

New season proves complicated

Argentinean topfruit exporters are looking forward to success at home and across Latin America this season as an overhang of local stocks curbs import demand in Europe

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The Argentinean apple and pear industry is anticipating less volume this year following a period of sustained, unstable weather, including a cooler-than-normal spring period. Early forecasts indicate that the country's pear production will fall by 23 per cent against 2009, while the apple crop is expected to contract by 15 per cent. In-turn, exports are predicted to contract, which is just as well as high local stocks keep a lid on demand across Europe, Argentina's most important market.

per cent against last year and will make the 2010 crop the smallest of the last five years. Apple production, meanwhile, is expected to come in at 652,000 tonnes, which represents a shortfall of 15 per cent and the smallest output in a decade."

Ms Ernst says some of the main reasons for the fall in productivity were late frosts and the cool spring which continued into early summer. "Fruit sizes are still small but it is hoped that this will improve as summer advances," she adds. "But overall, fruit quality is normal, although the colouration of the apple crop will depend mainly on the temperatures over the next few weeks, which are difficult to predict right now."

to last season," Ms Ernst notes. "With this in mind, we expect shipments to Europe will be smaller than in previous years and, equally, it looks like returns will not be very good either. Argentina also has a large internal market for apples, so with the shortage in volume this season we expect local prices to be attractive. In short, this year Argentina can only expect to ship a similar or higher volume than last season to Brazil and possibly Russia."

Indeed, Ms Ernst says Argentinean exporters remain optimistic for a positive deal in Russia. "The hope is that the Russian market will develop better than in 2009 when exports fell because of the financial crisis," she explains. "Already

Evolution of Argentinean topfruit exports 2000-2009



Source: Senasa

"Argentina is expecting one of its smallest topfruit crops in years," Betina Ernst of Argentinean analyst Top Info Marketing tells Eurofruit Magazine. "For some time now suppliers have been anticipating quite a small output and this outlook was confirmed by a recent forecast from the Río Negro region where 90 per cent of pears and 80 per cent of apples are produced in Argentina.

"According to the report, Argentinean pear production is likely to reach around 523,000 tonnes, which is down by 23

Europe is the main export destination and the traditional market for a range of Argentinean fruit, with almost 40 per cent of the apples and pears exported from the South American country sold in the region. While there has been no increase in volume over the last few years, arrivals have at least been fairly stable. This year, however, is looking more difficult for both apples and pears, according to Top Info.

"There are greater stocks of locally-produced apples and pears in Europe and prices are quite a bit lower in comparison

this year Argentinean suppliers are seeing a greater interest in their fruit from the Russians and we hope to be able to export at least the same volume of topfruit or slightly more than in 2009."

Russia has emerged as the success story for the Argentinean topfruit trade in recent years, turning into the leading buyer in the space of 10 years after originally importing an extremely low volume. Currently, Russia absorbs around 25-30 per cent of Argentina's topfruit crop on an annual basis, and still received more

than 115,000 tonnes of pears and 42,000 tonnes of apples in 2009 during the height of the global recession.

The situation in North America is also presenting a very complicated outlook, according to Top Info. Again high domestic stocks are to blame following the production of a large national crop. "North America has produced a lot of topfruit this season, especially pears," Ms Ernst points out. "It's been a record year for pears in the north-west US, and, as a result, the market is already under pressure, which leaves little space for imported fruit.

The US traditionally buys an important volume of pears from Argentina. Top Info estimates that the market received almost 40,000 tonnes last year, which is approximately 10 per cent of the national export crop. Canada, meanwhile, is a secondary market, and buys a certain volume of pears. In 2009, Argentina exported 4,000 tonnes of pears to Canada, according to Top Info. As for apples, Argentina sends less than 2,000 tonnes of apples to the US in an average year and very few to Canada.

Another market which is gaining in importance for Argentina is Algeria. "To our surprise, apple exports in particular have risen rapidly," reveals Ms Ernst. "Last year, Argentina shipped 35,000 tonnes of

apples to Algeria and, in general, the north African market as well as the Middle East, eastern Europe and some Latin American countries are becoming more and more attractive for exporters."

During the last decade Argentinean pear exports have grown markedly, and now represent roughly 60 per cent of production. In the past three years, shipments have peaked at a record of 450,000 tonnes. In contrast, apple exports have hovered around 200,000 tonnes, accounting for 25-30 per cent of production.

A significant volume of Argentina's topfruit is also destined for the processing industry. Around 150,000-200,000 tonnes of pears are sent for processing each year, and although production has expanded in recent years, the processing industry is still gaining important growth. In comparison, around 40-50 per cent of the apple crop (or 350,000-400,000 tonnes) is processed annually since many of Argentina's apple orchards are old and produce a lot of varieties which are not demanded by the fresh markets.

"Argentina simply does not have the apple varieties which are most in demand by the Northern Hemisphere," explains Ms Ernst. "But with the advance in bicoloured apple production, the hope is

that Argentina will eventually be able to consolidate a position on the Northern Hemisphere bicoloured apple market."

The largest apple suppliers in Argentina have already made huge inroads into the production of bicoloured varieties, according to Top Info. "Both Royal Gala and Pink Lady/Cripps Pink are doing very well in the Río Negro valley," Ms Ernst points out.

Meanwhile, Argentina is also keen to further explore the traditional red apple trade, which is why suppliers are looking into improving quality through the production and supply of better varieties which offer enhanced taste, colour and texture.

"Those groups which produce mainly for the local and Brazilian markets are looking for new clones and selections of Red Delicious apples since this variety is the most popular among Latin American consumers," says Ms Ernst.

There are some 4,200ha planted with apples and 22,500ha of pears under production in Río Negro, as well as a further 8,000ha of both fruits planted in Mendoza. While acreage has not changed notably over the course of the last decade, the production of apples has been reduced to make way for more pears and, to a lesser extent, some stonefruit varieties. ■