

## **Canned Deciduous Fruit Situation in Selected Countries**

**Production of canned peaches in selected countries for 2000/2001 is forecast at 1.16 million tons, down 7 percent from the estimated 1.25 million tons produced in 1999/2000. Exports for 2000/2001 are forecast at 623,134 tons, up 5 percent from the preceding year. Canned pear production for 2000/2001 is forecast at a more normal 159,300 tons, up 34 percent from the extraordinarily low output of the previous year. Exports of canned pears for 2000/2001 are forecast at 97,200 tons, up 2 percent from last year's level.**

### **Regional and Country Highlights**

The canned deciduous fruit sector is suffering a market crisis throughout the world due to an overall decline in canned fruit consumption, low prices, and increased competition among the principal exporters: Greece, South Africa and Australia.

In Europe, Greece and Spain have increased their canned fruit production in the last years due to what is perceived as a better ability to adapt to the changes in the European Community (EU) support program and to use the subsidies to their advantage in comparison to other EU producers. As a result, EU production in 1999/2000 reached levels similar to the record in 1992/1993 (771,000 tons of canned peaches and pears in 1999/2000 compared to 612,000 tons in 1998/1999).

#### **Greece**

The weather conditions through June 2000 were about normal, but fruit size was relatively small because of a heavy set. This, combined with very high July temperatures resulted in early varieties ripening a week earlier than expected. Consequently, fruit size was small and fruit was either left on the tree or taken to the withdrawal pools. Later varieties had generally good quality fruit. Due to large beginning stocks (120,000 tons versus 5,506 tons last year), and low prices. Consequently, canned output is forecast at 320,000 tons compared to the record 441,000 tons produced last year.

Processors paid about 76 drachmas/kg (\$0.28/kg compared about 65 drachmas (\$0.22/kg) last season. Ex factory prices for canned peaches dropped considerably as the season progressed. Prices for a Good Standard 24/1 kg case ranged from U.S.\$ 12.50 - \$13.50 at mid August and by early October were quoted at \$7.20 - \$8.00.

According to EU regulations, the maximum allowable withdrawal quantity of peaches within the EU countries was not to exceed 40 percent of the total marketed tonnage in 1999/2000 and this was further

reduced to 30 percent for the 2000/2001 season (approximately 193,000 mt).

### **Italy**

Italian canned deciduous fruit output for 2000/2001 is forecast at more normal levels of 30,000 tons for canned peaches and 60,000 tons for canned pears. This compares with 41,000 of canned peaches and 24,000 tons of canned pears during the previous year. In 1999/2000, exports of canned peaches dropped to 37,000 tons due to the Italian producers' difficulty in competing in the market. Exports are expected to remain at that level for 2000/2001, because Italian processors of canned peaches are finding it difficult to remain profitable against strong imports from Greece and low domestic retail prices.

### **Spain**

Favorable weather conditions enabled Spain to exceed last year's canned peach output, by 1,000 tons reaching a forecast 2000/2001 level of 183,000 tons. Canning pear production was reduced due to unfavorable weather conditions due to spring frost, an irregular blossoming and hail storms during the blooming period. Spanish canned pear output is forecast to decrease by 500 tons to total 35,800 tons. Spain's canned peach exports are forecast to increase, in 2000/2001, by 2,000 tons to reach 72,000 tons, while pear exports are expected to decline by 3,000 tons to 26,000 tons.

### **Argentina**

Argentine canned peach output for 2000/2001 is forecast at 75,000 tons. Canned peach exports in 2001 are predicted at 8,000 tons up 1,000 tons from the previous year. Brazil is expected to be the main importer.

### **Chile**

Chilean canned peach production for marketing year 2000/2001 is forecast to decline by 14 percent (6,000 tons) from the previous year due to poor weather in the current blooming period. Exports of canned peaches are forecast to be sharply lower, reflecting the fall in production, a weaker international demand, and renewed competition from Greece. Farm prices for canning peaches for 1999/2000 are down 20 percent from the previous year.

### **South Africa (SA)**

The long awaited EU/SA free trade accord provisionally came into force on January 1, 2000. Under the agreement, EU imports of South African canned fruit is subject to tariff quotas; 40,000 tons for canned apricots, peaches and pears combined and 18,000 tons for canned mixtures are annually allowed in at a tariff equal to one half of the prevailing rate which is generally about 20 percent. While the quota is fairly significant, it does not lead to the duty free situation that other South African products will eventually enjoy. The agreement should have a beneficial effect on export returns, which are under stress due to a world oversupply situation. Domestically, production cost and inflation are also becoming a major problem in an industry suffering from static prices.

Europe is the most important market for South African canned fruit. Between 60 and 66 percent of the exports traditionally go to Europe; this has become very important with the quota allocated under the EU/SA agreement. Initial indications are that the quota will cover between 70 and 80 percent of exports to Europe, but only 40 percent of total exports to all markets. The EU duty benefit of about 10 percent will therefore equate to about 4 percent on the total pack. Thus while helpful, the EU/SA agreement is not expected to provide any stimulus for increased production. Canned peach output for 2000/2001 is forecast 823,000 tons lower than last year and canned pear output is up only 2000 tones from last year's record low of 20,494 tons.

**Beginning with this report, Production Supply and Distribution (PS&D) tables for canned mixed fruit and canned apricots will be discontinued. In addition, several countries (France and Japan) have been eliminated from the PS&D tables from canned peaches and canned pears. This decision was necessitated due to the declining Foreign Agricultural Service budget resources and the need to more strategically target remaining resources in support of the Agency's primary mission to facilitate the expansion of export opportunities for U.S. produced agricultural commodities.**

*The FAS Attache Report search engine contains reports on the Canned Deciduous Fruit. For information on production and trade, contact Robert Knapp at 202-720-4620. For information on marketing contact Kristan Kezar at 202-609-0556.)*

**CANNED PEACHES: PRODUCTION, SUPPLY AND DISTRIBUTION**

<b>Country</b>	<b>Beginning Stocks</b>	<b>Production</b>	<b>Imports</b>	<b>Total Supply</b>	<b>Exports</b>	<b>Domestic Consumption</b>	<b>Ending Stocks</b>
--Metric Tons Net Weight 1/ --							
<b>Greece</b>							
1998/1999	1,506	267,000	2,500	271,006	255,000	10,500	5,506
1999/2000	5,506	441,000	1,500	448,006	335,500	10,506	102,000
2000/2001	102,000	397,000	1,000	500,000	400,000	13,000	87,000
<b>Italy</b>							
1998/1999	0	28,000	37,000	65,000	51,000	14,000	0
1999/2000	0	41,000	19,500	60,500	37,000	12,000	11,500
2000/2001	11,500	26,500	23,000	61,000	35,000	11,000	15,000
<b>Spain</b>							
1998/1999	3,050	170,000	4,700	177,750	56,500	106,550	14,700
1999/2000	14,700	182,000	4,600	201,300	74,400	104,900	22,000
2000/2001	22,000	146,700	6,000	174,700	55,000	102,700	17,000
<b>United States</b>							
1998/1999	87,977	361,298	13,908	463,183	27,734	381,619	53,830
1999/2000	53,830	357,216	26,229	459,174	20,197	375,587	63,391
2000/2001	63,391	350,888	50,000	464,279	14,200	367,422	82,657
<b>Argentina</b>							
1998/1999	1,000	65,850	7,276	74,126	7,021	63,215	3,890
1999/2000	3,890	65,850	7,276	77,016	7,021	66,105	3,890
2000/2001	3,890	70,000	12,217	86,107	934	73,283	11,890
<b>Australia</b>							
1998/1999	12,808	40,000	244	53,052	15,025	29,549	8,478
1999/2000	8,478	37,040	270	45,788	9,790	30,000	5,998
2000/2001	5,998	40,000	300	46,298	10,000	31,000	5,298
<b>Chile</b>							
1998/1999	102	50,000	376	50,478	42,200	6,500	1,778
1999/2000	1,778	43,500	105	45,383	38,564	6,500	319
2000/2001	319	46,000	0	46,319	39,000	6,600	719
<b>South Africa</b>							
1998/1999	0	88,016	0	88,016	71,231	16,785	0
1999/2000	0	88,016	0	88,016	71,231	16,785	0
2000/2001	0	84,123	0	84,123	69,000	15,123	0
<b>Total</b>							
1998/1999	106,443	1,070,164	66,004	1,242,611	525,711	628,718	88,182
1999/2000	88,182	1,255,622	59,480	1,425,183	593,703	622,383	209,098
2000/2001	209,098	1,161,211	92,517	1,462,826	623,134	620,128	219,564

Note: for calendar year reference, MY 1999/00 would become CY 1999

1/ One metric ton equals 48.99 standard 45 -lb cases net 24x2 1/2 cans

Source : U.S. Agricultural Attaché Reports



**U.S. EXPORTS OF CANNED PEARS**  
**CANNED PEARS: PRODUCTION, SUPPLY AND DISTRIBUTION**  
 Marketing Year June/May

Country	Beginning Stocks	1993/94 Production	1994/95 Imports	1995/96 Total Supply	1996/97 Exports	1997/98 Domestic Consumption	1998/99 Ending Stocks	1999/2000	
				--Metric Tons Net Weight 1/ --					
Canada		1,554	2,795	5,669	2,703	3,261	3,293	3,501	
Mexico		164	25	0	77	14	0	23	
Italy									
1998/99 Germany	6,000	53,000	170	1,100	82	70,100	115	39,000	
1999/2000 United Kingdom	20,000	0	14	90	85	219	0	10,000	
2000/2001 Japan	6,000	402	485	623	311	290	528	9,000	
Hong Kong		29	51	84	49	6	128	18,000	
Spain									
1998/99 Singapore	1,900	88	113	9	41	10	3	2	
1999/2000 Thailand	8,200	48,000	19	170	6	50,070	39	11,400	
2000/2001 Federation	900	36,200	13	500	16	44,900	31	15,000	
Saudi Arabia		900	335,800	110	1,000	53	37,700	43	10,500
Australia		55	36	64	15	58	29	3	
1998/99 United Arab Emirates	4,786	41,000	555	65	79	45,851	0	24,680	
1999/2000 Other	7,671	504	37,780	334	15	540	197	28,574	
2000/2001 Grand Total	2,892	41,000	15	7,315	43,907	28,000	4,988	14,500	
South Africa		2,890	4,720	7,315	3,706	4,707		4,589	
1998/99	0	26,793	27	26,820	21,596	3,820	1,404		
1999/2000	404	20,494	0	21,898	18,100	3,798	0		
2000/2001	0	22,500	0	22,500	18,700	3,800	0		

**Grand Total**

**U.S. EXPORTS OF CANNED FRUIT MIXTURES**

Destination	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/2000	2000/2001
			Marketing Year June/May					
1998/99	12,686	178,793	5,245	7,422	8,512	10,432	10,273	
1999/2000	37,275	118,474	6,515	162,264	95,674	56,798	9,792	
2000/2001	9,792	59,300	2,045	171,900	97,208	53,300	20,607	

--Metric Tons Net Weight 1/ --

Note: For Calendar year reference, MY 1999/00 would become CY 1999

1/ One metric ton equals 48.99 standard cases of 24 x 2 1/2 cans

Source: U.S. Agricultural Attache Reports

Japan	6,205	5,612	4,163	3,555	2,928	3,681	3,876
Philippines	1,289	2,801	4,313	3,804	700	633	640
Hong Kong	3,999	3,915	2,793	1,970	606	506	414
Singapore	2,575	4,476	3,124	1,826	999	817	567
Taiwan	1,106	971	622	416	626	814	355
Korea	208	720	238	421	689	500	547
Panama	863	744	637	597	1,148	802	844
El Salvador	266	283	360	337	379	486	447
Costa Rica	712	608	831	834	1,230	1,063	868
Saudi Arabia	1,387	458	1,055	820	1,182	1,022	186
Other	2,854	896	2,115	2,762	2,841	4,207	3,109
<b>Grand Total</b>	<b>27,688</b>	<b>27,787</b>	<b>25,882</b>	<b>24,949</b>	<b>22,360</b>	<b>25,325</b>	<b>22,500</b>

1/ One metric ton equals 48.99 standard cases of 24 x 2 1/2 cans

Source: U.S. Census Bureau

**U.S. IMPORTS OF CANNED PEACHES**  
Marketing Year June/May

<b>Origination</b>	<b>1993/94</b>	<b>1994/95</b>	<b>1995/96</b>	<b>1996/97</b>	<b>1997/98</b>	<b>1998/99</b>	<b>1999/2000</b>
--Metric Tons Net Weight 1/ --							
Greece	15,515	16,743	10,489	19,475	4,586	6,715	20,077
Spain	829	233	31	4,324	11,424	1,971	1,993
South Africa	3,319	1,693	1,546	2,717	3,863	1,531	474
Chile	1,076	1,637	1,755	1,166	447	69	2,388
China	2	97	199	244	728	1,064	369
Japan	0	0	0	69	7	0	0
France	42	49	44	56	102	46	95
Italy	316	4	3	19	13	25	0
Other	112	283	33	17	814	2,487	833
<b>Grand Total</b>	<b>21,211</b>	<b>20,739</b>	<b>14,100</b>	<b>28,087</b>	<b>21,984</b>	<b>13,908</b>	<b>26,229</b>

1/ One metric ton equals 48.99 cases standard cases of 24 x 2 1/2 cans  
Source: U.S. Census Bureau

**U.S. EXPORTS OF CANNED PEACHES**  
Marketing Year June/May

<b>Destination</b>	<b>1993/94</b>	<b>1994/95</b>	<b>1995/96</b>	<b>1996/97</b>	<b>1997/98</b>	<b>1998/99</b>	<b>1999/2000</b>
--Metric Tons Net Weight 1/ --							
Canada	2,809	3,908	5,589	4,192	7,452	6,248	8,043
Mexico	1,400	454	294	451	950	4,154	5,395
Japan	5,674	4,595	4,290	2,559	2,917	2,475	2,248
Korea	820	2,314	2,495	1,593	569	1,220	1,142
Taiwan	1,719	1,259	1,852	1,295	912	1,036	346
Singapore	1,194	1,164	958	900	228	110	141
Hong Kong	1,768	943	867	809	287	197	47
Philippines	382	1,018	617	442	119	650	91
Costa Rica	558	441	752	494	581	619	450
Germany	31	74	48	233	346	265	101
Guatemala	176	200	186	217	188	226	383
El Salvador	162	117	186	214	218	245	273
Saudi Arabia	460	137	166	201	467	151	154
Russian Federation	4621 67	185	176	1,077	579	5	0
Other	2,089	1,960	2,817	1,329	3,184	10,133	1,383
<b>Grand Total</b>	<b>19,309</b>	<b>18,769</b>	<b>21,293</b>	<b>16,006</b>	<b>18,997</b>	<b>27,734</b>	<b>20,197</b>

1/ One metric ton equals 48.99 cases standard cases of 24 x 2 1/2 cans  
Source: U.S. Census Bureau