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Stone Fruit Report – Germany 2018

Report Categories:

Stone Fruit
Fresh Fruit
Dried Fruit
SP1 - Expand International Marketing Opportunities

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Report Highlights:

Germany is the third-largest importer of cherries in the world after China and Hong Kong. From 2014 to 2017, between 54 and 74 percent of the cherries consumed in Germany were imported, with the majority of imports originating in other EU-28 member states. The largest non-EU cherry suppliers are Turkey for sweet cherries and Serbia for tart cherries. Total German cherry production for CY 2018 is estimated at 61,100 MT. This represents an increase of 146 percent compared to record low production of CY 2017 and 34 percent compared to the historical (2008-2017) ten year average. Opportunities for U.S. sweet cherries are best in August/September subsequent to the German domestic growing season.

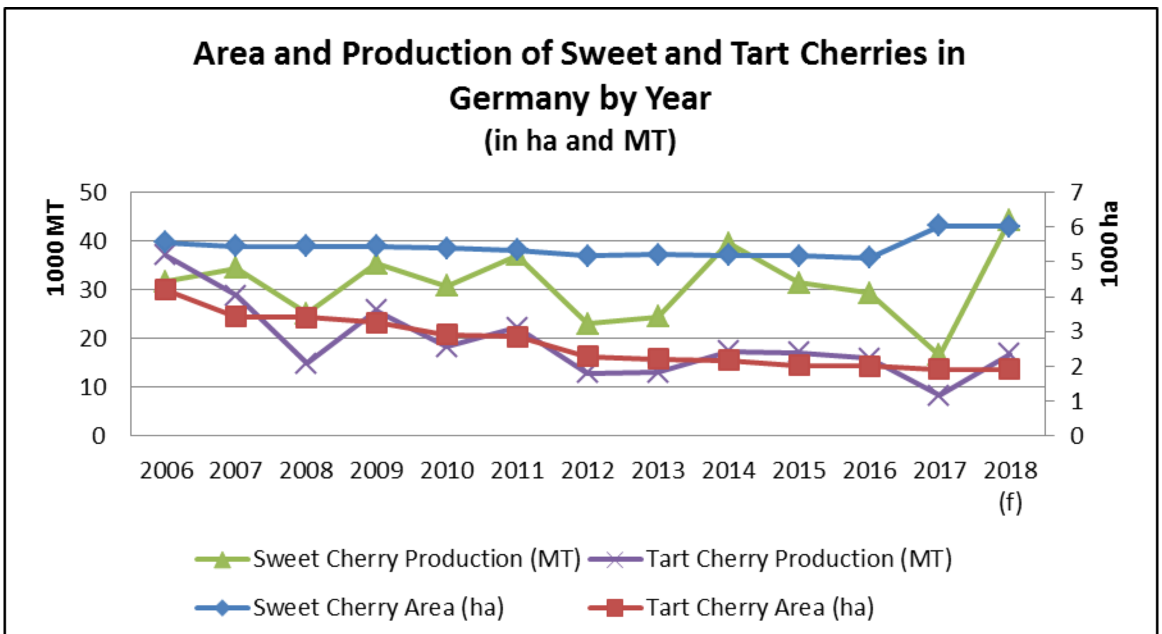
Production

Total German cherry production for CY 2018 is estimated at 61,100 MT. If this estimate is realized, this is 2.5 times the production of the preceding year when devastating frost in mid-April, 2017 led to a record low production. It would also represent a 34 percent increase compared to the historical (2008-2017) ten year average. Sweet cherry production is estimated at 44,300 MT and tart cherries at 16,800 MT. Production 2017 amounted to 24,803 MT, thereof 16,534 MT sweet cherries and 8,267 MT tart cherries.

Area

The harvested area for sweet and tart cherry area is expected to amount to 6,016 and 1,915 ha, respectively, virtually unchanged from 2017. However, compared to ten years ago, sweet cherry area increased by 10 percent while tart cherry area declined by 44 percent. The latter is a result of strong competition from other EU member states. According to German industry sources, other member states such as Hungary and Poland have lower production costs and are more competitive than German producers. Germany is more competitive for sweet cherries since most of the production is for fresh consumption and consumers are willing to pay a premium for locally produced cherries.

When farmers plant new sweet cherry orchards the trend is towards shielded production. It requires a higher investment but offers protection against rain and enables the farmer to use predators as a pest management tool.



Source: FAS Berlin; Data from German Federal Office of Statistics (destatis)[1]

[1] https://www.destatis.de/DE/Publikationen/Thematisch/LandForstwirtschaft/ErnteObst/ObstJahr.html
https://www.destatis.de/DE/PresseService/Presse/Pressemitteilungen/2018/06/PD18_235_412.html

Trade

Germany is the third largest importer of cherries in the world after China and Russia. According to the German market reporting company Agrarmarkt Informations-Gesellschaft mbH (AMI)[2] from 2014 to 2016, between 54 and 68 percent of the cherries consumed in Germany were imported.

In the past ten years, German imports varied between 45,000 and 70,000 MT of cherries annually. The majority originated from other EU member states; mainly Austria, Italy, and Spain for sweet cherries and Hungary, Poland, and the Czech Republic for tart cherries. The largest non-EU suppliers were Turkey for sweet cherries and Serbia for tart cherries. In 2017 and in contrast to previous expectations imports declined by 1 percent as Austria and Poland had also been hit by frosts and exported fewer cherries to Germany. For 2018, imports are expected to decline, but not as much as one might expect given the ample domestic production. This is partly because fresh cherry consumption increased due to the unusually warm summer and lower than usual apple stocks. In addition, Turkey is reported to have had a large cherry production, of which they exported quite a bit to Germany.

Opportunities for U.S. sweet cherries are best at either end of the German domestic production, i.e. end of May/beginning of June and August/September. Of the two periods the latter is more promising as there is less competition from cheaper Turkish cherries.

German Cherry Imports by Origin and Calendar Year (MT)

	Calendar Year				
	2013	**2014**	**2015**	**2016**	**2017**
World	70,657	60,281	61,213	70,083	69,354
Intra-EU-28	58,457	51,407	54,192	58,545	58,309
Extra EU 28	12,199	8,874	7,021	11,539	11,045
Austria	14,289	11,222	12,663	22,711	15,402
Hungary	15,540	16,499	12,790	10,646	13,035
Italy	5,067	4,384	5,395	2,329	10,014
Turkey	4,067	4,500	5,218	7,677	7,858
Spain	4,536	5,990	4,728	3,287	6,074
Netherlands	3,643	2,791	3,013	4,703	5,505
Greece	3,236	2,938	4,057	3,788	3,805
Serbia	7,974	3,730	1,136	3,224	2,769
Czech Republic	2,069	1,882	3,424	3,566	2,270
Denmark	2,292	763	1,184	1,310	725
Poland	4,984	1,614	5,259	4,499	431
Other	2,960	3,968	2,346	2,343	1,466

Source: Global Trade Atlas

[2] AMI Marktwoche Obst & Gemuese Nr. 25/2017, p2

German Sweet Cherry Imports by Origin and Calendar Year (MT)

	Calendar Year				
	2013	**2014**	**2015**	**2016**	**2017**
World	35,459	34,178	36,984	45,426	51,379
Austria	11,962	9,290	11,778	21,189	14,873
Italy	4,867	4,357	5,386	2,293	9,442
Turkey	4,067	4,475	5,218	7,677	7,858
Spain	4,529	5,807	4,679	3,232	6,059
Netherlands	2,974	2,658	2,821	4,466	5,028
Other	7,060	7,591	7,102	6,569	8,119

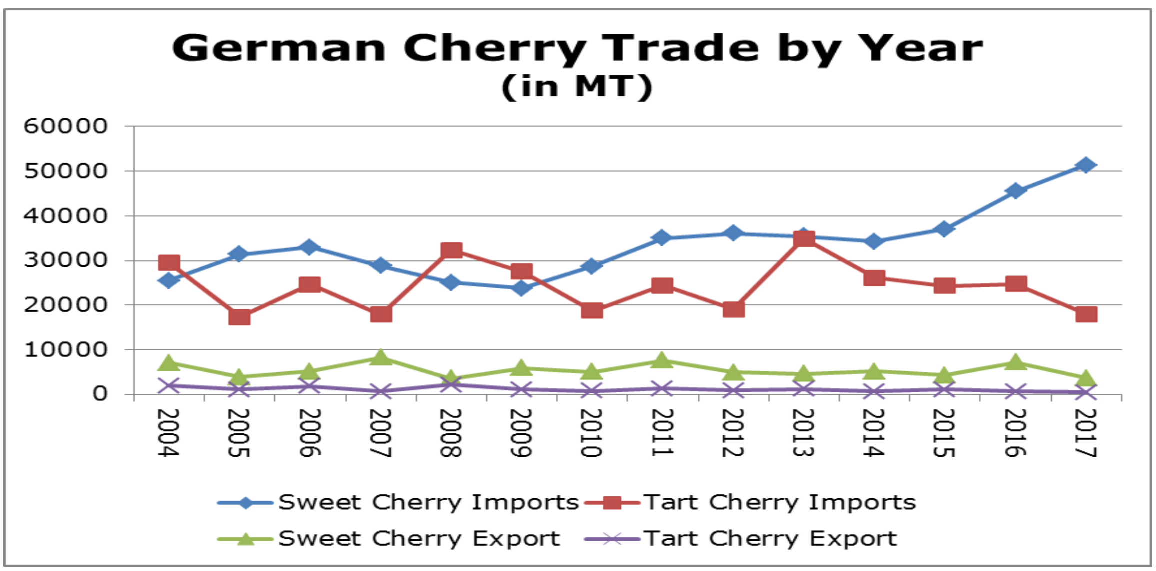
Source: Global Trade Atlas

German Tart Cherry Imports by Origin and Calendar Year (MT)

	Calendar Year				
	2013	**2014**	**2015**	**2016**	**2017**
World	35,198	26,102	24,229	24,657	17,975
Hungary	13,599	14,435	11,104	9,572	9,727
Serbia	7,973	3,730	1,136	3,223	2,769
Czech Republic	2,010	1,637	3,243	3,442	2,236
Austria	2,328	1,932	885	1,522	529
Poland	4,451	1,603	5,179	4,205	406
Other	4,837	2,765	2,682	2,693	2,308

Source: Global Trade Atlas

Germany exports less than 10 percent of its total cherry supply, between 5,000 to 9,000 MT in recent years. Main destinations are other EU member states, such as the Netherlands, Austria, the United Kingdom, Denmark, and Sweden. The largest and almost exclusive destination outside of the EU is Switzerland.



Source: FAS Berlin; Data from Global Trade Atlas (GTA)

Consumption

In Germany, fresh cherries are considered a seasonal product and stocked in supermarkets mainly during the German marketing season (June/July). According to AMI in 2016, 90 percent of private household purchases of sweet cherries occurred in June and July.[3] In contrast, peaches are stocked year round but are hardly grown in Germany. This availability explains the lower per capita consumption of cherries (2.2 kg) compared to peaches (3.7 kg). Nonetheless, consumption of cherries is twice as high as for plums (1.1 kg).

For sweet cherries, consumer preferences clearly trend towards larger sizes (>26 mm/1.024 inches). Smaller cherries can only be marketed at a large discount. For example, in the week of July 9, 2018, the average wholesale price for domestic sweet cherries amounted to 4.22 Euro (USD 4.93[4]) per kg for larger cherries but only 2.73 Euro (USD 3.19) per kg for cherries smaller than 26 mm.[5] Sweet cherry consumption is expected to increase in 2018 because 1) ample availability of domestically produced and imported cherries led to considerably lower prices than a year ago; and 2) the unusually warm summer increased consumer preference for cherries and soft fruits compared to other snacks.

Processing

The use of tart cherries for processing is relatively stable and roughly amounts to 70-90% of the German domestic production. The majority of tart cherries are used for canning (over 70%), while the remainder finds its way into juice production. The percentage of sweet cherries used for processing fluctuates between 20 and 50 percent depending on the weather during harvest as rain damage increases the percentage that goes into canning and distillation into spirits. Processing of cherries into dried fruit is not common in Germany. The small but growing demand for dried cherries is met with imports. As an aside, we see growing demand for dried cherries from the US. Two major retailers are advertising the "Montmorency" variety as well as the U.S. origin on the packaging of some of their dried cherry items.

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[3] AMI Marktwoche Obst & Gemuese Nr. 25/2017, p 3

[4] Exchange rate on July 9, 2018: 1 USD = 0.855 Euro

[5] BLE Marktbericht Obst, Gemuese, Suedfruchte KW 28/2018
http://www.ble.de/DE/BZL/Daten-Berichte/Obst-Gemuese/obst-gemuese_node.html#doc8978758bodyText1

Trade fairs

Trade fairs play a key role in presenting new products to the trade or in finding additional buyers and importers. The most important trade shows related to the fruit and vegetable sectors are:

FRUIT LOGISTICA Berlin, Germany (Interval: yearly) Target Market: Germany/EU/Central & Eastern Europe The leading European trade show for fresh and dried fruit, nuts, and related products http://www.fruitlogistica.de	Next Fair: February 6-8, 2019

FRUIT LOGISTICA is the major trade show for fresh and dried fruits in Europe. The next show will take place on **February 6-8, 2019.** More than 2,400 companies from across the entire fresh produce value chain will participate, including major global players as well as small and medium-sized suppliers from around the world.

BIOFACH 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, 2019

BIOFACH is one of the most important trade shows for organic products in Europe. The next show will take place on **February 13-16, 2019.**

Related reports:

Results of the German Fruit Tree Census|Fresh Deciduous Fruit Stone Fruit|Berlin|Germany|1/9/2018
This report summarizes the results of the 2017 German fruit tree census and developments in the planted varieties of apples and pears. Total planted area increased by 10 percent, although 4 percent of German fruit farms have stopped operating since the previous census in 2012. Apples are the most planted fruit trees and account for 68 percent of total fruit tree area, followed by sweet cherries, plums, and pears.
Results of the German Fruit Tree Census_Berlin_Germany_12-22-2017

Product Brief Fresh Fruits|Product Brief Fresh Fruit Fresh Deciduous Fruit Citrus Stone Fruit Strawberries|Berlin|Germany|12/21/2016
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 and provides marketing, trade, and regulatory information for U.S. exporters.
Product Brief Fresh Fruits_Berlin_Germany_12-16-2016