

## Italy: Crisis for peaches and nectarines

Against all expectations, summer fruit had a period of crisis without a clear reason. Despite a number of storms, the weather was good, so high consumption levels had been expected. A month later, Europe was hit by a heatwave, and quantities increased. Volumes are still lower than last year, but prices at origin have gone down to below cost price.

At the Europech congress held in April in Perpignan, data was exchanged regarding the peach situation in Europe. Production was estimated at 3.7 million tonnes, 1% more than last year, but 7% lower than the average over 2009/2013 for round peaches. Nectarine production was estimated at 1.47 million tonnes (-1% compared to 2014 and +1% compared to 2009/2013). Italian production was expected to go down by 2%.

Italian import and export of peaches and nectarines		
EXPORT		
COUNTRY	TONNES	% RE 2013
Germany	105,004	-19
Poland	22,69	10
Austria	17,494	-13
Czech Republic	16,548	18
UK	10,319	-33
IMPORT		
COUNTRY	TONNES	% RE 2013
Spain	80,99	31
France	8,958	14
Germany	6,182	265
Greece	367	174
Egypt	197	112

The early peach and nectarine campaign in Southern Italy started mid-May. Quality was high, with a slight delay compared to last year, which was earlier than normal. Quantities were limited at first, then gradually increased. These two elements led to good prices until June 20. At the end of the month, the prognoses was adjusted: from 3,746 million tonnes to 3,625 (-2%). The estimates for Southern Italy were confirmed, but production regions in the north significantly decreased: in some areas by 8-9%.

### Lower prices

In terms of retail and wholesale prices, producers remain the weakest link in the chain because they can't even cover production costs, while supermarkets sell with 200-300% profit margins. Italian entrepreneurs are complaining about the fact that the production supply wasn't organized, ending up favouring Spanish competitors. They also complained about the extension of the Russian boycott.

Since July 10, Spain has tried to get the harvested production surplus, caused by the heatwave, on the Italian market at dump prices, while retaining the existing contracts with Northern European retailers, where prices are 20-30 cents per kg higher. Many believe that 10 cents more per kg would be enough for producers, while the prices applied by Italian and European retailers don't even cover the cost price.

### The Russian boycott

The element Italy worries about most is the Russian boycott, seeing how that market used to absorb 140-150,000 tonnes of produce. For this reason, the Ministry for Agricultural Policy (Mipaaf) and producer organizations requested the European Commission to extend its exceptional measures at the start of the summer campaign. Mid-July, the Commission presented a project with new measures to help the fruit and vegetable sector, which was hit by extension of the boycott.

In Italy, withdrawals apply to about 50,000 tonnes of produce, namely 17,500 tonnes of apples and pears, 9,200 tonnes of peaches and nectarines, 3,300 tonnes of citrus, 15,300 tonnes of plums, kiwis and table grapes, and 650 tonnes of vegetables. 3000 tonnes could be processed on a national level. The production would go to free distribution, non-harvest and green harvest.

Source : [www.freshplaza.com/](http://www.freshplaza.com/) 28/10/2015