Europe: Peach and nectarine 2016 campaign

The recent update as regards the Italian exports of peaches and nectarines in 2016 is the perfect occasion to analyse the campaign and assess incoming and outgoing flows, production, consumption etc.

In 2016, European volumes were expected to be lower than the previous year (approx. 3.3 million tons) because of the bad weather combined with a contraction of cultivated areas.

We would like to point out that, on a European level, production hovered between the 2.9 million tons up to 2010/11 and the 3.4 of 2015/16. This trend was certainly dictated by the huge production surge of Spain, which progressively increased the areas destined for peach cultivation. However, over the past couple of years, Spanish production was affected by frost during spring.

Italy also registered a 10% drop in production compared to 2015 (a little over 1,260,000 tons), and 15% less than the previous three years. All national production areas (the south in particular) saw lower volumes of both peaches and nectarines.

The harvesting calendar in Italy was excellent, without overlaps between the north and the south. All regions experienced early ripening and weekly quantities remained below those of the previous two years, even during peak periods.

The first peak - between late June and early July, corresponding to the harvesting of Big Top - was unusually below that of early August, which recorded the highest volumes of 2016 (anyway lower than those of the previous two years). The apex of the peach and nectarine supply during week 27 with 86,000 tons was 29% lower than 2015 and 25% lower than 2014. During the second peak (early August), quantities were 15% lower than in the previous two years - 88,000 tons compared the over 100-110,000 of the 2014 and 2015 seasons.

The start of the campaign was positive for prices, especially due to the limited volumes coming from Spain. They did drop starting from mid-June, though. The rest of the campaign was rather normal, in line with the lower quantities available. Volumes in stock were stable and never worrying, even during the periods with the highest availability, although demand was often connected to price.

On the domestic market, peaches and nectarines moved at different speeds. After an excellent 2015 with consumption exceeding 270 thousand tons, peaches dropped by 0.8%, while nectarines showed a 0.9% increase. Over the last ten years, however, both species showed a positive trend with a 6.7% increase in peach volumes between 2007 and 2016 and a 7.3% increase in nectarine volumes.

Consumption was not affected by the average price for Italian families, which was €1.59/kg for peaches (the same as 2015) and €1.60/kg for nectarines.

Italian exports affected by competition from Spain

The limited quantities available and the positive consolidation on the domestic market of the past two years justify the lower quantities destined to the foreign markets. Data on Italian exports for 2016 show quantities 6% lower than last year. This was met by a 3% drop in value thanks to average prices that were 4% higher than 2015 yet 17% higher than 2014.

The main destination for Italian produce remains Germany where, however, it has to deal with competition from other European producers, Spain in particular.

The share of domestic produce reaching German tables is decreasing year after year in favour of the Spanish produce. Spain went from making up 31% of German imports in 2007 to the 50% of 2013 and to the 59% of 2014-2015. In the meantime, the Italian produce dropped from the 150,000 tons of 2007 to the 106,000 tons of 2015 and to a further 14% contraction compared to 2015. Italy went from providing 56% of the produce in 2007, to 43% in 2013 to 34-35% in the last few years.

Italy is also importing larger quantities of Spanish produce. Total peach and nectarine imports have skyrocketed in the last four years, reaching 110,000 tons in 2015 (almost 70% more than the historical average). Quantities were slightly more contained in 2016, with 100,000 tons. Produce from Spain went from 55,000 tons to the almost 95,000 of 2015 and to the 83,000 of 2016. Over the past couple of years, volumes have been higher especially in the final part of the season.

Spain's main export markets

Spain has exported larger volumes of peaches and nectarines year after year over the past three years, exceeding 800,000 tons. In 2016, the main market remained Germany with over 216,000 tons (+7% than 2015).

The French market follows with 137,000 tons, slightly below the record of 2015 but high anyway, especially since it remains 20% higher than the average of the previous four years.

Italy is the third destination, with a trend similar to that of Germany. Then there are the UK, Poland and Portugal. Minor destinations also recorded a growth, compensating what was once absorbed by the Russian market (before the ban, it represented 15% of the total, up to 90,000 tons in 2011).

The last two campaigns

The assessment concerning the last two campaign remains positive thanks to elements such as the high temperatures, which favoured consumption, non-excessive European productions and a very balanced harvesting calendar in Italy.

The situation was completely different a few years ago when good yields and new investments in Spain meant higher volumes. When higher volumes are combined with weather problems, for examples, the structural issues of European peach cultivation become more evident.

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