012
 Fresh Peaches & Nectarines, Fresh Cherries,(Sweet&Sour) Bad weather hits EU cherry crop Stone Fruit Madrid EU-27 8/14/2012 EU-27 production of peaches and nectarines in MY 2012/13 is estimated at 4.2 million MT, a value very similar to the previous harvest. Unfavorable weather conditions in some areas have been offset by good crops in Italy, Spain, and Greece. Total cherry production in MY 2012/13 is expected to reach almost 783,000 MT, 6 percent below previous year's values, a consequence of bad weather conditions that hit Central and Eastern European producers the most but that also conditioned production in Wes... Stone Fruit Annual Madrid EU-27 8-8-2012
 Greece Citrus Semi-Annual 2012 Citrus Rome Greece 7/17/2012 MY 2011/12 (November/October) Greek orange production is expected to drop by 8.6 percent due to heavy frost during flowering. Greece Citrus Semi-Annual 2012 Rome Greece 7-10-2012
 Challenging Year for Stone Fruit Production in Poland Stone Fruit Warsaw Poland 7/16/2012 In 2012, Poland's stone fruit output is expected to decrease compared to the previous year, 13 percent in case of cherries and plums, due to unfavorable winter and spring weather conditions. Strong domestic demand on smaller production is driving farm-gate prices higher, further challenging the country's competitiveness in its key stone fruit export markets, for both fresh and processed cherry and plum products. Challenging Year for Stone Fruit Production in Poland Warsaw Poland 7-11-2012
 Oranges, Fresh, Tangerines/Mandarins, Fresh, Lemons, Fresh, Grapefruit, Fresh, Orange Juice EU-27 Citrus Semi-Annual Citrus Madrid EU-27 6/20/2012 For MY2011/12, an EU orange crop of 5,551,000 MT is forecast. This is a 13 percent decrease from the previous estimates caused by revised official estimates for both Spain and Italy. Tangerine production is expected to be close to 3,127,000 MT in MY2011/12, slightly below last season's while lemon is expected to reach 1,316,000 in MY 2011/12, an 11 percent increase from the previous year. Grapefruit production is expected to be at last year's levels at 104,000 MT in MY 2011/12. Orange juice ... Citrus Semi-annual Madrid EU-27 6-14-2012
 Strawberry production in Poland the lowest in 40 years. Strawberries Warsaw Poland 6/18/2012 Poland's 2012 strawberry crop can drop by up to 40 percent compare to the 2011 crop, according to industry estimates. In 2011 production of strawberries amounted to 166,000 MT with yield of 3.29 MT per hectare. Poland' export of strawberries (including inter-EU trade) is expected to fall this year due to lower production and competition. Strawberry production in Poland the lowest in 40 years. Warsaw Poland 6-11-2012
 FAIRS Country Report FAIRS Country Report Brussels USEU EU-27 1/5/2012 This report updates each of the nine sections and provides an overview of food laws currently in force in the EU-27. In order to facilitate the reading of this report, updates specific to 2011 have been highlighted. European Commission proposals/initiatives which may have an impact on U.S. exporters are also included. Information published on the USEU/FAS website will be transferred to a new website in the first half of 2012. Food and Agricultural Import Regulations and Standards - Narrative Brussels USEU EU-27 1-4-2012
 Oranges, Fresh, Tangerines/Mandarins, Fresh, Lemons, Fresh, Grapefruit, Fresh, Orange Juice EU-27 Citrus Annual Report 2011 Citrus Madrid EU-27 12/20/2011

For MY2011/12, an EU-wide orange crop of over 6,350,000 million tons is forecast, a 2.6 percent increase from last season mostly as a result of higher production in Italy. Total tangerine production is expected to be close to 3,097,000 MT in MY2011/12, slightly below last season's, due to the influence of a dry summer. The lemon crop will benefit from the mid November rains and is expected to reach 1,320,000 in MY 2011/12, an almost 6 percent increase from the previous year. Overall EU grapef...

[Citrus Annual Madrid EU-27 12-14-2011](#)

| Apples, Fresh, Pears, Fresh, Grapes, Table, Fresh, Apple Juice, Concentrated | Good Prospects for EU-27 Apple and Pear Production | Fresh Deciduous Fruit | Vienna | EU-27 | 11/7/2011

Favorable weather conditions in major producing EU member states during the growing season will lead to an 8 percent increase in the production of apples and a 12 percent increase in pears in marketing year (MY) 2011/12. Total MY 2011/12 EU-27 apple production is estimated at 11.8 million metric tons (MMT) and pear production at 120,000 MT. Table grape production is expected increase 1 percent to 1.9 MMT. The production of concentrated apple juice is forecast to increase by 25 percent.

[Fresh Deciduous Fruit Annual Vienna EU-27 10-28-2011](#)

| 2011 | Canned Deciduous Fruit | Madrid | Spain | 11/1/2011

In MY 2011/12 Spanish canned peach production is expected at 95,000 MT, similar to previous year figures. The canning industry in Spain is going through rough times and consolidation of the sector continues due to the financial crisis, the difficulties in the access to credit and the increasing competition from countries like China.

[Canned Deciduous Fruit Annual Madrid Spain 10-26-2011](#)

| Fresh Deciduous Fruit, Fresh Fruit, Stone Fruit, Strawberries, Vegetables, Agriculture in the News, Agricultural Situation | Warsaw | Poland | 10/11/2011

National Statistic Office estimates field vegetable production at nearly 4.4 million tons, tree fruit production at 2.9 million tons, and berry fruit production at over 0.5 million tons. Vegetable and tree fruit crops are expected to be significantly higher than previous season; however final berry fruit production is estimated to be lower due to smaller currants and strawberry crops earlier this summer.

[Poland's Horticulture Production Update 2011-2012 Warsaw Poland 10-6-2011](#)

| Canned Deciduous Fruit 2011 | Canned Deciduous Fruit | Rome | Greece | 10/10/2011

MY 2011/12 Greek cling peach production is estimated at 330,000 metric tons (MT), significantly down from last year. The smaller harvest in Greece is due largely to the uprooting of peach trees in Imathia and Pella at the end of last season, as growers switched to other crops. Also, hailstorms in May and June both reduced the quality and the size of late varieties. The Greek canned peach industry is in transition and recovering from difficult circumstances. In MY 2011/12, Greece is expected...

[Canned Deciduous Fruit Annual Rome Greece 10-5-2011](#)

| Fresh Deciduous Fruit, Organic Products | Berlin | EU-27 | 8/17/2011

On August 5-6, 2011, the World Apple and Pear Association (WAPA) presented the 2011 EU apple and pear crop forecast at the 35th Prognosfruit convention in Ljubljana/Slovenia. WAPA forecasts the 2011, EU-27 crop for fresh apples at 10.2 million MT. This is an increase of 3 percent compared to the small crop of 2010. Production of fresh pears is forecast at 2.5 million MT, versus 2.3 million MT in 2010. This is an increase of 12 percent. This forecast reflects the situation as of mid-July. F...

[Positive outlook for 2011 EU Apple and Pear Production Berlin EU-27 8-12-2011](#)

| Fresh Peaches & Nectarines, Fresh Cherries,(Sweet&Sour), Select | 2011 | Stone Fruit | Madrid | EU-27 | 8/12/2011

EU-27 production of peaches and nectarines in MY 2010/11 is estimated at 3.8 million MT. The main producing countries have been affected by unfavorable weather conditions suffered all across Europe, mainly frost and hail. This resulted in a 5 percent smaller harvest for the EU-27 as compared to the previous MY. Total cherry production in MY 2010/11 is expected to slightly surpass 611,000 MT, a decrease when compared to the previous MY, due to lower production figures in all producing countries...

[Stone Fruit Annual Madrid EU-27 8-5-2011](#)

| Fresh Deciduous Fruit, Agriculture in the News, Policy and Program Announcements, National Plan | Prague | Czech Republic | 7/28/2011

Fruit growers and vintners suffered a combined estimated loss of 560 million CZK (US \$33 million). The Ministry plans to increase national subsidies 30 million CZK (US \$ 1.77 million).

[Czech Agriculture Receives Assistance after Damaging May Frosts Prague Czech Republic 7-25-2011](#)

| Select, Select | EU-27 Citrus Semi-Annual | Citrus | Madrid | EU-27 | 7/18/2011

EU-27 citrus groves include orange, lemon, mandarin and grapefruit groves. Production is mainly located in the Mediterranean regions of Spain, Italy and Greece. For MY 2010/11, the total EU citrus production is expected to be stable with a 3 percent decrease in orange production, a 4 percent increase in mandarin production, a 4 percent increase in lemon production, and an 8 percent increase in grapefruit production.

[Citrus Semi-annual Madrid EU-27 6-21-2011](#)

| Fresh Deciduous Fruit, Fresh Fruit, Stone Fruit, Strawberries, Vegetables, Agriculture in the News, Agricultural Situation | Warsaw | Poland | 7/13/2011

In 2010/11, as a result of unfavorable weather conditions across the whole of the growing season, Poland's production declined for fruits by 25 percent (to approximately 2.7 million tons), for field vegetables by 12 percent (to 4.25 million tons), and for green-house vegetables by 4 percent (to 760,000 tons). Vegetable and fruit preserve production declined for nearly every product as a consequence of smaller raw material supplies. In 2011/12, horticulture

production should rebound subject to l...

[Horticulture situation in Poland in 2010 and 2011 Warsaw Poland 7-8-2011](#)

| Citrus | Rome | Greece | 7/1/2011

MY 2010/2011 (November/October) Greek tangerine production is expected to increase by 10 percent. Favorable exchange rates encouraged producers to reach a higher level of production, also expanding the planted area. MY 2010/2011 Cypriot citrus production is forecast to increase by 5 percent, thanks to the increased availability of irrigation supplies, despite the lack of rain since the last summer. Grapefruit from Cyprus, the second largest EU-27 grapefruit producer, is regarded as amongst th...

[Greece - Cyprus Citrus 2011 Semi-Annual Rome Greece 5-27-2011](#)

| Organic Products, Retail Food Sector, Dairy and Products, Grain and Feed, Snack Foods, Dried Fruit | Prague | Czech Republic | 4/27/2011

Consumer demand for a healthier lifestyle is driving the Czech's organic market's solid, steady expansion. The Czech system is based on the EU legal framework for organic agriculture. Presently domestic organic production satisfies roughly 40 percent of market demand for select unprocessed organic foods but remains non-existent for more consumer ready-to-eat products. The national strategy for organic agriculture, while ambitious, gives recognition that consumer demand would be accommodated t...

[Organic Prague Czech Republic 4-21-2011](#)

| FAIRS Export Certificate Report | FAIRS Export Certificate Report | Brussels USEU | EU-27 | 4/26/2011

This guide provides an overview of export health certificates needed for exporting plants, animals, foods and other animal origin products to the EU. U.S. regulatory agencies have been informed of the wide range of certificates changes that have occurred in the past months and have updated their export manuals to reflect those changes. A major change concerns the use of new EU dairy certificates and the shift towards electronic documents for dairy products. However, several other certificates...

[Food and Agricultural Import Regulations and Standards - Certification Brussels USEU EU-27 3-23-2011](#)

| Product Brief, Fresh Deciduous Fruit, Citrus, Fresh Fruit, Stone Fruit, Strawberries | Berlin | Germany | 2/18/2011

Germany is one of the largest markets for fruit in Europe. The relative affluence of its population of 82 million people makes it an attractive outlet for exporters from many countries. This product brief highlights certain aspects of the German fruit market for U.S. exporters to utilize existing market opportunities and properly market their product in Germany.

[Product Brief Fresh Fruits Berlin Germany 02-08-2011](#)

| Citrus | Rome | Italy | 1/27/2011

MY 2010/2011 production is expected to reach 3.3 MMT, down 500,000 MT from previous year mainly due to a citrus disease which adversely affected yields and quality. The forecast anticipates a 20-percent decline in orange production to 1.9 MMT, a 10-percent reduction in lemons, and no change in the production of easy peelers. MY 2010/2011 citrus fruit exports are forecast to further increase to around 380,000 MT after the MY 2009/2010 reached a record 341,000 MT, driven mainly by the increased ...

[Italian Citrus Fruit 2010-2011 Rome Italy 1-20-2011](#)

Feb 12 2009 | EU-27 | Fruit & Vegetables: EU Marketing Standards

Highlight: Commission Regulation 1221/2008 provides for a general marketing standard for all fresh fruits and vegetables and repeals specific marketing standards for 26 products. For 10 types of fruit and vegetables, specific marketing standards will remain in place. The regulation will apply as of July 1, 2009. E49013

<http://www.fas.usda.gov/qainfiles/200902/146327220.pdf>

Oct 2 2008 | EU-27 | EU Certification Guide - Update

Highlight: This guide is intended to provide an overview of legally required health certificates required for export to the EU. It also lists the origin certificates which give access to U.S. specific tariff rate quotas and further refers to certain private certification initiatives, which are mostly intended to guarantee quality. U.S. regulatory agencies have been informed of the wide range of certification changes that have occurred over the past year and that will come into effect in the next few months. These changes reflect EU's updated health rules, especially in the field of animal health. Some changes also relate to new protocols negotiated between the U.S. and the EU and to the further implementation of the TRACES system. TRACES is an e-government initiative allowing the Commission to follow the movement of animal and animal products within the EU territory. E48108

<http://www.fas.usda.gov/qainfiles/200809/146295939.pdf>