Developments in the Fruit & Vegetables market of the EU
How to further integrate POs in the food supply chain

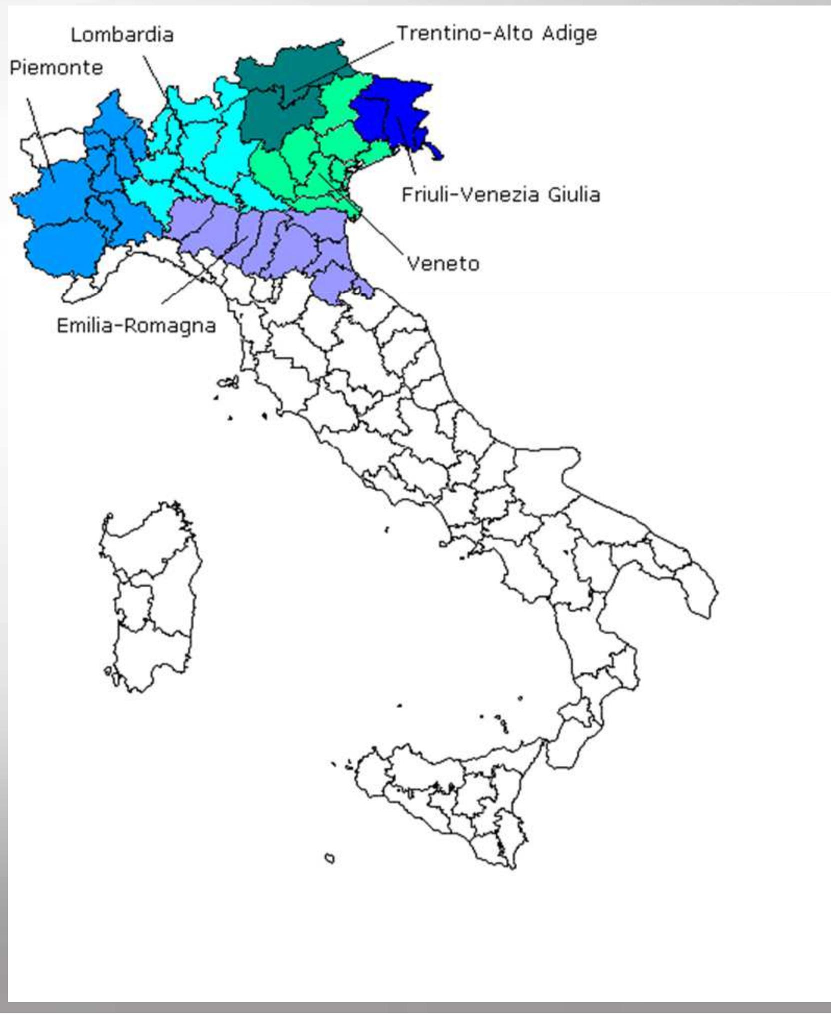
Warsaw, 7th October 2015
Dott. Alessandro Dalpiaz

Assomela introduces itself

Assomela is the Consortium of the Italian apple producers representing the 75% of national apple production and the 20% of European production.

Our members:

- VOG
- Vi.P
- Melinda
- la Trentina
- VOG Products
- Mezzacorona
- OPCOZ
- OPNordEst
- Melapiù
- Rivoira
- Lagnasco
- Melavì
- Friulfruct
- FROM



Fruits - What's the EU importing?

Product	2009	2010	2011	2012	2013	2014	Average 09-13	Var. 13/14	Var. 09-13/14
Bananas, plantains	5.077.969	4.642.519	4.762.623	4.613.507	4.907.503	5.113.121	4.852.874	4,19%	5,09%
Pineapples	973.793	903.682	921.363	866.468	853.129	934.028	908.744	9,48%	2,71%
Oranges	896.865	953.393	805.834	815.747	883.115	827.087	863.673	-6,34%	-4,42%
Grapes	667.361	574.537	541.726	576.741	571.637	597.079	588.180	4,45%	1,49%
Apples	846.965	615.282	595.908	504.159	668.694	494.895	620.984	-25,99%	-25,48%
Mandarins*	402.204	388.323	336.675	317.164	327.249	367.211	356.471	12,21%	2,92%
Lemons	468.259	468.906	430.552	421.254	438.652	358.740	431.061	-18,22%	-20,16%
Melons	343.224	339.577	339.369	352.737	334.629	356.537	344.346	6,55%	3,42%
Grapefruit	444.571	381.852	353.183	349.699	345.987	353.071	371.394	2,05%	-5,19%
Avocados	213.412	208.368	186.217	216.800	251.507	302.193	229.750	20,15%	23,97%
Guavas, mangoes and mangosteens	216.371	225.247	249.808	232.479	260.692	270.819	242.569	3,88%	10,43%
Pears and quinces	410.635	286.407	311.721	231.145	289.783	242.152	295.307	-16,44%	-21,95%
Watermelons	193.668	194.207	194.838	188.150	171.920	193.735	189.420	12,69%	2,23%
Kiwifruit	332.780	250.131	237.844	231.836	215.092	173.145	240.138	-19,50%	-38,69%
Other exotic**	87.097	80.852	96.483	93.001	96.351	114.916	94.784	19,27%	17,52%
Dates	72.292	71.588	73.317	72.731	81.076	88.431	76.572	9,07%	13,41%
Plums and sloes	85.001	63.685	75.841	80.624	95.881	59.753	76.797	-37,68%	-28,53%
Figs	43.065	40.807	40.174	40.292	46.092	44.969	42.567	-2,44%	5,34%
Cherries	55.807	41.896	39.867	47.297	49.001	42.310	46.030	-13,65%	-8,79%
Cranberries, bilberries & similar	14.182	17.651	22.251	25.380	27.624	36.832	23.987	33,33%	34,88%
Pawpaws "papayas"	35.998	29.573	30.933	27.916	28.816	35.601	31.473	23,55%	11,60%
Strawberries	45.638	36.664	41.057	38.589	30.600	29.936	37.081	-2,17%	-23,87%
Peaches, nectarines	37.745	28.281	31.239	31.513	31.261	25.721	30.960	-17,72%	-20,37%
Raspberries, blackberries, mulberries and loganberries	12.640	10.467	14.694	11.759	14.016	20.816	14.065	48,52%	32,43%
Apricots	12.661	10.369	9.722	11.120	12.144	8.077	10.682	-33,49%	-32,26%
Other citrus fruit	2.025	3.986	4.277	4.532	3.281	3.553	3.609	8,29%	-1,59%
Black, white or red currants and gooseberries	232	186	292	280	223	424	273	90,26%	35,63%
Durians	513	371	288	298	245	262	329	6,86%	-25,88%
TOTAL	11.992.972	10.868.809	10.748.097	10.403.217	11.036.195	11.095.412	11.024.117	0,54%	0,64%

Fruits - What's the EU exporting?

Product	2009	2010	2011	2012	2013	2014	Average 09-13	Var. 13/14	Var. 09-13/14
Apples	1.156.662	1.236.231	1.221.864	1.549.790	1.507.287	1.728.255	1.400.015	14,66%	18,99%
Pears and quinces	232.682	344.511	399.253	405.356	351.445	472.702	367.658	34,50%	22,22%
Peaches, nectarines	202.352	272.900	309.004	365.768	307.102	356.487	302.269	16,08%	15,21%
Oranges	218.594	251.736	290.954	284.474	313.894	337.330	282.830	7,47%	16,16%
Mandarins*	270.301	321.615	379.307	417.073	364.240	326.088	346.437	-10,47%	-6,24%
Kiwifruit	158.997	186.484	205.169	238.888	221.769	206.560	202.978	-6,86%	1,73%
Lemons	75.582	59.536	60.760	96.396	73.019	104.711	78.334	43,40%	25,19%
Grapes	115.669	125.592	128.200	149.763	153.779	103.402	129.401	-32,76%	-25,14%
Plums and sloes	48.621	56.992	64.904	74.008	57.140	86.033	64.616	50,56%	24,89%
Strawberries	35.288	39.161	46.748	62.102	68.003	69.060	53.394	1,55%	22,69%
Watermelons	37.392	45.964	39.943	48.507	54.517	60.969	47.882	11,83%	21,47%
Melons	35.627	37.672	37.824	41.933	42.087	40.664	39.301	-3,38%	3,35%
Pineapples	38.799	42.494	38.662	44.242	45.043	39.545	41.464	-12,21%	-4,85%
Cherries	30.175	19.397	30.173	30.335	43.106	38.771	31.993	-10,06%	17,48%
Other exotic**	34.280	47.335	56.436	31.213	34.100	37.672	40.173	10,48%	-6,64%
Avocados	20.574	25.919	27.036	32.135	35.248	36.078	29.499	2,36%	18,24%
Apricots	16.956	16.296	17.669	28.082	18.002	24.621	20.271	36,77%	17,67%
Guavas, mangoes and mangosteens	12.926	17.959	18.103	18.407	20.417	22.180	18.332	8,63%	17,35%
Grapefruit	20.012	19.450	18.545	18.796	21.164	16.255	19.037	-23,20%	-17,11%
Cranberries, bilberries & similar	1.736	4.035	4.170	6.764	8.349	8.678	5.622	3,94%	35,22%
Bananas, plantains	8.947	8.532	9.592	6.774	6.324	7.653	7.970	21,02%	-4,15%
Raspberries, blackberries, mulberries and loganberries	2.359	2.676	3.024	4.873	6.237	6.283	4.242	0,74%	32,48%
Figs	4.785	4.249	3.621	4.280	5.354	4.694	4.497	-12,32%	4,19%
Dates	1.952	2.406	2.663	2.590	2.498	2.557	2.444	2,37%	4,41%
Black, white or red currants and gooseberries	1.117	934	555	1.160	732	1.014	918	38,54%	9,43%
Pawpaws "papayas"	562	731	676	787	803	796	726	-0,78%	8,86%
Other citrus fruit	487	406	585	1.283	931	589	713	-36,78%	-21,17%
Durians	50	8	0	0	1	0	10	-100,00%	-
TOTAL	2.783.484	3.191.216	3.415.438	3.965.780	3.762.589	4.139.645	3.950.646	10,02%	4,57%

Fruits – import/export balance

Import is slightly decreasing

From 11.992.972 tons (2009) to 11.095.412 (2014) ⟹ (- 0,64%)

Export is increasing

From 2.783.484 ton. (2009) to 4.139.645 (2014) ⟹ (+ 4,57%)

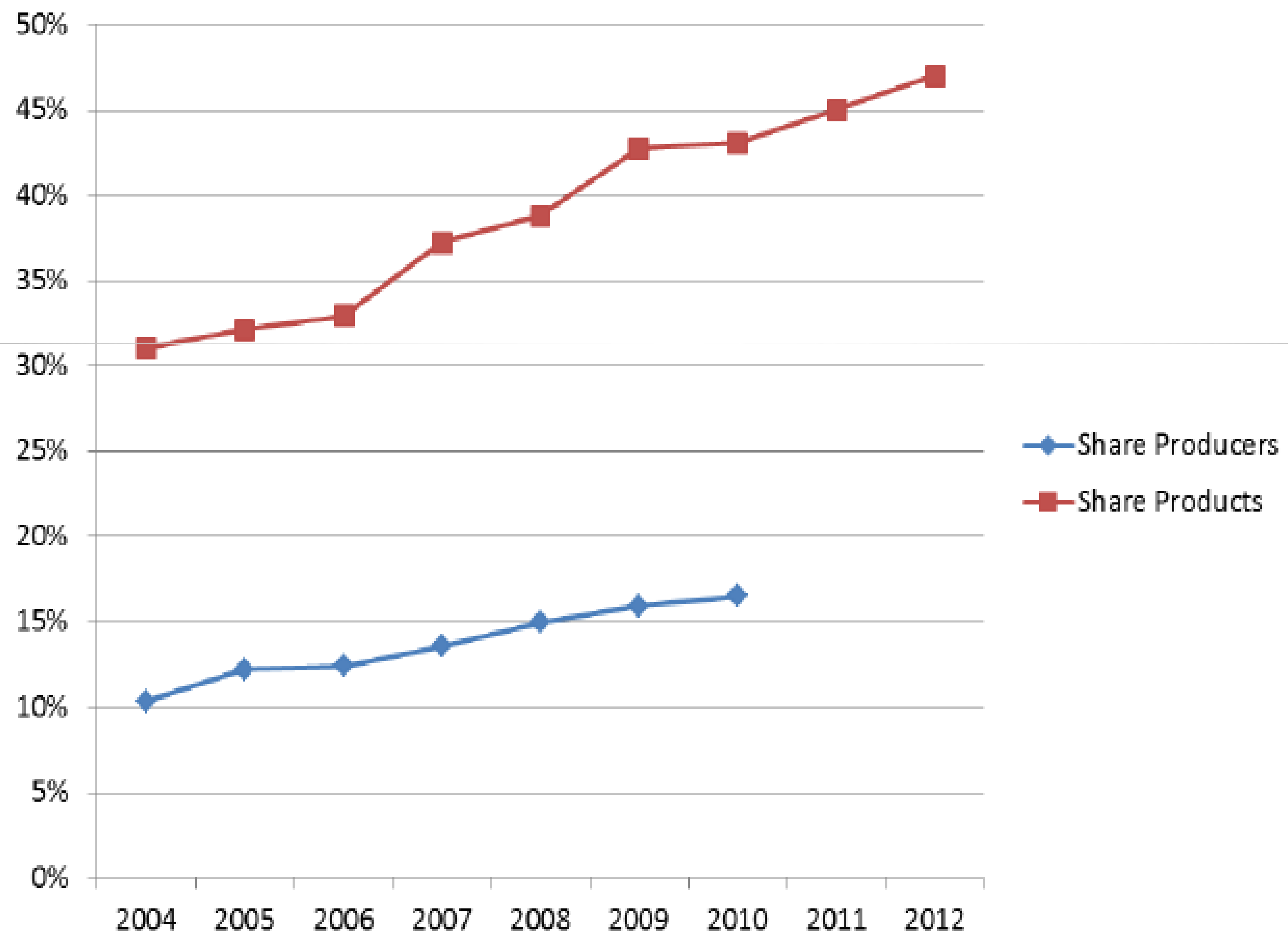
The imbalance is still great but progressivly closing

From 9.209.488 ton. (2009) to 6.955.488 ton. (2014)

Recognised POs: share of F&V producers and share of F&V production, 2004 – 2010

	2004	2005	2006	2007	2008	2009	2010
Total number of Pos	1.569	1.393	1.432	1.427	1.549	1.638	1.599
Fruit and Vegetables holdings who are members of Pos	397.733	438.456	430.714	454.052	457.833	442.605	411.400
Total number of agricultural holdings with area under Fruit and Vegetable productions	3.841.645	3.591.290	3.470.690	3.350.090	3.063.930	2.777.770	2.491.610
Share of total Fruit and Vegetables producers who are members of Pos (% of total holdings of Fruit and Vegetables)	**10,4%**	**12,2%**	**12,4%**	**13,6%**	**14,9%**	**15,9%**	**16,5%**
Value of the Fruit and Vegetables products marketed by Pos (million euros)	13.886	14.641	15.486	18.087	19.484	19.503	21.261
Total value of Fruit and Vegetables production (million euros)	44.711	45.601	47.013	48.557	50.216	45.625	49.389
Share of the Value of the Fruit and Vegetables products marketed by POs (% of total value of Fruit and Vegetables production)	**31,1%**	**32,1%**	**32,9%**	**37,2%**	**38,8%**	**42,7%**	**43,0%**

Recognised POs: share of F&V producers and share of F&V production, 2004 - 2012

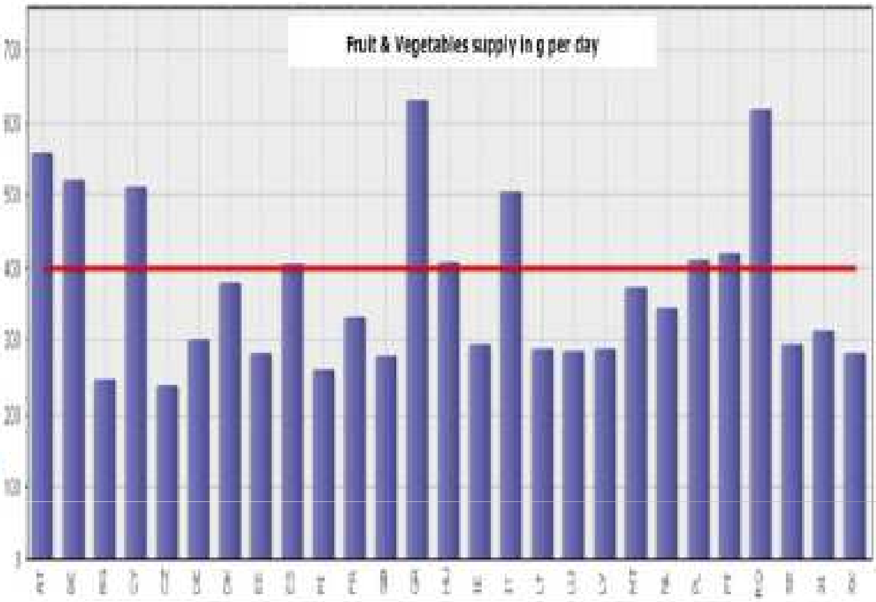


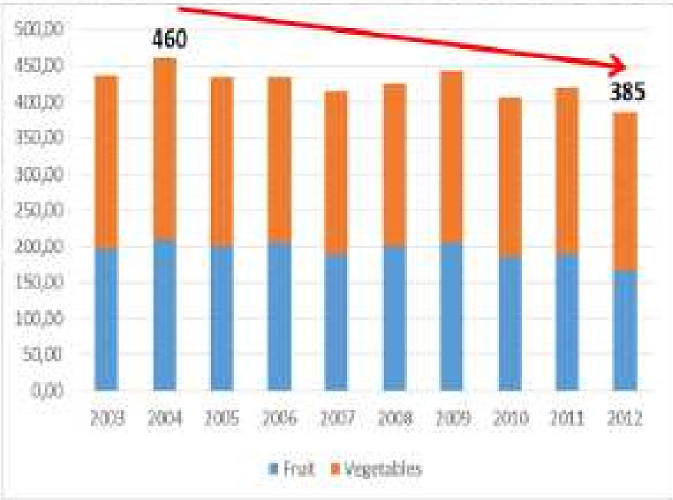
Is the export potential linked to the level of the organization?

In our opinion organization (P.O.) is among the important driving tools

EU F&V fruit consumption

- Consumption Monitor 2015 to be released in spring , covering data up to 2013
- Alarming trends still one :
  - Most MS below 400 gr/day
  - Lost of equivalent of one piece of f or v per person per day in last decade





Source: Freshfel consumption monitor 2015

Some considerations

- Is it possible to stimulate the consumption?
  - Maybe, but difficult (globalization and new product competition …………)
- How to pursue the correct balance between supply and demand? ⟶ **Export's one tool!**
- How to increase the export capacity?

The organization is crucial

Some considerations

- Approaching new markets involves risks
- Promoting new product takes time
- Promoting new products takes money
- Clients ask for high quality but also for standard quality
- Retailers ask for supplying capacity for a long time
- Retailers ask for new basic requirements: traceability, certifications ….

The organization mitigates the risks, shares the costs and increase the investing capacity and enhance the competiveness of the companies

The case of Italian apples

1. Commercial role of the P.O.

2. Environmental role of the P.O

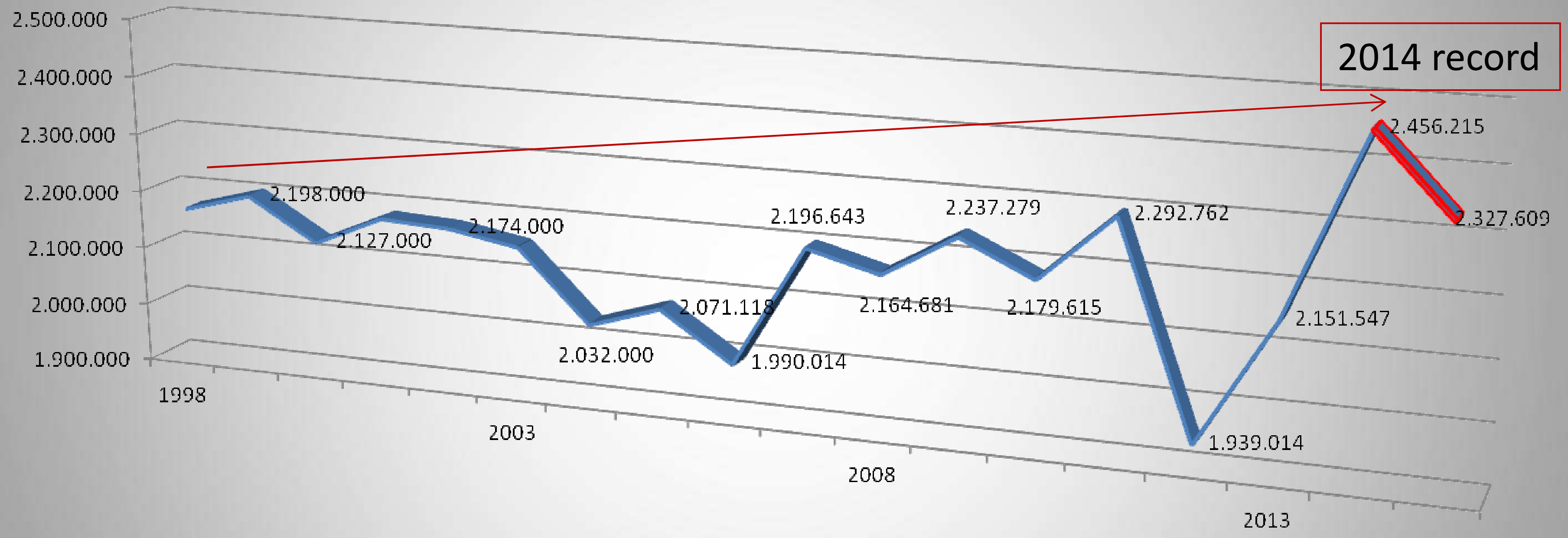
Assomela members' social and economic system

	Turnover (2011-2013)	Employees	Area (ha)	N. of growers
South Tyrol	€ 744.756.268	2.500	15.534	6.677
Trentino	€ 318.151.236	1.500	8.961	6.303
Other Regions	€ 127.694.446	500	3.075	1.280
Total	**€ 1.190.601.950**	**4.500**	**27.570**	**14.260**

Source: Assomela

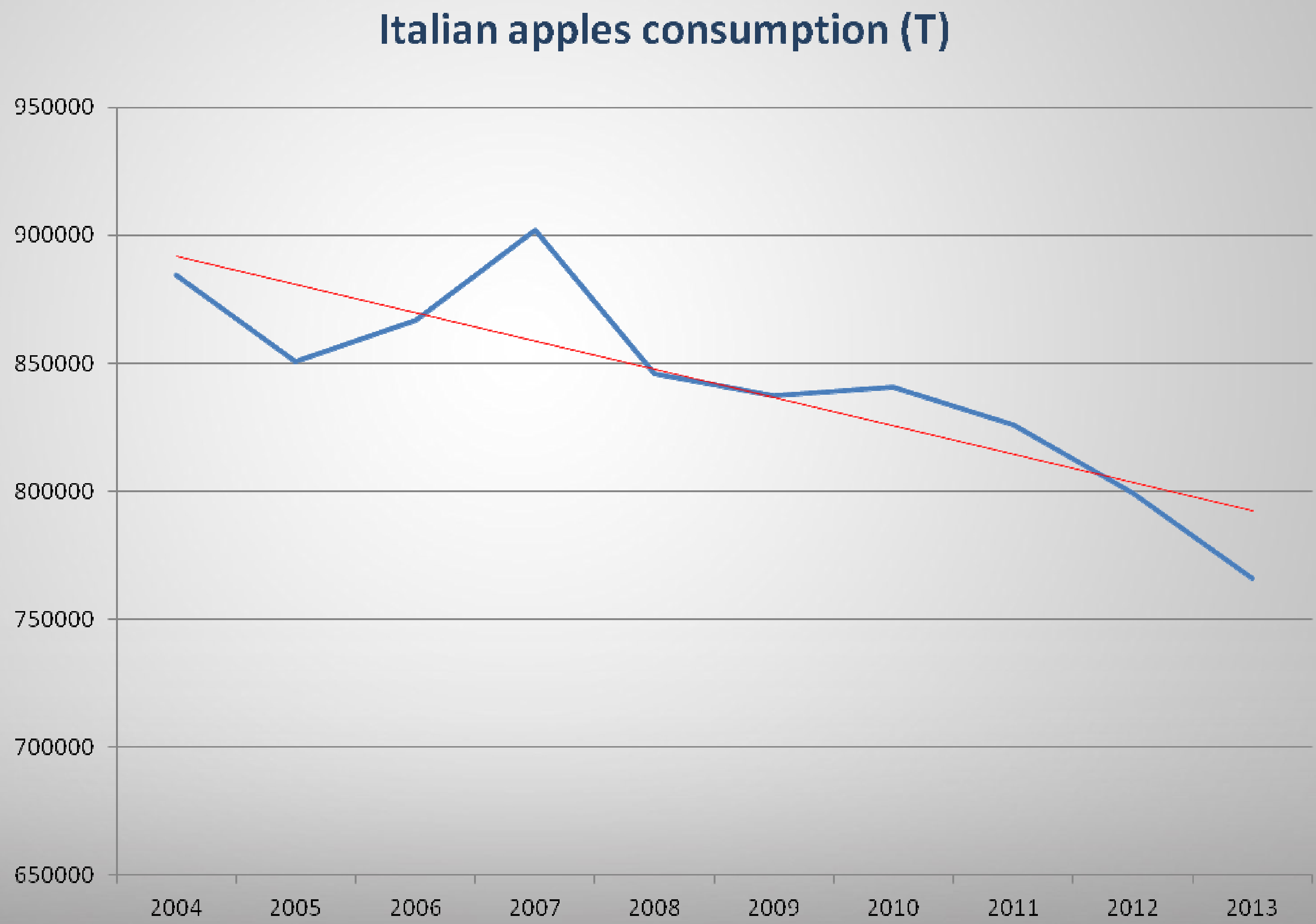
Avarage size per farm
1,93 ha

Italian apple production trend



Source: Assomela

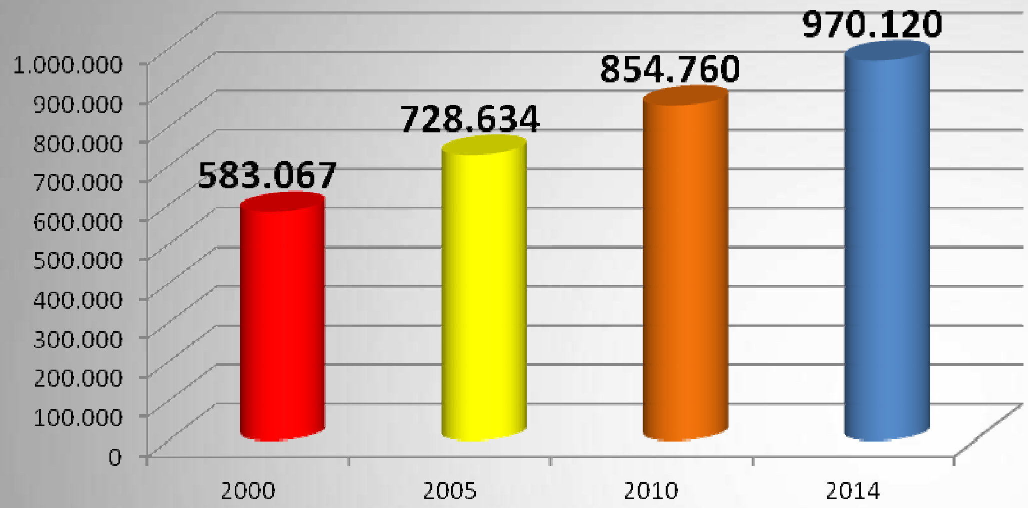
Italy – Apple consumption



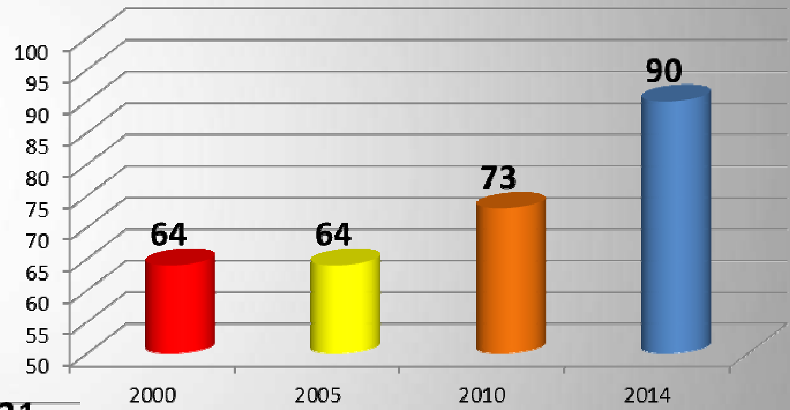
Source: CSO - GFK

Market competitiveness

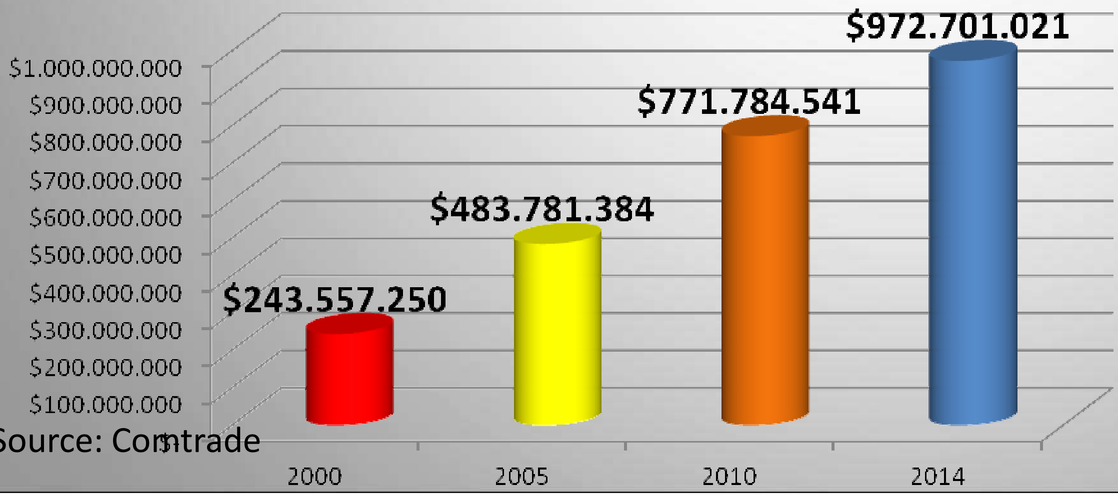
Export - Volume (ton.)



Target countries



Export - Value ($)



Source: Comtrade

Italy: Stocks depletion 2014-2015

Source: Assomela

Safety and quality inside the Italian Apple System

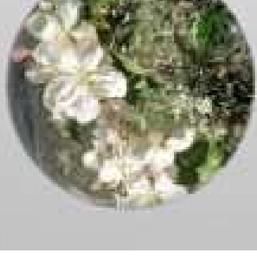
- Integrated production
- Organic production
- MRL controls
- Global Gap
- IFS/BRC/
- Sexual disorientation
- Sprays machines control
- Phytosanitary packages disposal
- Product’s traceability system
- Research and innovation

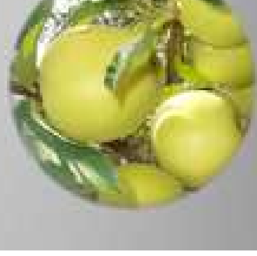


Some results

MRL controls
Trentino and South Tyrol - 2012

Product	n° samples
Apple Trentino	885
Apple South Tyrol	953
Total	**1.838**

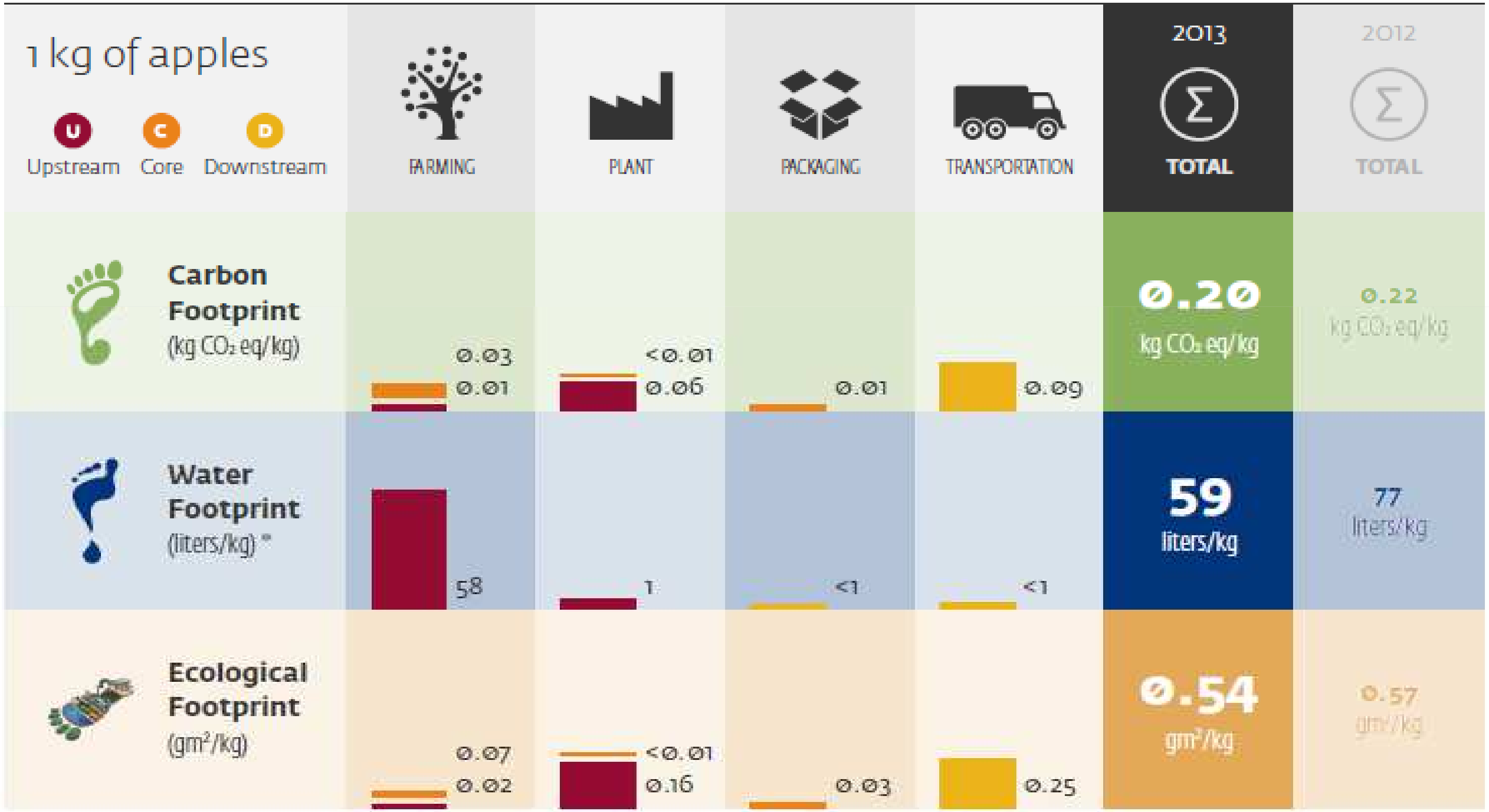






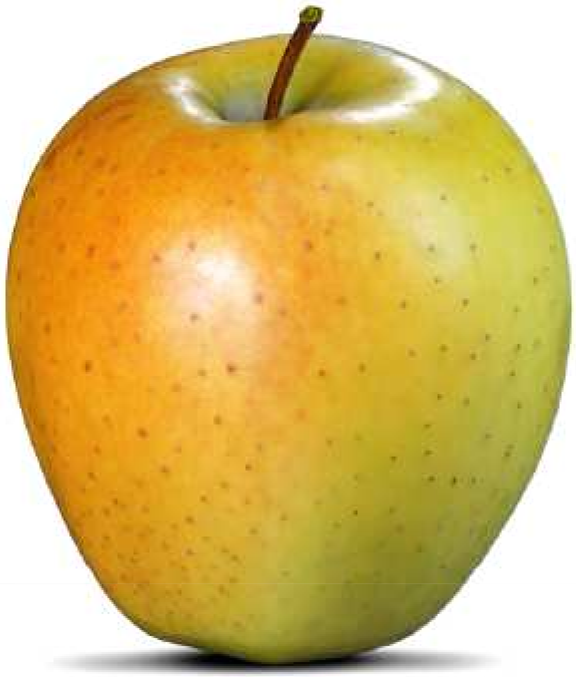

6. The Footprint

6.1 Carbon, Water and Ecological Footprint



* Data are referred only to Blue Water.

The values reported are the result of rounding. That is why the results might be slightly different from the sum of the individual components.



Environmental Product Declaration **of Italian Apples***

* 8 POs of the 10 associated to Assomela.

PCR:
2012:07 version 1.0 of 23/08/2012

Registration number:
S-P-00369

Version:
2

Valid up to:
31/10/2015

Geographical scope:
apples produced in Italy

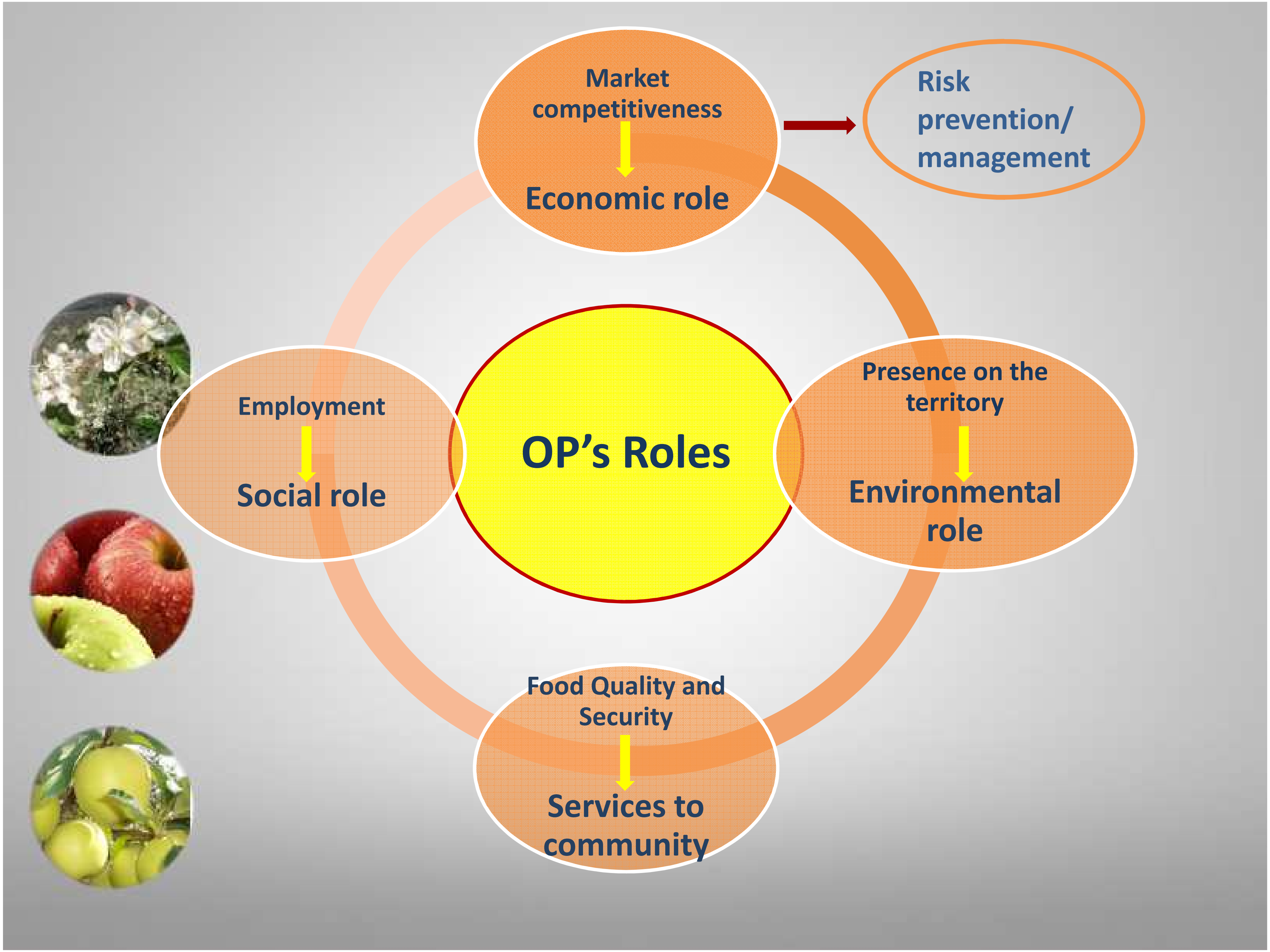
Information related to:
2012 harvest

Further information on:
www.environdec.com

EPD's from different programmes may not be comparable

Research project HYPOGEUM
by Melinda®

Melinda®
D.O.P MELA VAL DI NON


Market competitiveness
Economic role
Risk prevention/ management
Employment
Social role
OP's Roles
Presence on the territory
Environmental role
Food Quality and Security
Services to community

Why the PO?

<u>Mission</u>



- To stimulate the concentration of supply
- To program production and destocking in order to achieve demand and supply equilibrium;
- To reduce production costs and to stabilize prices at production level
- To coordinate promotional campaigns at national and international level
- To promote the market access and export
- **To endorse research studies and testing on new techniques**
- **To promote innovation**
- To enhance cooperation among Associates

To sum up

Organized structures are strategic not only for commercial reasons, as they assure more competitiveness to the sector over the years, but also for better organizing the “production factors” and for leading the growers toward new goals: better environmental use of land and resources; legitimization of the agricultural sector vis-à-vis the community.