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Sweden

Fresh Deciduous Fruit

Annual

2004

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Report Highlights:

Although U.S. apple imports by Sweden increased slightly in 2003, the U.S. share of the import market is still less than one percent. Imports of U.S. pears increased from 2,872 metric tons in 2002 to 3,507 metric tons, not including significant transshipments of U.S. products through the Netherlands. The main constraint to exports of U.S. apples and pears to Sweden is the stiff competition from EU suppliers. However, the considerably lower-valued dollar is offering better opportunities for U.S. fruits in 2004. Also, due to the growing interest in organic fruits, the large retailers are looking for certified organic suppliers.

Includes PSD Changes: No
Includes Trade Matrix: No
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Table of Contents

Executive Summary 3
Production 3
 Apple Production..... 3
 Pear Production 4
Consumption 4
Trade 4
Policy 5
Marketing 5
Statistical Section 6-13

Executive Summary

This report covers apples and pears. With commercial apple and pear production inadequate to cover domestic demand, Sweden is traditionally a large importer most of the year. Imports of these fruits account for approximately 80 percent of domestic consumption. In 2003, U.S. apple imports amounted to 546 metric tons, compared to 507 metric tons in 2002. U.S. pear imports increased from 2,872 metric tons in 2002 to 3,507 metric tons. It should be noted, however, that these data do not include significant U.S. purchases of these products via third countries. The supply of fruit sourced from EU member states during the period when U.S. apples are exported is the main factor affecting U.S. trade. However, the considerably lower-valued dollar in 2003 has had a positive effect on U.S. exports in 2003.

Among the European apple suppliers, France and Italy present the strongest competition. Also, the new EU member country Poland is emerging into the Swedish market as a strong competitor. In the pear market, Argentina, Belgium and Italy are the strongest competitors in Sweden. Although statistically the Netherlands appears to be one of the largest exporters of apples and pears to Sweden, most of this trade represents fruit sourced from third countries, including the U.S. When the European season is over, imported apples and pears are sourced from southern hemisphere suppliers such as Argentina, Chile, New Zealand and Brazil. However, due to better storage practices, EU countries are increasingly supplying Sweden.

The 2004 domestic commercial apple crop is estimated at 16,000 metric tons, which is about 25 percent lower than the 2003 crop. Cool weather in May and heavy rains in the fall are the main reasons for the decline. Domestic pear production in 2004 is estimated at 1,200 metric tons, compared to the extremely low crop of 935 metric tons in 2003. Imports from the U.S. will continue to depend on the European crop and the dollar/krona rate.

On average, the Swedish annual per capita consumption of commercially produced apples and pears is estimated at 13-16 kg. The country's total annual consumption of commercially grown apples and pears amounts to about 130,000 tons. In addition, an estimated 30,000-40,000 tons of home produce is consumed.

Exchanges rates used in this report:

Average 2002: 1 USD = SEK 9.72

Average 2003: 1 USD = SEK 8.09

Average 2004 (first 8 months): 1 USD = SEK 7.48

Production

Around 80 percent of the commercial fruit crop area is cultivated according to Integrated Production (IP) methods which aim to minimize the risk to the environment and health. As of 1999, only IP fruit qualifies for the "SVENSKODLAT" (grown in Sweden) marketing label.

Apple Production

Apples are, by far, the most predominant fruit grown in Sweden. However, Sweden accounts for only 0.3 percent of the total EU apple production. The only other deciduous fruits grown commercially are pears, plums and cherries.

The commercial apple crop in 2004 is estimated at 16,000 tons, down 5,500 tons from 2003. Cool weather during the flowering period in the spring and hailstorms in the fall reduced the

number of fruit. However, a decline in the number of first-class apples means there are more domestic apples available for the food processing industry. Contrary to 2003, it is estimated that there will be enough Swedish industry apples available and thus, no import needs for the food industry.

The most common varieties, Ingrid Marie and Aroma, account for about 50 percent of the commercial production. In the 1980's, Swedish producers grew about 250 varieties, whereas today only about 15 varieties are grown. During the past ten years, the commercial crop area has decreased by 400 hectares, and the number of apple farmers has decreased by 25 percent. In spite of these developments, the total crop size has increased due to improved yields. Most of the plantings are irrigated. The best areas for fruit production are situated in the south of Sweden.

There are no official estimates of home orchard apple production. Based on previous years' calculations, the non-commercial harvest ranges between 30,000 to 40,000 metric tons. FAS/S has estimated the 2004 year crop at about 30,000 metric tons.

Pear Production

Commercial pear production is very small in Sweden. In 2004, production is estimated at 1,200 metric tons, compared to the extremely weak crop of 935 metric tons in 2002. Five varieties make up 75 percent of the pear crop. These are: Conference, Herzogin Elsa, Clara Frijs, Alexander Lucas and Pierre Cornielle. The non-commercial harvest is unofficially estimated at 7,000 metric tons.

Consumption

The annual per capita consumption in Sweden of commercially grown apples and pears averages between 13 and 16 kg. Total consumption is estimated at about 130,000 metric tons. In addition, an estimated 30,000 to 40,000 metric tons of home orchard production is consumed. Home orchard production provides the greatest competition to the domestic commercial production.

By way of comparison, consumption of citrus fruits amounts to 13 kg per capita per year. Swedes and Finns are ranked among the largest banana consumers in the world with an annual consumption of approximately 20 kg per capita. An estimated 5,000 metric tons of domestic cider and apple wine is produced in Sweden, but production is mainly based on imported concentrate and pulp.

The most common apple varieties in Swedish stores are Golden Delicious, Red Delicious, Ingrid Marie, and Granny Smith. New varieties, such as Royal Gala, Pink Lady and Fuji, are becoming more popular in this market at the expense of Red Delicious. Common pear varieties are Anjou and Conference. However, Anjou pears have decreased in popularity, especially among the younger consumers who seem to prefer "harder" varieties.

Trade

Imports of apples mainly take place in the November through March period, at time when southern hemisphere fresh crops come on the market. Total imports in 2003, amounted to 92,795 tons, compared to 80,502 tons in 2002. Imports from the U.S. have been declining during the past few years, reflecting the U.S. dollar's appreciation against the Swedish krona.

However, in 2003, U.S. apple imports increased slightly from 507 metric tons in 2002 to 546 metric tons (not including purchases via third countries), mainly due to a lower-valued dollar in 2003. The U.S. market share is still below one percent of total imports, compared to 4.2% in 1999. However, the value of the dollar has dropped further against the Swedish krona in 2004, and this should have a positive effect on sales this year.

As previously mentioned, European apples, especially French and Italian, provide the strongest competition, but the new EU member countries, mainly Poland, are emerging as important competitors in the Swedish market. In 2003, about 30 percent of total apple imports by Sweden originated from France, and about 20 percent from Italy. Imports of Polish high-quality low-cost apples amounted to 886 metric tons in 2003, compared to 82 metric tons in 2002. Common imported varieties are Granny Smith, Golden Delicious, Red Delicious and Gala as well as quality varieties such as Royal Gala and Pink Lady.

Total imports of pears by Sweden in 2003 amounted to 33,103 metric tons, up 28 percent from the year before. Direct imports from the U.S. increased from 2,872 metric tons in 2002 to 3,507 metric tons. These figures do not take into account considerable transshipments of U.S. pears from other countries such as the Netherlands. Argentina, Belgium and Italy are the main competitors to the U.S. As with apples, exchange rate developments are improving prospects for increased U.S. sales in 2004.

Policy

EU policies stipulated in EU directive 2200/96, which aim to strengthen the sector by supporting processing and marketing, are applied in Sweden. Producer organizations can apply for program support of an amount of up to 4.1 percent of their sales-- provided that these organizations match the funding. The national limit is 2.5 percent of the total turnover of all the growers' associations.

Although support for general apple/pear production is not offered, support of SEK 7,500 per hectare (USD 423/acre) is available for organic fruit growers. This environmental support has been little used by Swedish fruit growers. The government has set a goal for 20 percent of total crop area for all types of products to be put into organic production. In 2003, less than five percent of the Swedish orchards were certified organic. This certification is done by the non-government Swedish regulatory authority KRAV, a member of the International Federation of Organic Agriculture Movements (IFOAM).

Marketing

In Sweden, three retail groups, ICA, Coop and Axfood control about 80 percent of the retail market. ICA is supplied by its own distributor, ICA Frukt & Gront, and Coop and Axfood mainly use SABA Frukt & Gront as their supplier. For reasons outlined above, the market prospects for U.S. apples in Sweden have been limited. Duty-free imports from fellow EU member states, the EU's trade barriers against imports from third countries, and logistical advantages for EU countries have made the competitive environment difficult for U.S. suppliers.

Opportunities for U.S. suppliers include promoting niche products such as large, high in color and high quality Red Delicious as well as new interesting varieties. Also, the considerably lower-valued dollar should help.

The market for organic fruits in Sweden has improved substantially during the past five years. Swedish consumers are becoming increasingly conscious of environmental concerns in their choice of food. Distributors and retailers try to achieve marketing advantages by catering to these concerns. The increased demand for organic fruits in Sweden is in line with developments in the rest of Europe. The supply within Europe is not enough to cover demand, and Argentina, Chile and New Zealand have increased their exports of organic fruits to Europe. The Nordic countries, together with Germany and the United Kingdom, are the largest importers of organic apples and pears. The organically produced varieties that are grown/consumed are largely the same as the conventional varieties.

Statistical Section

PSD Table

Country Commodity	Sweden Apples, Fresh						UOM
	2002 USDA Official	Revised Estimate	2003 DA Official	Estimate	2004 DA Official	Forecast Estimate	
Market Year Begin	07/2002		07/2003		07/2004		MM/YYYY
Area Planted	1418	1334	1350	1481	0	1481	(HA)
Area Harvested	1418	1334	1350	1481	0	1481	(HA)
Bearing Trees	0	0	0	0	0	0	(1000 TREES)
Non-Bearing Trees	0	0	0	0	0	0	(1000 TREES)
Total Trees	0	0	0	0	0	0	(1000 TREES)
Commercial Production	17000	18005	20000	21500	0	16,000	(MT)
Non-Comm. Production	37000	37000	30000	30000	0	30,000	(MT)
TOTAL Production	54000	55005	50000	51500	0	46000	(MT)
TOTAL Imports	80500	80502	81000	92,795	0	94,000	(MT)
TOTAL SUPPLY	134500	135507	131000	144295	0	140000	(MT)
Domestic Fresh Consump	128609	129616	125000	137846	0	133800	(MT)
Exports, Fresh Only	891	891	1000	1449	0	1,200	(MT)
For Processing	5000	5000	5000	5000	0	5000	(MT)
Withdrawal From Market	0	0	0	0	0	0	(MT)
TOTAL UTILIZATION	134500	135507	131000	144295	0	140000	(MT)

Import Trade Matrix

Country Sweden

Commodity Apples, Fresh

Time Period	CY	Units:	MT
Imports for:	2002		2003
U.S.	507	U.S.	546
Others		Others	
France	26,870		29,282
Italy	16,246		17,091
Netherlands	14,142		14,301
Argentina	4,474		8,988
Brazil	2,935		6,157
Germany	5,657		4,421
Belgium	3,190		3,711
Chile	1,623		3,503
Denmark	1,211		1,340
Poland	82		886
Total for Others	76430		89,680
Others not Listed	4,072		3,115
Grand Total	80502		92795

Export Trade Matrix

Country Sweden

Commodity Apples, Fresh

Time Period Units:

Exports for:

U.S. U.S.

Others Others

Finland	293		618
Norway	304		365
Netherlands	84		306
UK	0		46
France	0		43
Denmark	210		42
Germany	0		18
Estonia	0		4
Austria	0		0

Total for Others 891 1442

Others not Listed

Grand Total 891 1449

Prices Table

Country Sweden

Commodity Apples, Fresh

Prices in per uom

Year	<input type="text" value="2002"/>	2003	% Change
Jan			
Feb			
Mar			
Apr			
May			
Jun			
Jul			
Aug			
Sep			
Oct			
Nov			
Dec	<input type="text" value="6.55"/>	<input type="text" value="6.65"/>	2%

Exchange Rate Local Currency/US \$

Date of Quote MM/DD/YYYY

PSD Table

Country	Sweden						UOM
	Pears, Fresh						
Commodity	(HA)(1000 TREES)(MT)						
	2002	Revised	2003	Estimate	2004	Forecast	
Market Year Begin	USDA Official [Estimate [DA Official [Estimate [DA Official [Estimate [New]	
	01/2002	01/2002	01/2003	01/2003	01/2004	MM/YYYY	
Area Planted	150	172	150	185	0	185 (HA)	
Area Harvested	150	172	150	185	0	185 (HA)	
Bearing Trees	0	0	0	0	0	0 (1000 TREES)	
Non-Bearing Trees	0	0	0	0	0	0 (1000 TREES)	
Total Trees	0	0	0	0	0	0 (1000 TREES)	
Commercial Production	1700	1972	935	935	0	1200 (MT)	
Non-Comm. Production	12000	12000	7000	7000	0	8000 (MT)	
TOTAL Production	13700	13972	7935	7935	0	9200 (MT)	
TOTAL Imports	25813	25813	28000	33103	0	34000 (MT)	
TOTAL SUPPLY	39513	39785	35935	41038	0	43200 (MT)	
Domestic Fresh Consump	38821	39093	35235	39978	0	42000 (MT)	
Exports, Fresh Only	692	692	700	1060	0	1200 (MT)	
For Processing	0	0	0	0	0	0 (MT)	
Withdrawal From Market	0	0	0	0	0	0 (MT)	
TOTAL UTILIZATION	39513	39785	35935	41038	0	43200 (MT)	

Import Trade Matrix

Country Sweden

Commodity Pears, Fresh

Time Period	CY	Units:	MT
Imports for:	2002		2003
U.S.	2,872	U.S.	3,507
Others		Others	
Netherlands	7,687		12,918
Argentina	2,653		4,871
Belgium	4,315		3,543
Italy	3,918		3,475
France	1,948		1,910
Chile	1,103		1,718
Spain	678		374
Germany	215		270
China	193		216
Denmark	61		149
Total for Others	22771		29,444
Others not Listed	3,042		3,659
Grand Total	25813		33103

Export Trade Matrix

Country Sweden

Commodity Pears, Fresh

Time Period Units:
 Exports for:
 U.S. U.S.

Others		Others	
Norway	419		587
Germany	0		191
Netherlands	101		130
Finland	56		52
France	29		42
Denmark	19		40
Italy	0		18
Estonia	44		0
Belgium	24		0

Total for Others 692 1060
 Others not Listed
 Grand Total 692 1060

Prices Table

Country Sweden

Commodity Pears, Fresh

Prices in per uom

Year	<input type="text" value="2002"/>	2003	% Change
Jan			
Feb			
Mar			
Apr			
May			
Jun			
Jul			
Aug			
Sep			
Oct			
Nov			
Dec	<input type="text" value="7.18"/>	<input type="text" value="6.59"/>	-8%

Exchange Rate Local Currency/US \$

Date of Quote MM/DD/YYYY