

REPORT SUMMARY

This market survey describes and analyses the EU market for fresh fruit and vegetables in Part A. In Part B the report gives guidelines and recommendations on how to approach this market.

Consumption

In 2005, consumption of fresh fruit in the EU was 74 million tonnes and consumption of fresh vegetables 62 million tonnes. From 2001 to 2005, fruit consumption grew by 3.6% and consumption of vegetables by 1.5%. There are large differences between the EU member countries. Cyprus, for example, has one of the highest consumption levels per head, but is one of the smallest countries in terms of inhabitants, so the total market is small. Italy and Spain have the largest volumes of consumption, together accounting for 40% of the total EU market in 2005. Italy and Spain are also the largest producers of fruit and vegetables. France, Germany and the United Kingdom have large volumes of consumption as well.

Consumption of fresh fruit and vegetables in the EU countries is characterised by a tremendous variety of products from all over the world. Both fruit and vegetables are increasingly available throughout the year, in a shift from the traditional seasonal patterns. Except for banana, which is a major established product, exotics constitute a small but quickly growing part of the market. Growing familiarity with these products and increasing availability are increasing demand. The most important trends in the EU food markets relate to health and convenience, each with a huge influence on consumer choices. Retailers and manufacturers seize these opportunities by for example offering washed, pre-cut, pre-packed and portioned fruits and vegetables. Other important trends relate to an increasing popularity of organic and fair-trade products, value for money, diversity in choice, and a growing ethnic population. Wellness has ultimately become a major buzzword in marketing, translating concerns such as health and quality into positive benefits that everyone can obtain.

Production in the EU

The EU is a major producer of fresh fruit and vegetables. Most of the production is concentrated in the southern countries such as Spain and Italy. The temperate climate of northern Europe puts more limitations on production, but greenhouses make production of vegetables possible around the year. A large part of the vegetable production in the Netherlands takes place in greenhouses. European production of exotics is very small: mainly some banana and pineapple in Spain and Portugal. The fruits with the largest production are apples, oranges, grapes, peaches and nectarines. European production of fruit is seasonal. This offers opportunities to suppliers from outside the EU to supply out of season.

Total EU production of fresh fruit was almost 67.6 million tonnes in 2004. Italy produced 20.4 million tonnes and Spain 16.7 million tonnes (including grapes for wine production). In the same year, total EU production of fresh vegetables was 61.4 million tonnes, of which Italy produced 15.5 and Spain 10.4 million tonnes. From 2001 to 2005, production of fruit and vegetables increased by 4.5 and 1 percent respectively.

Imports

In 2005, EU imports of fresh fruit had a value of €17.9 billion, an increase of 21% since 2001. Import volume increased by 23% over the same period, reaching 23.2 million tonnes. Imports from developing countries were substantial at €6.4 billion and 8.6 million tonnes in 2005, and grew more quickly than the market (+26% in value and +27% in volume).

Germany, the United Kingdom and France are the largest importers of fruit, together accounting for 47% of EU import value in 2005. The main suppliers of fruit to the EU are Spain, the Netherlands, Italy, Belgium and France. The major imported fruits are bananas, apples, grapes, and citrus fruit.

Developing countries play a major role in the supply of exotics such as bananas, pineapples, mangos, dates, and avocados, and in the off-season supply of citrus and apples. In 2005, developing countries had a share of 36% in total EU import value. The leading developing countries exporting fresh fruit to the EU are South Africa, Costa Rica and Ecuador. South Africa is a major supplier of especially off-season products: grapes, apples, citrus fruit and avocados. The Latin-American countries are the most important suppliers of bananas and pineapples.

In 2005, EU imports of fresh vegetables amounted to €9.8 billion and 10.5 million tonnes. Compared to 2001, imports increased by 21% in value and 15% in volume. Imports from developing countries were €1.1 billion and 955 thousand tonnes, which is a much more modest share than in fruit. Both value and volume grew rapidly, however, at an impressive 53% from 2001 to 2005. The largest EU importers of fresh vegetables are Germany, the United Kingdom, France and the Netherlands. Leading suppliers to the EU are Spain and the Netherlands, together accounting for 57 percent of total import value in 2005. Tomatoes, sweet peppers, cucumbers, lettuce and mushrooms are the major vegetable products imported by EU countries.

Whereas Latin-American countries dominate the external EU import of fruit, African countries are important suppliers of vegetables, in particular to France, the United Kingdom, the Netherlands and Italy. Vegetable imports, however, are dominated by internal trade much more than fruit imports. The leading suppliers from developing countries are Morocco, Kenya, Turkey, Egypt and Peru. Developing countries play a significant role in the supply of peas and beans, asparagus, artichokes, courgettes, eggplant and sweet maize.

Exports

In 2005, EU fruit exports were €12.4 billion and 16.3 million tonnes, constituting a growth of 15% in value and 13% in volume since 2001. Most of the exports go to other EU countries (89% of total EU export value). The countries with the largest fruit exports are Spain, Belgium, Italy and the Netherlands. The major exported fruits are bananas, apples, tangerines, grapes, oranges, peaches and nectarines, and strawberries. Belgium and the Netherlands are the largest re-exporters of fruit from developing countries, each of them specialised in specific product groups (Belgium, for instance, in bananas).

In 2005, EU exports of vegetables were €9.0 billion and 10.4 million tonnes. Spain and the Netherlands are the largest exporters, together accounting for 64% of EU vegetables export value. Spain exports mainly domestic produce, while the Netherlands exports both domestic produce and imported vegetables. 91% of the EU exports of vegetables is exported to other EU countries. Major exported fresh vegetables are tomatoes, sweet pepper, cucumbers and lettuce.

Increasing internationalisation of trade has resulted in a sharp growth in re-exports and transit trade for fruit and vegetables. The opening of new markets in eastern Europe has also contributed to the increase in re-exports. The Netherlands and Belgium account for a large share of the re-exports and transit trade, but re-exports from Germany, France and Spain are gaining importance.

Trade structure

There are strong tendencies towards concentration in the supply of fresh fruit and vegetables throughout the EU, although the extent and progress vary per country. Concentration is especially visible at the retail level, where an ever-smaller number of very professional players dominate distribution. This, in turn, has also provoked changes in the supply chains to retailers, where larger entities have emerged, with a stronger customer orientation. Suppliers of multiple retailers must supply consistent volumes of guaranteed quality on a year-round basis, and moreover be very efficient, flexible and alert to new developments. This process is most advanced in northern and western European countries.

Opportunities for exporters

The best opportunities for exporters from developing countries lie in the supply of exotic and off-season fresh fruit and vegetables. Exporters should look at the individual countries to see where the best options for their products are. Specific countries such as UK and France have relatively large imports of specific exotics and can therefore be more attractive. In addition, organic and fair-trade markets provide quickly growing-niches that can be interesting for exporters in developing countries, although certification is sometimes complicated and costly.

The importance of food safety and quality certification in fresh fruit and vegetables is growing. Many multiple retailers require fresh produce to comply with specific standards such as EurepGAP and BRC (British Retail Consortium). Certified exporters have access to a larger part of the market.

Extracted from CBI Market survey *The fresh fruit and vegetables market in the EU*, publication date October 2006, compiled for CBI by Mercadero, in collaboration with Bureau Leeters

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