Overview and opportunities of the European market for fruit and vegetables of ACP origin

April 2017
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OPPORTUNITIES FOR ACP PRODUCTS ON THE EUROPEAN FRUIT AND VEGETABLE MARKET

Marketing summary
Market opportunities
April 2017. What’s new on the European fruit and vegetable market? What are the opportunities for development, especially for products from African, Caribbean and Pacific (ACP) countries? This is the purpose of this study, the first of its kind developed by COLEACP, within the framework of the activities of its “Market Analysis” department.

Good news: after years of steady decline in consumption, a wind of optimism seems to be blowing back through the market. Fruit and vegetables are back in fashion as they meet the current trends in European demand, increasingly oriented towards products that are good for health, practical to eat and environmentally friendly. These are intrinsic natural qualities within plant products and even more so for those from sustainable supply chains. This renewed general optimism also probably reflects the result of efforts by food industry professionals and the public authorities over the last ten years to guarantee food safety, the certified commitments in the field of sustainability and product innovation. Organic products are still the big winners and restore a positive image to agricultural products. The development of ready-to-cook and eat is gaining pace (recipe boxes, fresh cut, ripe mango and avocado, purees, etc.). Snacking is becoming health-conscious, which is also to the benefit of fruit and vegetables.

Another phenomenon favourable to the future of consumption of ACP fruit and vegetables, is the taste of the ‘exotic’, especially among young consumers who are seeking something new, “ethnic” and unique tastes as a means of differentiation.

Finally, the vegetarian attitude which has become a trend and part of the overall willingness of the population to reduce meat consumption is also favourable to horticultural products, which are sometimes even substitutes, especially since being a vegetarian is becoming increasingly easy.

On the distribution side, while the marketing of fruit and vegetables remains in the hands of the major retailers, the concept of a market within a supermarket where the products are bought in the fruit and vegetable dedicated area and we queue up to pay seems to have survived. Online sales are taking off. Amazon began to penetrate the European market for fresh products via the United Kingdom in 2016. Amazon’s widely anticipated expansion into fresh products is expected to disrupt the distribution industry. Apart from Amazon, the online commercial platforms are multiplying in the United Kingdom: Instacart, FreshDirect, etc. In Europe each retailer has its online interface and delivery service. With e-commerce shaking up European distribution, major retailers are reacting within the stores, under pressure from very dynamic chains specialising in fresh products and discounters that are still very active in the market, with Lidl and Aldi in the lead. They will be a force to be reckoned with in coming years.

More generally, the challenge is to increase the attractiveness of the entire store, and they are increasingly using fruit and vegetables to entice customers.

There is now a general movement to revitalise the fruit and vegetable departments of hypermarkets. A good way to differentiate themselves from Amazon and to emphasise their expertise is a promise of a sensory experience in store, against the banality of the very word Amazon and the concept behind it. We talk about “increased” attractiveness of the fruit and vegetables department. The phenomenon does not only concern Europe.
The future of distribution is already written in the food distribution system currently in force: it is the product that goes to the customer and much less the other way round.

The price data available in the study shows that overall the selling price of ACP fruit and vegetables is on the rise in the European market, especially recently, between 2015 and 2016. The market is also dynamic if we consider other elements of the marketing mix.

Fruit and vegetable packaging is constantly evolving, particularly under pressure from the growing market demand for more environmentally sustainable solutions. This is forcing professionals to innovate within the limits of technical feasibility, which does not always make it possible to abandon the old solutions, which may not be sustainable but which are more solid. Plastic is and will be less and less used and authorised. For example, the Swedish supermarket chain ICA has launched its own laser labelling trial in partnership with the Dutch supplier Nature & More. The importer EOSTA promoted this laser marking technique during Fruit Logistica 2017 by presenting fruit “labelled” using this technique to the public. Delhaize in Belgium has also recently launched a “packaging-free” system for 20 organic fruit and vegetables.

The profession refers to this as “Natural Branding” claiming that, at the end of the day, the most sustainable packaging is no packaging!

As far as marketing promotion is concerned, traditionally, in the fruit and vegetable industry we find the usual range of promotions rolled out according to the product, the stage of the chain, and the actors and the origin concerned. Collective marketing promotions can be interprofessional, national or international and serve to support the consumption of one or more products. Numerous individual initiatives are deployed by companies and rely on logos, brands and quality hallmarks. It should be noted that operational marketing is more developed for prepared and processed fruit and vegetables than for fresh products.

Today’s children are tomorrow’s consumers. It is not because they are young that they expect “cool” marketing or communication. Studies show that they want to know where the food they buy comes from and how it is produced. Transparency and traceability are important values for them. The challenge is to enter into “their conversation”. The consumer is indeed more and more connected.

Social media promotion has a future, especially for fruit and vegetables that are varied, colourful, fun and therefore conducive to online communication.

As far as the products themselves are concerned, whether fruit or vegetables, the creativity of research, manufacturers and producers is also never ending. For example, new products seen at Fruit Logistica 2017 are prepared using exotic fruit such as mango or avocado, namely mango sauce and guacamole, which are increasingly in demand on the European market. This is the case of the Native brand from the Montosa group. Florette focuses on the aperitif - colour and freshness with vegetable blinis and new vegetable spreads. Leaving behind the European continent for Canada, vegetable noodles seem to be a new product with a bright future.

Regarding ACP products on the European fruit and vegetable market, over a ten-year period we have seen a steady increase in ACP fruit and vegetable exports to the EU market.

Looking more closely at ACP products, there is a notable decline in pineapple exports, while exports of avocados, mangoes and vegetables have been growing steadily.
The theoretical attractiveness of the European market is thus uneven across market segments.

Source: Eurostat
The qualitative analysis of market trends (swot analysis and market maturity level) allows us to qualify the “theoretical” view and finally to describe, in a generally favourable context, three levels of opportunity for fresh fruit and vegetables on the European market:

**Level 1: developing market segments**
Mangoes (Kent), avocados (Hass), papayas, sweet potatoes, sweetcorn, coconuts.

**Level 2: niches with high development potential**
Roots and tubers, organic mangoes, organic avocados, organic papayas, organic sweet potatoes, organic lime, small exotic fruit (dragon fruit, guava, pomegranates, tamarillos, etc.) green Sugarloaf pineapples, plantains, freinette bananas, organic and fair trade bananas.

**Level 3: mature market segments**
MD2 pineapples, lychees, melons, watermelons, green beans, cherry tomatoes, oranges.

Access to these market opportunities for ACP exporting producers, of course, also means complying with EU regulations and buyer requirements (including the new requirements for corporate social responsibility). COLEACP’s Fit For Market programme (FFM) has been designed and implemented to support companies in marketing their products in line with the expectations of the recipient markets.

We observe a number of opportunities for development on the European market. This does not mean, on the contrary, that the potential for commercial development outside the EU and the intra-regional ACP markets should be underestimated. As the FFM programme also explores these markets, more precise measurement of their potential for ACP fruit and vegetables will be the subject of further studies.
1

METHODOLOGICAL INTRODUCTION
1.1. Context of the study

COLEACP’s activities are divided up amongst various departments, one of which is the “Market Analysis” department. The research covered by this document has been conducted as part of the work of this department.

The results of the 2017 study will be used in particular for the implementation of the “Fit For Market” programme in ACP countries, which is managed by COLEACP.

As such, this document is reserved for members of the Association.

Every year, COLEACP takes part in the main international trade fair for the fruit and vegetable industry, Fruit Logistica, which is held in Berlin at the beginning of February. The trade fair brings together professionals involved in the production and marketing of fresh fruit and vegetables.

It offers an opportunity to meet buyers on the European market and the many exporting producers from African, Caribbean and Pacific countries who attend the fair as exhibitors or visitors. More broadly, it is a unique opportunity to pick up on market trends and industry innovations, as well as to meet the beneficiaries of COLEACP’s activities and the Association’s members.

In 2013, COLEACP took advantage of its presence at Fruit Logistica to draw up a profile of the European market for exotic and tropical fruit and vegetables.

In 2017, it was decided to repeat the operation, in particular by compiling an inventory at the trade fair and taking stock of the opportunities offered by the European market for fruit and vegetables of ACP origin.

As in 2013, this was more than a market study as such, the aim was to draft a marketing report that highlights the main features of the sector’s markets and the opportunities that can be seized by ACP countries. Unlike in 2013, the research carried out in 2017 was not limited to interviews conducted during Fruit Logistica, backed up by existing marketing analysis.

The research was carried out by COLEACP staff. Emmanuel Bourcelet, COLEACP’s Information and Communication Officer, coordinated the research and drafted this report. Denis Felicité Zulma and Gaëtan Dermien, respectively project manager and Information Communication Project Manager with COLEACP, are the two other contributors.

1.2. Subject and goals

1.2.1. Subject of the study

What are the market opportunities for ACP fruit and vegetables in light of the marketing trends in the sector in Europe (consumption and distribution trends, product and packaging innovations, etc.)?

1.2.2. Study goals

The main goal is to pinpoint the current market opportunities on the European market for ACP fruit and vegetables.

The secondary goals are multiple:

- Identify market trends for fresh and processed fruit and vegetables (fourth and fifth range).
- Position ACP products quantitatively and qualitatively on the European market for fresh and processed fruit and vegetables.
- Given the marketing context and the character of ACP products, identify promising market segments and new opportunities for fruit and vegetables of African, Caribbean and Pacific origin.
1.3. Methodological approach

1.3.1. Methodology

The work was broken down into three stages:

- January 2017: definition of the scope of the study (main products concerned, number and types of interviews to be planned, planning of research, interview guide) and research/analysis of marketing information.
- February 2017: interviews and marketing intelligence at Fruit Logistica 2017 (8, 9, 10 February), processing of the information collected.
- March 2017: planning and drafting of the report in French.
- April & May 2017: translating, editing and printing of the report in French and English.

1.3.2. Sources of information

There are three types of sources:

- Statistical sources: EUROSTAT (European market), CBI. ACP data is considered with the exclusion of South Africa.
- Bibliographical sources: these are the specialised press and existing monographs related to the subject. The magazines consulted were: Alimarket, Eurofresh Distribution, Eurofruit, European Supermarket Magazine, Fresh Produce journal, FruiTrop, FLD, New Food, Points de vente, Primeur, Végétal. The monographs consulted were obtained from the following organisations: CBI (Centre for the Promotion of Imports from developing countries), the French Chamber of Commerce in Great Britain, CTI-FL (Centre Technique Interprofessionnel des Fruits et Légumes), EU TRADE Export Helpdesk, Freshfel, Fresh Fruit Portal, Freshplaza, ITC (International Trade Center), PMA (Produce Marketing Association), the UNECE (United Nations Economic Commission for Europe) GDI: Gottlieb Duttweiler Institute.
- The interviews: almost all interviews were conducted with European importers of fruit and vegetables during Fruit Logistica. Three interviews were conducted or completed after the trade fair on the basis of specific appointments. A total of 25 interviews were thus conducted by COLEACP.

An emphasis was put on illustrative information (visuals, photos, graphics) to get across the facts.

1.3.3. Methodological limits

The time allocated to carry out all the work did not allow a detailed exploration of all aspects of market intelligence and the ACP supply of fruit and vegetables, for example the sale price of each product and their possible breakdown within the value chain. Another example is that not all fruit and vegetables have been analysed in detail by variety. However, the major ACP commodities that are exported to the EU have all been considered. Finally, the seasonality of products could be studied in greater detail in the context of sharper competitive analysis.

The duration of the interviews at a trade fair is relatively short. Importers are extremely busy and naturally more concerned by business relations than to grant precious time to giving information.

However, it should be noted that COLEACP was generally very well received at the stands of the importers interviewed.

The data collected was thus often more qualitative than quantitative. The monographs or articles consulted have, however, compensated for this lack of detailed information.

Given the absence of Pacific exporters at Fruit Logistica whose market is naturally less geared towards the European Union, the analysis was limited to the supply from
Africa and the Caribbean.

The scope of the work was ultimately that set out by the aforementioned goals and the following expected outcomes.

1.4. Expected outcomes

• Review and updates of the trends in the European fruit and vegetable market on the basis of the latest developments up to March 2017.

• Quantitative and qualitative assessment of the change within the fruit and vegetable supply from ACP countries to the EU market.

• Identification of promising market segments for the ACP producers as well as the most attractive opportunities.
TRENDS IN FRUIT AND VEGETABLE CONSUMPTION
2.1. A fresh wind of change

After years of steady decline in consumption, a wind of optimism seems to be breathing new life into the market. A slight increase in the EU average was observed in 2013 and 2014, particularly in terms of fruit consumption. In 2014, average net consumption in the EU stood at 353 grams per person per day. This remains below the minimum of 400 grams per day recommended by the World Health Organization. Hence the growth potential for the future, especially considering that general consumer trends are favourable to fruit and vegetables.

Fruit and vegetables are back in fashion as they meet current trends in European demand, which is increasingly oriented towards products that are good for health, practical to eat and environmentally friendly. These are intrinsic natural assets to plant products and even more so for those from sustainable supply chains.

This renewed general optimism also probably reflects the result of efforts by food industry professionals and public authorities over the last ten years in terms of guaranteeing food safety, certifying commitments in the field of sustainability and product innovation.

The innovations are varied and can go as far as robotics, new varieties, disease resistance, alternative methods of production, digitisation of data along the value chain, new interaction with consumers through social media such as Facebook, Twitter, Whatsapp, etc.

Overall, the market is no longer driven solely by price. Fresh products such as avocado, mango and sweet potatoes saw their imports into the EU rise by 57%, 39% and 178% respectively between 2012 and 2016, although others such as oranges and tomatoes were less dynamic.

Traditional agriculture has not yet emerged from the serious questions being asked, exhausted by 70 years of technical “hyper-progress” which, even if it has met food needs, has contributed to the degradation of the environment and consumer distrust.

As a result, organic produce still comes out on top in current trends in fruit and vegetable consumption. Demand is increasing across Europe. Beyond the growth of the market segment itself, organic produce helps restore the positive image of agricultural products for consumption. Organic farming is restoring the image of agricultural products, and this is especially true for fruit and vegetables.

A new trend illustrating this fresh wind of change is the greater demand for alcohol-free drinks in bars and restaurants! This does not mean that we would not want to drink something offering the same taste experience, hence the “virgin aperitif” ... is a taste that goes down well with consumers. The segment is gaining ground across the board. In France, for example, alcohol-free drink consumption rose by 40% in 2015. In Spain, 10% of the beer market is alcohol-free. In Belgium, the same sector has grown by 40% in two years. Whilst there have never been so many bars, the availability of non-alcoholic products has surprisingly followed the same movement. This context explains the proliferation of fruit and vegetable juice bars and the continuous development of juice dispensers in supermarkets.
2.2. Permanence and development of known trends: health, organic, practicality and snacking

2.2.1. Good health!
The principle of eating yourself healthy is known and practised in Japan, Korea and India. It is developing in the United States and Europe. This is an opportunity for fruit and vegetables, and marketing. Consumers are encouraged, in particular, to reduce their consumption of meat in favour of fruit and vegetables. People are also now increasingly interested in the health benefits of the regular consumption of fruit and vegetables.

Moreover, the wave of “free-from” in Europe continues. According to a TNS Sofres survey conducted at SIAL Paris, 66% of consumers consider that it is probable that their food is harmful to their health, compared with 53% in 2012. In the consumer’s unconscious, a product that is good for their health is still a less processed product. The Intermarché supermarket chain has launched its very first range of food products without additives or preservatives. “L’essentiel”. Its vegetable purée was a prize-winner at SIAL 2016.

Food and health are increasingly intertwined with the rise of personalised medicine and personalised nutrition, gluten-free, for example.

Importers with pioneering marketing approaches are taking over this segment and some, such as EOSTA, even go so far as to come up with packaging resembling packs of medicine, complete with leaflet! All of this is with a good dose of humour of course.

Organic vegetables have the highest market share after eggs. They account for between 9% and 15% of the sales value of all vegetables sold in Switzerland, Austria and Germany. Fresh carrots, for example, have a market share of 30% in Germany.

The demand for organic products is increasing throughout Europe. This is not just a passing fad but an underlying trend. Some even say that organic is becoming or will become a “standard” for the sector. The 18-35 age bracket is the consumer group that buys the most organic produce. Yet they are not the ones with the highest income - a sign that consumption will continue to increase. They will influence their children in turn.

Another sure sign is the shelf space allocated to organic produce in supermarkets. We will have an opportunity to come back to this later (Part 3). Although organic consumption still accounts for less than 10% of total consumption of fruit and vegetables in the Member States and often still represents only a small percentage, slowly but surely, people will increasingly be convinced to consume organic. This is not least because they consider it better and cheaper to invest in their health rather than fall ill and be treated with expensive drugs, which are not always free of side effects.

2.2.2. Organic produce: looking beyond the trend
The organic market in the United States increased by 11.4% in 2015, in France by 10% and in Italy by 6%. China has overtaken the United Kingdom as the world’s fourth largest organic market with retail sales of £3bn.

Fruit and vegetables are the fresh produce that paved the way for the European organic market. They now represent up to one fifth of national organic markets (Italy, Ireland, Norway, Sweden, Germany).
In terms of production in Europe, organic farming accounts for up to 18% of agricultural land (Spain, up 8%/year). Another significant example is Sweden, where chemical fertilisers are taxed at 20%. This revenue is used to implement sustainable farming practices.

Another characteristic market indicator: the import of fair trade products. Consumers demand fruit that is not only fair trade but also organic (case of the banana in Germany).

2.2.3. The practical side: the popularity of the kit!
In the United Kingdom, a pioneer and trend setter in the consumption of fresh cut products, 91% of the population buys prepared fruit and vegetables. Growth in demand for this type of product is now popular throughout Europe.

In addition to meeting the need among consumers to spend less time preparing their food, the phenomenon is explained by the fact that it is a win-win approach for the various actors in the value chain. For distributors and producers, this is a good way to differentiate and add value to products. Margins are higher than those practised in the fresh fruit and vegetable trade.

The rise of “recipe boxes” on the global and European market embodies and illustrates this trend in particular. These are cooking recipes that are associated with the ingredients needed for the preparation of the dish, all of which are put into a box that can be delivered to the home. Hello fresh, Gousto and Mindful are the best known brands.

The growth of this market segment is estimated to reach 10% by 2020. In addition to being ready to cook, the concept has the advantage for the consumer of making shopping easier (no list, no need to weigh or measure or go to the shop), of avoiding unnecessary impulse purchases as well as excessive waste and of offering ideas for original dishes that are always healthy. Good news for consumers and bad news for distributors? Not if they launch their own box! This is what the Carrefour retail chain is preparing for 2017 in conjunction with a leader in the European fruit and vegetable sector.

At the same time, the ready-to-eat fruit and vegetable segment is going from strength to strength (ripe mango and avocado, purees).
The consumer’s “dining experience” has also had an impact on research into fruit and vegetables, which makes it possible to offer varieties of seedless fruit such as watermelon or firm-fleshed varieties that can be cut into sticks and snack-sized bites.

The “fresh cut” segment (a range of fruit and vegetables cut and ready for use or consumption) now accounts for 4% of fruit and vegetable purchases in Europe. While the salad market has been stagnating since 2007, the consumption of prepared fresh fruit has spiralled (example: it quadrupled in France between 2010 and 2015). Surveys show that this type of product is attractive to the consumer because it is not only convenient but also fresh, tasty and free of additives or preservatives.

Investment among importers is rife in the pineapple sector, especially in specific packaging (taller shipment boxes to contain more fruit - pineapple without a crown). They are all convinced that in ten years’ time fresh cut will represent one third of the fresh fruit and vegetable aisle. Ranges are being expanded, both for conventional and organic fruit and vegetables. Examples include mixtures of fresh-cut and washed organic vegetables or mixtures of prepared mini-vegetables.

Another illustrative example: the company C’ZON which offers about fifty ready-to-eat products. C’zon works with around twenty producers world-wide.
When the health-nutrition argument is added, it gives rise to new innovative combinations that are currently found on the American market but which could also emerge tomorrow in Europe.

2.2.4. Snacking is becoming healthy

People are now snacking on fruit and vegetables at any time of the day. This means that we are increasingly seeing fresh or processed fruit and vegetables on the market that are designed as “healthy” snacks for adults.

With its fresh peeled or cut fruit or vegetables, McDonald’s has been a forerunner in this field. For several years now, the fast-food chain has introduced traditional and exotic fruits to its offering, especially in the Happy Meal menu for children.

Materne was a pioneer in the field of processed products. In 2012 it launched mixed fruit and berries in a 120g format (compared to 90 g for the Pom-Potes for children). These new products combined the practicality of the packaging, a gourmet experience and the naturalness of the recipes. Compared to children’s pouches, the fruit recipes are more intense, closer to the taste of the fruit and have a thicker texture.

In 2017, the range was expanded with fruit and vegetables (including tropical varieties) being available cut and washed and packed ready for consumption (see 2.3). We are also seeing more dried and mixed varieties in the form of fruit and vegetable crisps.
2.3. The taste of exoticism has a future

The demand for new tastes is continuing and according to several recent prospective studies will continue to grow. In fact, young consumers are increasingly culturally (“ethnically” in the USA) diverse and adventurous in their way of eating. They are more likely to look at possible combinations of ingredients. A good example is the success of fruit-based cocktails with or without alcohol. At the same time, they are on the lookout for a unique taste as a means of differentiation.

In this forward-looking context, tropical fruit and especially the rarer “small exotic varieties” have a future on the market. They can be used as an ingredient, or in their own right, when, for example, they have a positive ‘health’ attribute, such as the pomegranates or dragon fruit (antioxidant properties).

The ongoing search for new products and exoticism is driving volume growth on the European market for products such as the sweet potato and papaya, while other tropical fruits have become more common in European consumption habits (pineapple, mango).

Finally, the taste for the exotic, because it can naturally offer something to the consumer other than just being different, offers good avenues for development in the future. For example, coconut water has become popular thanks to its reputation for healthiness / natural source of hydration.

2.4. The vegetarian attitude has become trendy

In the 70s, being a vegetarian was regarded as a hippie quirk. Nowadays, it is a way of life promoted by celebrities and 15-20-year olds. Gone also are the days when it was reserved for the bohemian middle-class.

According to various studies, there is a growing trend in Europe for vegetarian food. Vegetarian restaurants are on the rise as are alternatives to meat consumption (plant-based spreads, meat protein substitutes, meat-like vegetables such as mushrooms, etc.).

The phenomenon is part of the overall tendency among the population to reduce meat consumption on health grounds, respect for the environment or a new perception to animals killed for human consumption.

Even if the consumer first tends to seek alternatives to meat instead of consuming more fruit and vegetables, the latter may prove to act as substitutes. Hence it is an opportunity to be seized for the whole sector.

McDonald’s quickly jumped on the bandwagon with its “Make it veggie”, a vegetarian concept that allows customers to order vegetarian versions of McChicken and wraps.

For a long time, vegetarian and vegan food was seen as rather grim. Things are changing. The launch of vegetarian and/or vegan ranges by major retailers (Monoprix, Carrefour, Delhaize, etc.) has also played a role in changing attitudes and in the spread of vegetarianism.

Being a vegetarian has become increasingly easy, and fruit and vegetables should continue to reap the benefits!

2.5. What does tomorrow hold?

For the last 30 years, the industrialisation of food in Europe has been marked by the mediatisation of food related crises, whether agrochemical (late 1990s, early 2000s) or today linked rather to the sustainability of food (condemning of unfair working conditions and revenue conditions of producers, questioning of the conditions of slaughtering of animals, hence a new relationship towards animal welfare, negative impacts of agriculture on the environment and global warming. In particular, criticism of GMOs, endocrine-disrupting pesticides, etc.).
As a result, the European food sector is often perceived by European consumers as a “black box” that elicits a certain wariness. The successive crises of confidence have triggered a need for reassurance about food quality and about the conditions under which the food is produced.

From this, “glocalisation” has achieved success and expansion on the organic farming market, as have the official quality labels, and production and marketing standards that guarantee product sustainability.

Today, surveys reveal that consumers are expecting more simplicity and authenticity in a world where they are constantly bombarded by a shower of information and where they are under a great deal of pressure in their daily urban lives.

As they make personal organisation easier, digitalisation and new technologies will have an easy job of penetrating food consumption habits. Just like in the music and tourism sectors, food consumption could be on the verge of a profound revolution in shopping habits.

At the same time, the various niche phenomena (organic, vegetarianism, etc.) that are exerting pressure on the market should continue to add value at an increasing rate to products and their marketing through the traditional channels or even create new consumption patterns for city dwellers.

Urban agriculture and gardening are often cited as future production paths that will play an important part in the food of tomorrow, and all the more so if they are supported by new technologies.

The UK market is often a precursor in terms of new consumer behaviour in Europe. A recent study ranked the motivations of British consumers in their food purchases into four categories:

- The “economic” purchase, which is observed especially in times of crisis (period favourable to the sale of discount products.)
- The ethical choice, which is triggered, inter alia, by concerns related to sustainable development, animal welfare, etc., and which favours the development of organic and fair trade products in particular.
- A quest for identity, corresponding to purchases of traditional, locally produced products.
- The need for pleasure and leisure, which is the motivation of consumers in search of specialities.

In this context, 86% of those surveyed by the ICM (Institute of Commercial Management) answered in 2011 that they were ready to spend more on the purchase of a quality product. This type of behaviour has presented and presents opportunities, especially for exotic products.
DISTRIBUTION IN EUROPE: TRENDS AND PROSPECTS FOR FRUIT AND VEGETABLES IN PARTICULAR
While the marketing of fruit and vegetables remains in the hands of the major retailers, the concept of a market within a supermarket where the products are bought in the designated fruit and vegetables department and we queue up to pay seems to have survived.

Despite the technological revolution, the concept is being maintained but is evolving, but for how long?

3.1. Online sales are taking off

According to the Nielsen report in 2015, consumers were reluctant at the time to order perishable products online, preferring to see and touch the fruit and vegetables they bought. However, at the same time they have grown accustomed to shopping online. It is also becoming less of a problem to buy online, even fruit and vegetables. This is reflected in the expansion of online commerce. Amazon is the global star in this field.

It started to penetrate the European market for fresh products via the United Kingdom in 2016. This is the first step outside the US for Amazon Fresh, a service offered to those who have signed up for the Amazon Premium subscription. For an additional £6.99 monthly fee, they can get a month of deliveries for orders of £40 or more. Ajay Kavan, Vice President of Amazon Fresh, said at the time that the key to the success of the service would be a combination of low prices, a wide selection and fast delivery.

The arrival of Amazon Fresh (also planned for 2017 in Germany), which has been operating in the United States for about seven years, came after an agreement signed with the British supermarket Morrisons. The Bradford-based retailer agreed to sell fresh, deep-frozen and frozen products to Amazon wholesale even though it already operates its own website in partnership with online specialist Ocado.

British supermarkets are already facing pressure due to the rise of the Internet and the growing competition from discounters such as Aldi and Lidl.

Amazon’s widely anticipated expansion into fresh products is expected to disrupt the distribution industry. Last September, Amazon even began to sell deep-frozen goods with its Prime Now delivery service offered in major cities. Where will it stop?

Here is its standard range of fruit and vegetables, as listed on the Amazon.com website:

**Fresh Vegetables**
- Artichokes (65)
- Asparagus (17)
- Avocados (6)
- Broccoli (3)
- Cabbage (1)
- Cauliflower (3)
- Celery (5)
- Corn (104)
- Eggplant (27)
- Garlic (82)
- Leafy Greens (22)
- Mushrooms & Truffles (705)
- Onions & Shallots (40)
- Peas & Beans (141)
- Peppers (497)
• Potatoes & Yams (95)
• Root Vegetables (60)
• Sea Vegetables (417)
• Sprouts (9)
• Squash & Gourds (12)
• Tomatillos (1)
• Tomatoes (128)

Fresh Fruits
• Apples (30)
• Apricots (46)
• Bananas & Plantains (34)
• Berries (119)
• Cherries (26)
• Citrus Fruits (112)
• Coconuts (17)
• Figs (64)
• Grapes (15)
• Melons (7)
• Nectarines (4)
• Peaches (27)
• Pears (24)
• Plums (23)
• Tropical & Exotic Fruit (156)

Growth forecasts for the online fruit and vegetable market will be up by 68% by 2021 (Nick Gladding expertise via Fresh Produce).

Consumers looking for a wider range of organic products are increasingly doing their shopping online, especially as competition has prompted some grocers to reduce product ranges to keep costs down. Tesco’s organic sales dropped last year, but Ocado’s sales increased 19%, thanks in part to the fact that the online retailer has increased its range of organic produce.

Apart from Amazon, the online commerce platforms for fresh products are multiplying in the United Kingdom: Instacart, FreshDirect, Peapod, Hello Fresh, etc.

For example, Whole Foods has signed a partnership with Instacart to offer a “click and collect service” with the possibility of collecting purchases from 200 points of sale. Home delivery is also being tested.

More widely in Europe each retailer has its online interface and delivery service. Finally, it is interesting to note that in 2016 Carrefour bought the commercial platform for Greenweez organic products. A double investment that is perfectly in line with future consumption and purchasing trends! The plan was to launch the fresh, ultra-fresh and fruit & vegetable categories in 2016. Nineteen standard fruit are already on line including pineapples from Togo- watch this space!

Still in the United Kingdom, while 80% of organic sales were racked up by supermarkets ten years ago, the Soil Association has reported that the proportion had dropped to 70%, as organic products have benefited from the rise of small retailers dedicated to local shopping and online shopping.
3.2. More stores with high added value, benefiting fruit and vegetables

With e-commerce shaking up European distribution, major retailers are reacting in the stores, under the pressure of more recent chains, specialising in very dynamic fresh products, and discounters that are still very active in the market, with Lidl and Aldi in the lead. They will be a force to be reckoned with in coming years. Belgium, Norway and Germany are the countries where discounters have the largest market shares: 43.6% in Belgium in 2015 (compared with 35% in 2006), 40% in Germany and 20% in the Netherlands. They are also making headway in the UK.

Hypermarkets have no other choice than to make themselves more attractive so that the consumer prefers to come to the store rather than buy online or at a discounter and to make the fresh produce appealing enough to buy.

More generally, the challenge is to increase the attractiveness of the entire store, and they are increasingly using fruit and vegetables to entice customers.

There is now a general movement to revitalise the fruit and vegetable departments of hypermarkets. A good way to differentiate themselves from Amazon and to emphasise their expertise is a promise of a sensory experience in store, against the banality of the very word Amazon and the concept behind it.

We talk about “increased” attractiveness for the fruit and vegetables department. The phenomenon does not only concern Europe. In China, 10,000 speciality fruit stores are set to open by 2020 (Pagoda brand). A third of their supply will be imported.

In Europe, several recent examples illustrate the phenomenon of specialisation and/or giving added value to fresh products, particularly fruit and vegetables:
The success of the retailer Grand Frais in France speaks volumes. Grand Frais had just 20 stores in 2003. In France and Belgium, it now has a network of 184 stores (approximately 1,000 square metres in area, in city centres) selling fresh fruit and vegetables, exotic products, meat products, local and international groceries, cheese and fish.

Moreover, Grand Frais is relying on the promise made to its customers of the “high” quality of its fruit and vegetables. The customer experience is hinged around culinary advice, product spotlighting and new discoveries. By 2015, the “small” company had been ranked by the French as their fourth favourite brand, hot on the heels of big names such as Amazon, Picard and Yves Rocher. According to a study conducted by TNS Sofres, its satisfaction rate stands at 97%.

In the Netherlands, Albert Heijn focuses on sustainability. The brand has opened the so-called most sustainable supermarket in Europe. It is located in Purmerend in the north of Amsterdam. Fresh products play a central role in the store’s new design. There are even mini-greenhouses where consumers can pick their own herbs. The store is not only 100% carbon neutral but it generates energy to supply nearby stores thanks to the 700 solar panels installed on its roof. More generally, the stores of the Albert Heijn chain are divided into five standard profiles that range from discount to high-end stores with a broader range of organic products and more fresh-cut products.
In 2016, Carrefour launched a fourth concept store in Belgium, alongside its existing Express, Market and Hypermarket stores. Easy has a surface area of 400 to 800 square metres and offers a majority of fresh products to a daily local clientele. A hundred stores are expected to open their doors.

In France, the same brand (Carrefour) offers pilot stores practising the “freshness guarantee”. This means that on all fruits and vegetables, the store offers the consumer the following promise: if they are not satisfied with the quality and freshness of the fruit and vegetables, they are given a refund.

The Auchan Group is developing its own supply chains responsible for fruit and vegetables with organic carrots from the Landes, “Attitude” Golden Delicious apples from the Limousin, and Corsican clementines ... and why not organic pineapples from a West African country tomorrow?

Carrefour, just like Auchan and Leclerc, are launching and developing supermarkets dedicated solely to organic products. These also serve as local convenience stores where customers come to shop daily, in particular for their fruit and vegetables.
Auchan proposes a cut fruit and vegetable stand in its stores dubbed “La Fraîcherie”. The customers are promised a careful selection of the best fruit and vegetables. Products that are tasty, ripe and of premium quality.

They are cut, mixed, seasoned to come up with very fresh, very tasty and preservative-free products. In 2016, this already accounted for more than 15 tons of fruit per week prepared by a hundred employees.
In Germany, where distribution is dominated by hard discounters (and local convenience stores), in 2016 Aldi overhauled its distribution of fruit and vegetables by proposing a fully-fledged department with carefully displayed products. Aldi is in the process of renovating its stores in Germany and moving further away from the “hard discount” food store it itself invented, a trend also followed by its rival Lidl.

Indeed, were it not for the sign above the door of its store in Unterhaching, in the outskirts of Munich in Bavaria, you would hardly believe you were in a hard discount store, usually recognisable by an interior design stripped down to its bare minimum!

In the United Kingdom, distribution is a highly concentrated market hinged around four major players, known as the Big Four: Tesco, Sainsbury’s, Asda and Morrisons. Hypermarkets and superstores account for 40% of the distribution market. Small supermarkets and convenience stores each have a share of around 20%. The rest is covered by the discounters and on-line sales.

In the last three years, British retailers have been subjected to a highly competitive environment and a price war that has led to major restructuring in the big four (Tesco made a record loss of EUR 8 billion in 2015). This has led to store closures and the switching of staff from administrative services to services in direct contact with customers.

After two years of decline, in 2016, consumer products showed a stable sales performance in the United Kingdom, despite the very strong price pressure that still prevailed.
The trend towards the revitalisation of the fruit and vegetable sector is less obvious than in the other European countries and is mainly linked to the ready-to-eat segment, which is still very popular with the British consumer.

Therefore, from Amsterdam and Brussels to London, Munich and Paris, European distribution leaders are placing a renewed emphasis on fresh fruit and vegetables as they seek to offer an image and a reality of healthy, attractive, easily available produce as part of an enhanced global service.

This is a general trend that should contribute to the increasing importance given to fruit and vegetables in store. We can look forward to a bright future for the taste and the freshness of the products.

3.3. What does tomorrow hold?

Some experts say that large-scale distribution is undergoing far-reaching change throughout the world, starting with the United States. A transformation linked to the rise of online operators such as Amazon, which recently announced that it would hire 100,000 people by mid 2018. At the same time, traditional shopping centres and department stores are set to close one after the other.

Question: After the disappearance of city centre shops in the wake of the development of large retailers in the last 40 years, will the big traditional retail chains suffer the same fate with the expansion of on-line commerce?

According to the first signs on the European market and new consumer behaviour, this is a possible scenario.

This is especially the case since drive-throughs and online purchasing do not offer the same profitability for a hypermarket or supermarket, since the customer no longer walks past end-of-aisle displays and hyper-marketed shelves that trigger impulse buying.

However, we must not underestimate the capacity of European retailers to adapt. As we have seen, they have begun to react, and this is happening elsewhere, too.

In Brazil, for example, Metro offers a garden in its stores so that customers can pick their own vegetables. In Russia, a new concept has been created to give customers the opportunity to drive into the store. They can then choose from the fruit and vegetables displayed in a large rotary column without leaving the driving seat!
This will not be enough to prevent internet giants from branching out into the fresh produce trade, especially as the up-and-coming generations have grown up with a phone in their hand, which will be all they need to make their purchases in future.

Moreover, the growing consumer preference for short distribution channels is not favourable to off-line retailers, although all have included references from local producers in their ranges, especially fruit and vegetables.

The concentration of world trade in the hands of the giants of the internet could ultimately have an impact on prices and purchasing conditions agreed with suppliers, who are already under pressure, whereas large-scale distribution is relatively more fragmented. However, the growing ethical demands of consumers could compensate for this.

With the current active development of new supermarkets with higher added value and “increased attractiveness”, it is likely that a large proportion of consumers will nevertheless continue in the years to come to roam the shelves in their quest for fresh produce, but for how long?

The future of distribution is already written in the food distribution system currently in force:

*It is the product that goes to the customer and much less the other way round...*
ELEMENTS OF THE MARKETING MIX FOR FRUIT AND VEGETABLES ON THE EUROPEAN MARKET
4.1. Price: examples and trends for ACP fruit and vegetables

Source: COLEACP calculations based on data from FruiTrop, ITC, FranceAgriMer and RNM. Average wholesale prices, in Euros DF/Kg. Products from conventional agriculture.

Note: prices for lychee exported by boat are calculated from December data.

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<td>-10%</td>
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</table>

n/a: product not available on the European market or data not available on the date.
(b): by boat
(p): by plane
In addition to the actual calculation of prices per year, given as an indication, the main purpose of this summary is to demonstrate a noted trend towards higher prices for ACP fruit and vegetables, particularly between 2015 and 2016.

Note that lychee prices were slightly lower at the end of 2016 compared to the end of 2015. In no way does this reflect a qualitative decline in the product. In fact, lychees transported by boat from Madagascar were considered this year to be of exceptional quality (good colouring, good firmness, good maturation).

**4.2. Packaging: trends and innovations**

The packaging sector is under pressure from the growing market demand for more environmentally sustainable solutions. This is forcing professionals to innovate within the limits of technical feasibility, which does not always make it possible to abandon the old solutions, which may not all be sustainable but which are more effective.

Overall, plastic is and will be less and less used and authorised. For example, after deciding to get rid of plastic bags from all its stores last summer, the German retailer Rewe Group is pursuing its quest to remove all unnecessary packaging by experimenting with a new laser labelling system on the outside of a product. They started with fresh organic fruit and vegetables, avocados and sweet potatoes sold in both its Rewe and Penny supermarkets. The initiative followed the announcement that Penny would no longer sell bananas in plastic bags. These bananas, which must nevertheless be accompanied by information about the products or marketing messages, will be marketed with a minimal band surrounding the fruit. The retailer has estimated that the amount of plastic saved per year would be enough to cover 900 football fields!

The Swedish supermarket chain ICA has also launched its own laser labelling trial in partnership with the Dutch supplier Nature & More. Peter Hagg, ICA Director for Fruit and Vegetables, told The Guardian: “This is a new technique and we are looking for a smarter way to label our products because we think we have too many plastic materials or unnecessary packaging on our products.” For example, ICA saved 720,000 packaging units for organic avocados in 2016.

The importer EOSTA promoted this technique of laser marking during Fruit Logistica 2017 by presenting the fruit “labelled” using this technique to the public. Another advantage is the ability to differentiate organic products easily from others. This distinction is impossible when the fruit is in a package. This technique also makes it possible to satisfy buyers who consume organic products and who are unhappy to see organic produce packed in plastic. Finally, it is estimated that the energy needed to laser-mark a fruit is less than 1% of the energy needed to produce a sticker.

Delhaize in Belgium has also recently launched a “packaging-free” system for 20 organic fruit and vegetables.

The profession refers to this as “Natural Branding” claiming that, at the end of the day, the most sustainable packaging is no packaging!
Another new development for fruit and vegetables in terms of packaging: the Common Footprint Quality (CFQ) standard. FEFCO and national associations of corrugated board manufacturers have designed the new European CFQ technical specification for corrugated trays. This standard considers both the type of fresh products packed and the distance it must travel.

The “CFQ standard” adds a new dimension to the well-known FC standard. Q is for quality. CFQ’s promise: to ensure that the tray will work perfectly for the retailer throughout the supply chain, from producer to retailer. A tray with the CFQ stamp is a tray where quality is in principle the main priority.

Also seen at Fruit Logistica 2017: “biofilms” such as Natureflex (Innovia). These are a new range of environmentally friendly packaging films made from renewable resources (wood pulp from managed plantations) and certified according to European (EN13432), American (ASTM D6400) and Australian (AS4736) standards for compostable packaging.

Another innovation in the field of maintaining the freshness of packaged products: dry mixtures of vitamin and mineral powders. They extend the shelf life of cut fruit and vegetables to more than 21 days. The products are 100% sulphite free, allergen free and GMO free. They are approved for use around the world. The application is easy in principle: cut fresh fruit/vegetables are immersed in the solution for 1-2 minutes, then dried and packaged in food grade packaging. Also valid for organic produce.

Also seen at Fruit Logistica 2017: inktouchables (from Van der Windt), an innovative type of “tactile” ink that can be used to give the packaging and the product even more “feeling” and experience. A well-printed packaging that is attractive to the eye and perfectly reflects the personality of the brand also begins with the right choice of paper. Today, the right choice of paper or cardboard is one that is recyclable. For example, packaging at Mondi Corrugated is a 100% natural product made from renewable resources and fully recyclable. The Mondi Group has signed a partnership with WWF for the past three years, which aims to promote good environmental management in the packaging and paper sectors among others.
Among the nominees for innovation awards at Fruit Logistica 2017, we can mention the Sofrupox (Poland) packaging, which allows the fruit to be better ventilated while also made of environmentally friendly materials.

We have also seen new developments on the theme of healthy foods, with Eosta presenting its range of roots packed in medicine packaging (including instructions for use). A selection of organic roots with health benefits, starting with fresh turmeric. Launched at Fruit Logistica, their Health Wonders range will be available in supermarkets in Europe, in countries such as Germany, the Netherlands, Belgium and Sweden.

What does tomorrow hold?
In a sector where we cannot overlook the current and future importance of sustainability and biodegradability, any solution enabling fruit and vegetable packaging that is reliable in terms of product preservation, economical and environmentally friendly will be increasingly popular. In Austria, biodegradable packaging is already mandatory.

The most innovative hypotheses are already making the rounds. We have already discussed “non-packaging” with direct printing on the products. There is also talk of edible packaging! This involves a food coating made from proteins, polysaccharides and lipids. The benefit here would be twofold: for both the consumer and the product itself. Watch this space!

4.3. Promotion
As far as marketing promotion is concerned, traditionally in the fruit and vegetable industry we find the usual range of promotions rolled out according to the product, the stage of the value chain, and the actors and origin concerned.

You have, for example:

- **European and national promotional campaigns** to support the consumption of fruits and vegetables (‘Your five a day’ - a slogan well anchored in the minds of consumers, Social Media Campaign #FruitVegetables4You, fraich’attitude, campaign in schools, etc.) which seem to be bearing fruit, excuse the pun, in a context where plant foods are trendy.

- **Promotion of a specific origin**, often associated with a product. For example: French bananas, pineapples from Benin, avocados from Peru or Mexico, strawberries from Plouguetel, Aceitunas Aloreña de Málaga (olives) or Clementine di Calabria (clementines). Some have a protected name (IGP, AOC, etc.).

- **The promotion of a specific product**: avocados for example. The new World Avocado Organization, a Washington-based non-profit or-
ganisation, seeks to promote the consumption and benefits of avocados on behalf of its member organisations. It held its first meeting on 7 February 2017 in Berlin. More than 120 producers of avocados, exporters and importers from the United States, Peru, Mexico, South Africa, Chile, Brazil, Kenya, Zimbabwe and Colombia examined their 2017 marketing programme for the European Union and the United Kingdom.

- **The promotion of a specific product associated with a brand:** Pink Lady apples, Chiquita bananas or Zespri kiwifruit.

- **Promotion via brands (to consumers), linked to a company at the various stages of the value chain (producer-exporter, importer, distributor brand):** Rougeline, Saveol, Dole, Del Monte, Eat Me from Nature’s Choice, Nature & More from Eosta, Native from Montosa, the brand of a distribution chain, etc.

Examples of Wholesaler brands
Les Paysans Bio (ProNatura); Géant Vert Frais (Groupe Creno).

Examples of producer brands
SPEG (Ghana); Ananas du Bénin; Chiquita; New producers

Examples of distributor brands
Auchan (vs Bonduelle); Aldi; Carrefour; Sainsbury’s.

Examples of importer brands
Nature and More (EOSTA); Eat Me (Nature’s Pride); Best choice (Special Fruit).
Collective marketing promotions can be interprofessional, national or international and serve to support the consumption of one or more products. Numerous individual initiatives are deployed by companies and rely on logos, brands and quality hallmarks. It should be noted that operational marketing is more developed for prepared and processed fruit and vegetables than for fresh products, especially when it comes to distributor brands.

**What does tomorrow hold?**

Today's children are tomorrow's consumers. According to the analyses of sociologists, they are depicted as mutants, characterising the emergence of a new human, like that of the 12th century linked to the arrival of knowledge and technology from the Crusades or that of the 16th century - the Renaissance. The perceptible societal change in the early 2000s has now taken root in the psyche of children.

They are individuals and independent. They show an irrepressible need for visibility. They no longer think in terms of days but in terms of seconds. It is very difficult to capture their attention. This is a nightmare for marketeers!

Practical products no longer suffice. They need easy and instant purchasing methods. The emerging use of drones to facilitate the delivery of even perishable foodstuffs is probably indicative of the inexorable rise of convenience shopping.

And it is not because they are young that they expect “cool” marketing or communication. Studies show that they want to know where the food they buy comes from and how it is produced. Transparency and traceability are important values for them. For example, viewing animal abuse in abattoirs through videos on social media has had a strong impact on their behaviour towards meat purchase and consumption. Social media is a platform to connect with millions of consumers. The challenge is to enter into “their conversation”.

In the emerging world, it is individuals who produce the collective and not the other way round. Consumers have become multidimensional. Lifestyles are multiple and are changing. Family and social structures are diverse, as are individual preferences, hence the advent of personalised consumption, such as gluten-free, fair trade, organic, vegan, to name but a few. Individual consumption is facilitated because the corresponding products are increasingly widely available, especially via online commerce.

The consumer is indeed more and more connected, and the relationship with the customer is moving from a transaction to a partnership. Collaboration is becoming an important part of the relationship with the consumer. Collaboration is at the very heart of the relationship between all the actors in the sector, in particular, to ensure that what is produced in the field is in line with consumer expectations.

Social media promotion has a future, especially for fruit and vegetables that are varied, colourful, fun and therefore conducive to online communication.

Another trend, which is rather more emergent, is the “consumer brand”. At least ten countries are expected to replicate the initiative in 2017. Consumer brands make it possible for everyone to collectively determine the specifications of a product, to have it manufactured and to have it marketed at the right price. It is expected that a big emphasis will be put on organic products and agro-ecology, but also on vegan or vegetarian ranges. Quality, fairness and transparency in manufacturing are the main criteria of the products marketed under this name.

This initiative illustrates the forward-looking analysis of some experts who predict that each consumer is unique. Individual experience will become more and more important. Food will be practically elevated to the status of a new religion bringing the consumer closer and closer to the producer.
Knowing the production methods, origin and history of a product will fulfill a new need for the consumer, to be informed. As a result, producer labels, trade marks linked to origin of production which address consumers and vice versa. Consumer brands directly addressing producers will also become increasingly popular. They require a low marketing budget and easily set products apart from the crowd.

4.4. New Products

The analysis of market trends has showed us the growing success of prepared products (fresh cut, compotes, purees, etc.) and ready-to-eat produce (ripe, washed, etc.) which is the subject of a great deal of innovation, whether for the purpose of their promotion, the practicality of their consumption or their sustainability.

As far as the products themselves are concerned, whether fruit or vegetables, the creativity of research, manufacturers and producers is also never ending. This is proven by several recent characteristic examples. The Zespri group (30% of the world market for kiwifruit) has launched a kiwifruit with a golden yellow flesh and a sweet, acidic, refreshing and juicy flavour, called “Zespri SunGold”. This kiwifruit contains more vitamin C than three oranges (the green kiwi- fruit being equivalent to one orange). This kiwifruit is also rich in fibre and low in calories.

Another example: Terra Natura International (Netherlands) has launched Enjoya, a unique yellow and red striped pepper. Northern Greens (Denmark) has brought the Kitchen Minis Tomato to the market, a cherry tomato plant that can produce up to 150 fruit indoors on a windowsill. The Senzza project (ONIRIS (Nantes Atlantic College of Veterinary Medicine, Food Science...
and Engineering) and the École de Design Nantes Atlantique) has developed a range of pizzas with a dough consisting mainly of vegetables (fresh and in the form of flour or flakes). It is cereal-free, and therefore gluten-free.

Closer to the sector we are interested in, we can mention the creation of Poésîle, by the École de Biologie Industrielle de Cergy. This range of fresh exotic desserts is presented as healthy and delicious. The product currently comes in two recipes: banana-mango and banana-kiwifruit (more than 80% fruit). The presence of cassava and corn starch gives the dessert a firm texture, close to that of a cake. The product is positioned as a premium product and has a fair trade label.

Another innovation in exotic fruit in Spain - World's Coconut Trading has launched Genuine Coconut, an organic coconut with an in-built opening system. Simply pull the biodegradable tongue, made from recycled coconut fibre and natural resin, to drink water directly from the coconut.

New products seen at Fruit Logistica 2017 are prepared using exotic fruits such as mango or avocado, namely mango sauce and guacamole, which are increasingly in demand on the European market. This is the case of the Native brand from the Montosa group.

Florette focuses on the aperitif - colour and freshness with vegetable blinis and new vegetable spreads. The brand also offers hummus.

Again at Fruit Logistica, we were able to discover a new product made from coconut that caught our attention in terms of taste, manufacturing process (soft heat) and consumption opportunities. These are coconut shavings with natural coconut flavours or associated with a mango or chocolate fla-
These are currently manufactured in Thailand and marketed for the moment on the German market and online. These are coconut chips sold under the Pook brand. They can be eaten as snacks, as an aperitif, or as an accompaniment to salads, cereals or ice-creams.

Leaving behind the European continent for Canada, vegetable noodles seem to be a new product with a bright future. They can be blanched, fried, grilled, sautéed or served cold in a salad. Ready in four minutes, they add a touch of colour, are healthy, and practical to add to almost any recipe and offer a gluten-free alternative to traditional pastas. Sliced FC, a member of the Star Group, has recently introduced vegetable noodles to its fresh product range.

A new phenomenon on the European market that is part of the organic and natural movement and that has a product impact, is now the possibility of marketing fruit and vegetables with defects. Some retailers have even turned it into a selling point (see below “5 fruits et légumes moches”).

A Blue Yonder study found that nearly three quarters of buyers would be willing to buy imperfect fruit and vegetables provided they are fit to eat. Of the 2,000 consumers surveyed in the United Kingdom, the United States, France and Germany, 81% who shopped in supermarkets and discounters said they were ready to buy imperfect fruit. However, this figure fell to 52% for online shoppers. 90% said they would expect a reduction. 60% said they would expect at least a 20% reduction in prices and 22% said the discount should be at least 50%. French consumers were the most open to imperfect products. The study also showed that respondents in the over-55 age group were much less likely to purchase imperfect vegetables.

New fruit and vegetables (with defects) should thus penetrate the market. This will happen more and more as this will contribute to better waste management.
ACP PRODUCTS ON THE EUROPEAN MARKET FOR FRESH FRUIT AND VEGETABLES
5.1. Overall change

Over ten years, there has been a continuous steady increase in ACP fruit and vegetable exports to the EU market.

The evolution over ten years is different if we do not consider bananas. After a decline until 2009 (collapse of exports of pineapples), imports are witnessing a steady increase. By 2015 the ACP countries were back to the 2005 EU export levels.

![Fruits and vegetables](image)

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**Change in EU imports of fruit and vegetables from ACP countries (in tons, including bananas)**

- **2005:** 1000000
- **2015:** 1600000

Change to EU imports of fruit and vegetables from ACP countries (in tons, excluding bananas)

- **2005:** 360000
- **2015:** 440000

Source: Eurostat (excluding South Africa)

Change to the non-EU import market (incl. bananas): +19.8%
Change to the non-EU import market (excl. bananas): +11.4%
Looking more closely at ACP products, there is a notable decline in pineapple exports, whilst exports of avocados, mangoes and vegetables have been growing steadily.

Source: Eurostat (excluding South Africa)
5.2. The European market for each ACP fruit or vegetable (or group of fruits or vegetables)

5.2.1. Pineapples

In recent years, the European market has been relatively saturated in terms of volumes. Hence the apparent downward trend in imports (down 6.4% since 2010 and down 2.4% since 2012). In 2016, the market measured 845,500 tons.

Despite unfavourable weather conditions and companies experiencing financial difficulties, Costa Rica continued to expand in the European market, while the traditionally exporting West African countries (Ghana, Cameroon, Ivory Coast) have seen a continuing decline in their exports to the EU.

The relative decline in the volume of the Costa Rican supply over the last three years has meant an automatic revaluation of the product on the European market in terms of prices.

Costa Rica dominates the market (87%) by offering a product with a level of quality the competition finds difficult to beat (MD2 sweet and extra-sweet pineapple).
In seven years the ACP market share of EU imports has fallen from 10% to 5.4%. Since 2012 the rate of decrease is 39.5%.

The European market for pineapple by air is estimated at about 12,000 tons per year, particularly from West Africa (Cameroon, Ivory Coast, Ghana, Benin, Togo) and Mauritius.

The Dominican Republic seems to be emerging (4,000 t by the end of 2016).

Since 2010, Benin has enjoyed steady growth in its exports to the EU up to the 2016 incidents (notifications for exceeding MRLs - Maximal Residue Levels).

Benin’s initiative to promote the green but ripe Sugarloaf pineapple launched in early 2017, should allow the country to regain its export dynamics to the European Union, given that it also fully responds to the current trends in fruit consumption: quality products, environmentally friendly, without additives, exotic or even original (market differentiation) and organic if possible.

Germany and France are, in principle, the two markets with the highest potential for green pineapples from Benin. The second is traditionally supplied with yellow Sugarloaf pineapples.

The green pineapples from Benin aroused great interest amongst the European importers whom the COLEACP team met at Fruit Logistica 2017.
5.2.2. Avocados

The market for European avocado imports is growing rapidly (up 52% since 2010, up 57% since 2012) and in 2016 accounted for 445,000 tons.

While the European market is growing strongly, the ACP countries have benefited less than other suppliers (Central and Latin America).
It should be noted, however, that if South Africa is removed from the statistics, there are signs of a certain boost in ACP exports (Kenya, Tanzania and the Dominican Republic).

The most popular variety of avocado is the Hass, fresh or in guacamole. In order to broaden the supply of Hass avocados over time and to reduce the dependence on its seasonality, sub-varieties have been developed such as the Lavi Hass, the Lamb Hass and the Gem Hass. For the countries of Eastern Europe, as well as Italy and Greece, green avocado is still the most widely consumed (Fuerte or Pinkerton).

Total consumption on the European market is estimated at 327,000 tons, which represents 650g per person (annually).

This level of consumption is still relatively low compared to the United States, where four times more are consumed. In Europe, France is the biggest consumer of fresh avocados. The Scandinavian countries also consume a relatively large volume per inhabitant. In virtually every country, consumption has increased by an average index of 16% / year over the last few years.

Europe is consuming more and more avocados in the summer (133,000 tons from May to October 2015), almost as much as in winter (190,000 tons last winter).

Exported volumes are increasing, but quality is also improving. The emphasis is on the dark green Hass variety, with its resistant skin, which makes it possible to supply undamaged avocados that are already ripe on the European stalls, adding to consumer appeal.

Nature’s Pride has only recently introduced small ready-to-eat avocados to the European market packed in fours and typically targeting urban singles.

Exports of Colombian avocados have really taken off, as illustrated by the AGUAHASS (producer group). They introduced avocados on their plantation in 2012.

The first produce was dispatched in 2016. Their export windows are from September to November and from February to April, after the Peruvian and before the Chilean ones. By 2017, they will double the number of trees planted from 17,000 to 34,000.

Three years ago, China did not import a single avocado. Today, nearly 30 containers are imported every week. This means the likelihood of future pressure on supply, despite the number of trees planted.

The demand for avocados from organic farming is increasing and is not being fully met due to the difficulty of producing organic avocados. Organic avocados represent a rapidly expanding niche market and are sold by specialised stores as well as by major distributors.
5.2.3. Bananas

European imports (outside the EU) reached 5,431,000 tons in 2016. They have been steadily increasing for several years (up 19.6% since 2012).

The countries of Central America dominate the market. Costa Rica saw a sharp increase in its market share (up 45.3%) from 775,000 tons in 2012 to 1,126,000 tons of bananas exported to the EU in 2016.

The ACP market share increased from 19.1% in 2012 to 20.04% in 2016. Overall, ACP imports have increased by 25.4% since 2012.
More precisely, all major ACP suppliers have made headway, with the exception of Surinam, which is experiencing a sharp downturn.

Demand for organic bananas is increasing throughout Europe, including Hungary and Poland, and the strongest growth is in Sweden. Banana puree is an example of a processed product that offers a possible use for discards resulting from sorting. It is used as an ingredient in chocolate bars or cereals.
5.2.4. Plantains

The market for European imports of plantain (fresh produce) is taking off (up 80% compared to 2012), reaching 130,000 tons by 2016.

Colombia has benefited from the take-off of the European market and largely dominates, along with Ecuador.
5.2.5. Lychees

The market for European lychee imports is expanding but has not followed a continuous curve since 2010 (up 21.5%). Imports have fallen by 4.2% since 2012 to 36,000 tons in 2016.

The import window is narrow for the EU’s main lychee supplier, Madagascar (late November-December).

The market for canned lychees is set to grow, according to specialist importers. Lychees are expected to be exported more from Zimbabwe from the over 250 hectares of plantations established by Westfalia.
The market for European mango imports has been growing rapidly in recent years. Growth has even accelerated. Thus the market has grown by 38.7% since 2012. The market measured 322,500 tons in 2016. Imports from ACP countries have increased more than the market in relative terms.

This means that the ACP market share in European mango imports has witnessed continuous growth, taking it from 12.4% in 2010 to 23.1% in 2016.
Specifically, exports of ACP mangoes to the EU have changed as follows.
The European market for imported mangoes remains dominated by Brazil and Peru. Ninety percent of mangoes imported into Europe from all origins combined are transported by sea.

The Tommy Atkins variety, which accounted for 75% of exports (from Brazil) to the EU in 2010, only accounted for 35% by 2015. Overall, the less fibrous and better-flavoured varieties, although less colourful on the outside, are now more popular in the market (Kent, Keitt, Palmer).

Mangoes from West Africa (Senegal, Ivory Coast, Mali) are highly sought after from March until August. African mangoes arrive sweeter than those of Brazil (ten days’ transport compared to three to four weeks for Brazil).

The growing demand for mature mangoes is prompting importers to equip themselves with infrastructure. Bud Holland is thus developing its Readylicious brand, and Compagnie Fruitière and Canavese wish to develop exports from Ivory Coast.

Importers such as Montosa are investing in processing (ripening, wax packaging) for their brand (Native) or distributor brand. Their mango sauce was recently put on the market with some success. It is the result of sterilisation under pressure and not by the heat, giving a remarkable sensory quality.

Dried mango is highly sought after in Germany.

The Italian market where many Tommy Atkins are still sold, is a promising one for the Kent variety according to importers.

Overall, the market is looking for new varieties of less fibrous mangoes.

Source: Eurostat

### Main suppliers of the European mango market (in tons, excluding the EU, 2016)

Source: Eurostat
5.2.7. Melons

The European Union is a major melon producer. Non-European imports have nevertheless been gaining ground for several years, up 9.1% since 2010, up 5.1% since 2012). The seasonality of consumption has increased. The market for melon imports in Europe measured 370,500 tons in 2016.

Brazil dominates the non-EU import market.
On the ACP side, it is interesting to note the relative growth of Senegal and the Dominican Republic in this segment of the market.

Source Eurostat
5.2.8. Coconuts

The market is relatively stable (2010-2016) in terms of volume but with some growth in the last four years (up 31.5% since 2012). The market measured 34,000 tons in 2016.

Ivory Coast is the top coconut-supplying country to the EU.

Thailand is an EU-suppling country that has emerged in recent years, increasing volumes from 1,000 tons in 2010 to more than 7,000 tons in 2016.
5.2.9. Oranges

The main supplier to the EU is South Africa. The two heavyweight ACP suppliers are Zimbabwe and Swaziland. Zimbabwe is still developing and accounts for a volume of almost 30,000 tons.

After a collapse in 2011, the market got back on track and returned to its 2010 level in 2016. The market for European imports of oranges measured 947,400 tons in 2016. The 2011-2016 growth amounted to 18%.
5.2.10. Papayas

The market is growing (up 31.8% since 2010, up 36.7% since 2012) and is very much dominated by Brazil. The market measured almost 40,000 tons in 2016.

It should be noted that the ACP countries are gaining a firmer foothold in this market segment, which is relatively regular and could accelerate, going by the current low volumes exported and the potential for consumption in Europe.

Papayas are seeing a positive momentum. This is because of their exotic tropical image and also because they are non-calorific and less sweet than mangoes.

Source Eurostat
5.2.11. Watermelons

Europe is a major producer of watermelon (2,700,000 tons 2009-2014 average according to Interfel). However, it also imports the fruit (280,500 tons in 2016). The import market has increased (up 44.44% since 2010 and up 48% since 2012).

Morocco has become the leading supplier of watermelons to the EU (excluding producer countries in the EU). The growth of its exports has been spectacular.
The Moroccan supply has become more extensive and broader since 2013. The duration of the export window has increased from four months (March to June) in 2003 to six months in 2013 (March to August). Thus, Morocco has moved from a single-peak calendar in March/April to a double peak, one in April and a more important one in July.

Given the potential for consumption that still exists in Europe, we would expect Senegal to return to its 2010-2014 export momentum. Could this be after Morocco’s seasonal peak (August-September)?

![Change to European watermelon imports from Morocco (in tons)](source)

![Change to European watermelon imports from Senegal (tons)](source)
5.2.12. Passion fruit

It is difficult to assess the European market for passion fruit quantitatively, given the lack of reliable statistics.

The volumes exported to the EU by this product’s main exporting countries are believed to be around 5,000 to 7,000 tons per year (Fruitrop estimate).

The market is growing.

The main suppliers of passion fruit to the EU are Vietnam, Colombia, South Africa, Kenya, Zimbabwe and to a lesser extent Israel, Thailand and Malaysia.

Vietnam is the new emerging country of origin. It offers a violet hybrid variety of large calibre which is present throughout the European market.

Over the period, Kenya was confronted with a recurring problem of exceeding the MRLs for pesticides. As a result, there has been a decrease in exports and a decline in the ACP market share in EU imports.

Passion fruit are mainly exported by air.
Fifty percent of the European green bean market is supplied by imports and 50% by local production. The market consists of different varieties of beans which correspond to different qualities of products: bobby, fine, extra-fine.

The green bean import market (non-EU) measured 212,000 tons in 2016. It has grown by 13.4% since 2010 (and up 24% since 2012).

Imports from ACP countries are around 47,000 tons and have remained relatively stable. The ACP market share increased from 24.7% in 2010 to 22% in 2016.

The main source of imports is by far Morocco, with 139,000 tons in 2016, i.e. 2/3 of the non-EU market.
Two ACP suppliers have a key role in this market: Kenya and Senegal. EU imports from these two countries have grown over the period.
5.2.14. Yams

The market for yam imports into the EU has increased overall since 2012 (up 23.5%). It measured 23,800 tons in 2016.

Ghana remains the main supplier but has lost market share during the period (from 68.8% in 2012 to 59.6% of the market in 2016).

Overall, EU imports from the ACP countries increased by 7% over the period, but this masks a decline in the last three years.
5.2.15. Sweetcorn

The market is growing strongly (up 101% since 2012). The market measured 41,300 tons in 2016.
EU imports have taken off since 2014, from Senegal, which became the largest supplier in 2016. Other ACP countries appear to be emerging but volumes are more modest.
The market for cassava imports into the European Union has increased since 2012 (up 18.1%). Costa Rica dominates the market with more than 80% of cassava exports to the EU. Other suppliers, of which many are ACP countries, represent small volumes. Notable in the ACP supply of cassava to the EU: new suppliers seem to be taking off (Cameroon, Nigeria) while old ones are declining (Ghana, Ivory Coast).
5.2.17. Sweet potatoes

The market for non-EU imports is expanding rapidly (a 247% increase in volume since 2010 and up 178% since 2012).

The United States dominates the market with 80% of non-EU imports. This US domination is masking a steady increase of exports of sweet potatoes from Senegal to the EU.

Sweet potatoes have become a household staple. The product comes mainly from Spain between October and January and from the USA between January and July.

We are researching sweet potatoes from Senegal. Some importers such as Eosta are in the trial phase with their sweet potato imports from Senegal.
5.2.18. Chillies

The market for non-EU imports of chillies is up (19% since 2010 and up 16% since 2012 in volume). However, progress has not been steady and continuous. We cannot talk of an upward trend.

The market measured 45,500 tons in 2016.

ACP countries have a low volume in this market. But several countries seem to be emerging while traditional suppliers such as Kenya are losing ground.
5.2.19 Peas

The European market for pea imports (non-EU) has been growing continuously in volume since 2010 (up 41.2%). Over the period, Guatemala has become the largest supplier in the EU.
Kenya and Zimbabwe are the two heavy-weight ACP countries on the market. The first has declined sharply while the second is taking off. In total, the ACP countries have reached export volumes that should take them up to non-ACP volumes in 2016.
5.2.20. Taro (cocoayam/dasheen)

The market for taro imports into the EU represents a volume of 4,500 tons (2016). It has increased by 63% since 2012.

Madagascar is the ACP country that is beginning to make its mark on the market.
5.2.21. Cherry tomatoes

The market for non-EU imports has risen sharply since 2012 (up 17.8%). It is still difficult to speak of a continuing upward trend since this increase followed a decline in imports until 2013.

In 2016, the market measured 525,000 tons.

The market is largely dominated by Morocco (75%).
Although modest in volume, it should nevertheless be noted that the main ACP suppliers of cherry tomatoes experienced an increase in their exports over the period.
5.2.22. Jerusalem artichokes and other root vegetables

The market is up slightly (5.2% since 2012). It represented a volume of 10,400 tons in 2016.

The main suppliers are in Asia, the Caribbean and the Pacific. The ACP market share increased from 32.3% to 62.6% over the period.
The market segment for arrowroot has increased by 15.7% since 2012. It measured 3,900 tons in 2016. Niger, Burkina Faso and Benin have been suppliers since 2015.

Roots and tubers could see a boost in consumption (excluding ethical consumption) because of the “back to the soil” tendency. Because they are easy to transport, this will make them even easier to market. Eosta has just launched a specific organic range.
OPPORTUNITIES FOR ACP PRODUCTS ON THE EUROPEAN FRUIT AND VEGETABLE MARKET
### 6.1. Marketing summary (SWOT)

<table>
<thead>
<tr>
<th><strong>STRENGTHS</strong></th>
<th><strong>WEAKNESSES</strong></th>
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<tbody>
<tr>
<td>Sub-Saharan Africa is considered as a continent in the making therefore attractive to investors, especially in the agricultural and fruit and vegetable sector. Some European importers are considering turning away from Latin and Central America and towards Africa.</td>
<td>The poor image of sub-Saharan Africa among European importers.</td>
</tr>
<tr>
<td>Products/sectors such as mangoes, melons or coconuts already have a positive image among European importers based on their African and Caribbean origin.</td>
<td>Bad practices still anchored among certain producers and market players.</td>
</tr>
<tr>
<td>Investment is increasing in Africa and in particular in the agricultural and food sector and the fruit and vegetable sector.</td>
<td>The frequent poor quality of road infrastructure and equipment (base stations, cold rooms, etc.).</td>
</tr>
<tr>
<td>The capacity of producers and exporters to market fruit and vegetables according to market requirements has been strengthened over the last twelve years (notably through the COLEACP PIP and EDES programmes).</td>
<td>The very limited access to credit holds back investment by smaller companies.</td>
</tr>
<tr>
<td>The ACP fruit and vegetable sector benefits from technical assistance geared to the markets via COLEACP’s Fit For Market (FFM) programme and the new technical and financial partnerships that will be made possible via FFM.</td>
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</tr>
<tr>
<td>The possibility of developing organic agriculture “naturally” (“Africa Bio by Nature”).</td>
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### OPPORTUNITIES

- Consumption of fruit and vegetables in the EU is on the rise again.
- Fruit and vegetables are "trendy": good for health (preventive of illness), practical to eat [healthy snacking, fresh cut], increasingly from organic and/or sustainable food chains, ready-to-eat vegetables, some of which are substitutes for meat.
- Exotic fruit and vegetables also meet the needs of more and more individualised consumers in search of authentic and new flavours.
- Food consumers are on the verge of a profound change in their shopping habits where fruit and vegetables could be pioneers because they are effective on-line and off-line carriers of positive images embodying the new values of consumers who were born with the Internet.
- Traditional distribution use fruit and vegetables and especially exotic varieties as a means of giving added value to their shelves or shops. This is referred to as “increased attractiveness” of the stores thanks to fruit and vegetables. Only possible way to differentiate from online business.
- The expected development of the online fruit and vegetable trade will bring producers closer to consumers. The product goes more and more to the customer and not the other way round. This is where producers and countries of origin have an opportunity to market their produce more easily.
- The pressure on niche markets [organic, vegetarian] should continue to increase the added value of products and their marketing through traditional channels.

### THREATS/CONSTRAINTS

- The global supply to the European market is highly competitive and therefore very tough to conquer. This can constitute barriers to entry for ACP exporting producers that do not meet the requirements of buyers that are otherwise respected by competing EU suppliers of fruit and vegetables.
- Potential phytosanitary crises due to poor practices still existing despite the efforts of the profession deployed over the last 15 years.
- The continuing evolution of public regulation and private standards as well as buyers’ sustainability requirements [increased importance of corporate social responsibility (CSR) and food safety.
- Access to water and land.
- In a sector where sustainability and organic produce are putting pressure on supply, the lack of solutions for packaging fruit and vegetables that are both reliable in terms of product conservation, cost and respect for the environment is constricting for market players and could hamper the development of niches in countries where, for example, the use of non-biodegradable material in packaging is now banned.
All market segments corresponding to imports of ACP fruit and vegetables into the European market are growing and many have a good margin of development potential either because demand is growing (sweet potatoes, mangoes, avocados, etc.) or because the demand is new (papayas, roots and tubers, green pineapples, small exotic fruits).

The selling prices of ACP fruit and vegetables on the European market have for the most part increased (wholesale stage).

The dynamic innovation of the sector at the marketing level (promotion, packaging, product) contributes to the expression of new market opportunities.
6.2. Market opportunities in the EU for ACP fruit and vegetables

The growth rate (2012-2016) is a possible indicator of the attractiveness of the corresponding European market segments.

This is reflected in the market segments where ACP exports have grown faster than the EU market and vice versa.

Source: Eurostat
By weighting the growth rate by the size of the segment (volumes in tons), the attractiveness of the segment is obtained in relative terms.
By combining the growth rate and volume of each market segment, we obtain a theoretical view on the one hand of the attractiveness of the European market, and, on the other hand, of the relative attractiveness of European market segments for ACP fruit and vegetables.
The qualitative analysis of market trends (swot analysis and market maturity level) allows us to qualify the "theoretical" view and finally to describe, in a generally favourable context, three levels of opportunity for fresh fruit and vegetables on the European market:

**Level 1: developing market segments**
Mangoes (Kent), avocados (Hass), papayas, sweet potatoes, sweetcorn, coconuts.

**Level 2: niches with high development potential**
Roots and tubers, organic mangoes, organic avocados, organic papayas, organic sweet potatoes, organic lime, small exotic fruit (dragon fruit, guava, pomegranates, tamarillos, etc.) green Sugarloaf pineapples, plantains, frencinetta bananas, organic and fair trade bananas.

**Level 3: mature market segments**
MD2 pineapples, lychees, melons, watermelons, green beans, cherry tomatoes, oranges.

Ready-to-eat (mature mangoes, avocados and dried fruit), fresh cut (pineapples added value of crownless, melons, watermelons, etc.) and products made from fresh fruit and vegetables (guacamole, mango sauce, spreads, vegetable purees, lychee preserves, etc.) are segments with higher added value that will draw imports of corresponding fresh products upwards.

Access to these market opportunities for ACP exporting producers, of course, also means complying with EU regulations and buyer requirements (including the new requirements for corporate social responsibility). COLEACP’s Fit For Market programme has been designed and implemented to support companies in marketing their products in line with the expectations of the recipient markets and notably the EU.
ACKNOWLEDGEMENTS

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