

## CBI MARKET SURVEY

# THE FRESH FRUIT AND VEGETABLES MARKET IN THE EU

Publication date: April 2009

## CONTENTS

REPORT SUMMARY .....	2
INTRODUCTION .....	5
1 CONSUMPTION.....	6
2 PRODUCTION .....	14
3 TRADE CHANNELS FOR MARKET ENTRY .....	19
4 TRADE: IMPORTS AND EXPORTS.....	24
5 PRICE DEVELOPMENTS.....	41
6 MARKET ACCESS REQUIREMENTS .....	43
7 OPPORTUNITY OR THREAT? .....	44
APPENDIX A PRODUCT CHARACTERISTICS.....	45
APPENDIX C LIST OF DEVELOPING COUNTRIES .....	50
APPENDIX D REFERENCES.....	52

This survey was compiled for CBI by Mercadero in collaboration with Mr. P. Schotel.

Disclaimer for CBI market information tools: <http://www.cbi.eu/disclaimer>.

## Report summary

This market survey describes and analyses the EU market for fresh fruit and vegetables. The main features of this market and recent developments in it are described below.

### Consumption

In 2007, consumption of fresh fruit in the EU was 46 million tonnes. Consumption of fresh vegetables amounted to 59 million tonnes. Between 2003 and 2007, fruit consumption decreased by 3.3% and the consumption of vegetables decreased by 5.5%. Consumption is characterised by a tremendous variety of products from all over the world. Fruit and vegetables (FFV) are increasingly available throughout the year, through improved production and logistical techniques and increasing imports. There are large differences in consumption patterns between EU member countries. Spain and Italy have the largest markets and jointly accounted for 35% of the total EU market in 2007. They are also the main producers of fruit and vegetables. France, Germany, United Kingdom and Poland also have high consumption levels, but depend strongly on imports. The new EU members have variable consumption figures. Overall consumption is expected to grow in the medium term, due to growth in the markets of the new EU member states. The value of consumption will grow more than volume.

The main long-term trends in EU food markets are health, convenience, and pleasure, and each of these also affects the market for fresh fruit and vegetables. In addition, the economic crisis now strongly encourages all propositions based on value for money. In most European countries, fresh fruit and vegetables are promoted because of their healthy properties. Consumption of tropical fruits such as mango and pineapple is growing rapidly; banana is an exception and is a mature market. Growing familiarity with these products, and their increased availability, are boosting demand. Retailers and manufacturers are offering convenient propositions such as washed, pre-cut, pre-packed and portioned fruits and vegetables. Sustainability is also a strong trend. A growing number of consumers demand organic and fair trade products.

### Production in the EU

The EU is a major producer of fresh fruit and vegetables. Total EU production of fresh fruit excluding grapes (mainly used for wine production) was 38 million tonnes in 2007 and production of vegetables 58 million tonnes. Most fruit and vegetable production takes place in the southern countries such as Spain and Italy. Between 2003 and 2007, EU fruit production decreased by 10%, and vegetable production decreased by nearly 7% by weight. The main fruits produced are apples, oranges, peaches and tangerines. The temperate climate of Northern Europe results in a shorter production season than in Southern Europe. However, greenhouses enable the year-round production of vegetables in Southern Europe and extends the production season in Northern Europe. Important trends in production are offshore outsourcing and adding value in the country of origin.

### Trade channels

There is a strong trend towards concentration in the supply of fresh fruit and vegetables throughout the EU, although the extent of this varies between countries. Concentration is especially visible at the retail level, where an ever-smaller number of highly professional players dominate distribution. This, in turn, has provoked changes in the supply chains with larger companies (importers/wholesalers) working closely with retailers. Suppliers of multiple retailers must be able to supply consistent volumes of guaranteed quality on a year-round basis, and be very efficient, flexible and alert to new developments. This process is most advanced in northern and western EU countries, but present in the eastern part of the EU too.

## Imports

The EU's production of tropical fruits is limited to very small-scale production of bananas and pineapples in Spain and Portugal. Therefore, most of these fruits are imported, together with fruits that are unavailable off-season. In 2007, EU imports of **fresh fruit** accounted for €21 billion by value, an increase of 21% since 2003 (4.9% annually). Import volumes increased by 18% over the same period, reaching 26 million tonnes.

In 2007, EU imports of **fresh vegetables** amounted to 11.8 million tonnes with a value of €12.1 billion. Imports from DCs were €1.5 billion and 1.5 million tonnes, a much smaller share than for fruit imports. However, both value and volume have grown rapidly since 2003, by 66% and 52% respectively.

Germany, the UK, the Netherlands, France and Belgium are the main importers of fruit, together accounting for two-thirds of the EU's imports (by value) in 2007. The main suppliers of fruit to the EU are Spain, the Netherlands, Italy, Belgium and France. The most traded products are bananas, apples, grapes, and citrus fruits.

Imports from developing countries (DCs) were substantial with a value of at €7.8 billion and a volume 10.6 million tonnes in 2007. Their market share is increasing. DCs have strong positions in bananas, pineapples, mangos, papayas, guavas, dates, passion fruit and avocados. In the off-season they supply citrus fruits, grapes, apples and pears. In 2007, DCs had a 37% share of the total EU import value. The leading DC exporters of fresh fruit to the EU are South Africa, Costa Rica, Ecuador, Chile and Colombia. South Africa is a major supplier, especially of off-season products: grapes, apples and citrus fruit. Latin-American countries dominate the external EU import of tropical fruits (e.g. bananas and pineapples).

The largest EU importers of fresh vegetables are Germany, the UK, France and the Netherlands. Leading suppliers within the EU are Spain and the Netherlands, together accounting for 54% of the total import value in 2007. The imported vegetables are mainly tomatoes, sweet peppers, lettuce, cucumbers and mushrooms.

African countries are important suppliers of vegetables such as peas and beans, artichokes, courgettes, aubergines and sweet maize, particularly to France, the UK, the Netherlands and Italy. EU vegetable imports are more characterised by intra-EU trade than fruit imports. The leading DCs supplying vegetables are Morocco, Kenya, Turkey, Egypt and Peru (the leading supplier of asparagus).

## Exports

In 2007, EU fruit exports amounted to 17.6 million tonnes with a value of €14.2 billion. This represented a growth of 21% in value and 17% in volume since 2003. Most exports (87% of total EU export value) go to other EU countries. The main fruit exporters are Spain, Belgium, Italy and the Netherlands. The major exported fruits are bananas, apples, tangerines, grapes and oranges. Belgium and the Netherlands are the largest re-exporters of fruit from DCs, each of them specialising in specific product groups (Belgium, for instance, in bananas).

In 2007, EU exports of vegetables amounted to 10.5 million tonnes with a value of €11.1 billion. Spain and the Netherlands are the largest exporters, accounting for 62% of EU export value. Spain mainly exports domestic produce, while the Netherlands exports both domestic produce and imported vegetables. Other EU countries are the recipients of 90% of EU exports of vegetables, these being mainly tomatoes, sweet pepper, lettuce and cucumbers. Growth in international trade and the upcoming markets in Eastern Europe have resulted in a sharp growth in re-exports and transit trade for fruit and vegetables. The Netherlands and Belgium account for a large share of this, but re-exports from Germany and France are growing as well.

**Opportunities for exporters**

The best opportunities for exporters from DCs lie in creating or adapting products that serve market segments and capitalise on trends in consumption, production and trade. Good opportunities exist with exotic and off-season fresh fruits and vegetables (including super fruits), organic and fair-trade products, added value products (such as ready products), participating in offshore outsourcing and supplying the new EU member states where consumption levels are increasing. Successful products need to be of high quality, comply with demands for certification and food safety, and they need to meet the demand for supplying large volumes due to consolidation in buyers' markets.

These trends and market developments offer both opportunities and threats to exporters. These should always be analysed in relation to specific exporting company circumstances to determine whether they provide opportunities or threats.

## Introduction

This CBI market survey profiles the fresh fruit and vegetables market in the EU. The emphasis in this survey is on those products of importance to developing country suppliers. The role of and opportunities for developing countries are highlighted.

This market survey considers the following product groups:

Fruit: bananas, exotic fruits, citrus fruits, apples, pears and quinces, berries and other fruits, grapes, stone fruits and melons.

Vegetables: tomatoes, lettuce and chicory, alliaceous vegetables, cucumbers and gherkins, brassicas, peas and beans, and edible roots and other miscellaneous vegetables.

For detailed information on the selected product groups please consult Appendix A. More information about the EU can be found in Appendix B.

CBI market surveys covering the market in specific EU countries, specific products or product group(s) or documents on market access requirements can be downloaded from the CBI website. To help you to evaluate whether or not to get involved in the EU market or how to improve your approach to the EU market, please consult 'From survey to success - export guidelines'. All information can be downloaded from <http://www.cbi.eu/marketinfo> Go to 'Search CBI database', select your market sector and the EU.

# 1 Consumption

## 1.1 Market size

### Fruit

The EU market for fresh fruit in 2007 measured 46 million tonnes (Table 1.1). The FAOSTAT production data does not distinguish between fruit destined for fresh consumption or processing (citrus fruit or apples for juice, canned stone fruit). According to Freshfel (2008) 90% of EU apple production and 70% of EU citrus production is destined for fresh consumption. The EU consumption is larger than EU production and imports are therefore necessary.

Between 2002 and 2007, consumption fluctuated between 46 and 51 million tonnes. Overall, EU consumption decreased by 3.3% in volume, an average annual change of -0.7%. Unfortunately, aggregate data on value change of consumption are not available. In view of increasing prices and data from individual countries, it can be assumed that the value of consumption (relative to volume) in this period has increased. In 2007, Gross Domestic Product of the 27 EU countries grew by 2.9%.

Italy and Spain are the largest consumers, together already accounting for one-third of the EU market. The imports of Italy and Spain are relatively small compared to their domestic production. In both countries, a large part of the demand is met by domestic produce. Germany, France and the UK also have large markets (together 30% of EU consumption). France is both a major consumer and producer. French imports are higher than the aforementioned countries while its exports are also substantial. Germany and the UK have high levels of consumption and limited domestic production and therefore rely heavily on imports. Belgium and the Netherlands have average market sizes, but are important fruit traders (re-exporters). The consumption market in many of the large EU countries is decreasing. Germany and Poland experienced the largest decrease.

**Table 1.1 Consumption\* of fresh fruit<sup>1</sup> by EU member countries in 2002-2007, volume in thousand tonnes**

	2002	2003	2004	2005	2006	2007	AAC** % in value
<b>EU Total</b>	<b>48,073</b>	<b>47,871</b>	<b>51,076</b>	<b>48,841</b>	<b>49,268</b>	<b>46,466</b>	<b>-0.7%</b>
Italy	8,632	7,969	9,773	9,541	9,583	9,298	1.5%
Spain	6,996	7,759	7,233	7,089	6,702	6,759	-0.7%
Germany	6,977	5,962	5,897	5,706	5,694	5,249	-5.5%
France	5,048	4,630	5,212	4,752	4,579	4,864	-0.7%
United Kingdom	3,221	3,179	3,376	3,543	3,674	3,730	3.0%
Greece	3,177	2,537	2,977	3,055	3,060	2,931	-1.6%
Poland	3,010	3,291	3,886	3,284	3,518	2,231	-5.8%
Romania	1,810	3,094	2,870	2,783	2,572	1,843	0.4%
The Netherlands	1,154	1,175	1,023	1,071	1,505	1,404	4.0%
Portugal	1,374	1,321	1,384	1,231	1,294	1,262	-1.7%
Austria	1,094	1,162	1,224	1,158	1,192	1,214	2.1%
Hungary	898	947	1,347	1,036	1,142	1,126	4.6%
Czech Republic	812	804	852	810	862	833	0.5%
Belgium	792	881	925	669	823	761	-0.8%
Sweden	538	582	604	606	618	629	3.2%
Denmark	372	401	399	397	426	428	2.8%
Bulgaria	450	528	434	366	427	381	-3.3%
Ireland	190	188	195	234	282	283	8.3%
Finland	240	250	257	250	249	278	3.0%
Slovakia	296	304	301	300	207	242	-3.9%

	2002	2003	2004	2005	2006	2007	AAC** % in value
Cyprus	157	138	132	163	172	180	2.8%
Slovenia	265	211	288	230	224	175	-8.0%
Latvia	162	151	131	154	137	132	-4.0%
Lithuania	235	241	186	245	185	93	-16.9%
Estonia	86	81	81	84	69	68	-4.6%
Luxembourg	43	37	43	35	37	36	-3.5%
Malta	44	45	44	46	36	35	-4.5%

\*Consumption is calculated as production (Chapter 2) + imports (Chapter 4) – exports (Chapter 4).

\*\* Average Annual Change

<sup>1</sup> excluding grapes, which are mainly used for wine making

Source: FAOSTAT 2008 and Eurostat 2007 + 2008

The consumption of fresh fruit consisted mainly of apples (21% of apparent consumption in 2007), oranges (15%), bananas (11%), peaches and nectarines (9%), watermelons (6%), mandarins (6%) and pears (6%). Consumption of all these fruits increased between 2002 and 2007 except for apples and pears. Bananas are the most consumed exotic fruit in the EU. Pineapples accounted for 1.5% of consumption and mangos for 0.4%. Though their shares are small, consumption of these exotics is growing vigorously. Consumption of pineapples more than doubled between 2002 and 2007 and consumption of mangos increased 50%.

### Vegetables

In 2007, the EU market for fresh vegetables (industrial and consumer demand) totalled 59 million tonnes (Table 1.2). In contrast to fresh fruit, the consumption of fresh vegetables is almost equal to production (see Chapter 2). This means that the EU relies less on imports of fresh vegetables. Between 2002 and 2007, total EU consumption decreased by 5.5% in volume, an average annual change of -1.1%.

In the old member states of the EU, consumption volumes are variable. Italy and Spain are the largest consumers (and producers) of fresh vegetables and have the highest consumption per head. The UK is the only (major) consumer with an increasing vegetables market though the consumption per head is lower than the EU average (75 kg per head in the UK and 120 kg per head in the EU). Germany's market volume is in decline though the value is increasing. In the new member states, the situation is also diversified. Especially in the eastern EU countries, consumption patterns are rapidly changing towards a Western European style. The market in Poland has been fluctuating over the last five years but has good growth potential due to its population size of 38 million people and a growing consumption per capita.

**Table 1.2 Consumption\* of fresh vegetables by EU member countries in 2002-2007, volume in thousand tonnes**

	2002	2003	2004	2005	2006	2007	AAC** % in value
<b>Total EU</b>	<b>62,628</b>	<b>65,262</b>	<b>68,741</b>	<b>65,524</b>	<b>60,651</b>	<b>59,188</b>	<b>-1.12%</b>
Italy	12,667	13,800	14,954	14,516	13,343	12,237	-0.69%
Spain	7,638	7,673	8,151	8,401	7,320	7,905	0.69%
France	8,986	8,803	8,996	8,554	5,941	6,079	-7.52%
Poland	4,753	5,112	5,363	5,090	4,880	5,183	1.75%
Germany	6,206	6,165	6,415	5,926	5,668	4,872	-4.72%
United Kingdom	3,988	4,016	4,128	4,512	4,689	4,596	2.88%
Romania	3,318	3,892	4,277	3,413	3,660	3,289	-0.18%
Greece	3,086	3,209	3,357	3,056	2,943	2,767	-2.16%
Portugal	2,255	2,272	2,529	2,415	2,340	2,349	0.82%
Belgium	1,716	1,962	1,871	1,855	1,836	1,858	1.60%
Hungary	1,621	1,757	1,833	1,435	1,633	1,604	-0.21%
Netherlands	1,532	1,057	1,547	1,455	1,447	1,546	0.18%
Austria	674	638	735	671	681	691	0.50%

	2002	2003	2004	2005	2006	2007	AAC** % in value
Czech Republic	617	595	609	617	674	663	1.45%
Bulgaria	862	1,168	918	527	710	642	-5.72%
Sweden	551	549	603	606	635	620	2.39%
Slovakia	348	378	411	413	434	445	5.04%
Denmark	361	387	390	402	411	411	2.63%
Finland	307	310	318	337	320	338	1.94%
Ireland	274	276	293	287	295	296	1.56%
Lithuania	313	573	403	408	185	232	-5.81%
Latvia	182	272	226	210	212	195	1.39%
Slovenia	120	124	144	145	146	120	0.00%
Cyprus	94	90	91	91	86	91	-0.65%
Estonia	68	94	84	85	88	86	4.81%
Malta	72	68	76	73	51	52	-6.30%
Luxembourg	22	23	21	25	24	22	0.00%

\*Consumption is calculated as production (Chapter 2) + imports (Chapter 4) – exports (Chapter 4).

\*\* Average Annual Change

Source: FAOSTAT 2008 and Eurostat 2007 and 2008

The consumption of fresh vegetables consisted mainly of tomatoes (27% of apparent consumption in 2007), carrots (11%), cabbages (10%), onions (9%), lettuce and chicory (5%), cucumbers and gherkins (4.5%) and peppers (4.4%). Consumption of all these vegetables increased between 2002 and 2007 except for lettuce, chicory, peas, beans, garlic and the (large) group of miscellaneous vegetables. All vegetables consumed in the EU can be produced in the EU but the production of certain species is limited to a specific season.

### **Forecast**

In general, the EU market for fresh fruit and vegetables is declining in volume but growing in value. In eastern EU countries consumption is often still growing and consumers are shifting from basic fruit and vegetables towards more diverse produce including exotics. At the same time, the availability of other food products, such as snacks and fast food means competition with fresh fruit and vegetables. The markets in countries such as Germany, Spain, Italy and France are large but nearly saturated. Only certain market niches and product groups provide opportunities for growth.

Over the years 2004-2007, the Gross Domestic Product (GDP) of the EU countries grew at an annual rate between 2.0% and 3.1% per year. In 2008, the financial sector around the world has slipped into a crisis and hit the economies of many EU countries hard. The growth in 2008 will be lower than in previous years. Many EU countries expect a reduction of GDP in 2008 (Global Economic Outlook IMF 2009). It is expected that GDP growth will pick up again in 2010.

The market for fresh fruit and vegetables will be affected by the economic crisis that hit economies in many countries worldwide in 2008. In general, the reduction in consumption of food products will be limited, especially for those products that are used on a daily basis such as fresh fruit and vegetables. However, consumers may choose other, lower-valued, products and therefore the value of consumption is more likely to decrease than volume. Convenience, health and variety in choice are still important factors.

Some EU countries already reported a decrease in the value of consumption in 2008. Consumers were eating less fruit and vegetables and more often chose low-valued products. Value-added products and expensive fruits and vegetables will be affected most. The first signs from the market suggest that the demand for expensive exotic fruits (such as mango, pineapple, subtropical fruit, and passion fruit) and luxury fruit and vegetables (such as avocado, sugar snaps and mange-tout) will suffer.

It is also expected that outlet channels like the food service industry (especially restaurants) will experience the largest drop in sales and supermarkets will not be affected as much.

## 1.2 Market segmentation

The market for fresh fruit and vegetables can be divided into segments based on geographic, demographic, or behavioural variables. The main characteristics of the most important segments are described below.

### Geographic location

Consumption patterns of fruit and vegetables vary widely across the EU. Northern EU countries generally consume less fresh fruit and vegetables per head than southern EU countries. Historically, the availability of fresh fruits and vegetables in the north was more seasonally-bound, limited in quantity and less varied. Over time, however, imports of tropical and off-season produce have increased and new production methods have enabled a wider variety of fruit and vegetables. Citrus fruits, for instance, used to be available only in autumn and winter, when Spanish and Italian citrus trees were in harvest. Nowadays, citrus fruit is available year round, as countries in the southern hemisphere provide the off-season supply. Nevertheless, eating habits change slowly and regional differences remain. Seasonality also still exists but to a lesser extent. There are still products which are only available in the season (often making them specialty products). White asparagus in the Netherlands is an example.

The EU can also be divided into old and new EU members. Consumption levels in the new EU member countries are lower than in the old member states, but are expected to rise as incomes and supply increase. Another way to divide the EU is by distinguishing between rural and urban consumers. In rural areas in some EU countries supply is less varied. This difference is most pronounced in areas where supermarkets do not have a high market share, such as the rural areas of northern Italy. In countries such as the Netherlands, rural/urban differences are less evident.

There are also differences in consumption patterns within countries. These will be elaborated in the CBI surveys covering the market in individual EU countries.

### Demographic variables

When segmenting the fruit and vegetables market according to demographic variables, household composition, income and nationality are important variables.

#### *Household composition and age*

Household composition in the EU is changing. In many countries, family size is decreasing. Families have fewer children and the number of single-person households is increasing, particularly in Western Europe. This has a major impact on the market for fresh fruit and vegetables. Young single adults are less motivated to eat fresh fruit and vegetables. Families with young children also have a low per capita consumption. Their children have a large influence on the type of fruit and vegetables purchased. There is a rapid growth in the number of elderly people, who have the highest rates of fruit consumption in many countries.

#### *Income*

The type of fresh fruit and vegetables consumed is strongly related to income (though not exclusively). In general, the higher one's income, the more money is spent on convenience products, and the lower the consumption of fresh fruit and vegetables. Affluent consumers tend to spend more on value-added products. These may include specialty/luxury products or new tropical fruits, washed, pre-cut, portioned, mixed vegetables such as salads, ready-to-eat fruits, ready meals and organic products. These products meet demands for health, convenience or indulgence (described below). These trends are stronger in the old EU member countries, and more specifically, the northern countries such as the UK, Germany and the Netherlands.

In the new member states, consumption is increasing along with the rise in disposable income and supply is increasingly varied in terms of product range, consumption style and product display.

#### *Nationality*

Immigrants also influence the demand for fresh fruit and vegetables. They often keep elements of their culinary traditions, using specific fruit and vegetables that may have been previously unfamiliar to native Europeans. In this way, new and tropical products introduced by immigrants now have substantial market shares. Bananas and pineapples are good examples of how tropical fruits have become common products in countries with large immigrant communities. The market share of tropical fruits is higher than tropical vegetables.

#### **Behavioural characteristics**

Consumer behaviour in terms of consumption of fresh fruit and vegetables is determined by a number of factors including habits, beliefs or attitudes. Habits can lead consumers to purchase fresh fruit and vegetables that they are familiar with. Eating habits are a legacy of one's childhood and often hard to change. Many associate fruit and vegetables with health and well-being. Consumers who are conscious about their health tend to consume more fruit and vegetables. Some purchase organic fruit and vegetables, which are grown without chemicals and are considered to contain more vitamins and minerals. Consumers may also purchase special types of fresh fruit and vegetables based on a certain belief or attitude. The fair trade segment is an example of a market dominated by consumers wishing to contribute to a better planet and/or better livelihoods for producers in developing countries. Organic and fair trade products co-exist, as do the reasons for consumers to purchase these products. Consumption of these products is also related to income as they tend to be more expensive. Of course, behaviour is also related to external factors such as price, as well as the quality, service, supply and attractiveness of retailers and specialty stores.

### **1.3 Trends**

The most important trends in consumption of fruit and vegetables relate to health, convenience, pleasure, product variety, organic products and fair trade. They are described below, including their relation to fresh fruit and vegetables. These trends often go hand in hand, particularly in the fresh fruit and vegetables sector. One trend which encompasses all trends mentioned below is 'wellness', which is best defined as a general feeling of well-being that is achieved through a healthy balance of the mind-body and spirit.

#### **Health**

Health is a factor that has a major influence over food consumption trends. Consumers are increasingly health-aware and purchasing food products that have specific health benefits. These are, for instance, heart health, gut health, bone health, vascular health, a good immune system, and protection from cancer. Food is increasingly seen as making a contribution to health in terms of ingredients, such as antioxidants, probiotics, the right fatty acids, healthy oils such as omega-3, soy, and proteins. Weight-loss products are also of huge importance in the health food segment as obesity is becoming increasingly widespread among adults and children. Allergies to specific foods also create segments with growing market potential. It is not until recently that manufacturers have recognised that this interesting niche market was developing. Gluten-free products, for instance, are increasingly available in supermarkets and specialty stores.

The consumption of super fruits, fruits with a high degree of beneficial nutrients such as antioxidants has also grown significantly. They have come to occupy an important niche in the health and wellness market. Examples of super fruits include pomegranate, açai (a berry from the Amazon), blackcurrants, goji berries, blueberries and blackberries. Most super fruits are consumed after processing (for instance as fruit juices) rather than fresh. Natural foods products without additional sweeteners or other artificial additives are another niche within the health market.

The food processing industry has responded to this demand by mixing fruit with dairy products, sports drinks, breakfast cereals and so on. More information on these niches can be found in CBI EU market survey 'The EU market for preserved fruit and vegetables' and 'Preserved fruit and vegetables: the EU market for fruit juice'.

Fresh fruits and vegetables play a key role in the health trend. They are seen as contributing to good health as they naturally contain vitamins, minerals and antioxidants. Regular consumption of fruit and vegetables is promoted by health authorities as essential to maintaining a healthy diet, reducing weight and preventing diseases. While health benefits attract much attention the taste of fruit and vegetables is of equal importance in consumers' decisions to buy fruit and vegetables.

### **Convenience**

Convenience is another major trend affecting the food and beverage industry. The changing lifestyles of many Europeans have an impact on eating habits. One of the most evident consequences is the decreasing amount of time spent on preparing meals. Women, traditionally responsible for household food, increasingly participate in the labour force and have less time to prepare meals. In addition, an increasing number of single households eat less home-prepared meals. These factors have led to an increase in the demand for convenient fruit and vegetables. Many vegetables are now pre-cut, pre-washed and pre-cooked, require less preparation time (and are often available in smaller portions). The same goes for fruits, which are being offered washed, peeled and cut. Timesaving products are more popular in Northern Europe, with countries such as the UK, Ireland and Germany as the leaders. Consumers in southern countries such as Italy, Spain and Greece prefer fresh and unprocessed products. While the market share of convenience products is smaller in these countries the trend is present, as it is in the new EU member states. Snacks are the most innovative category, because they are supplied in single-serve and ready-to-eat products.

### **Pleasure**

Pleasure or indulgence describes the experience that the consumption of certain products provides. In the fresh fruit and vegetables segment, this trend might not be so obvious. Health and convenience are more obvious reasons for consumers to eat fruit and vegetables. However, there are numerous occasions when the consumption of fresh fruit and vegetables contains a high degree of indulgence. Examples could include restaurants serving dishes with special tropical fruits such as pitahaya, or supermarkets offering new tropical fruit during a holiday season. Also regionally grown specialty vegetables fit this trend.

The increased travel to distant holiday destinations, where holiday makers appreciate new types of fruit and vegetables, can boost demand. The supply side corresponds to this by continuously and successfully introducing new tropical fruit products. Complying with the demand for convenience, they provide tropical fruits in small packages with practical product information. This makes it easier for consumers to familiarise themselves with relatively unknown products. Examples are cassava (or manioc), sweet potatoes, plantains, yams, chillies, durians, mangosteens, papaya, passion fruit, avocado and a variety of leafy vegetables. The ethnic trend is particularly strong in the UK and France, but the demand for these is also growing in the new member states.

Importers and multiple retailers put a lot of effort into creating a portfolio of products that are available throughout the year. They use different sources (origins) to guarantee year-round supply.

### **Sustainability**

Partly due to the food scares that hit EU countries in the 1990s and 2000s, there is growing concern about the presence of pesticide residues within food products, especially fruit and vegetables. These factors, combined with increasing awareness of health, diet and nutrition, have increased the interest in organic produce. Organic fruit and vegetables is one of the major product categories in the organic segment, next to dairy products.

Since multiple retailers came into this market, distribution of organic products has improved greatly. Sales are increasing in almost all countries of the EU. Germany, Sweden and Denmark are the leaders, with France, the UK and others catching up quickly. Paradoxically, mainstream consumers are not willing to pay more for organic products – they only buy them when the price is more or less equal to the conventional product price. But there is a significant niche of hardcore organic consumers. The organic market is less developed in Southern and Eastern Europe, but there is potential for growth.

The standards for organic production are set out in Regulation 834/2007 (and detailed information can be found at CBI's market information database at <http://www.cbi.eu/marketinfo>). Here can also be found the CBI market survey on organic food products. More information on organic fresh fruit and vegetables can be found at the following websites:

- *World Markets for Organic Fruit and Vegetables - Opportunities for Developing Countries in the Production and Export of Organic Horticultural Products*, which can be downloaded at <http://www.fao.org/docrep/004/y1669e/y1669e00.htm#Contents>;
- *Organic Fruit and Vegetables from the Tropics* (2003) published by the United Nations Conference on Trade and Development (UNCTAD). This report provides market, certification and production information for producers and international trading companies. It is available at [http://www.unctad.org/en/docs//ditccom20032\\_en.pdf](http://www.unctad.org/en/docs//ditccom20032_en.pdf).

EU consumers are increasingly concerned about food production methods, their effects on the environment and social and economic conditions in DCs. This has increased demand for sustainable and fair-trade certified products. To ensure consumers' trust, producers adhere to quality standards set by international organisations, such as fair-trade and sustainability standards. Several fresh fruit products (e.g. banana, pineapple, mangos, avocados and oranges) now have a fair-trade product standard. These standards can be downloaded from the website of the Fair-trade Labelling Organization (FLO) <http://www.fairtrade.net>. There is a tendency in the market for many products to be both organic and fair-trade certified.

#### 1.4 Opportunities and threats

The major opportunities for exporters of fruit and vegetables from DCs are:

- + EU consumption of fresh fruit exceeds production by 13% (see Chapter 2);
- + Growing demand for, and focus on, health-promoting products, including super fruits;
- + Increasing demand for convenient, ready-to-eat products;
- + Growing demand for tropical fruits and new exotic products;
- + Growing demand for off-season supply of traditional products such as apples, pear and oranges;
- + Growing demand for organic, fair-trade and sustainable products;
- + Increasing out-of home consumption of fruit and vegetables in the restaurant and foodservice channels;
- + Increasing demand for healthy snacks (e.g. mini cucumbers in small packages);
- + Increasing income, changing food habits and growing consumption levels in new EU member countries;
- + Product differentiation, such as fair-trade and organic, provide a good opportunity in those market segments in which the supply is dominated by large multinationals (e.g. bananas and pineapples).

The major threats for exporters of fruit and vegetables from DCs are:

- Stagnating/declining consumption in old EU countries ('the battle for stomach share');
- The current economic crisis will have an effect on the market for fresh fruit and vegetables;
- The value of consumption is more likely to decrease as consumers may choose other, lower-valued, products. Consumption of expensive exotics and speciality products will be affected most;
- Relatively weak competitive position of DC suppliers due to higher transport costs especially for those products that are vulnerable and/or need to be transported by air;

- Certification requirements for fresh fruit and vegetables (GlobalGAP, formerly EurepGAP) and for processed fruit and vegetables<sup>1</sup> (GMP/HACCP/BRC), which involve serious managerial and technical efforts and high costs;
- These certification requirements are strictly required to gain access to north-western European countries and, increasingly, in the southern and western European countries;
- Rapid erosion of advantages accruing to innovators, due to the ease and frequency of copycat behaviour (in terms of both product and production processes) which can induce a spiral of overproduction and falling prices;
- Fluctuating prices and production volumes of fruit and vegetables due to fluctuating supply;
- Control of supply chains by large multinationals who demand a high level of professionalism and large-scale supply.

### 1.5 Useful sources

- Fresh Info – News and services for the fresh fruit and vegetables business - <http://www.freshinfo.com/>
- Fresh Plaza – News service on fresh fruit and vegetables - <http://www.freshplaza.com/>
- FreshFel – Website and magazine on EU fresh fruit and vegetables supply chain – <http://www.freshfel.org>
- Agra-Net - Fruit and vegetables market – <http://www.agra-net.com>.

---

<sup>1</sup> Although processed fruit and vegetables are covered in a separate CBI market survey (available from the CBI website), many exporters of fresh fruit and vegetables also engage in simple processing such as cutting and packing. Or they may consider doing so, since such activities provide interesting opportunities for adding value.

## 2 Production

### 2.1 Size of production

The EU is a large producer of both fruit and vegetables. Europe's wide range of climatic regimes allows a wide variety of crops to be produced. Northern Europe has a temperate climate and produces only temperate species. This is mainly done in the open air but in addition, there is production of vegetables in greenhouses which allows for year-round production of some vegetables such as tomatoes and sweet peppers.

In Southern Europe, the Mediterranean climate allows for higher production levels, a longer growing season and a wider variety of crops, including subtropical fruits such as peaches, oranges, tangerines, and olives. However, the limited availability of irrigation water is often a constraint. As in the northern countries, most production is bound by a distinct growing season. Improved storage and distribution techniques, however, have extended the supply of fruit and vegetables throughout the year.

The European climate is not suitable for growing tropical fruits, so these products are imported. Some countries produce very small quantities of bananas (Spain) and pineapples (Portugal), but these are negligible compared to total EU consumption of these fruits. Climatic conditions in the EU prohibit production of these fruits on a larger scale. Other tropical fruits are produced in the EU but on a limited basis. Italy has become one of the largest kiwi fruit producers in the world with its harvest season coinciding with the off-season in New Zealand which is the major global producer.

Production in the EU is regulated by the Common Agricultural Policy (CAP). The CAP is in the process of reform with the aim of improving the competitiveness and market orientation of the fruit and vegetables sector, reducing fluctuations in producers' income, increasing fruit and vegetable consumption and protecting the environment. Measures will include the abolition of export refunds to third countries. Entry prices and special safeguard clauses will remain unchanged until the conclusion of the next round of WTO negotiations (European Commission, 2007).

#### Fruit

The total production of fresh fruit (excluding wine grapes) in the EU in 2007 amounted to almost 37 million tonnes. This is 10% less compared to 2003 and production has fluctuated during this period (Table 2.1). Spain and Italy are the largest EU producers, accounting for 57% of total EU fruit production. Other large producers of fresh fruit in the EU are France, Greece, Poland, Romania and Germany. Production has fluctuated strongly in some countries over these years, mostly due to weather conditions during the growing season. Periods of frost, drought or excessive rain negatively influence production but favourable conditions during crucial phases of the growth process can boost production significantly. Greece, Romania and Hungary have experienced fluctuations in production levels. Production in Germany and France has been declining for years.

Grapes are the fruit with the highest production in the EU, by a long way (26.7 million tonnes in 2007). However, almost all of these grapes are used to produce wine and not for direct consumption. Grapes are therefore not included in the production data. Italy is the largest producer of grapes, followed by France and Spain.

Apples are the fruit with the highest production for direct consumption in the EU. Production amounted to 9.8 million tonnes in 2007, accounting for 26% of total fruit production. Italy, France and Poland are the largest producers, accounting for 21%, 18% and 11% of total apple production respectively. Between 2003 and 2007, EU apple production decreased 23%. Especially France and Poland produced fewer apples. The third most important fruit product is oranges (6.2 million tonnes), 43% of which are produced in Spain and 38% in Italy in 2006.

The production in 2007 was the same as in 2003 though production fluctuated in the intervening years. Spain's production declined until 2006 due to severe droughts, while Italy benefited from favourable weather conditions. Spain is also the largest producer of small citrus fruit such as tangerines and lemons.

Other main products are peaches and nectarines (4.2 million tonnes in 2007), mandarins (3.0 million tonnes), watermelons (2.9 million tonnes), pears (2.7 million tonnes), other melons (2.2 million tonnes), lemons and limes (1.6 million tonnes) and plums and sloes (1.2 million tonnes). Again, Spain and Italy are the main producers of these fruits. Production of exotic fruit is limited to bananas (413 thousand tonnes) which are produced in the Spanish Canary Islands and pineapples (3 thousand tonnes) in Portugal.

**Table 2.1 Production of fresh fruit<sup>1</sup> by EU member countries in 2002-2007, volume in thousand tonnes**

	2002	2003	2004	2005	2006	2007 <sup>2</sup>	AAC* % in value
<b>Total EU27</b>	<b>42,129</b>	<b>40,859</b>	<b>43,017</b>	<b>40,884</b>	<b>41,111</b>	<b>37,890</b>	<b>-2.1%</b>
Spain	11,777	12,433	11,682	11,236	11,408	11,086	-1.2%
Italy	9,719	8,787	10,434	10,680	10,604	10,358	1.3%
France	4,091	3,583	3,799	3,420	3,276	3,379	-3.8%
Greece	3,707	2,915	3,326	3,529	3,497	3,288	-2.4%
Poland	3,010	3,291	3,505	2,898	3,104	1,682	-11.0%
Romania	1,603	2,853	2,573	2,341	2,084	1,392	-2.8%
Germany	2,521	1,329	1,443	1,244	1,354	1,184	-14.0%
Hungary	880	973	1,308	968	1,010	1,012	2.8%
Portugal	982	928	986	866	937	846	-2.9%
Austria	710	772	784	729	809	821	2.9%
Netherlands	577	571	700	610	636	644	2.2%
Belgium	570	546	640	589	594	604	1.1%
Czech Republic	451	381	457	327	423	391	-2.8%
United Kingdom	295	270	293	364	366	363	4.2%
Cyprus	227	209	221	221	216	214	-1.1%
Bulgaria	319	393	289	192	252	189	-9.9%
Slovenia	177	133	186	139	155	149	-3.5%
Denmark	48	58	71	73	71	69	7.6%
Lithuania	127	125	54	129	125	55	-15.5%
Slovakia	141	156	126	129	52	39	-22.8%
Latvia	66	48	21	58	46	37	-11.2%
Sweden	32	35	34	36	33	35	1.7%
Ireland	24	23	32	52	17	18	-5.7%
Finland	18	15	15	17	16	15	-3.6%
Malta	15	17	17	16	14	13	-3.5%
Luxembourg	14	6	13	6	6	6	-14.7%
Estonia	28	10	8	18	5	6	-27.6%

Source: FAOSTAT 2008

\* Average Annual Change

<sup>1</sup> fruit for direct consumption and for processing, excluding grapes, which are mainly used for wine making

<sup>2</sup> FAO forecast, excluding berries

<sup>3</sup> This category includes tangerines, mandarins, clementines, and satsumas.

### Vegetables

Total EU production of fresh vegetables was 58.2 million tonnes in 2007 (Table 2.2).

Production increased 10% between 2002 and 2004, and then decreased by 8% from 2004 to 2007. This was mainly due to changes in weather conditions in several EU countries that led to higher or lower harvests. As for Fruit, Italy and Spain are two main vegetable producers in the EU, together accounting for 40% of EU production in 2007.

Poland, a new member of the EU since May 2004, occupies the third position. Poland's pattern of vegetable production is similar to other northern European countries. The Netherlands, a relatively small country, is the fifth largest producer, largely due to its extensive greenhouse production.

**Table 2.2 Production of fresh vegetables in the EU, 2002-2006, volume in thousand tonnes**

	2002	2003	2004	2005	2006	2007 <sup>1</sup>	AAC* % in value
<b>Total EU27</b>	<b>62,394</b>	<b>64,790</b>	<b>68,482</b>	<b>65,098</b>	<b>59,973</b>	<b>58,193</b>	<b>-1.4%</b>
Italy	13,074	14,024	15,191	14,648	13,583	12,560	-0.8%
Spain	10,974	10,940	11,431	11,487	10,742	10,733	-0.4%
Poland	4,728	5,117	5,629	5,504	5,145	5,448	2.9%
France	8,458	8,178	8,246	7,933	5,232	5,337	-8.8%
Netherlands	3,623	3,666	4,148	4,033	3,944	4,049	2.3%
Romania	3,250	3,736	4,134	3,270	3,497	3,107	-0.9%
Greece	3,082	3,162	3,314	3,044	2,930	2,761	-2.2%
United Kingdom	2,535	2,507	2,519	2,660	2,879	2,752	1.7%
Germany	3,640	3,583	3,836	3,572	3,074	2,518	-7.1%
Portugal	2,144	2,172	2,468	2,357	2,244	2,317	1.6%
Belgium	1,494	1,596	1,698	1,649	1,609	1,631	1.8%
Hungary	1,673	1,759	1,835	1,407	1,599	1,573	-1.2%
Austria	554	521	574	514	523	541	-0.5%
Bulgaria	814	1,125	876	468	655	533	-8.1%
Sweden	300	304	324	322	338	320	1.3%
Slovakia	312	328	329	328	324	319	0.4%
Czech Republic	337	296	333	296	305	298	-2.4%
Denmark	220	254	248	249	247	251	2.7%
Lithuania	292	550	374	377	183	250	-3.1%
Finland	236	234	236	259	234	244	0.7%
Ireland	220	213	240	235	228	223	0.3%
Latvia	149	237	185	172	174	156	0.9%
Cyprus	99	93	94	95	92	93	-1.2%
Slovenia	71	65	82	88	79	66	-1.5%
Estonia	44	64	62	63	62	62	7.2%
Malta	71	67	73	69	48	49	-7.1%
Luxembourg	1	1	1	1	1	1	-2.2%

Source: FAOSTAT 2008

\* Average Annual Change

<sup>1</sup> FAO forecast, excluding berries

Tomatoes are by far the main vegetable produced in the EU (15.8 million tonnes). Italy is the largest tomato producer with 6.0 million tonnes (38% of EU production). Between 2002 and 2007, Italian tomato production increased 5%. Spain is the second largest producer, accounting for 23% of total production. Much of the production is used by the processing industry to make tomato concentrates and only a small percentage comes to the market as fresh produce. Other major products include carrots (11% of total production in 2007), cabbages (10%), onions (9%), lettuce (5%), and cucumbers (4%), and sweet pepper (4%). Production of peas, beans and garlic experienced the largest decrease between 2002 and 2007. They are more often being imported.

### Forecast

Yields and the quality of fruit and vegetables are highly dependent on weather conditions during the growing season. The summer of 2006 in Central and Northern Europe was characterised by dry and hot weather in July and excessive rainfall in August, which reduced the yields of several fruits and vegetables grown in the open air and led to higher prices.

The harvest in the 07/08 was lower for certain products due to excessive frost while in 08/09 production increased again. In the longer term, production volumes are not expected to change dramatically, although in specific countries and sectors changes will occur. The sector is highly competitive and well connected to the market. Most fluctuations in production will be due to weather conditions in the growing season which are difficult to predict.

Most fruits and vegetables are perishable which prohibits long lead times to sales. This provides domestic producers with a natural advantage as they are closer to the market. Although competing claims on land – for road and city building, recreation and nature for instance – are increasing, production is not expected to decline much. External claims on farm management are also increasing, especially regarding environmental management. Such claims, and the high labour costs entailed, will make the sector even more capital intensive. The number of farms will continue to decline. In the future, the sector will become more market oriented, and focus more strongly on the most profitable crops. Product development and innovation in growing techniques will continue to be important. European horticultural production will not be able to meet demand especially in off-season periods and this provides windows of opportunity for exporters from DCs. In season, European production will generally remain competitive. Only the most distinctive products, tropical fruits for instance, will be able to compete directly with the European supply in season, and new products such as Fuji apples and Nashi pears from New Zealand.

## 2.2 Trends

The number of fruit and vegetable growers in the EU has been declining for decades. One reason is a major improvement in farming techniques, leading to higher production levels and a larger scale of farming. The growing consolidation of buying power has also contributed to a decline in the number of growers. Large buyers (or buying groups) drive producers to focus more on quality, cost and efficiency, which leads to a larger scale of production and fewer producers. Major retailers prefer to work with a limited number of suppliers, which again favours the large producers. These buyers challenge suppliers to increase the scale of their supply in order to serve them efficiently. Only large-scale producers or suppliers have sufficient financial resources to bear the costs and risks associated with high-level production over a longer period. Another reason for the decline in the number of producers is the increasing difficulties in conforming to European regulations.

Offshore outsourcing (moving parts of the production process to DCs) is increasingly being carried out by entrepreneurs in the EU. This is done to lower production costs, increase the capacity of products with a higher added-value within the company and outsource products with a lower added-value. In this way, producers can also expand their production capacity or develop new products without heavy investments or high risks and retain their market position with competitive prices (CBI, 2007). A small but growing number of European producers participate in agricultural production outside of the EU (mainly in DCs), to extend the period of supply. Adding value to fruit and vegetables produced outside of the EU is increasingly being carried out in the country of origin. Examples include sliced runner beans, topped and tailed mange-tout peas, mixed packs of fruit and vegetables for stir-fry meals, cut and sliced pineapple and kiwi fruit.

The current economic crisis not only affects consumers and their buying behaviour but the entire supply chain of fresh fruit and vegetables. Producers and exporters will find it more difficult to get access to working capital and trade credit. European importers indicate that quite a few DC suppliers of fresh fruits and vegetables may be forced out of business as the demand in the EU for their products remains weak.

### 2.3 Opportunities and threats

The most important opportunities for exporters from DCs are:

- + Supplying fruit and vegetables during the off-season of EU production;
- + Supplying new 'unique' fruit, not produced in the EU, to serve niche markets;
- + Supplying distinct innovative products, addressing key consumer demands such as health, wellness and enjoyment;
- + More cost-effective production of products, e.g. asparagus in Peru, or tomatoes in Morocco, especially in the off-season of EU production;
- + More cost-effective value-adding to products in country of origin, e.g. offering products ready for the convenience market;
- + Participation in an efficient and market-driven supply chain (involves increasing the scale of production);
- + The market for fruit and vegetables is more free than most other EU agricultural markets; Tomatoes are one of the few regulated products;

The most important threats for exporters from DCs are:

- Unfavourable competitive position due to high transportation costs, especially for vulnerable fruits and vegetables that need to be transported by air;
- High market demands for consistent high quality, reliability of supply and food safety;
- Consumer preference for domestic fresh products, particularly in their growing season;
- Increased consolidation in the buyers' market increasing the buyers' power, driving producers to more cost-efficient and larger-scale production and making it more difficult for small-scale and new producers to break into the market;
- Fluctuations in EU production due to variable weather conditions during the growing season, which cause either a surplus or scarcity in fruit production (e.g. apples and oranges). These fluctuations have a strong influence on prices and on imports and exports volumes and are hard to predict.

### 2.4 Useful sources

The names and websites of the main players in EU countries can be found in the separate CBI surveys covering the market in individual EU countries, which are available at <http://www.cbi.eu/marketinfo>. Other useful sources providing general information on the EU are listed below.

- World Apple and Pear Association (WAPA), <http://www.wapa-association.org>. Provides news and a list of EU members (including UK, Belgium, the Netherlands, France, Italy, Germany and Poland).
- FAOSTAT, <http://faostat.fao.org/>. Statistics database of the FAO, Food and Agricultural Organisation.
- The European Commission's Agriculture and Rural Development website, European Union - [http://europa.eu.int/comm/agriculture/index\\_en.htm](http://europa.eu.int/comm/agriculture/index_en.htm).

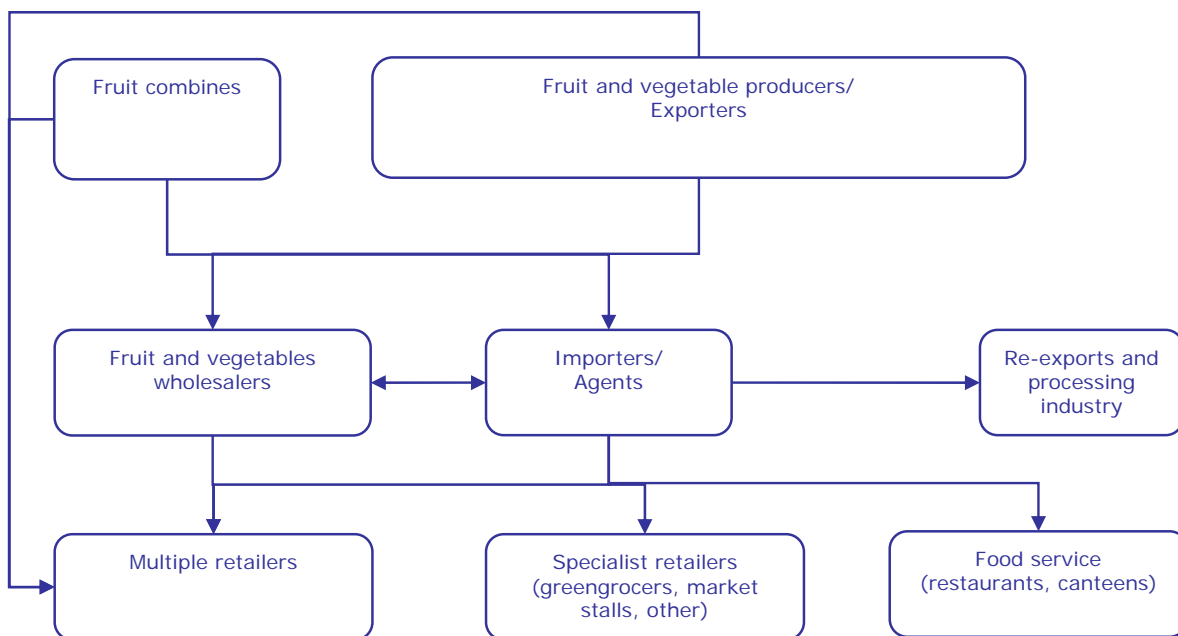
### 3 Trade channels for market entry

#### 3.1 Trade channels

There is a strong trend towards concentration in the supply of fresh fruits and vegetables in the EU. Direct trading contacts between producers or exporters and multiple retail chains are becoming less common, especially in EU countries where concentration is most advanced. Specialised importers or buyer groups are the direct business partners of producers or exporters. Some of these importers have also become providers of logistical services, quality controllers and co-ordinators of the supply chain of fresh produce.

In general, fresh fruit and vegetables exported to the EU pass through three sales levels: the production level, import/wholesale level, and the retail level where the final consumer makes his or her purchases (figure 3.1).

**Figure 3.1 Distribution channels of the fresh fruit and vegetables trade in the European Union**



#### Production level

At production level, activities such as production, post-harvest treatment and bulking and packaging take place. Some producers may perform only few extra activities next to production of fruit or vegetables, while fruit combines or large scale producers may have professional packing facilities, logistical services and a full marketing department. Table 3.1 gives the most common activities of independent producers and fresh produce export organisations.

**Table 3.1 Organisations at production level**

Type of organization	Scope of work
FFV Producers	<ul style="list-style-type: none"> <li>• fresh fruit and vegetable production</li> <li>• pre-harvest treatment</li> <li>• first processing level</li> <li>• quality control</li> <li>• large-scale packaging</li> </ul>
Exporters	<ul style="list-style-type: none"> <li>• either private or cooperative</li> <li>• collection of produce</li> <li>• grading and processing (washing, sorting, etc.)</li> <li>• packaging for export, often in customer packs (with price tags)</li> <li>• sales and marketing in their own name or on behalf of their members</li> </ul>

Large scale multinational producers have their own plantations and buy additional products from private producers if necessary. Most combines are based in North, Central and South America, but some have branches in Africa and Asia as well. Some have their own fleet of ships. The significance of fruit combines and their contract importers may increase, since they can fulfil important market demands such as size, quality and traceability. On the other hand, they are increasingly the object of public scrutiny regarding labour conditions and environmental management. To counter such criticism, Chiquita, the world’s largest banana producer, in 2006 announced an alliance with the Rainforest Alliance to obtain environmental and social certification of its production.

**Import and wholesale level**

Importers (Table 3.2) handle the import formalities and obtain ownership of the goods for further distribution in the importing country or for re-export. In most cases, importers have long-standing contacts with their suppliers. Importers also advise their suppliers on issues of quality, size and packaging.

Specialised agents are intermediaries who establish contacts between exporters and importers. They maintain contacts with foreign suppliers and procure produce for their customers, who are generally wholesalers. Agents do not buy themselves but facilitate finding the best buyer for the exporter’s products. Wholesalers buy the produce from a variety of sources: importers, agents and domestic auctions. They often supply to a specialised segment of the market for instance food service and speciality shops.

**Table 3.2 Market parties at the import and wholesale level**

Type of organisation	Scope of work
Importers	<ul style="list-style-type: none"> <li>• Import directly from producers/exporter, often on a consignment basis.</li> <li>• Clearing goods through customs and quality control</li> <li>• In some cases, treatment of goods and packaging</li> <li>• Distribution of goods to wholesalers and sometimes multiple retailers and foodservice</li> <li>• Importers’ margins are usually somewhere between 5 and 10%</li> <li>• A specific type is the fruit combine contract importer, an importer working specifically for a fruit combine</li> </ul>
Agents	<ul style="list-style-type: none"> <li>• Agents establish contacts between producers/exporters and buyers in the importing country</li> <li>• Agents actively offer products on behalf of their clients</li> <li>• Most agents are specialised in either products or sales channels</li> <li>• Usually take 2-3% commission (rates may differ) on sales, up to 12%</li> </ul>
FFV wholesalers	<ul style="list-style-type: none"> <li>• Buying fruit and vegetables from importers, producers and auctions</li> <li>• Distribution to specialist retailers, foodservice outlets and supermarkets</li> <li>• A major distinction is between wholesalers supplying the multiple retailers, known as sole suppliers of supermarkets, and those supplying greengrocers and other specialized retailers</li> </ul>

The current European distribution structure forces fruit and vegetables exporters to be attentive to the demands of the large retail chains, the main outlet for fresh fruit and vegetables in the EU. The retailers or category suppliers (importers/wholesalers) may require that an exporter is able to supply uniform quality, sufficient (large) volume and timely delivery.

The concentration of buyers is spreading throughout the food distribution system. As a result, demand for consistent volumes and qualities of fresh produce increases and the supply chain therefore needs to work more efficiently. Buyers are increasingly developing partnerships with preferred suppliers, to ensure produce availability that meets their specifications on a week-in, week-out basis. The demand for large-scale supplies implies that only those firms with sufficient financial resources are able to bear the costs and risks associated with this type of production.

### **Retail level**

The retail level is closest to the consumer. The major categories of retail level are:

- (multiple) retailers
- specialised retailers
- food service.

Specialised retailers such as greengrocers still sell a substantial volume of fresh fruit and vegetables, but their share has declined dramatically over the years and throughout the EU. However, in countries such as Italy and Spain (major consumers of fruit and vegetables) the multiple retailers have not gained as much dominance as in the northern European countries, leaving more room for specialist retailers. In France, the UK, Germany, Scandinavia and the Netherlands, multiple retailers typically supply more than two-thirds of the market.

Hypermarkets and supermarkets are catalysts for increased sales of pre-packed produce. Their fruit and vegetable assortments have become wider and deeper. Retailers and breeders (product development companies) increasingly collaborate to develop new and innovative products. Multiple retailers pay much attention to the design of their fresh produce departments, trying to appeal to customers. Remarkably these departments now imitate the typical characteristics of the traditional greengrocer which, in some countries, they have almost completely replaced.

Because of this growth in supermarkets and the changes in shopping habits of consumers (preference for one-stop shopping), fruit is increasingly channelled through large and sophisticated companies handling all aspects of import and distribution. Supermarket chains increasingly seek to ensure their supplies through direct contact with growers and grower associations, especially for bulk tropical fruit (bananas and pineapples), which already have a considerable market.

Most exporters from DCs will only have contact with importers of fresh fruit and vegetables and not with retailers or food service organisations. Fresh fruit and vegetables importers are the best business partners for exporters from DCs. Importers have experience and knowledge of the international market and many of them have good relationships with suppliers and buyers all over the world.

Importers that supply to retailers more often coordinate the flow of fruit and vegetables from origin to point-of-sale. They play a more specialised role as quality controller and provide logistical services. Therefore, DC exporters are advised to contact and co-operate with specialised importers for the distribution of their products. This applies especially to tropical fruit varieties and off-season products.

Major importers and distributors in the EU include:

- Fyffes (United Kingdom/Ireland), <http://www.fyffes.com>;
- Univeg Group (Belgian holding company with subsidiaries in many EU countries), <http://www.univeg.com>;
- Dole Fresh Fruit Europe Ltd. Co. (Germany), <http://www.doleeurope.com>;
- Pomona (France), <http://www.pomona.fr>;
- Geest (United Kingdom), acquired by Iceland's Bakkavor in 2005, <http://www.bakkavor.com>;
- The Greenery (the Netherlands), <http://www.thegreenery.com>;
- Del Monte Fresh Produce (Europe), <http://www.freshdelmonte.com>.

### Price structure

The market for fresh fruits and vegetables in the EU is more free than other agricultural markets. Nevertheless, for many fruit and vegetables, import duties are still payable though they may be waived for DCs. For a number of fresh fruit and vegetables including oranges, apples, tomatoes and cucumbers, the EU has established an entry price. When import prices are below this entry price an additional duty has to be paid. The entry price system stabilises the EU market prices of those products that are important in EU production. For more information on import duties and entry prices see the EU website, 'Expanding Exports Helpdesk' - <http://exporthelp.europa.eu>.

A large part of fresh fruit and vegetables is traded in spot markets. Prices are agreed through direct negotiations between seller and buyer. The seller may be the producer/exporter or a trade intermediary such as an agent.

Sales arrangements on consignment basis (or 'at risk') is a special way of selling on the spot market. This type of sales agreement is commonly used in the trade of fresh fruit and vegetables (especially for 'traditional' products). Consignment arrangements are direct sales when the goods are sold to a third party by the importer or agent. Only then, the ownership of the good is transferred. The importer or agent does not take ownership of the goods at any time. The price is established through direct negotiations and price setting is more free than under contracts.

The opposite of selling in the spot market is selling on fixed contracts. They are becoming more important, especially the long-term contracts such as the preferred supplier programmes of the multiple retail channels. The (minimum) sales price for the producer/exporter is often stated in the contract and may include an advance payment to cover some of the production and export costs. Such a contract is especially attractive when market prices are low or when fluctuations in market prices are large and unpredictable. They are also attractive because they often involve a long-term agreement, which provides security and makes investments possible. On the other hand, they limit flexibility in production and marketing because of the strict requirements set by the contracting party.

Margins in the international trade in fresh fruit and vegetables are under pressure. For European importers for instance they are typically below 10% and may even be as low as 2-3% for bulk products. In a vast and diverse sector such as fruit and vegetables, it is hardly possible to give an accurate picture of prices and margins throughout the chain. There are vast differences between different categories, such as temperate and exotic and between bulk and speciality products, and prices change by the hour.

### 3.2 Useful sources

The Internet site <http://www.europages.com> is a useful source for finding contact details and information on the activities of importers. The most interesting contacts at Europages can be found under the category Agriculture and Livestock, subcategory Fruits and Vegetables.

Other internet sites where buyers and sellers can meet online are:

- <http://www.foodtrader.com>. B2B marketplace for the food and agriculture industry;
- <http://www.greentrade.net> online marketplace for organically grown products where suppliers can specify their range.

CBI has published a study 'E-business or no (e-) business in the fresh fruit and vegetables industry?' It deals with several aspects of using e-commerce in the trade of fruit and vegetables. This document can be downloaded from the website: <http://www.cbi.eu>.

Trade fairs are important meeting points for exporters from DCs and EU importers. A trade fair is a good opportunity for making personal contact with (potential) business partners. A few major trade fairs in the EU are listed below.

- Fruit Logistica – <http://www.fruitlogistica.de>. International trade fair for fruit and vegetables marketing in Berlin, Germany. The next fair is in February 2010.
- So Fresh, <http://www.sofresh.bolognafiere.it>. Fresh fruit products conference and exhibition in Bologna, Italy. The next conference is in 2010, dates are unknown yet.
- Biofach, <http://www.biofach.de>. World organic trade fair in Nuremberg, Germany. The next trade fair is in February, 2010.
- Food and Drink Expo, <http://www.foodanddrinkexpo.co.uk>. Biannual UK exhibition for food and drinks products and services from around the world. The next exhibition takes place in Birmingham, 21-24 March 2010.
- IFE, Budapest, Hungary, <http://www.ifefoodapest.com>. International food and drink fair.
- Sitevi, <http://www.sitevi.com>. International exhibition in Montpellier, France, for the fruit and vegetable sector.
- MacFrut, <http://www.macfrut.com>. International exhibition in Cesena, Italy. The next exhibition is from 7-9 October 2009.

## 4 Trade: imports and exports

### 4.1 Total EU imports

The European Union imports large and increasing volumes of fresh fruit and vegetables. The volumes of fruit imports are much higher than those of vegetables. One reason for this is that popular fruits, such as bananas, cannot be produced in the EU (on a large scale) and therefore have to be imported. Most of the popular varieties of vegetable can be produced in the EU. Imports of vegetables from outside the EU are therefore limited. Generally, fruits are less perishable than vegetables and this allows for sea transport. There is a clear trend towards year-round supply of fruit and vegetables, providing extensive opportunities to exporters from outside the EU.

#### Fruit

In 2007, fresh fruit imports amounted to 26.2 million tonnes with a value of €20.8 billion (Table 4.1). Of all imports, 59% came from other EU countries (intra-EU trade). DCs accounted for 37% of the imports and their share increased 2% between 2003 and 2007. Between 2003 and 2007, the value of imports increased by 21%, and the volume increased by 18%. The imports from DCs are growing faster than imports from other EU countries. Imports from developed countries showed moderate growth.

DCs account for 37% of the value and 40% of the volume of fruit imports in the EU in 2007. Between 2003 and 2007 both the value and the volume increased, by 29% and 28% respectively. DCs have a strong position in the supply of bananas, pineapples, mangos, papayas, lychees, guavas, dates, passion fruit and avocados.

**Table 4.1 EU Imports of fresh fruit 2003-2007, value in € million, volume in thousand tonnes**

	2003		2005		2007		AAC** % in value
	value	volume	value	volume	value	volume	
<b>Total EU, of which from</b>	<b>17,148</b>	<b>22,109</b>	<b>18,885</b>	<b>24,845</b>	<b>20,770</b>	<b>26,171</b>	<b>4.9%</b>
Intra-EU	10,343	13,147	11,124	14,668	12,190	14,864	4.2%
Extra-EU ex. , DC*	767	707	870	808	799	748	1.0%
DC*	6,038	8,255	6,892	9,368	7,781	10,560	6.6%

Source: Eurostat 2007 and 2008

\*Developing Countries

\*\*Average Annual Change

Germany is the EU's largest importer of fresh fruit. In 2006, it accounted for 18% of total EU import value and 19% of total volume. The UK was the second largest importer, followed by the Netherlands, France, Belgium and Italy. Belgium and the Netherlands play an important role in intra-EU trade of fresh fruits. Their domestic markets are relatively small and most of their imports are re-exported to other countries within and beyond the EU. Poland is the leading fresh fruit importer among the ten new EU member countries, followed at a distance by the Czech Republic and Romania. Compared to the huge quantities imported by the original 15 EU countries, their imports are small but show higher growth rates.

#### Vegetables

In 2007, a total of 12.1 million tonnes with a value of €11.8 billion were imported within EU countries (Table 4.2). Most vegetables are imported from other EU countries. Only 16% of the total import value and 15% of the total trade volume originated from outside of the EU. However, the share of imports from outside of the EU grew more rapidly and its share of total imports is increasing. Between 2003 and 2007, intra-EU imports grew by 18% in value and by 6% in volume, while total extra-EU trade value grew by 71% in value and 50% in volume. The majority of extra-EU trade in vegetables came from DCs, which accounted for 79% of total extra-EU import value and 82% of the volume.

**Table 4.2 EU Imports of fresh vegetables 2003-2007, value in € million, volume in thousand tonnes**

	2003		2005		2007		AAC** % in value
	value	volume	Value	volume	value	volume	
<b>Total EU, of which from</b>	<b>9,496</b>	<b>10,842</b>	<b>10,470</b>	<b>11,428</b>	<b>11,810</b>	<b>12,050</b>	<b>5.6%</b>
Intra-EU	8,386	9,614	9,085	10,072	9,908	10,209	4.3%
Extra-EU ex. , DC*	200	234	239	243	391	330	18.3%
DC*	909	994	1,146	1,113	1,510	1,511	13.5%

Source: Eurostat 2007 and 2008

\*Developing Countries

\*\*Average Annual Change

Germany is the largest importer of fresh vegetables in the EU, accounting for 25% of imports by value and 23% by volume. The value of German imports increased by 5% in value but decreased 6% in volume between 2003 and 2007. The United Kingdom is the second largest importer. UK imports are increasing steadily: between 2003 and 2007, the value increased by 27% and the volume by 20%. France is the other main importer of vegetables and together these three countries account for nearly 60% of total import value. Of the new member states, the Czech Republic is the largest importer, closely followed by Poland. However, compared to the other EU members, their share of imports is small (2.3% and 1.9% respectively). Import growth rates in many new member states are higher than in older EU countries.

The increase in imports of fresh fruit and vegetables and the strong position of DCs in this trade can be explained by a number of factors. First, EU countries cannot produce exotic fruits themselves, so they have to be imported. Secondly, consumption of these fruits is increasing due to a number of trends: health concerns, growing markets in new member states and increasing familiarity with these products amongst consumers. Not only among ethnic communities is demand growing; natives who frequently visit foreign countries get to know exotic fruits and want to purchase them at home. Thirdly, consumers increasingly demand year-round availability of fruits and as EU countries are not able to produce year-round they have started importing during the off-season.

The same goes for vegetables, although to a lesser extent. The EU produces large volumes of vegetables, but year-round production is not possible for many species. In addition it is also cheaper to import some products, such as beans, chilli peppers or asparagus, from DCs than to produce them domestically, as they are very labour-intensive and carry substantial production risks.

Outsourcing is a trend, for both fresh fruit and vegetables, with European companies starting to produce in DCs, and exporting the produce to the EU. In new member states, consumers are becoming more demanding. In Poland, for instance, apple production is decreasing as consumers no longer accept poor quality domestic apples. Companies prefer to go for imports instead of investing in quality improvement. Spain is still the main supplier of fresh fruit and vegetables to EU countries but imports from South Africa, Argentina and Turkey are growing. Also the Netherlands is re-exporting more citrus fruit (imported from DCs).

## 4.2 EU imports per product group

**Citrus fruit** is, together with bananas, the largest product group in imports, accounting for 20% of import value and 25% in volume in 2007. Citrus fruit imports increased by 17% in value and 10% in volume (Table 4.3[??]) . The major species (based on import value) are oranges (39%), mandarins (34%), lemons (14%), grapefruit (10%) and limes (2%).

Spain is the largest producer and supplier of citrus fruit to the EU, but is also an importer during the off season. It supplied 47% of all citrus fruit to the EU. Between 2003 and 2007, imports from Spain grew only moderately (+5% in value). Import from DCs, however, increased 34% in value and 19% in volume. South Africa is the leading supplier of citrus fruit from DCs (10% of the EU import value in 2007). The Netherlands is also re-exporting more citrus fruit from DCs to other EU countries. Morocco, South Africa, Turkey, Uruguay and Argentina are the leading DC suppliers, each having a small share in imports.

Imports of all citrus fruit increased in the period under review. The largest part of the growing imports of oranges is coming from DCs. DCs had a 34% share in import value in 2007. South Africa is the leading supplier and Argentina, Egypt, Morocco and Uruguay each have a small share in imports. Most mandarins were imported from Spain (70% of import value in 2007), while only 15% were from DCs. Imports from EU countries is growing faster than imports from DCs. Spain is also the leading supplier of lemons (41%). DCs had a 37% share in imports and DC import increased 35% in value between 2003 and 2007. Argentina supplied 22% of all lemons in 2007. Turkey accounted for 9% and South Africa for 3%.

Imports of limes are growing faster than for other citrus fruits. In 2007, 54% of the total value and 61% of the total volume of limes came from DCs. Brazil is the leading DC supplier of limes to the EU, having a 37% share of the total import value, followed by Mexico (13%). In the EU, the Netherlands is the largest supplier with a share of 27%, all of which are re-exports. All imports of both lemons and limes from outside of the EU are from DCs.

**Table 4.3 EU imports of citrus fruit and leading suppliers, 2003 - 2007, in million €, share in % of value**

	2003 € mln	2005 € mln	2007 € mln	Leading suppliers to EU in 2007 Share in %	Share (%)
<b>Total EU, of which from</b>	<b>3,608</b>	<b>3,859</b>	<b>4,224</b>		
Intra EU	2,566	2,623	2,880	Spain (47%), The Netherlands (8%), Italy (3.0%), Germany (2.6%), Belgium (2.3%)	68%
Extra EU ex. DC*	132	134	128	Israel (1.8%), USA (1.0%), Australia (0.1%)	3.0%
DC*	911	1,101	1,216	South Africa (10%), Argentina (6%), Turkey (3.3%), Morocco (2.6%), Uruguay (1.6%), Egypt (1.2%), Brazil (1.2%), China (0.6%), Swaziland (0.5%), Mexico (0.5%)	29%

Source: Eurostat 2007 and 2008

\*Developing countries

**Bananas** accounted for 20% of all imports. Between 2003 and 2007, imports grew by 25% in value and 23% in volume (Table 4.4). Bananas are popular fruit and since the EU produces only very limited amounts of bananas, they have to be imported. DCs accounted for 65% of the import value in 2007, the remaining part are re-exports of EU countries. Ecuador, Colombia and Costa Rica had the largest share in import value in 2007. Imports from all these countries increased with the highest growth rate for bananas from Colombia. The imports from EU countries is also growing strongly, reflecting the increased intra-EU trade. The harbour of Antwerp in Belgium is the major entry point for bananas into the EU, and most bananas are re-exported from here to other European countries. Germany imports primarily for its own consumption, but is also a substantial re-exporter. The main importers of bananas in the EU are Belgium (26% of import value in 2007), Germany (18%), the UK (12%) and Italy (8%).

Plantains accounted for only 3% of the import of bananas. They are imported from Colombia, Ecuador and Costa Rica and Belgium, Germany and the Netherlands are the main distributors to other EU countries.

**Table 4.4 EU imports of bananas and leading suppliers, 2003 - 2007, in million €, share in % of value**

	2003 € mln	2005 € mln	2007 € mln	Leading suppliers to EU in 2007 Share in %	Share (%)
<b>Total EU, of which from Intra EU</b>	<b>3,361</b>	<b>4,017</b>	<b>4,212</b>		
Extra EU ex. DC*	1,066	1,520	1,474	Belgium (13%), Germany (7%), The Netherlands (5%), France (2.2%), Italy (2.1%)	35%
DC*	2	0	0	Ecuador (16%), Colombia (15%), Costa Rica (14%), Panama (5%), Cameroon (3.6%), Ivory Coast (3.0%), Dominican R. (3.0%), Brazil (1.0%), Belize (0.8%), Peru (0.6%)	0%
	2,293	2,497	2,738		65%

Source: Eurostat 2007 and 2008

\*Developing countries

**Apples, pears and quinces** as a group accounted for 15% of EU import value in 2007. Between 2003 and 2007, imports increased by 13% in value and 10% in volume (Table 4.5). Two-thirds of the import value in 2006 was imported from other EU countries and 26% from DCs. Apples accounted for 73% of the import value in 2007. They were mainly imported from Italy, France, the Netherlands, New Zealand Chile, Belgium and South Africa. Imports from DCs are increasing and they accounted for 25% of the EU import value in 2007. The main importers of apples were the United Kingdom (20% of the import value in 2007), Germany (20%) and the Netherlands (13%).

Pears accounted for 26% of imports and quinces for only 1%. Pears were mainly imported from the Netherlands (23%), Italy (17%), Argentina (14%), South Africa (11%) and Belgium (11%) Between 2003 and 2007, imports from both EU countries and DCs increased. The importers of pears are Germany, the Netherlands (major re-exporter), the UK, France and Italy.

**Table 4.5 EU imports of apples, pears and quinces and leading suppliers, 2003 - 2007, in million €, share in % of value**

	2003 € mln	2005 € mln	2007 € mln	Leading suppliers to EU in 2007 Share in %	Share (%)
<b>Total EU, of which from Intra EU</b>	<b>2,804</b>	<b>2,766</b>	<b>3,156</b>		
Extra EU ex. DC*	1,879	1,765	2,109	Italy (17%), The Netherlands (14%), France (12%), Belgium (8%), Germany (4.4%)	67%
DC*	248	266	231	New Zealand (6%), USA (1.2%), Canada (0.1%), Switzerland (0.1%)	7.3%
	677	736	816	South Africa (7%), Chile (7%), Argentina (6%), Brazil (2.5%), China (1.5%), Serbia (0.3%), FJR Macedonia (0.2%), Uruguay (0.2%), Turkey (0.2%), Ukraine (0.1%)	26%

Source: Eurostat 2007 and 2008

\*Developing countries

**Berries and other minor fruit** accounted for 11% of the EU import value in 2007. Between 2003 and 2007, import value increased by 23% and volume by 24% (Table 4.6). This group consists of a variety of products; strawberries accounted for 33% of the import value in 2007, kiwi fruit for 30%, berries and currants for 18%, minor exotics (carambola, passion fruit, tamarinds, cashew apples etc.) for 6%. Imports of all these products increased between 2003 and 2007 except for kiwi fruit. Import of kiwi fruit grew in volume (+26%) but value decreased 3%.

However, DC imports of kiwi fruit (12% of import volume in 2007) increased; Chile is the only DC supplier to the EU market. Strawberries were supplied by Spain, the Netherlands and Germany. A small but growing share (8% of import value in 2007) is coming from DCs; Morocco and Egypt were the main DC suppliers. Imports of berries from DC grew strongly between 2003 and 2007. Chile and Mexico are main DC suppliers. Minor exotics such as pitahaya, passion fruit and carambola are imported mainly from Malaysia and Colombia.

**Table 4.6 EU imports of berries and other minor fruit and leading suppliers, 2003 - 2007, in million €, share in % of value**

	2003 € mln	2005 € mln	2007 € mln	Leading suppliers to EU in 2007 Share in %	Share (%)
<b>Total EU, of which from</b>	<b>1,846</b>	<b>2,088</b>	<b>2,273</b>		
Intra EU	1,378	1,530	1,686	Spain (25%), The Netherlands (12%), Italy (11%), Belgium (10%), France (4.4%)	74%
Extra EU ex. DC*	219	267	219	New Zealand (6%), USA (1.3%), Israel (1.3%), Australia (0.1%)	10%
DC*	248	291	368	Chile (4.8%), Morocco (1.8%), Madagascar (1.3%), Colombia (1.3%), Egypt (1.1%), Argentina (0.7%), Mexico (0.7%), South Africa (0.6%), Serbia (0.5%), Thailand (0.5%)	16%

Source: Eurostat 2007 and 2008

\*Developing countries

**Grapes** accounted for 10% of the value of imports in 2007. Grapes (table grapes) are one of the fastest growing imported products. Between 2003 and 2007, imports increased by 34% in value and 21% in volume (Table 4.7). Of total imports, 39% was supplied by DCs and DC imports are growing. The main suppliers are Italy (21%), the Netherlands (14%, all re-exports), South Africa (13%) and Chile (11%). Imports from DCs are growing and Chile especially has increased its exports to the EU considerably between 2003 and 2007. Also imports from smaller DC suppliers such as Egypt, Argentina, India and Namibia are growing. The main markets for grapes are the UK, Germany and France.

**Table 4.7 EU imports of grapes and leading suppliers, 2003 - 2007, in million €, share in % of value**

	2003 € mln	2005 € mln	2007 € mln	Leading suppliers to EU in 2007 Share in %	Share (%)
<b>Total EU, of which from</b>	<b>1,624</b>	<b>2,029</b>	<b>2,180</b>		
Intra EU	1,011	1,217	1,294	Italy (21%), The Netherlands (14%), Spain (8%), Greece (4.9%), Germany (3.6%)	59%
Extra EU ex. DC*	22	35	31	USA (0.8%), Israel (0.5%), Australia (0.1%)	1.4%
DC*	591	777	855	South Africa (13%), Chile (11%), Brazil (3.8%), Egypt (3.2%), Argentina (2.4%), India (1.7%), Turkey (1.4%), Namibia (1.0%), Morocco (0.8%), Peru (0.6%)	39%

Source: Eurostat 2007 and 2008

\*Developing countries

**Exotic fruits (pineapple, mangos, dates, figs, avocados)** is one of the smallest imported product groups but still accounted for 9% of the import value in 2007 (Table 4.8). Between 2003 and 2007, imports increased by 39% in value and 67% in volume. Of total import value, 56% was from DCs. Pineapple accounted for 47% of the import value in 2007, mangos, mangosteens and guavas for 22%, avocados for 21%, dates for 8% and figs for 2%.

Between 2003 and 2007, pineapple imports in the EU increased by 46% in value and 91% in volume. Pineapple is one the fastest increasing imported exotic fruits. Belgium was the leading EU importer, accounting for 22% of the total imported value in 2007, followed by Netherlands (14%), Germany (14%), Italy (11%) and UK (11%). Belgium and the Netherlands are primarily re-exporters while Germany, Italy and the UK also have a large domestic market.

Costa Rica accounted for the lion's share of the supply of pineapples. Small amounts were imported from Côte d'Ivoire, Ghana, Ecuador, Panama, Honduras and Brazil.

Imports of mangos and avocados also increased. DCs are important suppliers of these products: 54% of the import value of mangos came from DCs and 44% of the avocados. A large part of the mangos are imported by a few EU countries that re-export them to other EU countries. The Netherlands, responsible for 26% of all mango imports in 2007, is a main re-exporter. Other major importers are the UK and France. The major DC suppliers of mangos are Brazil (20%), Peru (8%), Côte d'Ivoire and Pakistan. The major EU importer of avocados is France, accounting for 35% of the total import value in 2007, followed by the Netherlands and the UK. The main DC suppliers were South Africa, Peru and Chile. The main markets are France, Spain and Italy. Date and fig imports are small but growing. France, the UK and Germany are the main EU importers and have the largest domestic market for these products. DCs supplied 60% of the import value of dates in 2007 and 50% of all figs. Tunisia is the main supplier of dates (39% of the import value in 2007), followed by Israel (18%), Algeria (9%) and Iran (7%). France is a major re-exporter of dates. Figs were imported mainly from Turkey (30%) and Brazil (14%). The Netherlands is a major re-exporter. Exports by Spain and Italy also came from domestic production.

**Table 4.8 EU imports of exotic fruit and leading suppliers, 2003 - 2007, in million €, share in % of value**

	2003 € mln	2005 € mln	2007 € mln	Leading suppliers to EU in 2007 Share in %	Share (%)
<b>Total EU, of which from Intra EU</b>	<b>1,410</b>	<b>1,629</b>	<b>1,957</b>		
	468	593	713	The Netherlands (13%), Belgium (6%), France (6%), Spain (5%), Germany (2.7%)	36%
Extra EU ex. DC*	94	124	136	Israel (6%), USA (0.5%)	6.9%
DC*	848	912	1,109	Costa Rica (20%), Brazil (6%), Peru (4.0%), Côte d'Ivoire (3.4%), South Africa (3.3%), Tunisia (3.2%), Chile (2.2%), Ghana (2.1%), Ecuador (1.8%), Panama (1.3%)	57%

Source: Eurostat 2007 and 2008

\*Developing countries

**Stonefruit** is the second smallest imported product group but still accounted for 8% of the import value in 2007 (Table 4.9). Between 2003 and 2007, imports increased by 8% in value and 16% in volume. Of the total import value, 18% was from DCs. The imports consisted of nectarines (33% of the import value in 2007), peaches (20%), cherries (19%), plums (17%), apricots (10%) and sloes (<1%). DCs supplied less than 10% of the import value of these products in 2007 except for cherries and plums. DCs had a share of 42% in the import value of cherries and 33% in plums. Between 2003 and 2007, imports from DCs increased faster than overall imports. The main DC suppliers of cherries are Turkey and Chile. Germany is the main importer of cherries, followed by Austria and the UK. The UK, Germany and the Netherlands are the main importers of plums. The main suppliers of plums are Spain, South Arica, Chile and Italy.

**Table 4.9 EU imports of stonefruit and leading suppliers, 2003 - 2007, in million €, share in % of value**

	2003 € mln	2005 € mln	2007 € mln	Leading suppliers to EU in 2007 Share in %	Share (%)
<b>Total EU, of which from</b>	<b>1,581</b>	<b>1,560</b>	<b>1,719</b>		
Intra EU				Spain (32%), Italy (20%), France (11%), The Netherlands (4.3%), Germany (3.4%)	80%
Extra EU ex. DC*	1,324	1,270	1,371	USA (1.5%), Israel (0.4%), Canada (0.3%), Australia (0.2%), New Zealand (0.1%)	2.5%
DC*	35	27	43	Turkey (7%), Chile (5%), South Africa (3.6%), Argentina (1.1%), Serbia (0.4%), Morocco (0.3%), Egypt (0.2%), Tunisia (0.1%)	18%
	223	263	305		

Source: Eurostat 2007 and 2008

\*Developing countries

The smallest product group in imports are *melons*. They accounted for 5% of the import value in 2007 (Table 4.10). Between 2003 and 2007, imports increased by 15% in value and 11% in volume. Of total import value, 35% was from DCs. Watermelons accounted for 30% of the import value in 2007 and 20% of these melons came from DCs (mostly from Panama, Brazil and Costa Rica). Papayas had a 7% share in import value. DCs supplied 72% of the papayas (mainly from Brazil, small amounts from Thailand, Ecuador, Côte d'Ivoire and Ghana). Other types of melons accounted for the remaining 63% of the imports. The main markets for melons are the UK, the Netherlands and Germany.

**Table 4.10 EU imports of melons and leading suppliers, 2003 - 2007, in million €, share in % of value**

	2003 € mln	2005 € mln	2007 € mln	Leading suppliers to EU in 2007 Share in %	Share (%)
<b>Total EU, of which from</b>	<b>913</b>	<b>937</b>	<b>1,049</b>		
Intra EU				Spain (34%), The Netherlands (11%), France (4.4%), Italy (4.3%), Germany (2.8%)	63%
Extra EU ex. DC*	650	606	662	Israel (0.8%), Russia (0.1%), Norway (0.1%)	1.1%
DC*	16	16	11	Brazil (16%), Costa Rica (6%), Morocco (4.4%), Panama (2.7%), South Africa (1.4%), Honduras (1.2%), Turkey (0.8%), Egypt (0.7%), Tunisia (0.4%), Ecuador (0.4%)	36%
	247	316	376		

Source: Eurostat 2007 and 2008

\*Developing countries

## Vegetables

The diverse product group of *miscellaneous vegetables* accounted for 34% of EU import value in 2007. The products that are imported in substantial volumes from DCs are highlighted.

Sweet peppers accounted for 41% of the import value of this product group. Between 2003 and 2005, sweet pepper imports increased 39% in value and 20% in volume. DCs supplied 5.5% of all sweet peppers and DC imports are growing faster than overall imports. Morocco and Turkey are the main DC suppliers. Sweet peppers were mainly imported by Germany (32% of import value in 2007), the UK (15%), France (11%) and the Netherlands (10%).

Asparagus accounted for 6.5% of the import value of this product group. Almost 40% of the import came from DCs. Between 2003 and 2007, imports of asparagus increased by 15% in value and 8% in volume. During the same period, imports from DCs increased more significantly: +105% in value and +61% in volume. The main suppliers of asparagus to EU countries are Peru (33% of total imports by value), Spain (19%) and Greece (14%). Thailand and Morocco are the other main suppliers (each accounting for 2% of total import value).

The main growing season for asparagus in Europe is between March and June; the other months offer opportunities for suppliers from outside of the EU. Imports of asparagus into the EU mostly consist of green asparagus, and generally take place in the counter season. Germany is the leading EU importer with 27% of imports (by value), followed by the UK and France (14% each), Spain (11%), the Netherlands (11%) and Belgium (6%).

Courgettes accounted for 9% of the import value in 2007. Spain is by far the leading supplier (58% of total supply). Of total imports of courgettes, 15% came from countries outside the EU. Morocco is the main DC supplier. The main importing countries are France with 40% of imports (by value), Germany (18%) and the UK (14%).

**Table 4.11 EU imports of other vegetables and leading suppliers, 2003 - 2007, in million €, share in % of value**

	2003 € mln	2005 € mln	2007 € mln	Leading suppliers to EU in 2007 Share in %	Share (%)
<b>Total EU, of which from</b>	<b>3,274</b>	<b>3,560</b>	<b>4,009</b>		
Intra EU	2,801	2,991	3,268	The Netherlands (29%), Spain (23%), France (5%), Italy (4.6%), Poland (4.0%)	82%
Extra EU ex. DC*	109	144	255	Israel (6%), USA (0.4%), Russia (0.4%)	6.4%
DC*	364	426	485	Morocco (2.5%), Peru (2.1%), Turkey (1.6%), Thailand (1.2%), Kenya (0.6%), Egypt (0.4%), Belarus (0.3%), Ghana (0.3%), Bangladesh (0.2%), Serbia (0.2%)	12%

Source: Eurostat 2007 and 2008

\*Developing countries

**Tomatoes** are the main fresh vegetable product imported by EU countries. Between 2003 and 2007, the value of imports increased by 30% and the volume by 20%. Most tomatoes are imported from EU countries: only 12% come from outside the EU. However, imports from DCs have doubled in value over the last five years. The Netherlands and Spain are the largest suppliers of tomatoes to EU countries. Morocco is the largest DC supplier, with a market share of 8% (by value); the growing import from DCs is attributed to a larger import from this particular country. The largest importer of tomatoes is Germany, accounting for 29% of the total imports (by value) in 2006. Other main importing countries include the UK (18%) and France (14%).

**Table 4.12 EU imports of tomatoes and leading suppliers, 2003 - 2007, in million €, share in % of value**

	2003 € mln	2005 € mln	2007 € mln	Leading suppliers to EU in 2007 Share in %	Share (%)
<b>Total EU, of which from</b>	<b>2,372</b>	<b>2,709</b>	<b>3,086</b>		
Intra EU	2,181	2,447	2,693	Intra EU: The Netherlands (34%), Spain (31%), Italy (5%), France (5%), Belgium (4.5%)	87%
Extra EU ex. DC*	17	32	37	Israel (1.2%)	1.2%
DC*	174	230	356	Morocco (8%), Turkey (2.6%), Syria (0.3%), Senegal (0.3%), FJR Macedonia (0.2%), Tunisia (0.1%), Egypt (0.1%), Jordan (0.1%)	12%

Source: Eurostat 2007 and 2008

\*Developing countries

**Alliaceous vegetables** accounted for 10% of all imports. Between 2003 and 2007, imports grew by 47% in value and 13% in volume (Table 4.13). The imports consisted of onions (60% of the import value in 2007), garlic (25%), shallots (3%) and leeks and other alliacious vegetables (12%). Three quarters of imports were from other EU countries.

However, onions and garlic are imported in substantial volumes from DCs. Egypt, Argentina and Chile are the main DC suppliers of onions and China and Argentina of garlic.

Between 2003 and 2007, imports from DCs doubled in value and increased 50% in volume, which was higher than the increase in imports from other EU countries. The main markets for alliaceous vegetables are Germany, the UK and France.

**Table 4.13 EU imports of alliaceous vegetables and leading suppliers, 2003 - 2007, in million €, share in % of value**

	2003 € mln	2005 € mln	2007 € mln	Leading suppliers to EU in 2007 Share in %	Share (%)
<b>Total EU, of which from</b>	<b>794</b>	<b>749</b>	<b>1,163</b>		
Intra EU	628	608	876	The Netherlands (26%), Spain (19%), France (7%), Belgium (6%), Germany (5%)	75%
Extra EU ex. DC*	62	45	77	New Zealand (4.1%), Australia (1.5%), Israel (0.8%), USA (0.1%)	6.6%
DC*	104	95	211	China (4.9%), Argentina (4.2%), Egypt (2.6%), Chile (1.6%), Turkey (1.2%), Mexico (1.1%), South Africa (0.6%), India (0.3%), Morocco (0.3%), Ukraine (0.3%)	18%

Source: Eurostat 2007 and 2008

\*Developing countries

**Lettuce (and chicory)** accounted for 8% of the value of imports in 2007. Between 2003 and 2007, they increased only 3% while the volume decreased 14% (Table 4.14). Of total imports, 41% consisted of cabbage lettuce, while other types of lettuce accounted for 45% of imports. Chicory accounted for the remaining 9% of imports. DCs are not important in the supply of this product group. More than 98% of the imports came from EU countries. The main markets for lettuce and chicory are Germany and the UK.

**Table 4.14 EU imports of lettuce and chicory and leading suppliers, 2003 - 2007, in million €, share in % of value**

	2003 € mln	2005 € mln	2007 € mln	Leading suppliers to EU in 2007 Share in %	Share (%)
<b>Total EU, of which from</b>	<b>958</b>	<b>1,054</b>	<b>987</b>		
Intra EU	949	1,038	972	Spain (46%), The Netherlands (13%), France (12%), Italy (11%), Belgium (5%)	98%
Extra EU ex. DC*	7	9	5	USA (0.4%)	0.5%
DC*	3	7	10	Tunisia (0.2%), Egypt (0.2%), Morocco (0.2%), Chile (0.1%), Turkey (0.1%), South Africa (0.1%)	1.0%

Source: Eurostat 2007 and 2008

\*Developing countries

**Cucumbers** accounted for 7% of the value of imports in 2007 and gherkins for less than 1%. Between 2003 and 2007, the import value increased 22% and the volume 17% (Table 4.15). Like for lettuce and chicory, DCs are not important suppliers of cucumbers and gherkins. More than 96% of the imports came from EU countries. Turkey and Morocco have a small share in the supply. The main market for cucumbers and gherkins is Germany (43% of import value in 2007), followed the UK, the Netherlands and France.

**Table 4.15 EU imports of cucumbers and gherkins and leading suppliers, 2003 - 2007, in million €, share in % of value**

	2003 € mln	2005 € mln	2007 € mln	Leading suppliers to EU in 2007 Share in %	Share (%)
<b>Total EU, of which from Intra EU</b>	<b>691</b>	<b>750</b>	<b>845</b>	Spain (42%), The Netherlands (38%), Germany (4.6%), Greece (3.2%), Belgium (2.3%)	97%
Extra EU ex. DC*	675	735	820	Turkey (1.9%), Morocco (0.6%), FJR Macedonia (0.1%), Jordan (0.1%), Senegal (0.1%), Egypt (0.1%)	0%
DC*	0	1	0		
	15	14	25		3.0%

Source: Eurostat 2007 and 2008

\*Developing countries

**Brassicas** accounted for 6% of the value of imports in 2007. Between 2003 and 2007, the import value increased 14% and the volume 10% (Table 4.16). More than 96% of the imports came from EU countries. DCs play a minor role in the supply of brassicas but DC imports are growing fast. The main markets for brassicas are Germany and the UK.

**Table 4.16 EU imports of brassicas and leading suppliers, 2003 - 2007, in million €, share in % of value**

	2003 € mln	2005 € mln	2007 € mln	Leading suppliers to EU in 2007 Share in %	Share (%)
<b>Total EU, of which from Intra EU</b>	<b>583</b>	<b>673</b>	<b>664</b>	Spain (33%), The Netherlands (18%), France (13%), Italy (11%), Germany (9%)	97%
Extra EU ex. DC*	577	660	642	USA (1.0%)	1.1%
DC*	1	2	7	Morocco (0.7%), FJR Macedonia (0.4%), Kenya (0.3%), Turkey (0.2%), South Africa (0.2%), China (0.1%), Croatia (0.1%)	2.3%
	6	10	15		

Source: Eurostat 2007 and 2008

\*Developing countries

**Beans** accounted for 3.8% of the value of imports in 2007 and **peas** for 1.1% (Table 4.7). The supply of peas and beans to the EU from DCs is increasing steadily, especially in the counter season. In 2007, 71% of the beans came from DCs. Between 2003 and 2007, EU imports of beans from DCs increased 62% in value and 53% in volume, making it one of the fastest-growing imported vegetable. The UK and France are the leading EU importers of beans, accounting for 21% of import value each, followed by Spain (14%) and the Netherlands (11%). Main DC suppliers of beans were Morocco (29% of the import value in 2007), Kenya (25%), and Egypt (9%).

DCs had a share of 63% in the value of peas imported into the EU. Between 2003 and 2007, DC imports of peas increased by 90% in value and 85% in volume. The UK was the leading EU importer, accounting for 34% of the import value, followed by the Netherlands (24%) and Belgium (15%). Main DC suppliers of peas were Kenya (35% of the import value in 2007), Guatemala (8%), and Zambia (6%).

**Table 4.17 EU imports of peas and beans and leading suppliers, 2003 - 2007, in million €, share in % of value**

	2003 € mln	2005 € mln	2007 € mln	Leading suppliers to EU in 2007 Share in %	Share (%)
<b>Total EU, of which from</b>	<b>444</b>	<b>568</b>	<b>596</b>		
Intra EU	206	211	198	The Netherlands (9%), France (8%), Spain (8%), Germany (2.6%), Italy (1.5%)	33%
Extra EU ex. DC*	0	0	0		0%
DC*	239	356	397	Kenya (26%), Morocco (22%), Egypt (8%), Senegal (2.2%), Guatemala (1.8%), Zambia (1.7%), Ethiopia (1.2%), Zimbabwe (0.9%), Peru (0.9%), Burkina Faso (0.4%)	67%

Source: Eurostat 2007 and 2008

\*Developing countries

**Edible roots** are the smallest product group in imports but still accounted for 4% of the import value in 2007 (Table 4.18). Between 2003 and 2007, imports increased by 21% in value and 4% in volume. Carrots and turnips accounted for 63% of the import value in 2007. Of total import value, only 2% was from DCs and these imports are growing. Turkey is the main DC supplier. The main markets for edible roots are Germany and the UK.

**Table 4.18 EU imports of edible roots and leading suppliers, 2003 - 2007, in million €, share in % of value**

	2003 € mln	2005 € mln	2007 € mln	Leading suppliers to EU in 2007 Share in %	Share (%)
<b>Total EU, of which from</b>	<b>379</b>	<b>406</b>	<b>460</b>		
Intra EU	369	394	440	The Netherlands (29%), Italy (17%), Spain (12%), France (9%), Belgium (7%)	96%
Extra EU ex. DC*	4	5	9	Israel (1.2%), USA (0.4%), Australia (0.3%)	2.0%
DC*	6	7	11	Turkey (1.4%), South Africa (0.3%), Morocco (0.3%), China (0.1%), Costa Rica (0.1%)	2.3%

Source: Eurostat 2007 and 2008

\*Developing countries

### 4.3 The role of developing countries

DCs play a very important role in the EU's fruit trade and a substantial, but smaller role in the vegetable trade. In 2007, 37% of the imports of fruits into EU member states came from DCs, compared to 13% of total vegetable imports. In terms of volume, fruit imports from DCs are also much higher than vegetable imports. A major reason for this difference is that the EU countries are highly dependent on importing many fruit products, such as bananas or mangos, which are not produced in the EU, and others (such as citrus fruits) that are only produced seasonally. By contrast, EU members produce more vegetables and the supply of these is less seasonal, so they are much less dependent on imports. In general terms, Latin-American countries are the main extra-EU suppliers of fruits to the EU and African countries (notably Mediterranean countries) play an important role as extra-EU suppliers of vegetables.

#### Fruit

In 2007, DCs supplied 10.6 million tonnes of fruit to EU countries, with a value of €7.8 billion (Table 4.19). Between 2003 and 2007 imports from DCs grew by 29% in value and 28% in volume. Imports by EU countries from DCs fluctuates. The fluctuations are related to developments in consumption and production, which influence the volume of imports that is needed. Also, developments in neighbouring countries can have an influence. For instance, if a country is increasingly re-exporting products from DCs to another country, this might decrease the need of the destination country to import directly from DCs.

Almost the entire EU supply of tropical fruits including bananas, pineapples, papayas, mangos and durians comes from DCs since there is virtually no production in the EU. DCs accounted for 66% of the import value of bananas in 2007. The remaining value of imports is related to re-exports. Other products where DCs have a high market share include pineapples, papayas and durians. Where there is extensive European production of fruits (such as oranges, mandarins, lemons, grapes, apples, pears and berries) most imports occur off-season. The share of DCs in orange imports is substantially lower (34%). This is largely because much trade in oranges is between EU countries, Spain and Italy, which are major orange producers. But some of the oranges traded between EU member states originate outside the EU. They are imported by a few EU countries and re-exported to other EU member states. For instance, the Netherlands is a supplier of oranges but does not produce them; rather it imports them from EU and non-EU countries. Due to these re-exports, which are substantial, the actual import share of DCs is higher than they appear in the trade statistics presented here. Many EU countries re-export fruit from DCs but especially the Netherlands, Belgium and increasingly Germany hold a strong position in the re-export market.

Around one hundred DCs supply fresh fruit to the EU. The leading countries are South Africa, Costa Rica, Chile, Ecuador, Colombia, Brazil, Argentina and Turkey. South Africa supplies a variety of fruits such as apples, grapes, oranges, tangerines, peaches and nectarines, pears and quinces and avocados, supplied to EU states in the counter season. Latin American countries rank high because of the large supply of bananas and pineapples. Other major DCs are Morocco, Côte d'Ivoire and Cameroon. Fruit is sourced from a more diverse array of countries than vegetables. Some fruit suppliers are more distant from the EU market which is made possible by the longer storage periods for fruits. Many fruit products are imported while they are still ripening. They can therefore be stored longer without losing much quality. Vegetables, in contrast, cannot generally be ripened after picking, so need to reach market much faster. This favours supplying countries situated near the EU or those with good transport connections.

The imports of almost all fruit imported from DCs are growing and the largest growth rates between 2003 and 2007 were for grapes, pineapples, oranges, melons and cherries.

**Table 4.19 Imports of fresh fruit from developing countries, 2003 - 2007, value in € million, volume in thousand tonnes**

	2003		2005		2007		AAC* % in value
	Value	volume	value	volume	value	volume	
<b>Total EU27</b>	<b>6,038</b>	<b>8,255</b>	<b>6,892</b>	<b>9,368</b>	<b>7,781</b>	<b>10,560</b>	<b>6.6%</b>
The Netherlands	1,039	1,210	1,274	1,515	1,624	1,842	11.8%
United Kingdom	1,145	1,567	1,357	1,803	1,608	2,089	8.9%
Belgium	1,144	1,414	1,369	1,618	1,492	1,736	6.9%
Italy	515	802	552	822	595	979	3.7%
Germany	522	793	436	772	587	1,136	3.0%
France	580	649	568	595	530	618	-2.2%
Spain	289	415	342	506	443	632	11.3%
Austria	121	124	142	135	148	124	5.2%
Portugal	147	218	166	240	140	224	-1.1%
Sweden	122	150	109	149	122	164	0.1%
Romania	50	177	89	298	119	299	24.3%
Greece	57	90	79	116	88	134	11.3%
Poland	n.a.	n.a.	114	237	60	117	
Ireland	26	50	32	58	46	77	15.1%
Bulgaria	18	77	22	96	31	117	13.9%
Hungary	43	95	36	64	28	68	-10.5%
Slovenia	26	54	31	62	27	57	1.3%
Denmark	11	17	17	25	22	31	17.8%
Lithuania	27	55	23	44	21	30	-6.7%

	2003		2005		2007		AAC* % in value
	Value	volume	value	volume	value	volume	
Czech Republic	89	164	88	136	15	30	-35.4%
Finland	11	17	20	29	14	19	4.4%
Latvia	3	10	5	11	7	13	24.4%
Cyprus	1	1	2	2	5	5	39.5%
Malta	7	15	7	14	4	6	-15.4%
Slovakia	28	66	5	7	3	6	-43.7%
Estonia	12	24	5	9	2	3	-38.8%
Luxembourg	4	4	3	2	1	1	-26.8%

Source: Eurostat 2007 and 2008

\*Average Annual Change

### Vegetables

In 2007, the EU imported 1.5 million tonnes of fresh vegetables from DCs with a value of €1.5 billion (Table 4.20). The market is growing strong, with an increase of 66% in value and of 52% in volume since 2003. The major products imported from DCs are tomatoes, beans, onions, asparagus, sweet pepper, garlic and peas. DCs share of imports differs between products. For tomatoes, for instance, it was only 12% in 2007, for asparagus it was 39%, and for beans and peas it was 71% and 63% respectively.

The distance to the EU market is an important determining factor in the vegetable trade. This is because vegetables have to be consumed fast and cannot be stored or ripened in transit, unlike many fruits. Countries such as Morocco, Turkey and Egypt, with their relative proximity to the EU, are in a better position to supply fresh products to the EU market than more distant countries, which face higher (and ever increasing) transport costs. Not surprisingly, these three countries are the leading fresh vegetable suppliers from DCs, with market shares of 4.1%, 1.6% and 0.8% respectively in 2007.

Two notable exceptions to this trend are Kenya and Peru which supply certain (off-season) vegetables which have gained in popularity in the last few years. Kenya is the leading supplier of peas to the EU (35% of total import value in 2007) and the second largest supplier of beans (25%, after Morocco).

French beans and various types of peas have become a major source of revenue for producers and exporters in Africa. Large investments in modern transportation and refrigeration facilities have contributed to the expansion in export volumes. African exports account for most of the European supply of beans and peas between December and May, with France, the UK, the Netherlands and Spain being the major destinations. There are daily air shipments to EU markets. Snow peas or 'mange-tout' began as a speciality, but are now a regular product in supermarkets because of their year-round availability. Snow peas are also popular with caterers and restaurants.

Asparagus is mainly imported from Peru and is another successful off-season export product from a DC. In 2007, Peru supplied 33% of total EU import value of asparagus.

**Table 4.20 Imports of fresh vegetables from developing countries, 2003 - 2007, value in € million, volume in thousand tonnes**

	2003		2005		2007		AAC* % in value
	Value	volume	value	volume	value	volume	
<b>Total EU27</b>	<b>909</b>	<b>994</b>	<b>1,146</b>	<b>1,113</b>	<b>1,510</b>	<b>1,511</b>	<b>13.5%</b>
France	281	293	349	336	417	429	10.4%
United Kingdom	222	135	263	149	329	181	10.4%
The Netherlands	87	66	106	82	172	131	18.5%
Spain	62	60	112	110	153	177	25.3%
Austria	53	53	67	61	71	61	7.7%

	2003		2005		2007		AAC* % in value
	Value	volume	value	volume	value	volume	
Belgium	30	39	37	34	64	45	21.4%
Germany	41	27	45	30	63	48	11.0%
Romania	15	105	19	94	62	138	42.5%
Italy	44	44	65	56	61	57	8.6%
Bulgaria	9	45	10	56	29	111	34.9%
Greece	23	51	18	34	18	35	-6.0%
Hungary	4	9	17	22	17	21	47.1%
Poland	2	2	6	9	13	24	57.5%
Slovenia	7	16	9	14	9	14	7.4%
Slovakia	5	11	4	7	6	9	5.8%
Denmark	3	1	3	2	5	3	19.6%
Czech Republic	13	23	2	3	5	7	-21.4%
Ireland	1	2	2	4	4	5	29.8%
Lithuania	1	2	3	1	3	3	28.7%
Sweden	2	2	2	2	3	2	12.8%
Latvia	1	4	3	5	2	4	11.3%
Portugal	0	0	1	1	1	1	24.2%
Finland	1	0	0	0	1	0	-5.1%
Estonia	1	2	0	1	1	2	-6.0%
Cyprus	0	0	0	0	0	1	43.2%
Luxembourg	2	1	3	1	0	0	-40.8%
Malta	0	0	0	0	0	0	-10.7%

Source: Eurostat 2007 and 2008

\*Average Annual Change

#### 4.4 Exports

##### Fruit

Exports of fresh fruit from EU countries in 2007 amounted to 17.6 million tonnes with a value of €14.2 billion (Table 4.21). Between 2003 and 2007, they increased by 21% in value and 16% in volume. Exports to other EU countries increased slightly, while exports to countries outside of the EU increased by over 75% (in value).

Exports from EU countries are therefore increasingly directed to non-EU countries including DCs. However, the shares of exports of fruits from EU countries going to non-EU countries and DC were small: 10% and 3% respectively.

Spain and Italy were the major fruit producers in the EU and also major fruit exporters. In 2007, Spain was the leading EU exporter of fresh fruit produce, accounting for 29% of the total export value from member states, followed by Italy, the Netherlands and Belgium (15% each). The export value of fruit from Spain decreased slightly between 2003 and 2007, while value of exports from Italy, the Netherlands and Belgium increased. Belgium and the Netherlands are important trading countries for fruit. Both countries import large volumes of fruits, which they then export to other countries, both within and outside the EU. France is a large exporter of both domestically produced and imported fruit but French exports decreased between 2003 and 2007.

**Table 4.21 Exports of fresh fruit by EU member countries, 2003-2007, value in € million, volume in thousand tonnes**

	2003		2003		2007		AAC* % in value
	Value	volume	value	volume	value	volume	
<b>Total EU27</b>	<b>11,766</b>	<b>15,098</b>	<b>12,833</b>	<b>16,887</b>	<b>14,198</b>	<b>17,595</b>	<b>4.8%</b>
Spain	4,200	5,586	3,879	5,206	4,112	5,481	-0.5%
Italy	1,919	2,425	1,865	2,667	2,223	2,681	3.7%
The Netherlands	1,467	1,670	1,829	2,121	2,138	2,156	9.9%
Belgium	1,618	1,878	2,120	2,356	2,127	2,451	7.1%
France	1,337	1,578	1,199	1,419	1,221	1,310	-2.2%
Germany	397	455	593	649	681	795	14.4%
Greece	293	570	339	696	380	613	6.7%
Poland	0	0	229	636	285	627	
Austria	159	185	186	212	215	213	7.8%
Lithuania	4	13	24	45	165	302	153.4%
United Kingdom	70	79	123	120	117	147	13.7%
Portugal	82	104	101	153	105	141	6.4%
Czech Republic	15	57	94	178	72	132	48.0%
Slovenia	8	27	33	66	72	144	73.2%
Sweden	57	57	56	50	68	49	4.5%
Hungary	54	246	40	144	59	145	2.2%
Ireland	16	14	20	20	33	22	19.8%
Slovakia	8	33	26	30	33	47	42.5%
Cyprus	35	77	37	72	30	56	-3.8%
Denmark	12	16	23	25	25	26	20.1%
Latvia	2	2	5	6	12	19	56.5%
Romania	8	18	6	10	10	25	5.7%
Bulgaria	2	4	1	1	7	9	36.8%
Luxembourg	2	2	3	2	4	2	18.9%
Finland	1	1	1	1	2	2	18.9%
Estonia	0	0	1	1	1	1	
Malta	0	0	0	0	0	0	

Source: Eurostat 2007 and 2008

\*Average Annual Change

The most important destinations of exports from EU countries in 2007 were other EU countries. The main destination was Germany, which imported 24% of the EU member states fresh fruit exports by value in 2007. France was the second largest destination (12% of export value), followed by the UK (9%), the Netherlands (7%) and Poland (4.1%). Only 13% of fresh fruit exports (by value) went to countries outside the EU but exports to these destinations are growing. Russia, Switzerland, Norway, USA and the Ukraine are the main non-EU destinations.

The main fresh fruits exported by EU countries were citrus fruit (24% of export value in 2007), followed by apples, pears and quinces (19%), berries and other minor fruit (13%), bananas (12%), stonefruit (11%), grapes (9%), exotic fruit (6%) and melons (5%). EU banana and exotic fruit exports consisted exclusively of re-exports. Bananas, kiwi fruit, pineapples, mangos and berries were the fastest growing products in exports.

### Vegetables

In 2007, EU countries exports amounted to 11.1 million tonnes of fresh vegetables with a value of €10.5 billion (Table 4.22). Since 2003, the value of these exports increased by 15% and the volume by 7%. The Netherlands and Spain are by far the largest EU exporters, accounting for 33% and 30% of total EU exports respectively in 2007. Spanish exports consisted mainly of domestic produce, while part of the Dutch exports originated from other countries. Other major EU exporters of fresh vegetables were France, Italy and Belgium.

**Table 4.22 Exports of fresh vegetables by EU member countries, 2003-2007, value in € million, volume in thousand tonnes**

	2003		2005		2007		AAC* % in value
	value	Volume	value	volume	value	volume	
<b>Total EU27</b>	<b>9,142</b>	<b>10,370</b>	<b>9,457</b>	<b>11,002</b>	<b>10,522</b>	<b>11,055</b>	<b>3.6%</b>
The Netherlands	3,105	3,492	2,885	3,463	3,429	3,406	2.5%
Spain	3,113	3,519	3,158	3,506	3,135	3,377	0.2%
France	746	887	861	900	890	894	4.5%
Italy	702	711	686	627	793	773	3.1%
Belgium	645	762	605	759	652	725	0.3%
Poland	22	41	300	603	416	558	108.5%
Germany	214	313	288	451	283	380	7.2%
Ireland	121	59	134	73	143	83	4.3%
Lithuania	22	10	30	21	118	135	52.2%
Austria	106	161	100	152	117	148	2.5%
Greece	75	53	73	53	94	68	5.8%
Hungary	67	75	67	78	79	75	4.2%
United Kingdom	68	103	70	88	71	87	1.1%
Portugal	35	68	43	91	62	151	15.4%
Slovenia	1	1	7	6	55	40	172.3%
Czech Republic	5	11	24	45	44	61	72.2%
Romania	18	10	24	15	29	13	12.7%
Slovakia	14	31	20	10	25	17	15.6%
Denmark	18	25	16	16	24	22	7.5%
Bulgaria	14	11	20	11	22	12	12.0%
Sweden	16	13	20	15	20	13	5.7%
Cyprus	8	8	11	9	10	9	5.7%
Luxembourg	2	1	5	2	4	2	18.9%
Latvia	2	1	4	4	3	4	10.7%
Finland	3	2	3	2	2	2	-9.6%
Estonia	2	1	2	2	2	1	0.0%
Malta	0	0	0	0	0	0	

Source: Eurostat 2007 and 2008

\*Average Annual Change

Exports of fresh vegetables from EU countries were mainly destined for other EU countries: 90% of export value in 2007, with as much as 98% remaining on the European continent. The export trade in vegetables is therefore primarily regional in character.

The main destinations were Germany, which accounted for 29% of member states exports (by value), the UK (17%), France (9%) and the Netherlands (8%). The main destinations outside the EU were Russia (2.9%), Switzerland (2.1%), Norway (1.4%) and the USA (0.8%).

Tomatoes were the major products exported by EU countries, accounting for nearly 26% of vegetable exports (by value) in 2007. Other important product groups were lettuce and chicory (9%), alliaceous vegetables (9%), cucumbers and gherkins (7%), brassicas (7%), edible roots (4%), peas and beans (2%). The remaining group of miscellaneous vegetables accounted for 35% of the exports. Exports of onions, mushrooms, garlic and sweet corn grew fastest.

### Re-exports

EU member states imported a total of €32.6 billion of fresh fruit and vegetables in 2007, while their exports amounted to €24.7 billion. A substantial part of these imports was traded on to other countries both within and outside the EU, either as re-exports or as transit trade.

Re-exported products are declared at the national Customs, whereas products in the transit trade enter the country without formal declaration at Customs, only being declared in the final destination country.

The volumes of re-exports and transit trade in fruit and vegetables have increased sharply over the years, which can be attributed partly to the growing markets in Eastern Europe. Belgium and the Netherlands are important re-exporters. Belgium is one of the main ports for imports of bananas, pineapples and kiwi fruit, while the Netherlands is a main port for grapes and mangos. Germany and France are also increasing their re-exports of fresh fruit and vegetables.

#### 4.5 Opportunities and threats

The most important opportunities and threats in terms of imports and exports for DCs are listed below.

- + Growing imports of fresh fruit and vegetables from DCs. Especially fruit production is short of consumption and imports are necessary.
- + Growing imports of special (tropical) fruits that are only produced in DCs due to growing demand.
- + Development of new transport methods (air, sea and road) between the new EU member states and DCs, enabling direct delivery to importers in these countries instead of the traditional delivery methods through importers in the west European countries.
- + Growing intra-EU exports, a substantial part of which involves re-exports of products from DCs.
- + Re-exports from old EU member states to new member states are growing, and at the same time some new member countries are increasingly re-exporting products imported from DCs (mostly to eastern European countries).
- + Advancements in technology are increasingly enabling artificial production, prolongation of storage life and the introduction of new species, thus decreasing the need for importing certain varieties.
- ± Strong dominance of certain DCs in the supply of certain exotics makes it difficult to enter the market as a new player. On the other hand, there are a great number of DCs supplying a wide variety of fresh fruits to the EU.

#### 4.6 Useful sources

- EU Expanding Exports Helpdesk  
→ <http://exporthelp.europa.eu/>  
→ go to: trade statistics
- Eurostat – official statistical office of the EU  
→ <http://epp.eurostat.ec.europa.eu>  
→ go to 'themes' on the left side of the home page  
→ go to 'external trade'  
→ go to 'data – full view'  
→ go to 'external trade - detailed data'
- Understanding Eurostat: Quick guide to easy Comext  
→ [http://epp.eurostat.ec.europa.eu/newxtweb/assets/User\\_guide\\_Easy\\_Comext](http://epp.eurostat.ec.europa.eu/newxtweb/assets/User_guide_Easy_Comext)

## 5 Price developments

### 5.1 Price developments

Prices of many fresh fruits (especially traditional products) are set on a global level. Prices may fluctuate strongly and reflect seasonal, annual and long-term trends. Speculation on harvests can cause rapid changes in the price levels. In addition, type, quality and origin of the products explain some of the differences in prices throughout time. Exchange rates also contribute to price fluctuations.

In general, the fresh fruit and vegetables market is one of price-takers. There is enormous competition and importers have a strong negotiating position. This is especially the case when selling on consignment basis (see Chapter 3.2).

Supply and demand of fresh fruit and vegetables are the main factors that influence domestic, import and export prices. They can cause large fluctuations in prices over time. Supply is strongly influenced by weather conditions during the growing season, especially in the short term. Cold weather and frost in winter and springtime in Europe reduces harvests, resulting in larger import requirements and higher prices. Frost is a major threat to European production of apples, pears and oranges. For tropical fruits such as pineapples and bananas, changeable harvests have similar effects.

Demand for fruit and vegetables is generally more constant than supply and changes tend to occur over longer periods of time. The demand for fruit and vegetables is relatively inelastic in price. Small increases in price will have limited negative effect on the sales volume. Large price increases have proven to have a significant negative effect on sales volume.

Quality and origin are other important factors in determining the price of fresh fruit and vegetables. Products are often categorised according to quality, which is related to a certain price. Quality requirements are very diverse and, in general, are high in most EU markets. Fresh fruit and vegetables that do not fulfil the high quality standards of the market may still be used by the processing industry. The prices of products for the processing industry are lower than for the fresh market.

Specialty exotics or lesser known fruits and vegetables are often traded on a smaller scale and to less geographically dispersed markets than major tropical fruits such as bananas and pineapples. The prices of these products are more influenced by regional developments in demand such as local product preferences. Price differences between EU countries may be explained by differences in market structure and the competitive environment. For instance, prices in northern EU countries tend to be higher than in southern EU countries. However, on average the EU is a very competitive environment. Especially for imported products, the prices do not differ too much.

Oversupply of a certain product has a negative effect on prices. An example is the case of pineapple. Over the last 5 years, many producers in Costa Rica and other Latin-American countries increased the area of pineapples, as the market was and is very promising. As a result prices dropped gradually. The supply has increased but demand for pineapples is still growing. On the other side, shortness of supply and a high demand can cause prices to soar.

The overall long-term picture appears to be one of decreasing prices and margins, as the market in the EU is very competitive. However, prices are still greatly influenced by weather conditions affecting harvest and speculations on supply and demand. Exporters are advised to closely monitor market and price developments in their specific product categories, in order to quote realistic prices.

Table 5.1 provides an overview of average monthly wholesale prices of selected fruit and vegetables in a number of EU member countries as of January 2009.

**Table 5.1 Average wholesale prices of selected imported fruits per kg, Week 4, 2009, in Euros**

Product variety	Market	Origin	Variety	Average Price	Remarks	
<b>Avocado</b>	Belgium	Israel	Pin	8.00		
		Morocco	Fue	7.50		
	France	Brazil	Trop	12.80	transport by air	
		Spain	Hass	12.50	transport by air	
	Germany		Hass	9.50		
			Pin	7.00		
			Fino	7.50		
		Peru	Fue	6.00		
		Netherlands	Israel	pin	7.00	
				Fue	7.00	
<b>Mango</b>	Belgium	Peru	Kent	5.00	transport by air	
		France	Brazil	Atkins	1.20	
		Peru	Kent	5.25	transport by air	
		Germany	Brazil	atkins, kent	1.25	
			Pal	2.50		
		Peru	Kent	1.30		
	The Netherlands	Brazil	Atkins	1.00		
			kent, keith	1.34		
			Keith	3.17	transport by air	
		Peru	Kent	1.26		
		Kent	4.00	transport by air		
	Thailand		7.30	transport by air		

Source: Market News Service, International Trade Centre Week 4, 2009

## 5.2 Useful sources

The Internet is a practical way to obtain up-to-date information on the fresh fruit and vegetables market. Many sources have an internet service to track price. Some are available for a fee. Sometimes it may be difficult to determine the date of price information. An alternative and probably more reliable source is the traders themselves. In most specialised markets, traders and agents have the most accurate information about prices.

### International

- ITC's Market News Service (MNS), <http://www.intracen.org/mns/>. The International Trade Centre publishes wholesale prices of various fresh fruit and vegetables (including tropical fruits) on a monthly basis.
- Today's Market Prices, <http://www.todaymarket.com>. Website providing daily prices on fruit and vegetables for the main wholesale markets in the USA, Canada, Mexico and Europe (subscription fee).
- Agribusiness Online, <http://www.agribusinessonline.com>. Provides market prices for several ports in Europe.
- Agranet, <http://www.agra-net.com/portal/>. News site with information on agriculture and food policy, markets and trade. Available only with subscription.

Useful sources of price information for individual EU countries are given in the CBI market surveys covering these countries. These surveys can be downloaded from <http://www.cbi.eu/marketinfo>.

## 6 Market access requirements

Manufacturers in a developing country preparing to access EU markets should be aware of the market access requirements of trading partners and EU governments. Requirements are demanded through legislation and through labels, codes and management systems. These requirements are based on environmental, consumer health and safety and social concerns. It is necessary to comply with EU legislation and be aware of the additional non-legislative requirements that trading partners in the EU might request.

For information on legislative and non-legislative requirements, go to 'Search CBI database' at <http://www.cbi.eu/marketinfo>, select 'fresh fruit and vegetables' and the EU in the category search, click on the search button and click on market access requirements.

### Packaging, marking and labelling

Information on requirements for packaging, marking and labelling in specific EU markets can be downloaded from the CBI website. Go to <http://www.cbi.eu/marketinfo>, select your market sector and the country of interest, click on the search button and click on 'sector surveys' for an overview of documents on the country of interest

General rules on food labelling are set out in [Council Directive 2000/13](#). There are specific rules on labelling for: genetically modified and novel foods; foods for particular nutritional purposes; food additives and flavourings; materials intended to come into contact with food and organic produce.

Specific rules for packaging, marking and labelling for a number of fruit and vegetables are laid down in the EU marketing standards described in framework [Regulation 1234/2007](#) establishing a common organisation of agricultural markets and on specific provisions for certain agricultural products (Single CMO Regulation), its amendment [Council Regulation 361/2008](#) and [Commission Regulation 1221/2008](#). The EU strives to reduce the number of marketing standards for fresh fruit and vegetables. Currently there are standards for 28 products but it will be reduced to 10 as of 1 July 2009 (see also publication 'EU legislation: Quality standards for the marketing of fresh fruit and vegetables' on the CBI website).

More information on legal and non-legal market standards for fresh fruit and vegetables is available at the following websites:

- FreshQuality - <http://www.freshquality.org/english/home.asp>
- International Tropical Fruits Network - <http://www.itfnet.org/index.jsp?page=1&process=10&fruitcategory=1>

Additional information on packaging can be found at the ITC's website on export packaging: <http://www.intracen.org/ep/packaging/packit.htm>.

Information on tariffs and quotas can be found at <http://exporthelp.europa.eu>.

## 7 Opportunity or threat?

The fresh fruit and vegetables market in the EU offers both opportunities and threats for exporters in DCs. There are major opportunities in creating or adapting products that serve market segments and capitalise on trends in consumption, production and trade.

Obviously tropical (super) fruits offer good opportunities as they cannot be produced in the EU and therefore have to be imported. Likewise, products which fill the gap in EU supply during the off-season are likely to be successful. Also, products that are grown organically, which have a fair-trade label and are sustainable will readily find their way into EU markets. Exporters who commit themselves to adding value through supplying ready products or participating in offshore outsourcing can serve the increasing demand for these products. Producers with products that serve market niches can also find suitable trading partners. Exporters, who manage to secure a contract with importers in the new EU member states, will profit from increasing consumption levels of fruit and vegetables in these countries. In general, producers whose products fit into the current trends of health, convenience, pleasure, organic, fair trade and sustainability can benefit from current market opportunities. Import trends provide further opportunities for DC exporters, as imports of both fruit (including special fruits) and vegetables from DCs are growing. The new EU member countries show the highest growth rates in imports. New transport methods (by air, sea and road) and links to the new EU member states enable direct delivery instead of going through importers in Western Europe.

Some threats can make it more difficult to export to the EU market. These include: stagnating consumption in the old EU countries, strict demands for quality, certification and food safety requirements, transport costs, oversupply, increased consolidation in buyers' markets, demanding large-scale production, and small import volumes from DCs by the new EU member states.

It is clear that these trends and market developments offer both opportunities and threats to exporters. A trend can be a threat to some but an opportunity to others. Therefore, they should always be analysed in relation to specific exporting company circumstances. The exporter's specific situation determines whether a development or trend provides an opportunity or threat.

For example, an important trend in the sector is the consolidation of buying power, which forces producers to focus more on quality, cost and efficiency. Major retailers prefer to work with a limited number of suppliers, which favours large producers who can serve them efficiently. If small-scale exporters can increase their supply by joining forces with other small-scale producers and forming grower groups, they can benefit from this trend and work with these large buyers. In contrast, exporters who do not manage to increase their output will increasingly be excluded by importers. This will limit their export opportunities to a declining number of small-scale buyers or to niche markets. However, in the longer term, many of these niche markets may evolve into mainstream markets where similar demands will prevail.

## Appendix A Product characteristics

### Product groups

Fresh fruit and vegetables are the two main product categories, which are subdivided into product groups and products. This survey focuses on the most important product groups (in terms of consumption) and those that offer the best opportunities for exporters from DCs. Tables 1 and 2 give the major species for each product category.

### Fruit

Fruit production is determined by specific climatic conditions, such as day length and temperature. The temperate climate in the EU allows for the production of temperate and sub-tropical fruit species such as apples, grapes or oranges, but is not suitable for the production of tropical fruit such as bananas, the most popular fruit in Europe, as well as pineapples, kiwi fruit, avocados and mangos. For these, the EU relies on imports from tropical countries. These products have been introduced successfully over recent decades and can now be found in most European supermarkets. In addition the EU also imports temperate and sub-tropical species from countries in the southern hemisphere that are able to supply in the off season. This is known as counter-season or off-season supply.

### Vegetables

Some vegetables can be grown in controlled conditions such as greenhouses (glass or plastic) which place fewer climatic restrictions on vegetable production. Greenhouse production reduces the risk of a bad harvest and extends the supply period. The EU countries have a very high degree of internal supply for vegetable products. The geographic origins of fresh vegetables are therefore less diverse than for fruit. Vegetables are imported from outside the EU in case of poor harvests or during the off-season period. The possibilities for exporting highly perishable or delicate produce such as lettuce and other leafy vegetables to the EU are limited. These imports mostly come from countries located close to the EU, which benefit from short transportation time and lower transport costs. The EU is virtually self-sufficient in vegetable products such as lettuce (99% of EU import volume in 2006 was intra EU), cabbages (98%), cucumbers (97%), carrots (95%), tomatoes (86%) and sweet pepper (82%). DCs play an important role in supplying peas and beans during the off-season as well as snow peas (mange-tout), sweet peppers and courgettes.

### *Potatoes*

Although potatoes are a main staple food in many European countries (and sometimes categorised as vegetables), they are not part of this survey. They offer few opportunities for suppliers from DCs. Advanced storage techniques in Europe guarantee that potatoes can be supplied almost year-round at a low price. The Netherlands, France and Germany are the leading potato exporters in Europe. European imports of potatoes are limited to early potatoes, which are considered a speciality. These are forerunners of the main harvest of the European potato season. Cyprus and Malta, EU member states since May 2004, are the main suppliers of early potatoes to the other EU countries. Egypt, Israel and Morocco are the major non-European suppliers. Other starchy tubers or bulbs (sweet potato, yams and cassava) which are eaten as staple food are also not included in this survey.

### HS Codes for fresh fruit and fresh vegetables

The Table below lists the HS codes of product categories for 'fresh fruit' and 'fresh vegetables', and the subdivisions into product groups and products. Each product category consists of eight product groups, specified below. The descriptions are taken from the Comext database. This is the statistical database of the European Commission (Eurostat) covering the EU's external trade and that of Member States, which is compiled from raw data supplied by the national statistical institutes of member states.

In the survey text, abbreviations of product names are sometimes used and several products are grouped under one heading (see notes under the Tables). Qualifications such as fresh, dried or chilled are not widely repeated in the main text of the survey. Individual products, of particular relevance to DCs in terms of import opportunities and consumption trends in EU countries are highlighted in the text. The term 'fresh fruit and vegetables' in principle excludes all dried fruit products, such as dried dates, dried figs and dried grapes. However when a HS code states 'fresh or dried, dried products are included', as is the case for dates, pineapples and oranges.

**Table 1 HS Codes for fresh fruit, according to product groups and products**

<b>Product category: Fresh fruit</b>		<b>HS Codes</b>
<i>Product groups</i>	<i>Products</i>	
Bananas	Bananas, fresh (excl plantains)	08030019
	Plantains, fresh	08030011
Exotic fruits	Fresh or dried dates	08041000
	Fresh figs	08042010
	Fresh or dried pineapples	08043000
	Fresh or dried avocados	08044000
	Fresh or dried guavas, mangos and mangosteens	08045000
Citrus fruit	Fresh or dried oranges	080510
	Fresh or dried mandarins, incl. tangerines and satsumas, clementines, wilkings and similar citrus hybrids	080520
	Fresh or dried lemons, citrus limon, citrus limonum	08055010
	Fresh or dried limes, citrus aurantifolia, citrus latifolia	08055090
	Fresh or dried grapefruit	08054000
	Fresh or dried citrus fruit (excl. oranges, lemons, grapefruit, mandarins, incl. tangerines and satsumas, clementines, wilkings and similar citrus hybrids) (1)	08059000
Grapes	Fresh grapes (excl. table grapes)	08061090
	Fresh table grapes	08061010
Melons	Fresh watermelons	08071100
	Fresh melons (excl. watermelons)	08071900
	Fresh pawpaws papayas	08072000
Apples, pears and quinces	Apples, fresh	080810
	Fresh pears and quinces	080820
Stone fruits	Fresh apricots	08091000
	Fresh cherries	080920
	Fresh peaches, incl. Nectarines	080930
	Fresh plums and sloes	080940
Berries and other fruit	Fresh strawberries	08101000
	Fresh raspberries, blackberries, mulberries and loganberries	081020
	Fresh black, white or red currants and gooseberries	081030
	Fresh cranberries, bilberries, and other fruits of the genus vaccinium	081040
	Fresh kiwifruit	08105000
	Fresh durians	08106000
	Tamarinds, cashew apples, jackfruit, lychees and sapodillo plums, fresh	08109030
	Fresh passion fruit, carambola and pithaya	08109040
Fruits, edible, fresh N.E.S. (2)	08109085	
Fresh fruit, edible (excl nuts, bananas, dates, figs, pineapples, avocados, guavas, mangos, mangosteens, papaws papayas, tamarinds, cashew apples, jackfruit, lychees, sapodillo plums, passion fruit, carambola, pithaya, citrus fruit, grapes)	08109095	

**Notes:**

1 The survey presents these as one product (other citrus fruit).

2 N.E.S. stands for nowhere else specified.

Source: Eurostat 2008

**Table 2 HS Codes for fresh vegetables, according to product groups and products**

<b>Product category: Fresh vegetables</b>		<b>HS codes</b>
<b>Product groups</b>	<b>Products</b>	
Tomatoes	Tomatoes, fresh or chilled	07020000
Alliaceous vegetables	Garlic, fresh or chilled	07032000
	Leeks and other alliaceous vegetables, fresh or chilled (excl. onions, shallots and garlic)	07039000
	Onion sets, fresh or chilled (4)	07031011
	Onions, fresh or chilled (excl. sets) (4)	07031019
	Shallots, fresh or chilled	07031090
Brassicacae	Fresh or chilled cauliflowers and headed broccoli (5)	07041000
	Brussels sprouts, fresh or chilled (5)	07042000
	White and red cabbages, fresh or chilled (5)	07049010
	Kohlrabi, kale and similar edible brassicas, fresh or chilled (excl. cauliflowers and headed broccoli, Brussels sprout, white and red cabbages, fresh or chilled (5))	07049090
Lettuce and chicory	Fresh or chilled cabbage lettuce	07051100
	Fresh or chilled lettuce (excl. cabbage lettuce)	07051900
	Fresh or chilled witloof chicory	07052100
	Fresh or chilled chicory (excl. witloof chicory)	07052900
Edible roots	Fresh or chilled carrots and turnips	07061000
	Fresh or chilled celeriac, rooted celery or German celery (6)	07069010
	Fresh or chilled horse-radish (6)	07069030
	Fresh or chilled salad beetroot, salsify, radishes and similar edible roots (excl. carrots, turnips, celeriac and horse-radish) (6)	07069090
Cucumbers and Gherkins	Cucumbers, fresh or chilled	07070005
	Fresh or chilled gherkins	07070090
Peas and Beans	Fresh or chilled peas <i>pisum sativum</i> , shelled or unshelled	07081000
	Fresh or chilled beans <i>vigna</i> spp., <i>phaseolus</i> spp., shelled or unshelled	07082000
	Fresh or chilled leguminous vegetables, shelled or unshelled (excl. peas <i>pisum sativum</i> and beans <i>vigna</i> spp., <i>phaseolus</i> spp.) (7)	07089000
Other miscellaneous vegetables, fresh or chilled	Fresh or chilled globe artichokes	07091000
	Fresh or chilled asparagus	07092000
	Fresh or chilled aubergines	07093000
	Fresh or chilled celery (excl. celeriac)	07094000
	Fresh or chilled mushrooms of the genus <i>agaricus</i> (8)	07095100
	Fresh or chilled truffles (8)	07095200
	Fresh or chilled chanterelles (8)	07095910
	Fresh or chilled flap mushrooms (8)	07095930
	Fresh or chilled edible mushrooms (excl. chanterelles, flap mushrooms, mushrooms of the genus <i>agaricus</i> and truffles) (8)	07095990
	Fresh or chilled sweet peppers (9)	07096010
	Fresh or chilled fruits of genus <i>capsicum</i> for industrial manufacture of capsaicin or <i>capsicum oleoresin</i> dyes (9)	07096091
	Fresh or chilled fruits of genus <i>capsicum</i> or <i>pimenta</i> for industrial manufacture of essential oils or resinoids (9)	07096095
	Fresh or chilled fruits of genus <i>capsicum</i> or <i>pimenta</i> (excl. for industrial manufacture of capsaicin or <i>capsicum oleoresin</i> dyes, for industrial manufacture of essential oils or resinoids, and sweet peppers) (9)	07096099
	Fresh or chilled spinach, New Zealand spinach or orache spinach	07097000
	Fresh or chilled salad vegetables (excl. lettuce and chicory)	07099010
	Fresh or chilled chard white beans and cardoons	07099020
	Fresh or chilled olives (excl. for oil production) (10)	07099031

Product category: Fresh vegetables		HS codes
Product groups	Products	
	Fresh or chilled olives for oil production (10)	07099039
	Fresh or chilled capers	07099040
	Fresh or chilled fennel	07099050
	Fresh or chilled sweetcorn	07099060
	Fresh or chilled courgettes	07099070
	Fresh or chilled vegetables N.E.S.	07099090

Notes:

- 4 In the survey, these are presented as one product (onions).
- 5 In the survey, these are presented as one product (brassicas).
- 6 In the survey, these are presented as one product (other edible roots).
- 7 In the survey, these are presented as one product (other leguminous vegetables).
- 8 In the survey, these are presented as one product (edible mushrooms and truffles).
- 9 In the survey, these are presented as one product (sweet peppers).
- 10 In the survey, these are presented as one product (olives).

Source: Eurostat 2008

### Statistical product classification

#### **Combined nomenclature (CN)**

In this survey trade data based on the Combined Nomenclature are used. These data are provided by Eurostat, the statistical body of the EU. The abbreviation CN stands for Combined Nomenclature. This Combined Nomenclature contains the goods classification prescribed by the EU for international trade statistics. The CN is an 8-digit classification consisting of a further specification of the 6-digit Harmonised System (HS). HS was developed by the World Customs Organisation (WCO). The system covers about 5,000 commodity groups, each identified by a six-digit code. More than 179 countries and economies use the system. In this survey CN data are used to indicate imports and exports.

#### **Statistical data: limitations**

Trade figures quoted in CBI market surveys must be interpreted and used with extreme caution.

In the case of intra-EU trade, statistical surveying is only compulsory for exporting and importing firms whose trade exceeds a certain annual value. The threshold varies considerably from country to country, but it is typically about €100,000. As a consequence, although figures for trade between the EU and the rest of the world are accurately represented, trade within the EU is generally underestimated.

Furthermore, the information used in the CBI market surveys is obtained from a variety of sources. Therefore, extreme care must be taken in the qualitative use and interpretation of quantitative data. This limits any in-depth interpretation of relations between consumption, production and trade figures within one, or between several different, countries.

## Appendix B Introduction to the EU market

The European Union (EU) is the current name for the former European Community. Since January 1995 the EU consisted of 15 member states. Ten new countries joined the EU in May 2004. In January 2007 two more countries – Bulgaria and Romania - joined the EU. Negotiations are in progress with a number of other candidate member states. In this survey, the EU is referred to as the EU27, unless otherwise stated.

Cultural awareness is a critical skill in securing success as an exporter. The enlargement of the EU has not only increased the size of the EU but also significantly increased its complexity. With more people from culturally diverse backgrounds, effective communication is necessary. It is important to be aware of differences in respect of meeting and greeting people (use of names, body language etc.) and of building relationships. There are also differences in dealings with hierarchy, presentations, negotiating, decision-making and handling conflicts. More information on cultural differences can be found in chapter 3 of CBI export manual 'Exporting to the EU (2006)'.

General information on the EU can also be found at the official EU website [http://europa.eu/abc/governments/index\\_en.htm](http://europa.eu/abc/governments/index_en.htm) or the free encyclopaedia Wikipedia <http://en.wikipedia.org/wiki/Portal:Europe>.

### Monetary unit: Euro

On 1 January 1999, the Euro became the legal currency within eleven EU member states: Austria, Belgium, Finland, France, Germany, Italy, Ireland, Luxembourg, The Netherlands, Spain, and Portugal. Greece became the 12th member state to adopt the Euro on January 1, 2001. Slovenia adopted the Euro in 2007. Cyprus and Malta joined the euro-zone in January 2008 and Slovakia in January 2009. Since 2002 Euro coins and banknotes replaced national currency in these countries. Denmark, United Kingdom and Sweden have decided not to participate in the Euro.

In CBI market surveys, the Euro (€) is the basic currency unit used to indicate value.

**Table 1 Exchange rates of EU currencies in €, average yearly interbank rate**

Country	Name	Code	2008
Bulgaria	Lev	BGN	0.5120
Czech Republic	Crown	CZK	0.0402
Denmark	Crown	DKK	0.1341
Estonia	Crown	EEK	0.0640
Hungary	Forint	HUF	0.0040
Latvia	Lats	LVL	1.4353
Lithuania	Litas	LTL	0.2918
Poland	Zloty	PLN	0.2864
Romania	Lei	ROL	0.00003
Slovakia	Crown	SKK	0.0321
Sweden	Crown	SEK	0.1042
United Kingdom	Pound	GBP	1.2597

Source: Oanda <http://www.oanda.com/> (April 2009)

## Appendix C List of developing countries

### OECD DAC list - January 2006

When referring to developing countries in the CBI market surveys, reference is made to the group of countries on the OECD DAC list of January 2006.

Afghanistan	Gabon	Nepal	Uruguay
Albania	Gambia	Nicaragua	Uzbekistan
Algeria	Georgia	Niger	Vanuatu
Angola	Ghana	Nigeria	Venezuela
Anguilla	Grenada	Niue	Vietnam
Antigua and Barbuda	Guatemala	Oman	Wallis & Futuna
Argentina	Guinea	Pakistan	Yemen
Armenia	Guinea-Bissau	Palau	Zambia
Azerbaijan	Guyana	Palestinian Admin. Areas	Zimbabwe
Bangladesh	Haiti	Panama	
Barbados	Honduras	Papua New Guinea	
Belarus	India	Paraguay	
Belize	Indonesia	Peru	
Benin	Iran	Philippines	
Bhutan	Iraq	Rwanda	
Bolivia	Jamaica	Samoa	
Bosnia & Herzegovina	Jordan	Sao Tome & Principe	
Botswana	Kazakhstan	Saudi Arabia	
Brazil	Kenya	Senegal	
Burkina Faso	Kiribati	Serbia	
Burundi	Korea Rep. of	Seychelles	
Cambodia	Kyrgyz Rep.	Sierra Leone	
Cameroon	Laos	Solomon Islands	
Cape Verde	Lebanon	Somalia	
Central African Rep.	Liberia	South Africa	
Chad	Libya	Sri Lanka	
Chile	Macedonia	St. Helena	
China	Madagascar	St. Kitts Nevis	
Colombia	Malawi	St. Lucia	
Comoros	Malaysia	St. Vincent & Grenadines	
Congo Democratic Rep.	Maldives	Sudan	
Congo Rep.	Mali	Suriname	
Cook Islands	Marshall Islands	Swaziland	
Costa Rica	Mauritania	Syria	
Côte d'Ivoire	Mauritius	Tajikistan	
Croatia	Mayotte	Tanzania	
Cuba	Mexico	Thailand	
Djibouti	Micronesia, Fed. States	Timor-Leste	
Dominica	Moldova	Togo	
Dominican Republic	Mongolia	Trinidad & Tobago	
Ecuador	Montenegro	Tunisia	
Egypt	Montserrat	Turkey	
El Salvador	Morocco	Turkmenistan	
Equatorial Guinea	Mozambique	Turks & Caicos Islands	
Eritrea	Myanmar	Tuvalu	
Ethiopia	Namibia	Uganda	
Fiji	Nauru	Ukraine	

**CBI countries – January 2008:**

CBI supports exporters in the following Asian, African, Latin American and European (Balkan) countries:

Afghanistan  
Albania  
Armenia  
Bangladesh  
Benin  
Bolivia  
Bosnia-Herzegovina  
Burkina Faso  
Colombia  
Ecuador  
Egypt  
El Salvador  
Ethiopia  
Georgia  
Ghana  
Guatemala  
Honduras  
India  
Indonesia  
Jordan  
Kenya  
Macedonia  
Madagascar  
Mali  
Moldavia  
Montenegro  
Morocco  
Mozambique  
Nepal  
Nicaragua  
Pakistan  
Peru  
Philippines  
Rwanda  
Senegal  
Serbia  
South Africa  
Sri Lanka  
Suriname  
Tanzania  
Thailand  
Tunisia  
Uganda  
Vietnam  
Zambia

## Appendix D References

European Commission. 2007. Fruit and vegetables reform. Available at [http://ec.europa.eu/agriculture/capreform/fruitveg/presentations/pres240107\\_en.pdf](http://ec.europa.eu/agriculture/capreform/fruitveg/presentations/pres240107_en.pdf)

Eurostat. 2007 and 2008. Statistical Office of the European Communities, COMEXT database on external trade, available at [http://epp.Eurostat.ec.europa.eu/newxtweb/assets/User\\_guide\\_Easy\\_Comext\\_20080117.pdf](http://epp.Eurostat.ec.europa.eu/newxtweb/assets/User_guide_Easy_Comext_20080117.pdf)

FAOSTAT. 2008. FAOSTAT, Statistical Database on Agricultural Production. Available at <http://faostat.fao.org>.

FreshFel. 2008. FreshFel fruit and vegetable production, trade and consumption monitor in the EU-27. Freshfel Europe, The European Fresh Produce Association. <http://www.freshfel.org>.