



CBI  
Ministry of Foreign Affairs



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## **Exporting fresh fruit and vegetables to Europe**



# Exporting fresh fruit and vegetables to Europe

The European Fresh Fruit and Vegetables sector offers opportunities for exporters. Here you'll find information that can help you get your fresh fruit and vegetables on the market in Europe.

- **Sector information**

- 1) [What competition do you face?](#)
- 2) [Which trends offer opportunities?](#)
- 3) [Through what channels can you get your product onto the market?](#)
- 4) [What requirements should your product comply with?](#)

- **Tips**

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## 1) What competition do you face on the European fresh fruit and vegetables market?

The buyer power of European importers is high. For niche or premium products it is easier for suppliers to influence the buying process. This is thanks to the growing demand for tropical, exotic and off-season fruit and vegetables. These fruit and vegetables are not easily replaced by other products; however, strict buyer requirements as well as forward and backward integration of the supply chain will make it increasingly harder for new and small companies to enter the market.

1. [Market entry: Which opportunities and barriers will I face when trying to enter the European market?](#)
2. [Product competition: What are substitute products?](#)
3. [Company competition: Who are my rivals?](#)

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### 1 . Market entry: Which opportunities and barriers will I face when trying to enter the European market?

The European market for fresh fruit and vegetables is a very mature market that is well managed by legislation and certifications. Opportunities can be found in the accurate response to market needs, good compliance with buyer requirements and product differentiation.

#### **Certification and high standards make market entry difficult:**

Certification schemes are essential in the European market for fresh fruits and vegetables. Although different certificates are common in different European end-markets, they all want you to show quality, food safety and awareness of environmental or social aspects of your production. According to European buyers certification and pest analysis often receive just as much attention than the product itself.

It is mainly the retail that is continuously raising the standard and importers that act on it. Consequently as an exporter of fresh fruit and vegetables it becomes more and more difficult to enter the European market. This especially affects smaller exporters.

However, the same high standards can affect your buyer as well. They sometimes compete in getting access to quality fresh produce. This can give you more power for negotiation with your European counterpart.



## Trade relations are intensifying:

As rules get stricter, supply chains become more direct. Retailers want to be closer to the source and importers integrate with growers in order to maintain control over the high quality standards and fulfil the needs of their retail customers.

Establishing a close cooperation can enhance your success and reputation as a reliable supplier.

Buyers are generally not eager to replace well-established relationships that meet all of their requirements or that supply specific brands. Nevertheless, attractive pricing and differentiated products are always good arguments to win their confidence.

Remember that reliability is a two-way street, and poor market conditions can bring out the worst in people. Product quality claims are a common practice in the fresh trade.

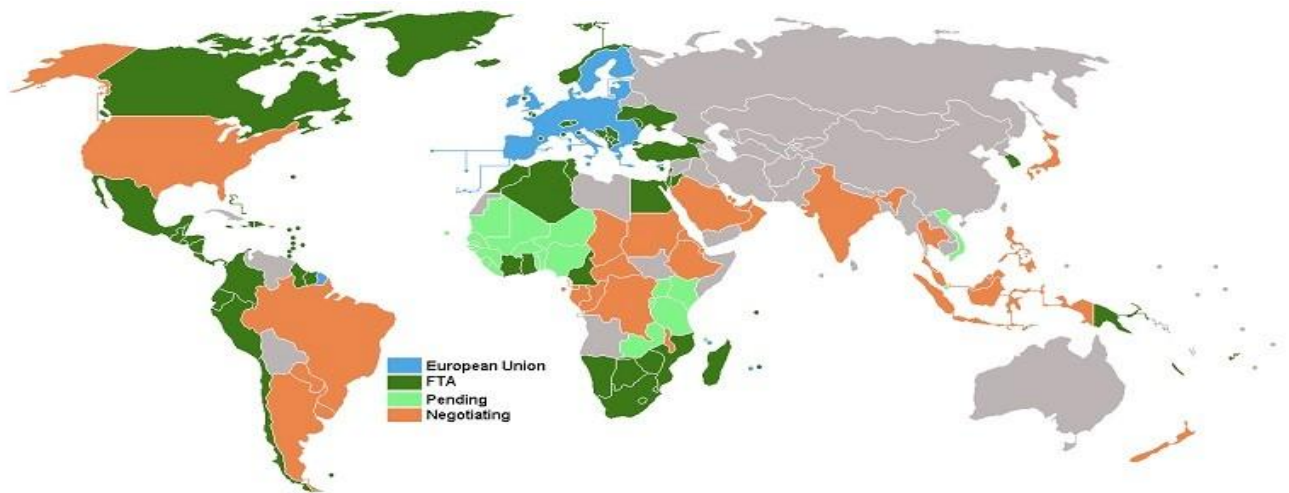
## Tips:

- Get to know your buyer and try to build partnerships. Make sure you arrange for the basics when entering in new deals. Think for example about taking pictures of your product before shipment, negotiate a minimum price and stay alert.
- Check out the different types of certification schemes on the [ITC Standards Map](#).
- Find more information about the [European Buyer Requirements on the CBI Market Intelligence Platform](#).

## EU Free Trade Agreements:

The European Union has identified the creation of business opportunities for European exporters as a key priority, which is facilitated by Free Trade Agreements (FTAs). In return, partner countries can negotiate preferential tariffs for the export of fresh products to the European Union. Important suppliers of fresh fruit and vegetables (for example Morocco, Egypt, Colombia, Peru and South Africa) have FTAs with the European Union. Depending upon their content, such agreements can provide advantages in the trade of fresh products. For a complete overview of FTAs with the EU, see the [European Commission website](#).

Figure 1: Free trade agreements



Source: [Wikipedia](#)

### **Tip:**

• Determine whether your country has a Free Trade Agreement with the European Union and whether your product qualifies for a preferential tariff. Determine your (dis)advantages compared to direct competitors from other countries.

### **Grower's licence:**

Having a licence with seed companies may lower the threat of new entrants temporarily. Access to the right plant material and varieties to meet quality and taste requirements is important, specifically for the more common products. Breeder rights are strictly regulated in Europe.

### **Tip:**

• Gather information on which varieties are in demand from European buyers and acquaint yourself with European regulations on plant breeders' rights through the [Community Plant Variety Office \(CPVO\)](#).

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## **2 . Product competition: What are substitute products?**

This section describes the existence and competing power of substitutes for fresh fruits and vegetables. This may include candy bars and other snacks, fruit and vegetable juices, prepared or processed products or even vitamin pills.

### **Substitution by price variation:**

Price is a major factor that determines which fresh fruit is chosen. When mangoes are expensive, consumers can decide to buy other, lower priced fruit products. The availability of fresh produce is



generally very complete. Nevertheless, consumers are mostly buying the same products again and again or looking for specific products to use in specific dishes.

Under normal price conditions the threat of substitution is low. But when exporting you have to be able to absorb possible fluctuation in demand as well as price.

### **Fresh snack alternatives:**

Fruit and vegetables are considered to be a healthy alternative to conventional snacks. This provides opportunities, although not always as a fresh product. Fruit and vegetables are used in [fruit bars](#), [smoothies](#), [vegetable crisps](#), among other products.

[Freshly cut fruit and 'snack vegetables'](#) are an upcoming market. Exporters can respond to this trend by supplying well-ripening and tasty fruit as well as small-size products that are ideal for individual consumers, such as small 'sunset' papayas, mini-watermelons, baby cucumbers and cherry tomatoes.

### **Tips:**

- Visit retail outlets when visiting Europe to get a good impression of the types and varieties that appeal to consumers in your target country.
  - Ask your buyer how you can cooperate in the promotion of health benefits of fresh fruit and vegetables, which is a responsibility shared by the entire supply chain.
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### **3. Company competition: Who are my rivals?**

The European market is often a buyers' market, where many suppliers compete principally on price. Minimum requirements are complying with buyer requirements and keeping promises.

### **Position in the market High competition in main fruit types:**

The intensity of competition depends on the product, geographical market, sales channel and segment. Competition between suppliers of commodity products such as bananas, pineapples and oranges is high, with a few large firms dominating the market. For most products there are many suppliers for buyers to choose from.

Exporting to the European market principally involves competition on price, volume and adherence to strict rules and regulations. Setting your product apart from the rest by differentiating on added value, like quality, taste and sustainability, may decrease competition at least temporarily. For smaller niche markets in Europe (such as exotic products), competition can be less intense, since those products are not widely available or grown in Europe.



## Tips:

- Do not to compete on price only, but on added value (organic, sustainability, healthy, ready to eat) and differentiated products.
- Team up with other producers when you lack company size or product volume. Make yourself an attractive and competitive supplier.
- Develop long-term partnerships with European buyers that ensures you with more knowledge and stability on the European market. It also helps you establish relations with larger retailers.

## **European competitors are productive and well organized:**

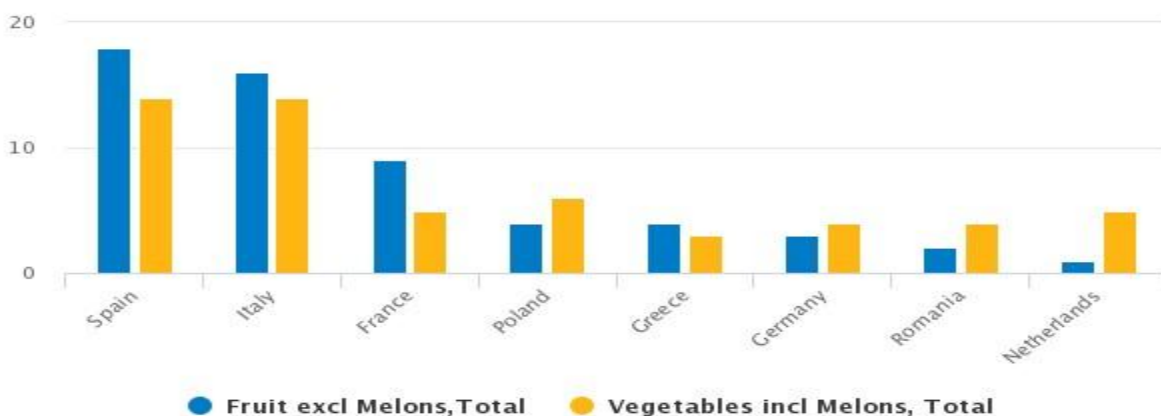
The European Union provides one of the largest markets for fresh fruit and vegetables, and suppliers can expect their products to be moved extensively across the continent. Over 80% of European fresh exports are destined for the internal market. For in-season fruit, southern Europe is a strong competitor for suppliers from developing countries. European competitors are well organised and have optimised their marketing tools, including social media and online presentation.

## Tip:

- Familiarise yourself with the possibilities of using social media and other information technologies for promotion and customer relationships. Social media such as LinkedIn, Facebook, Twitter and WhatsApp are widely used in Europe.

Figure 2: Production of fresh fruit and vegetables in the European Union 2014

in million tonnes



Source: ITC Trademap



### Southern Europe is strong in competing production:

Based on latest data of 2014, Italy and Spain produce over half of European fresh fruit (mainly grapes and citrus fruits), and over 40% of the fresh vegetables (excluding potatoes). The

Netherlands is also a top producer of fresh vegetables, producing mainly tomatoes, cucumbers and sweet peppers from greenhouse horticulture. As an exporter from a developing country you must be aware that local produce in Europe is often preferred over imported products.

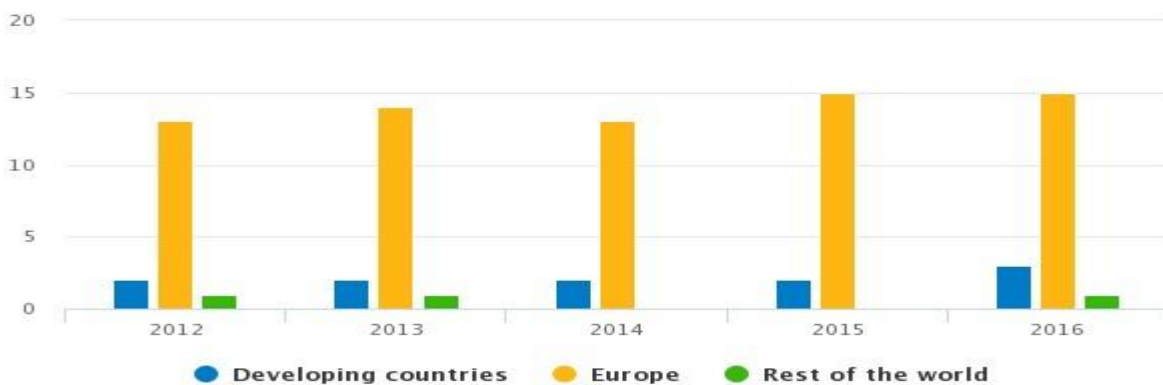
With an export value of over 12.5 billion euros, Spain accounted for over 30% of Europe’s fresh fruit exports in 2016. The Netherlands follows with a value of 9.6 billion euros.

### Climate and geography determine competitiveness:

Opportunities and competition will vary depending on your product, but are also determined by geography and climate. The principal suppliers to the European market produce counter-seasonally or produce fruit that is difficult to grow in Europe.

Figure 4: Origin of European import value of fresh vegetables 2012–2016

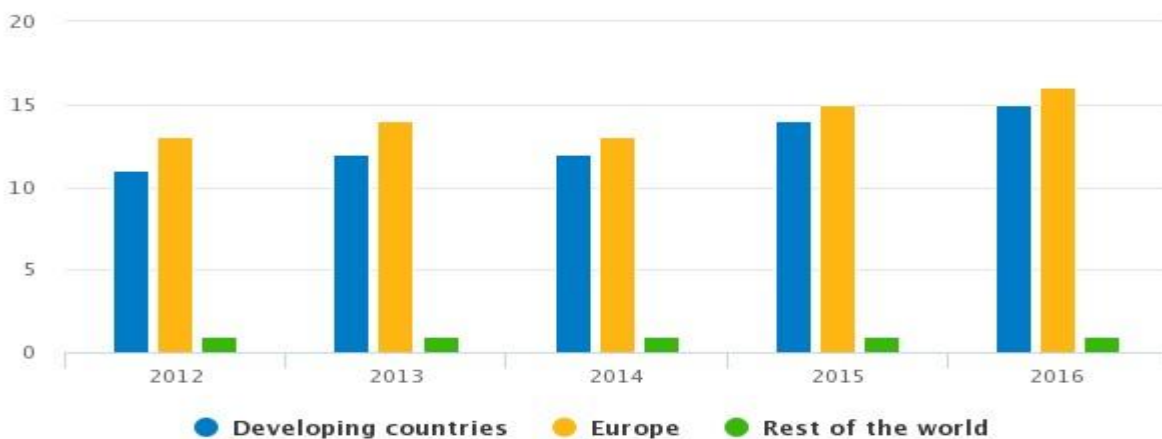
in billion €



Source: ITC Trademap

Figure 3: Origin of European import value of fresh fruit 2012–2016

in billion €



Source: ITC Trademap





In 2015, bananas represented over 26% of the total import value from developing countries, followed by grapes, avocados and limes. Over the past five years (2012 to 2016), the import from South Africa (citrus, grapes), Turkey (grapes, citrus), Peru (avocado, mango, berries), Morocco (citrus, soft fruit) and Mexico (limes, avocado) has increased.

For vegetables import has been stable. Europe imports tomatoes, peppers, potatoes and unions from nearby countries such as Morocco, Turkey and Egypt. In terms of import value, Peru and Kenya are also significant suppliers of respectively asparagus and beans.

New suppliers and suppliers of non-traditional fruit and vegetables can best achieve success in specific niches for exotic and out-of-season fruit.

Climate conditions can be a decisive factor. Times of low supply in one region due to poor harvest, pests or climatic difficulties can result in a better market position and bargaining power for other production regions. Although impossible to predict, short-term opportunities and difficulties are typical in the fresh trade.

### **Tip:**

- Plan your supply carefully. If you want to export a fruit or vegetable product which is already available in Europe, timing is important. Check the [production calendar](#) in Europe in order to determine potential demand for imported fresh products. Buyers try to offer their customers the same products year-round and need to fill the gap in their seasonal planning. Timing is crucial.

### **Position in the supply chain Strong buying position for supermarkets:**

The buyer's position of European supermarkets is strong and is expected to increase even more in the future. This is evident in the demanding requirements and strict conditions supermarkets set.

Large retail organisations also put tremendous pressure on prices. This pressure is then passed on from service providers and importers to the exporter and producer.

In this price driven business it is unlikely that your European buyer will lose money. When price levels go down, he will most likely negotiate with you new terms of delivery.

### **Tips:**

- Present yourself as a reliable (adhere to your agreements) and accessible (easy to contact) partner.
- Aim to become directly or indirectly part of a long-term buying programme with a European retailer, but only if your company is ready for that kind of commitment.



- Have a look at the website of [France Agrimer](#) or the [Fresh Fruit Portal](#) for a rough indication of wholesale catalogue pricing. Be aware that these are prices are mostly indicative and negotiable.
- See CBI's [Market Channels & Segments](#) for more information on the role of the different players in the supply chain.

### Supply-chain transparency:

Retailers and wholesalers require full transparency of their suppliers from production to consumer. This ensures them of your good conduct and reduces their risks in food safety. But it goes as far as the consumers, informing them about the origin and producer of the product.

You will have an advantage over your competitors if you are able to provide transparency along the supply chain. Be open to regular audits and consider these to be helpful to improve your day to day operation.

### Tips:

- Increase your transparency by showing end-users where a product comes from, preferably at farmer level. Use 'storytelling' and be as open and honest as you can be.
- Always communicate, good news or bad news. Open communication helps you build and maintain relationships in the competitive field.

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## 2) Which trends offer opportunities on the European fresh fruit and vegetables market?

There are opportunities for fresh fruit and vegetables in Europe thanks to the increased popularity of healthy, natural and organic products. Consumers look for good taste and a convenient purchase. They have also become more aware of social and environmental issues. More integrated social and certification programmes are introduced together with an increased exchange of information along the total supply chain. Meanwhile, product innovations will improve customer experiences and taste. These developments require you to specialise further and to integrate actors within the supply chain.

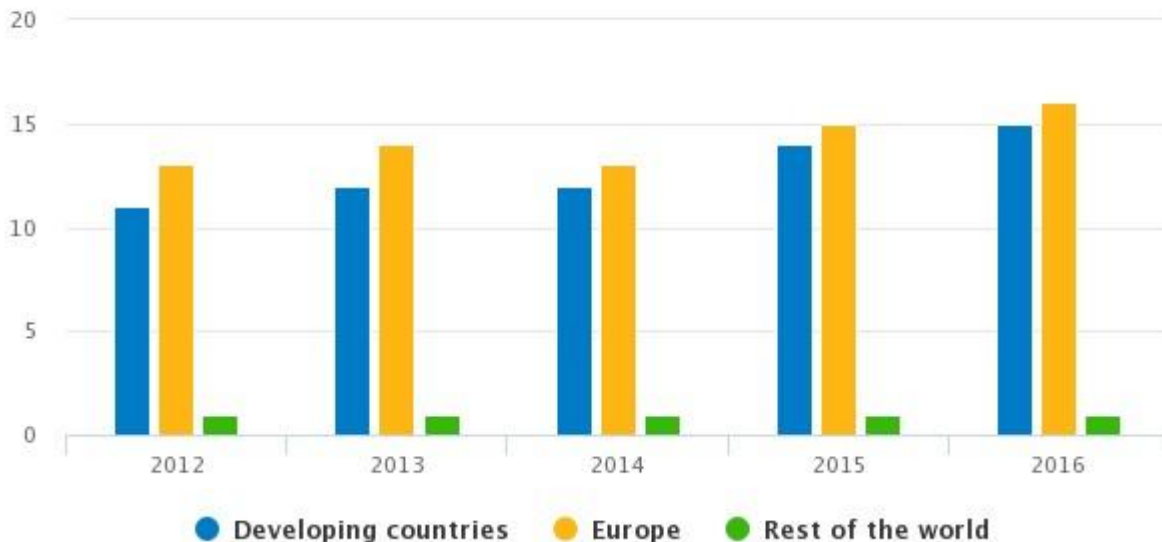
1. [Increasing preference for locally grown products](#)
2. [Market diversification: new, healthy, tasty and easy](#)
3. [Good conduct determines success](#)
4. [Specialisation and integration](#)
5. [Cultural, economic and political influences in trading](#)

## 1. Increasing preference for locally grown products:

The total value of the European trade in fresh fruit and vegetables is increasing gradually year by year. There is an increasing preference for locally grown fruit and vegetables, but the import of out-of-season and exotic products continues to grow as well.

Figure 1: European import value of fresh fruit and vegetables 2012–2016

in billion €



Source: ITC Trademap

## 2. Market diversification: new, healthy, tasty and easy:

### Healthy living:

Health has always been a strong selling point for fresh fruit and vegetables. In coming years, the importance of communication on the health benefits of these products will increase.

Especially in north-western Europe, products with specific health characteristics such as berries (blueberry, açai, cranberry, physalis), avocado, pomegranates and papaya have become more popular. The continuation of this development has been confirmed by the fact that leading retailers have started to embrace these products. Despite their growing popularity, however, many health foods remain specific to relatively wealthy consumer groups and specialised import companies. Popularity of pure and organic continues

A significant group of European consumers are increasingly seeking pure and natural products. This aspect is a principal reason for them to buy organically produced fruit and vegetables, because these products are associated with health and better taste.

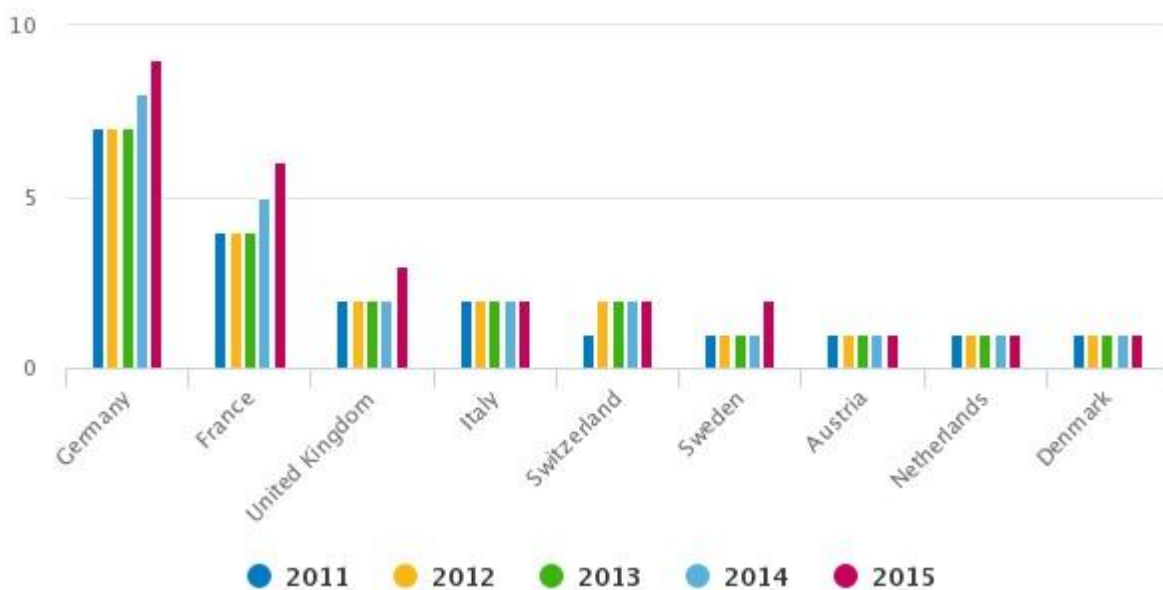
The [organic food market in Europe grew over 10% in 2015](#). The market share for organic food in Europe varies from around 1% in most eastern and southern European countries up to 7% or 8% in Denmark, Switzerland, Sweden and Austria. In terms of volume, Germany offers you the largest

market for organic food. Organic food consumption is developing exceptionally well in relatively wealthy countries.

Although still considered a niche, the organic market is expected to grow over the next years. Research company Technavio predicts that [organic food and drinks will grow by a combined yearly average of approximately 7% in Europe](#) until the year 2020. For 2015, they identified the following top vendors in Europe: Tesco, Metro, Carrefour, Ahold and the REWE Group. There are also specialised organic retail chains, such as [Denn's Biomarkt](#) in Germany and Austria, [Biocoop](#) in France and [Ekoplaza](#) in the Netherlands.

Figure 2: Retail sales of organic products 2011–2015

in billion €



Source: Organic-world

### Organic requirements will become difficult for developing countries:

Often, the demand for organic products exceeds supply, making it easier to find buyers and better margins. However, it can be challenging for exporters in tropical climates to comply with the increasing organic standards in Europe.

After several years of negotiation, a new set of regulations are set to be implemented in July 2020. According to the [European Council](#), this new agreement aims to guarantee fair competition, prevent fraud and improve consumer confidence. Importers have already started tightening the rules.

However, the [International Federation of Organic Agriculture Movements](#) (IFOAM) argues that it many small organic producers in developing countries will very likely not be able to meet the requirements which are designed within the EU context, due to different socioeconomic and geographical conditions. The administrative burden and costs might be a problem as well. This fact means that you as a producer will have to evaluate very well your potential as organic supplier.



## **Tips:**

- When focusing on organic fruit and vegetables, find specific market partners that are well integrated in this segment and have knowledge on European legislation.
- Consult [Organic-world.net](https://www.organic-world.net) and [IFOAM reports](#) for detailed information on organic production and sales in Europe.
- For organic requirements, see also the [Buyer requirements](#) on the CBI market intelligence platform.

## **Consumers combine price-consciousness with luxury spending:**

The market for special niche products is growing. Niche products and new varieties will continue to emerge, providing unique taste and triggering consumer indulgence, particularly on the high-end market.

The market for fresh fruit and vegetables has traditionally been driven by price, but today's market has become more dynamic. Retail discounters are claiming increasingly greater market shares, while consumers are complementing their price-conscious shopping habits with an interest in exotic or special quality fruit and vegetables.

Fresh products such as avocados, mangoes and sweet potatoes have shown a strong growth in annual imports of 10% to 20%, while other, more common products such as oranges and tomatoes have seen little fluctuation.

## **Branding enhances consumer experience:**

In addition to consumers' preference for exotic and special quality fruit and vegetables, taste and experience are playing an increasingly important role. Consumers are willing to pay premium prices for products that have consistently good taste. Branding and storytelling are necessary tools to support the marketing of exceptional taste experiences.

Demanding and changing consumer habits motivate suppliers to diversify and innovate. To make innovation possible, exporters from developing countries will need to supply a constant quality.

## **Tips:**

- Make sure that you use excellent seasonal planning and logistics. Poor quality and immature fruit will hurt consumption and also your reputation.
- Use the superlative taste of your product as a marketing tool, on packaging, or through magazines or the internet. Be familiar with taste preferences per country or region.



## Convenient food:

As lifestyles are becoming more fast-paced, and interest in easy and convenient foods is increasing. Especially in north-western Europe, retailers are responding to this trend with freshly cut fruit, snack vegetables, seedless fruit, easy peelers, prolonged shelf life, individually sized products (for example, mini-papayas or mini-watermelons), ready-to-eat products and e-commerce. Although the demand for convenience products in other parts of Europe is still low, it is on the increase.

Specific trends with growth potential include ready-to-eat and ripened fruit. An underlying development is the improvement of ripening processes for fruits such as mango, avocado and papaya in the importing country, which is more convenient for the consumer and cheaper in transport than supplying already ripened fruit.

E-commerce facilitates fresh products on demand, thus further strengthening the convenience trend. Examples are [HelloFresh](#), [Gousto](#) and the home delivery services offered by supermarket chains.

### Tip:

- Use the right seeds or varieties, as well as seasonal planning and meet all logistic requirements to acquire a good position in the supply of convenience fruit and vegetables. For example, supply mature fruit that can ripen in a conditioned environment before it reaches the consumer.

### 3. Good conduct determines success

#### **Certification becomes more important than the product itself:**

Food safety and certification have become leading aspects in the trade of fresh products.

[GLOBALG.A.P.](#) has become the standard certification, while the required maximum residue levels (MRLs) are becoming stricter than the legal limits. It seems that buyers nowadays are more concerned about certification than about the product itself. Experienced buyers resent the fact that more and more fresh fruit professionals only focus on paperwork and lack actual product knowledge.

The paper trail and the strict requirements are a challenge for every producer and exporter. At the same time, if applied well, these aspects can improve your competitive position.

### Tips:

- Work together with importers on tracking and tracing systems. Gain an advantage by demonstrating good conduct and consistent compliance with food safety standards.
- Certify and organise your production before exporting to the Europe. Be professional; your supply chain is only as strong as the weakest link.



- Be up to date with MRLs and food safety requirements. Check the [Buyer Requirements](#).

### **Sustainable produce is becoming mainstream:**

In all links of the value chain, people are gaining interest in more sustainable and responsible fruit and vegetables. This trend relates to many aspects such as working conditions, water use and waste management, among other things.

Customer awareness is growing thanks to increased transparency. In addition, retailers and traders throughout Europe are joining forces in the [Sustainability Initiative Fruit And Vegetables](#) (SIFAV), coordinated by the Sustainable Trade Initiative (IDH). They aim to make all imports from Africa, Asia and South America 100% sustainable by 2020.

Industry sources mention the conservation of water resources as one of the principle concerns in the production of fresh fruit and vegetables.

You can anticipate this development by demonstrating that your product has been produced in a sustainable way, both socially and environmentally.

### **Tips:**

- Invest in social and sustainable practices and certification to maintain your position in the European market in the future and increase the value of your product. Make your product supply chain transparent by using a website and [QR-codes](#). These can give insights to consumers about the product, the people and the plantation.
- Read about the various social compliance programmes and certificates (for example [BSCI](#), [ETI](#), [Fair for Life](#), [GSCP](#) and [Fair Trade](#)).

## **4. Specialisation and integration:**

### **Specialising role for importers:**

As a result of increasing competition and buyer concentration, the role of importers and wholesalers is changing. They become more specialised and are looking to establish a unique market position.

Importers and distributors focus more and more on “just-in-time” delivery, trying to shorten their supply chain to retailers and saving on warehousing costs. Importers that supply to large retail formulas prefer to work with large producers and large quantities. They handle the European logistics without having their own facilities. If plant space is needed, they hire it temporarily. Importers that sell from their own warehouses have difficulties in competing with importers that have arranged their logistics externally.



As a smaller exporter, you would do best to search for opportunities within a broader spectrum. This approach also includes traders that do not have direct access to supermarkets and that specialise in other segments or niche markets.

### **Tips:**

- Define your strategy and choose an appropriate marketing channel based on the strengths of your company, preferably before closing any contracts.
- Find a large importer/distributor if you focus on bulk production and make sure that you can handle the strict logistics planning. Work with specialist importers if you supply smaller quantities of special products.

### **Vertical integration:**

Specialisation is often accompanied by vertical integration. Supply lines are becoming shorter and more efficient.

Contacts between farmers, traders and retailers are becoming closer.

Recent experiences have also yielded examples of integration with a negative impact. For some, investments in warehousing and logistics had significant financial consequences when the economic crisis occurred in 2008.

Nevertheless, the key to future development resides in integration for the purpose of specialisation. Control throughout the entire value chain is essential in order to build expertise in specific products and to comply with the strict delivery terms of large retailers.

### **Tip:**

- Profit from the experience of your buyers and business partners. In some cases, joint ventures with European companies could improve your market position in the Europe.

## **5. Cultural, economic and political influences in trading:**

### **Brexit:**

When the United Kingdom announced that it would leave the European Union after a referendum vote, companies expressed their concerns for the potential consequences. The fresh fruit and vegetable sector is also affected, mainly because of its international nature. Nobody knows exactly what the long-term effects will be, but the most notable changes so far have been:

1. a decreased availability of affordable labour due to the large number of foreign workers that are leaving the country;
2. a devaluation of the British pound.





The United Kingdom is an important market for exporters from developing countries. However, with the current pressure on prices, you would do best to look for additional or alternative markets.

### **Eastern Europe is emerging:**

Currently, the market for tropical fruit and exotics in eastern Europe is still relatively small, but it is considered a growth market. Countries such as Poland and Romania are following the same trends as the rest of Europe. They are starting to buy more and more tropical fruits such as mangoes and avocados. With consumption still being low, they have more room to grow.

Consumers in eastern Europe are very price-conscious, while exotic and tropical fruits are relatively new to most consumers. A good way to enter this market is through importers in western Europe that are extending their business to Central and Eastern Europe. It is also a good market for fresh products that do not reach the higher standards in western Europe. Remember that payment behaviour may also be less strict.

### **Tip:**

- Invest in your European contacts and look for possibilities to extend exports to upcoming European countries. Visit trade fairs such as [Fruit Logistica](#) or invite importers and retailers for company visits.

### **The European market is highly regulated:**

Individual Member States of the European Union maintain strict control over the fresh food market. Decisions by the European Union and its Member States can have a major influence on your market. Recent examples of European interventions are:

- compensation and subsidies for farmers in Europe;
- phytosanitary restrictions on South African citrus due to the threat of black spot; European policy against genetically modified fruit and vegetables.

### **Tips:**

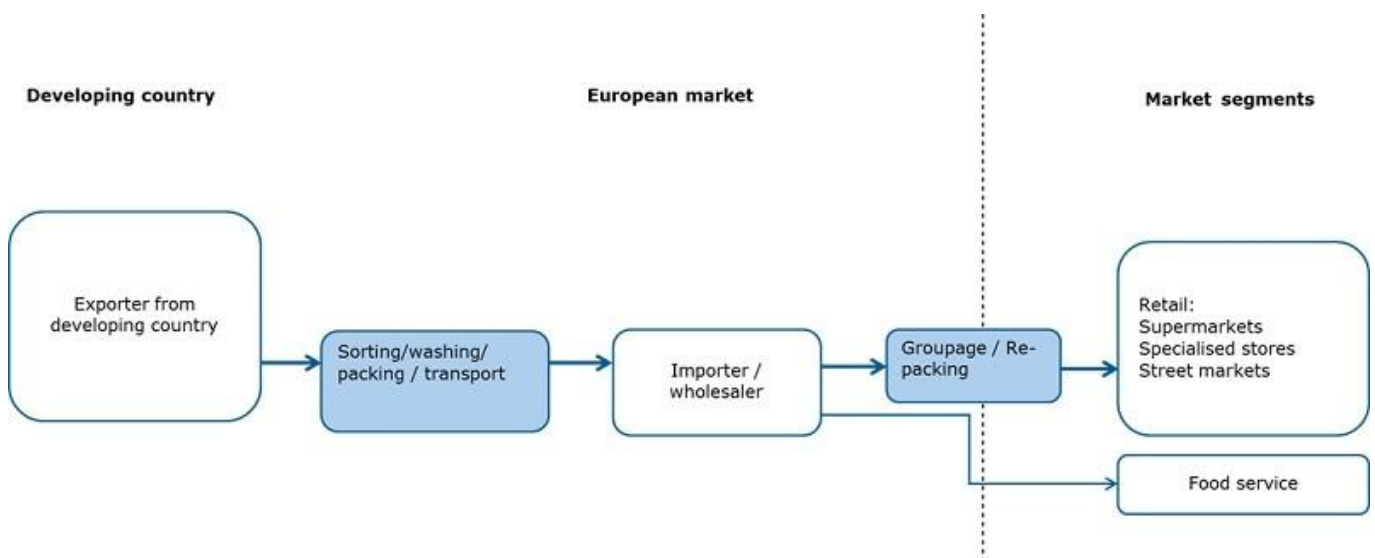
- Keep up to date with European rules and regulations on food safety, genetic modification and phytosanitary requirements; for example, via [www.efsa.europa.eu](http://www.efsa.europa.eu) or through the [RASFF system for Food and Feed Safety Alerts](#) for temporary import restrictions.
- Be aware of the importance of plant health and the high quality of border checks, which may cause rejection from the European market or ultimately wider import bans.

### 3) Through what channels can you get fresh fruit and vegetables onto the European market?

The European retail market for fresh fruit and vegetables is dominated by the supermarkets. About 60–90% of produce is sold through supermarkets, depending on the product and country. Supermarkets are demanding customers, generally with more than minimal requirements on quality and efficient consumer response, and importers are the key to supplying them. Some large supermarkets have special service providers who – together with importers and local producers – attend to the smooth delivery and sourcing of good-quality products. Niche products are often traded by specialised traders. It is important to differentiate and select importers that fit your supply.

1. [Importers are the key to the European market](#)
2. [Good logistics is essential in your trade channel](#)
3. [Supermarkets dominate sales of fruits and vegetables](#)

Figure 1: European market channels for fresh fruit and vegetables (for an explanation of the boxes, see Annex 1)



#### 1. [Importers are the key to the European market:](#)

##### Importance of importers/distributors:

Most fresh produce from developing countries is traded via importers. Importers supplying to large retail formulas are shifting towards a lean and mean organisation. Without their own facilities (which are rented only when necessary), importers are developing towards an intermediary role between producers and retailers.

Many supply chains are strictly organised under the direction of the importer/wholesaler or service provider in adherence to the retailer's demands. It reflects the important trend towards vertical integration.



Smaller importers are searching more and more for niche channels; for example, by specialising in exotics.

### **Increasing role of service providers:**

Europe counts many importers, but the market is consolidating. Supermarkets are increasingly organising integrated supply chains with a limited number of preferred suppliers or service providers. This process enhances responsiveness and safeguards product quality as well as promotional planning. Larger importing wholesalers will also often act as service providers to the supermarkets, investing in added value services such as ripening, packaging and mixing.

### **The Netherlands is an important gateway to the European market:**

A great deal of produce is imported through the Netherlands (via the Port of Rotterdam), only to be exported to other European markets such as Germany and the UK. The strongest selling point for Rotterdam is the fast track record for groupage services (combining several small shipments into a single container). Belgium and the UK are also major importers of fresh fruit and vegetables from developing countries. The importance of supply chain logistics (planning and cold chain) with regard to the quality of the final product must not be underestimated. Supply chain management is key.

### **Investments in infrastructure:**

New investments are being made in ports and container services as well as reefer services in places such as Rotterdam in the Netherlands. Intermodal transport services (using multiple modes of transport) and connections are being extended and developed. This trend will further strengthen the position of the Netherlands and Belgium as trade hubs.

Another European initiative is to improve the [Fresh Food Corridor](#) (using intermodal containers or vehicles via multiple modes of transport) from the Middle East through the Mediterranean to eastern and northern Europe. This project ended in October 2017 and contributed to a more efficient supply from countries such as Egypt, Jordan and Israel. For Israel, it already proved a success in a [Pilot Action](#). For road logistics (for example, from Jordan), stability in the Syrian region is a precondition.

### **Major destinations include Germany, the UK, Belgium and France:**

In 2015, European countries imported € 31.7 billion worth of fresh fruit and € 18.7 billion worth of fresh vegetables (including intra-EU trade). Almost 50% of the fresh fruit and over 80% of the fresh vegetables that are imported concern re-exported or locally grown products.

- Germany, the UK and France are the largest final destinations, accounting for around 48% of the product value imported from both within and outside Europe in 2016.
- The Netherlands and Belgium are responsible for 20% of the import value and mainly re-export to other European markets.
- Italy and Spain have a 10% share in the European import value of fresh fruit and vegetables, but

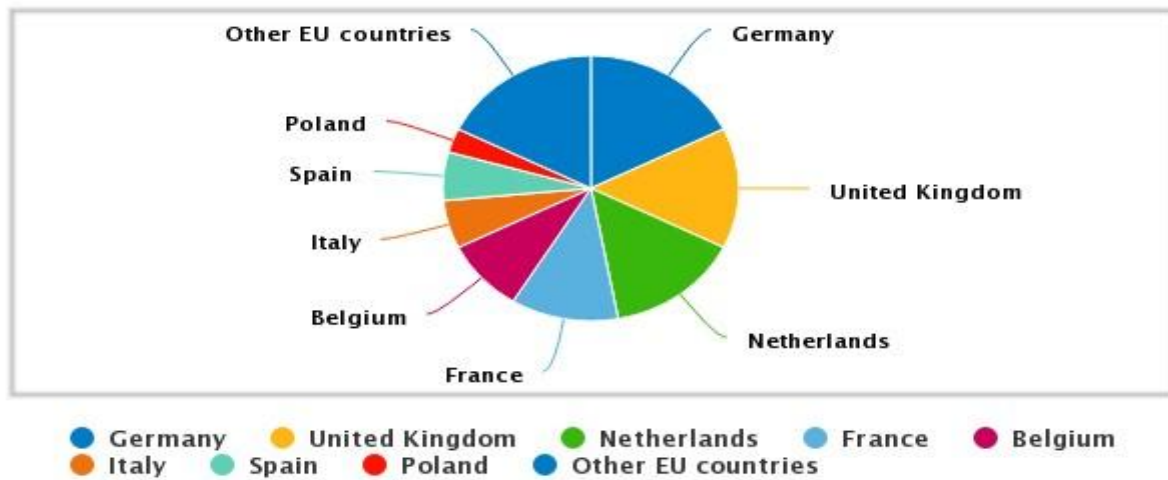
they are also net exporters because of the large volumes of their own production.

Eastern Europe has growth potential; well-known tropical fruits such as pineapples, lemons and limes are finding their way through western European ports to new, upcoming markets in eastern Europe.

As a supplier from a developing country, your main export markets in 2016 were the Netherlands, the United Kingdom and Germany.

Figure 2: Imported value share of fresh fruit in Europe in 2016

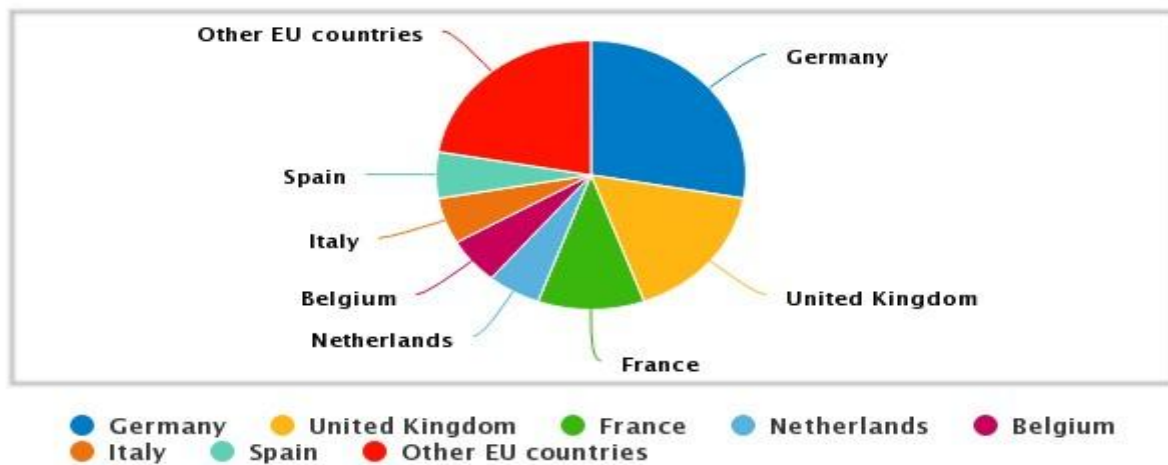
in billion €



Source: ITC Trademap

Figure 3: Imported value share of fresh vegetables in Europe in 2016

in billion €



Source: ITC Trademap



## Distribution hubs match quality and markets:

The Netherlands and Belgium are typical trade hubs to northern Europe, where standards are strictly respected. Imported fresh products that do not pass these high standards are rerouted to other markets, such as [Rungis](#) in France, where fruit and vegetables are traded on the spot (France is a typical end market). When fresh produce has quality issues, a claim will often follow, which is a common way to renegotiate.

## Differences in European market channels:

The European market can roughly be segmented into three geographical areas with different patterns of consumption and buying behaviour.

- Consumers in north-western Europe have the highest average purchasing power. The market has the highest demand for tropical and exotic fruit as well as off-season vegetables. Northwestern European consumers buy most of their shopping in supermarkets. Specialist fruit and vegetables stores are slightly more expensive than supermarkets, but they carry a more diverse range of products. The role of supermarkets is set to expand further. In this segment, almost all of the produce sold is Class I (the highest quality).

- In southern Europe, fruits and vegetables make up a higher share of the diet. Consumers have a stronger preference for taste and local traditional produce, although local supply is not sufficient to meet the total year-round demand. The supermarket channel is gaining importance in these regions as well.

- In eastern Europe, product quality requirements are somewhat lower (Class I and Class II) than in north-western Europe and supermarkets generally have a lower market share, but this share is expanding. In the long run, the market growth in eastern Europe – including higher quality and sustainable produce – is expected to be substantial. With the increase in quality demands, customers will expect you to devote more attention to a high-quality supply chain.

## Tips:

- Visit fresh markets and retail outlets in different target countries within Europe to understand the local dynamics and preferences of each market.

- Choose your distribution channel carefully according to local taste preferences, quality and market structure. Take into account that your buyer has to deal with strict compliance to large retail chains and expects the same from you.

- Visit trade fairs such as [Fruit Logistica](#) in Berlin or [Fruit Attraction](#) in Madrid. Here, you can find most of the important traders.



## 2. [Good logistics is essential in your trade channel](#)

### **Post-harvest treatment and logistics are crucial:**

Many companies and agents are active in the supply channel. Products are usually sorted, washed, packed, and sometimes minimally processed (cut or sliced) and re-packed before entering the retail channel. Packers operate at different stages of the supply chain to wash and re-pack products from harvest to wholesale into retail packages. Throughout the supply chain, cleaning and decontamination of equipment, containers, pallets, crates and vehicles is of the utmost importance. Exporters must meet the demands of logistics, while special attention should be paid to timely delivery, quality equipment and packing, cooling, hygiene and correct documentation.

### **Sea or airfreight depends on the type of product and distance:**

Common fruits such as bananas, citrus and other more durable products are usually shipped by sea, while air freight is much more common for exotic and premium fruits and vegetables. As sea transport is less expensive and more environmentally friendly, technological developments in sea transport (storage, conditioned containers and ripening) are being explored continuously to reduce the dependence on airfreight.

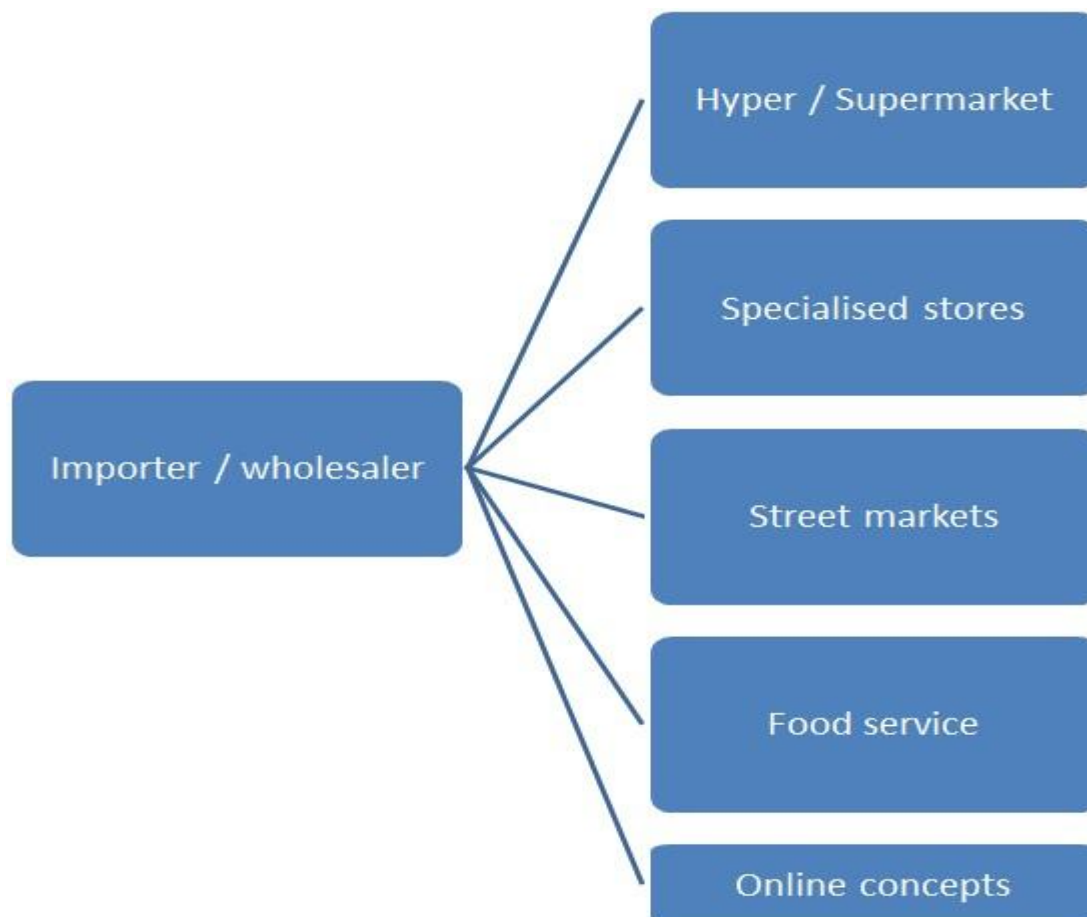
### **Tips:**

- As cleaning and decontamination of transport equipment is crucial, implement and actively operate quality and hygiene procedures. Also see the different food safety systems in the CBI study of [Requirements for fresh fruit and vegetables](#).
- Ensure a good logistical treatment of your produce and check for the best ways to maintain product quality.

## 3. [Supermarkets dominate sales of fruits and vegetables](#)

The European market is divided into different sales channels, with supermarkets being the most important sales channel for consumers and online concepts serving as a new development in fresh produce. The annex explains more about the different actors in the trade structure and segmentation.

Figure 4: Importer/wholesaler segmentation of the fresh fruit and vegetable sector



### **Dominance of supermarkets:**

Supermarkets have market shares of between 60% and 90% in the retail sales of vegetables and fruits, depending on the country. The market share of supermarkets tends to be higher in northwestern Europe than in southern Europe.

Traditional stores and street markets for fresh fruit and vegetables have seen their market shares decrease to about 10% in most countries.

The dominance and centralised buying of the major supermarkets have increased both their commercial power within the market and the product requirements throughout Europe. This development makes trade more difficult for smaller exporters from developing countries, as product requirements are increasing. Supermarkets can generally choose from many suppliers, especially for undifferentiated products. The largest European food retailers are:

- Schwarz Group (including [Lidl](#))
- [Tesco](#)
- [Carrefour](#)
- [Metro Group](#)



- [Auchan](#)
- [Rewe Group](#)
- [Edeka](#)
- [Leclerc](#)
- ITM ([Intermarché](#))
- [Sainsbury's](#)

These corporations usually manage several different supermarket brands.

The traditional fruit and vegetable stores are losing market share. However, there are also successful shops that service a specific market for niche products; exotic or ethnic products and specialised organic shops are still expanding. This situation may be an opportunity for exporters that supply differentiated products in smaller volumes.

### Retail moving away from the grey middle:

The mainstream or middle segment is losing market share. Both discount supermarkets and luxury or specialised stores have been on the rise. If price is not the driver, consumer experience is crucial. Local top-end supermarkets such as [Marqt](#) (Dutch) and [Grand Frais](#) (French) are just as successful as international discounters [Lidl](#) and [Aldi](#) (German). This new environment has also created room for new food shopping and leisure retail concepts such as food courts (for example, the [Rotterdam Market Hall](#)).

Opportunities can be created by finding and establishing relationships with the right buyers: experienced buyers in exotics, buyers that invest in packing and processing, buyers that get involved in production, buyers that supply specific channels, and so on. But on a market where the grey middle is lacking, it will become even more important to hook up with buyers that are the right match for your type of product. The decision to differentiate is as important for you as for your European counterpart.

### Home delivery and e-commerce:

Another new form of food shopping takes place online, which addresses the need for convenience. Large investments in concepts such as [HelloFresh](#), [Gousto](#) and other home delivery programmes are boosting online purchases of fresh food. Many supermarket chains are also promoting their home delivery services. Moreover, the potential power of online giants such as Amazon could change market channels indefinitely, with significant consequences for traditional shops.

### Tips:

- In order to deal with the purchasing power of large retailers, prove yourself to be a reliable and good supplier.



• Set your product apart from competitive products by differentiating and be responsive to

your customer sales strategy.

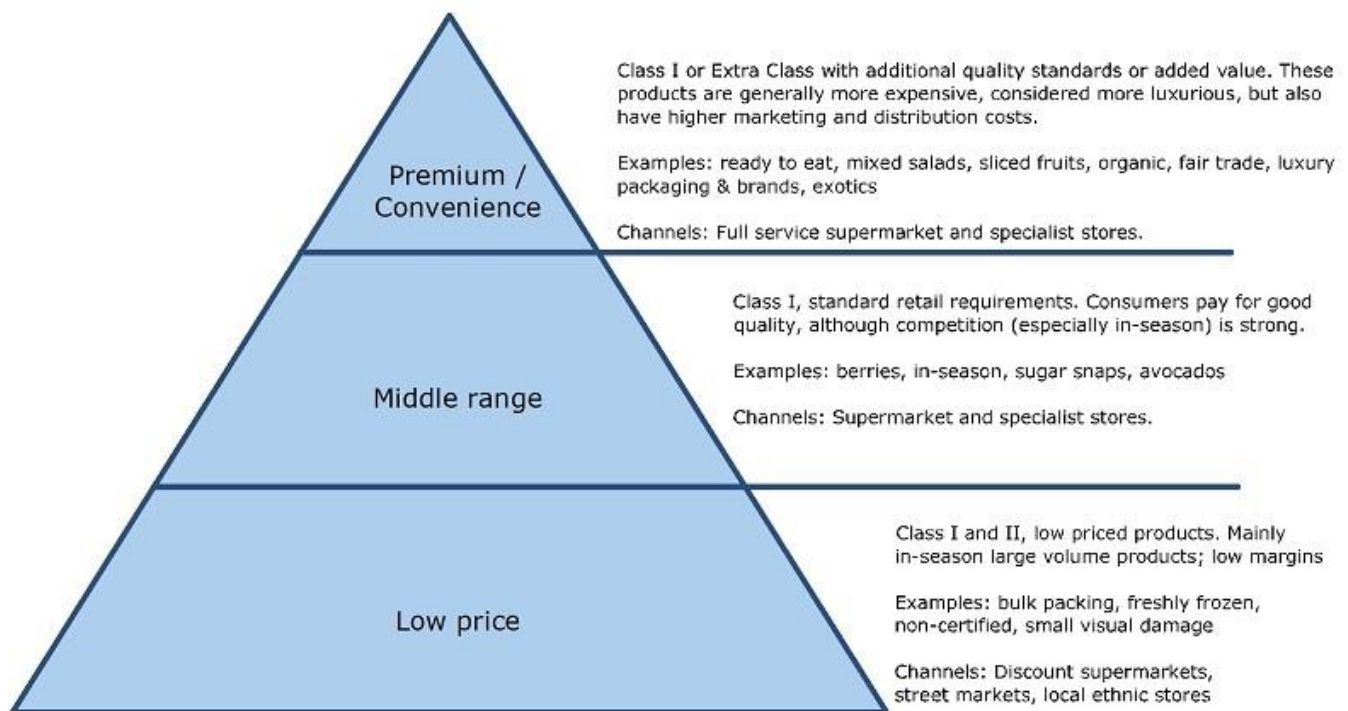
• Supermarkets may prove to be demanding customers; take advantage of the knowledge of importers/wholesalers.

• Consult the overview of retailers on the website of [FreshPlaza](#).

### Segment requirements for quality and quantity:

Supermarkets – specifically in north-western and southern Europe – demand almost exclusively Class I produce. The quality requirements for street markets and for eastern European retailers are sometimes lower, which provides market opportunities for fresh products that do not meet the highest standards. However, quality requirements are increasing in eastern Europe as well.

Figure 5: Retail segmentation of the fresh fruit and vegetable sector



Supermarkets demand much larger quantities than specialised stores and street vendors. However, the latter are generally supplied by domestic wholesale. When supplying supermarkets, exporters must be able to deliver large quantities of uniform product quality. Discount supermarkets are in the lower price range, but they are often comparable in quality with regular supermarkets.

To become a regular supplier to the large retail chains, timely delivery, cooperation with special promotions and flexibility in seasonal or growing demand are vital. Supplying through an importing



wholesaler is generally the only way to achieve this status. The importer/wholesaler can plan and redistribute supplies from several exporters to meet customer demands.

### **Tips:**

- Choose the appropriate segment that coincides with your product quality and your supply volumes.
- Apply good practices and become certified for food safety and logistics. For specific buyer requirements, see the [CBI Buyer Requirements](#).
- Build trust with customers; for example, by focusing on product uniformity and timely delivery, which are highly valued.
- For general information on wholesale prices, consult [Pricewatch](#) on FreshPlaza or [FreshFruitPortal](#)

## **Annex 1: Information boxes for the trade structure (Figure 1)**

### **Importers/wholesalers:**

The importing wholesale companies buy produce from abroad and resell it to domestic retailers or re-export it to other countries. They take care of the necessary administrative formalities and often provide services such as packaging and re-packaging, ripening, transport and logistics. These importing wholesalers offer you the best access to the European markets, as they have an extended network of customers varying from retail buying centres and domestic wholesalers to catering companies. Importers usually have long-standing relationships with customers and excellent knowledge of quality requirements, logistics and the formal administrative processes. Some wholesalers use agents to facilitate transactions.

### **Sorting/washing/packing:**

Post-harvest treatments include sorting, grading, cleaning or washing, cutting or slicing, ripening, packaging and labelling. The treatments depend heavily on the type of produce and the supply chain requirements. Usually, but not always, sorting and cleaning of fruit and vegetables is done in the country of origin, as well as packing in wholesale containers (boxes or crates). For some produce, such as avocados, mango and papayas, ripening is done in the destination country.

### **Re-packing:**

After importing to the EU or EFTA market, some produce needs to be re-packed in retail-size packaging. Wholesalers and specialised companies perform this task if required by the wholesalers.



## Hyper-/supermarkets:

European supermarkets are divided into large supermarket chains, such as Carrefour, Rewe and Ahold, and smaller independent stores. The larger supermarkets have by far the largest market shares and operate their own (sometimes combined) buying centres and distribution centres. Although supermarkets may be involved in sourcing their fresh produce, they usually rely on the services of importing wholesalers and service providers. Supermarket service providers are wholesalers and logistics service providers who take care of much of the sourcing and distribution process on behalf of the supermarket. They cooperate with importers and are responsible for importing, contracting and combining products from different countries. Directly dealing with supermarkets requires a high degree of business professionalism and access to logistics service providers as well as your own importing experience and facilities. Usually, exporters from developing markets access the supermarket channels through European importers. Specialised shops:

Specialised fruit and vegetable shops exist throughout the European market, although their market share has decreased to about 10%. Most of them are family-owned, small independent shops that sell fresh fruit and vegetables as well as some related food items. They buy primarily from local wholesalers.

## Street markets:

Most European cities have regular (sometimes daily) fruit and vegetable markets. Traders rent stalls and sell fresh produce that they usually source from local wholesalers or producers. The street markets have a decreasing market share of only a few per cent in most countries.

## Catering:

The catering channel includes restaurants, hotels, business catering and hospitals. These organisations usually procure fresh fruit and vegetables from local wholesalers. The catering channel has an estimated market share of about 10–15% for fruit and about 20% for vegetables.

## E-commerce/online concepts:

E-commerce is growing in Europe, especially on northern European markets, where online shopping has become an integral part of society. Supermarkets are experimenting with home delivery of fresh products and new, independent concepts are emerging (for example, food boxes with recipes). Examples include [HelloFresh](#) and Gousto.



## 4) What requirements should Fresh Fruit or Vegetables comply with to be allowed on the European market?

Europe is very demanding about food safety, which is why dealing with fresh agricultural products is subject to various legal and other buyer requirements. But there are also opportunities to distinguish yourself by applying additional or niche market quality standards. This document provides an overview of the most common requirements and standards, as well as the specific requirements that apply to niche markets such as organic or fair trade fruit and vegetables.

1. [With which legal and non-legal requirements must my product comply?](#)
2. [Which additional requirements are buyers likely to impose?](#)
3. [What are the requirements for niche markets?](#)

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### 1 . With which legal and non-legal requirements must my product comply?

When exporting fresh fruit and vegetables to Europe you have to comply with the following requirements. For a full list of requirements, please consult the [EU Trade Helpdesk](#) where you can select your specific product code under chapters 07 and 08.

#### **Limited use of pesticides:**

To avoid health and environmental damage, the European Union has set maximum residue levels (MRLs) for pesticides in and on food products. Products containing more pesticides than allowed will be withdrawn from the European market.

Note that buyers in several Member States such as the United Kingdom, Germany, The Netherlands and Austria, use MRLs which are stricter than the MRLs laid down in European legislation.

Supermarket chains are the strictest and demand 33 to 70% of the legal MRL.

More and more buyers ask for upfront information about your pesticide spray programmes and records. Shipments are checked before it is sent to the retailer. Pesticide management takes a lot of responsibility from your part as a producer or exporter.

#### **Tips:**

- Use the [EU Pesticide Database](#) to find out the MRLs that are relevant for your products. You can select your product or a pesticide and the database shows the list of associated MRLs.



- Apply [integrated pest management](#) (IPM) to reduce the amount of pesticides. IPM is an

agricultural pest control strategy, which is also part of a [GlobalGAP](#) certification. It uses natural control practices such as the application of pests' natural enemies. The fewer chemicals you use, the better your marketing position will be for export to Europe.

- Always check if your buyers have additional requirements on MRLs and pesticide use.

### **Control of food imported to the EU:**

To ensure food safety and avoid environmental damage, the European Union has restricted the use of certain chemicals (MRLs) in several Regulations and Directives. Therefore, your products will be subjected to official controls. These controls are carried out to ensure that all foods marketed in the European market are safe and in compliance with all applicable regulatory requirements.

There are three types of checks:

- a) Documentary checks
- b) Identity checks
- c) Physical checks

In the event of repeated non-compliance of specific products originating from particular countries, the European Union can decide to carry out controls at an increased level or to lay down emergency measures. Controls can be carried out at all stages of import and marketing in Europe. However, most checks are done at the points of entry.

For importers of fresh fruit and vegetables, the [traceability of products](#) is compulsory. To fulfil this obligation, European importers will require you to provide proof of the origin of all fruits and vegetables with a Bill of Lading, phytosanitary certificate, packing list and custom documentation.

### **Tips:**

- Familiarise yourself with the procedures. Failure to follow the right procedures could cause decrease and delay of orders, increase costs, and result in actions by European enforcement authorities.
- Make sure that the accompanying documents (such as bill of lading) correspond exactly with the food products contained in the consignment, including indicated volumes, classes and sizes, number of pallets and boxes and the names of growers.
- Check [the documents needed for customs clearance](#) in the European Union.



## Marketing standards:

European legislation sets general and specific [marketing standards](#) for the minimum quality and the minimum maturity of all fresh fruit and vegetables.

There are specific marketing standards (MS) for the fresh fruit and vegetables listed below. These products must be accompanied with a certificate of conformity with each consignment. These certificates can be issued by the European control bodies and in some cases in the country of origin. A sample [certificate of conformity](#) can be found on page 115 in Annex III to EU Regulation No 543/2011.

- apples
- citrus fruit
- kiwi fruit
- lettuce peaches
- nectarines
- pears
- strawberries
- sweet peppers
- table grapes
- tomatoes

Fresh products that are not covered by a specific marketing standard have to comply with:

- the [general marketing standards](#) (GMS) in the Annex I part A of EU Regulation No 543/2011; or, the
- [applicable UNECE standard](#) (sometimes less strict than the EU standard).

Operators are free to choose which to use.

Imports of products intended for processing are not subject to compliance with the EU marketing standards. However, these must be clearly marked by the pack with the words "intended for processing" or other equivalent wording.

## Tips:

- Check which standards are applicable to your product and make sure your products and the necessary documentation are in order. By filling in your export details at the [EU Trade Helpdesk](#) (product codes in chapter 7 or 8) you can find the contact details of the official authorities by following the link on marketing standards.
- Check out the [Codex Alimentarius](#) published by the Food and Agriculture Organization (FAO) with marketing standards for fresh fruits and vegetables.

## Labelling and packaging:

Food placed on the EU market must meet the legislation on food labelling.

Cartons of fresh fruit or vegetables must mention the following particulars:



- The name and the address of the packer or the dispatchers
- The name of the produce (if the produce is not visible from the outside of the packaging) The
- country of origin
- The class and size (referring to the marketing standards)
- Lot number for traceability or GG number if certified GlobalGAP (recommended) Official control mark to replace name and address of the packer (optional).

For consumer and pre-packed fresh products you must add the name and the address of a seller established within the European Union with the mention 'Packed for:' or an equivalent mention.

Note that there is also non product specific legislation on [packaging](#) and [liability](#) that apply to all goods marketed in the EU.

### Tips:

- Make sure that all mandatory information is mentioned, but also think of other useful information such as logos of importers or certificates.
- For pre-packed fruit and vegetables for consumers, read the full regulation concerning [labelling for foodstuffs](#) at the EU Export Helpdesk.

### **Plant Health:**

Fruit and vegetables exported to the European Union must comply with European legislation on plant health. The European Union has laid down [phytosanitary requirements](#) to prevent introduction and spread of organisms harmful to plants and plant products in Europe. These requirements are managed by the competent food safety authorities in the importing and exporting countries.

### Tips:

- Verify with the [National Plant Protection Organisation](#) or food safety authority in your country if and under which conditions you can export fresh fruit and vegetables to Europe. These authorities normally work with international standards, but always check with your buyer as well.
- Read more about [plant health at the EU Trade Helpdesk](#). A model phytosanitary certificate can be found through [Annex VII](#) (p.170) of the Plant Health Directive.

### **Contaminants:**

Contaminants are substances that have not been intentionally added to food, but may be present as a result of the various stages of its production, packaging, transport or holding. To avoid negative impact on the quality of food and risks to human health, the European Union has set limits for several contaminants. Especially the limits for nitrate (in spinach and lettuce) and metals (cadmium, lead, mercury and inorganic tin) are relevant for fresh fruit and vegetables.



## **Tips:**

- Find the [maximum contaminant levels in the annex of Regulation \(EC\) 1881/2006](#). Check if your food product is included in one of the product groups. Be aware that the particular product may not be mentioned specifically but can be included in a product group. For instance, mango may not be found, but fruit can.
- Find out more about prevention and reduction of lead contamination in the [Code of Practice](#) published by the Codex Alimentarius.
- Check the European Commission's factsheet on food contaminants: "[Managing food contaminants: how the EU ensures that our food is safe](#)".
- Read more about contaminants on the [website of the European Commission](#).

## **2 .Which additional requirements are buyers likely to impose?**

European buyers often have specific requirements, depending upon their sales channels and product segments. Common buyer requirements include the following:

### **Certification as guarantee:**

As food safety is a top priority in all European food sectors, you can expect most buyers to request extra guarantees from you in the form of a certification. Many buyers (for example traders, food processors, retailers) require the implementation of a food safety management system based on Hazard Analysis and Critical Control Point ([HACCP](#)).

The most commonly requested food safety certification scheme, essential for exporting fresh produce to Europe, is [GLOBALG.A.P.](#) This is a pre-farm-gate standard that covers the whole agricultural production process, from before the plant is in the ground to the non-processed product (processing not covered). GLOBALG.A.P. has become a minimum standard for most European supermarkets.

In addition to GLOBALG.A.P., other food safety management systems can be required as well. Almost all buyers on the North-Western European market will require you to comply with the British Retail Consortium ([BRC global standards](#)), which are widely applied as a standard for hygiene and safety. On the European mainland, buyers sometimes require you to comply with the [IFS food standard](#), Safe Quality Food ([SQF](#)) programme, [FSSC22000](#) or other industry-developed standards.

All the mentioned management systems are recognized by the [Global Food Safety Initiative \(GFSI\)](#), which means that they are generally accepted by the major retailers. Compliance with certification schemes varies between countries, trade channels and market situations. Buyers can be more lenient during supply shortages.





## Tips:

- Read more on the different Food Safety Management Systems and hygiene standards at the [Standards Map](#) or consult the [Global Food Safety Initiative \(GFSI\)](#). It contains a [benchmark](#) for relevant additional standards.
- Become familiar with [GLOBALG.A.P.](#) as your EU market entry preparation is likely to include GLOBALG.A.P. certification.
- Check with your buyer about their preferred food safety management system and certification as these are often buyer specific.

## Quality specifications:

Quality is integrated in food safety requirements and marketing standards. At the same time, buyers use their own specific quality specifications. The importance of quality is not to be underestimated. There are many claims from buyers on quality of fresh fruit and vegetables because they are perishable products. In this fast moving and perishable market 'sudden' decisions are taken, such as 'dumping' your products at very low prices when quality starts to deteriorate.

The standards that are most widely used by EU importers and traders are those developed by the [United Nations Economic Commission for Europe \(UNECE\)](#) and the [Codex Alimentarius Commission \(CAC\)](#). Note that these standards remain subject to legally required [marketing standards](#).

## Tips:

- Agree with your buyer on important topics:
  - Delivery and payment terms
  - Specifications
  - The certification scheme(s) that will be used
- Be on top of quality! If you are not sure, do not send your products, but rather look for (local) alternatives. If you decide to ship your products anyway, be transparent about the quality and discuss this on beforehand with your buyer.

## 3 .What are the requirements for niche markets?

In addition to the official and common requirements, specific requirements apply to niche markets such as organic or fair trade fruit and vegetables.



## Social and environmental compliance:

There is growing attention for the social and environmental conditions in the producing areas. Most European buyers have a code of conduct which they will expect you to adhere to. For most fresh fruit and vegetables social compliance is important, although product quality is top priority.

Initiatives and attention relating to Corporate Social Responsibility (CSR) vary across the various parts of Europe. In the Eastern part of Europe, fewer buyers require social compliance, while in Western Europe some multinationals even have their own codes of conduct. Examples include Unilever's [Sustainable Agriculture Code](#) and [Tesco's nurture](#) accreditation.

Buyer initiatives which have an impact on you as a supplier in terms of social compliance include:

- the [Ethical Trading Initiative](#) (ETI) in the UK the [Business Social Compliance Initiative](#) (BSCI) in North-Western Europe.
- the [Global Social Compliance Programme](#) (GSCP), which provides reference and self-assessment tools the [IDH Sustainable Trade Initiative](#) has a Fresh & Ingredients program with the aim to increase imports of sustainably produced crops with 25% by 2020 (against the 2016 baseline).
- [Sedex](#), a non-profit membership organisation to evaluate and manage your performance around labour rights, health & safety, the environment and business ethics.

Examples of social or sustainable labels for fresh fruit and vegetables are:

- [GRASP](#)
- [Fair for Life](#)
- [Fairtrade](#)
- [Rainforest Alliance](#) / [UTZ](#) (as part of the Sustainable Agriculture Network)

Fair Trade labels are not on the top of the list of buyers because of the complex requirements and high costs. GRASP, which is part of GlobalGap, is more accessible and gaining in importance.

## Tips:

- Consult the [ITC Standards Map](#) for the different labels and to learn about differences between fair-trade labels.
- Check your company's current performances. For example by doing a self-assessment on the [BSCI website](#) (search for "self assessment").
- Check with your buyer which social protocol they request. If you choose to certify your production with fair trade label, find a specialised European buyer who is familiar with these products.



## Organic, a growing niche market:

An increasing number of European consumers prefer food products that are produced and processed using natural methods. Organic fruit and vegetables have a higher cost of production, but are also better valued on the European market.

To market organic products in the European Union, you have to use organic production methods, which are laid down in [EU legislation](#).

Furthermore, you have to use these production methods for at least two years before you can market the fruits and vegetables as organic.

You (or your importer) must apply for an import authorization from EU organic control bodies. After being audited by an accredited certifier, you may put the EU organic logo on your products, as well as the logo of the standard holder, for example [Soil Association](#) (especially relevant in the UK), [Naturland](#) (Germany) or [BioSuisse](#) (Switzerland). Each standard is slightly different, but they all comply with the EU legislation on organic production and labelling.

## Tips:

- Assess the organic market potential for your specific product. Inform yourself well, because implementing organic production and becoming certified can be expensive and time-consuming.
- Find importers that specialise in organics through trade fairs such as [Biofach](#) or [Fruit Logistica](#) and company directories such as the International directory of organic food wholesale & supply companies ([Organic-bio](#)) and the International Trade Centre ([ITC](#)). Organic importers often play an active role in advisory and guidance of producers.
- Read more about organic farming on an informative website of the [European Commission on organic farming](#).

## New legislation for organic:

The European Commission made a [proposal for a new organic legislation](#) in 2014, but it is not clear into what extent it has been actually implemented. Part of the objective is to simplify the old organic legislation and improve electronic certification systems. This would also benefit the consumer confidence in organics through better traceability, reduced fraud, less administrative burden and availability of statistics on organic import.

In general, organic regulation and testing are expected to become stricter. Traces of unauthorized substances can result in a direct withdrawal of an organic certification. According to IFOAM EU this will be a concern for exporters and producers from “[developing countries with completely different meteorological, environmental and structural conditions comply with the rules made for European conditions](#)”.



There is also some criticism from the [Organic Research Centre](#). They argue that the details and consequences of the harmonization of the legislation are not worked out sufficiently.

### **Tip:**

- Find more information on the new proposal for organic farming in the press release and [frequently asked questions](#).

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## **8 Tips for Doing Business with European Buyers of Fresh Fruit and Vegetables**

The European fresh fruit and vegetables sector is a dynamic world full of opportunities. However, it is also a complex and highly professional world, with requirements and expectations you will need to comply with to be successful. These tips for exporters from developing countries will help you prepare yourself for doing business in Europe.

1. **Ensure quality above all else**
2. **Implement food safety protocols and certification**
3. **Match supply with demand**
4. **Sustainability is becoming a key requirement**
5. **Provide reliability and continuity**
6. **Optimise communication and timing**
7. **Provide logistics solutions**
8. **Offer clear and workable agreements**

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### **1. Ensure quality above all else:**

Quality is your top priority in this sector. Anything less than the best quality, is simply not good enough.

To monitor quality, there are European quality and marketing standards that your products have to comply with. On top of these, each buyer has his/her own specific quality requirements and expectations.



Quality requirements are not open for discussion!

### Tips:

- Make quality your top priority. Anything less than the best, is simply not good enough.
- Study and implement [European quality and marketing standards](#).
- Don't overlook a buyer's additional quality requirements.

## 2. Implement food safety protocols and certification:

A minimum requirement for doing business with European buyers is [GlobalG.A.P.](#) certification. Your products and processes must therefore be certified. It is also vital that you comply with the European Union (EU) food safety laws and standards as described by the [EU Export Help](#).

On top of this, retail organisations, especially in Northern Europe, have additional demands with respect to the maximum residue levels allowed on products. The levels demanded by retail organisations are in fact much stricter than the European food safety law requires. They are also stricter than the certification from GlobalG.A.P. requires. Chemical spray programs and records will be demanded next to the GlobalG.A.P. certification.

Next to the GlobalGap food safety protocol, there are also buyer requirements for hygiene in the processing and packaging. [HACCP \(Hazard Analysis and Critical Control Point\)](#) certification is a minimum requirement.

Many European supermarkets call for compliance with BRC Standards from the [British Retail Consortium](#) (BRC). There are other certification bodies and international protocols like those from the [IFS \(International Featured Standard\)](#)s).

### Tips:

- Check the requirements well with your potential buyer. Keep in mind that most retail organisations have their own, stricter requirements for food safety.
- Work with your agronomist and GlobalGap consultant on production methods lowering the use of chemicals. (IPM)
- Get certified. [GlobalG.A.P. certification](#) is a minimum requirement for doing business with European buyers.
- Acquire HACCP as a minimum standard for hygiene if your company is involved in processing and packaging.



- Consider extra hygiene certifications: [BRC \(British Retail Consortium\) audits and certifies hygiene and quality protocols commonly required](#) by European supermarkets. IFS may be an alternative.
- Read the CBI survey on [buyer requirements](#) for an overview of essential buyer requirements.

### 3. [Match supply with demand:](#)

Whether or not you are a producer or an exporter, you will need to find buyers that demand the quantities you can supply. It makes no sense to approach a buyer who is looking for 200 tons of a product per week, when you can only supply 10 tons. Similarly, if you can produce or supply large quantities, it makes no sense to approach small, niche importers.

Always verify your available volume of exportable quality product, and then find a buyer to match.

In this sector, volumes are considered bulk when they reach at least one container per week in exportable quality and condition during a production season.

In terms of smaller exotics which can be air freighted, you need to be able to produce or supply a minimum workable volume per week.

#### [Tips:](#)

- Find buyers that demand the quantities you can supply.
  - If your products fall into the exotics category, look for specialistic importers trading in these kind of products and check what the minimum workable volume per week is for them.
- See also the CBI survey on [how to find buyers in the European fresh fruit and vegetable sector](#).

### 4. [Sustainability is becoming a key requirement:](#)

Sustainability is becoming a key requirement and is demanded by consumers and retailers across Europe. This is because consumers have become more aware about the origins of the products they buy. They are concerned about the environment, the social circumstances, labour rights, fair trading practices and the general wellbeing of the people and places products are produced in.

In turn, supermarkets have sharpened sustainability requirements in their sourcing and procurement. By doing so, they hope to mitigate these concerns, improve working conditions and protect the environment.



Major buyers demand compliance with sustainability protocols. There are currently a number of sustainability protocols and systems available such as the Ethical Trading Initiative (ETI), the Business Social Compliance Initiative (BSCI), the Supplier Ethical Data Exchange (SEDEX), the GlobalG.A.P. Risk Assessment on Social Practice (GRASP), Fair for Life and Fair Trade for you to comply with. It is expected that these will be refined in the future and consolidated into only a few major protocols.

Especially the Northern European supermarkets increased their demands for social compliance; without one of the social protocols it is almost impossible to come into business with them.

You are advised to implement one of these sustainability protocols.

### **Tips:**

- Research and implement a sustainability protocol, for example: [ETI](#), [BSCI](#), [SEDEX](#), [GRASP](#), [Fair for Life](#) and [Fair Trade](#).
- Read the CBI survey on [buyer requirements](#) for an overview of additional market standards.

## **5. Provide reliability and continuity:**

The competition in this sector may be fierce, but buyers are not eager to hop around from supplier to supplier. They want to build reliable partnerships with trustworthy suppliers, and provide continuity for their businesses.

This means that you must always respect the agreements you make with buyers. Only so called 'acts of God' (for instance floods, hail storms, drought, etc.) are acceptable reasons for a breach or deviation of an agreement. Poor planning or other management errors on the other hand, are unacceptable.

Plan your production, buying of inputs, packaging materials, your processing, logistics et cetera, very thoroughly.

### **Tips:**

- Never promise more than you can fulfill: European buyers want to build reliable partnerships with trustworthy suppliers.
- Always respect the agreements you make with buyers.
- Plan your production, buying of inputs, packaging materials, your processing, logistics, etc., very thoroughly.



## 6. Optimise communication and timing:

Generally speaking, the business communication in the world of fresh fruit and vegetables is straightforward, short and direct. Buyers have little patience for unnecessary communication, so you need to be clear and to the point. You must not leave any room for interpretation or doubt.

A European buyer expects you to be available according to his/her timezone. They will make some allowance for time differences, but make sure you are working to their business operating hours.

Buyers will expect you to answer emails (and any other types of messages) the same working day. This calls for good internet access.

Communicate in good times and in bad times. Do not hide from delivering bad news. If something goes wrong, communicate this with the buyer directly. Then look for possible solutions together and discuss the consequences openly.

### Tips:

- Maintain excellent and direct communications. Business communication in the world of fresh fruit and vegetables is straightforward, short and direct.
- Europeans have many different communication styles. Read this overview provided by [Passport to Trade 2.0](#) for insights into the different business cultures across Europe.
- Communication must be clear and to the point.
- Answer emails (and any other types of messages) the same working day.
- Work to the buyer's timezone as much as possible.

Communicate in good times and in bad. Do not hide from delivering bad news. If something goes wrong, communicate this with the buyer directly and openly.

## 7. Provide logistics solutions:

Some buyers are willing to pay the freight costs. However, they will expect you to find out the best transit schedules and the best rates. You are also responsible for the correct documentation for exporting to Europe.

Working with a good logistics agent and freight forwarder will help you to provide the best logistics solutions, and make sure you have the correct documents that have been drawn up by experts.

### Tips:





- Provide your buyers with freight rates, transit times and arrival schedules so s/he can calculate the costs and plan further trade.
- Find the best transit schedules and the best rates.
- Work with a good logistics agent and freight forwarder.
- Make sure you have the correct documentation drawn up by experts.

## 8. Offer clear and workable agreements:

When you find an interested buyer, make sure your offer them clear, complete and workable agreements. Be very concise about what you offer and include information on: product, variety, sizes/counts, volume, certification, season, packaging, boxes per pallet/container, etcetera.

Cash and credit are important working tools for your buyers. Expect attempts to push the payment deadlines or payments right at the very last moment. It is therefore very important to make sure the terms of your agreements are clear and include Inco terms, trading and payment terms.

### Tips:

- Your agreements must be clear and comprehensive.
  - Include Inco terms, trading and payment terms.
- Expect attempts to push the payment deadlines or payments right at the very last moment. Make sure you maintain flexibility in your financial position.
- Be strict on your agreed terms and communicate in time in case of non-compliance in order to find solutions with your client.

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## 8 Tips for Finding Buyers on the European Fresh Fruit and Vegetables Market

On average about 75% of all fresh fruit and vegetables in Europe is sold by supermarkets. The supermarket share is even higher in Northern and Western Europe, but lower in Southern European countries.

1. Be professional and well prepared
2. Contact your local business support organisations



3. [Use online catalogues](#)
4. [Visit trade fairs](#)
5. [Use online platforms for information and promotion](#)
6. [Participate in European support programmes](#)
7. [Comply with buyers' demands and requirements](#)
8. [Be careful who you do business with](#)

The vast majority of these supermarkets belong to retail chains, which buy their produce from a decreasing number of importers. Simultaneously, their demands and requirements continue to increase. This makes your job of finding (and keeping) a buyer, a difficult one. Follow these tips to help you find your potential buyers.

1. [Be professional and well prepared:](#)

The European fresh fruit and vegetables sector is a dynamic sector that is full of new opportunities. When looking for potential buyers, you need to be well prepared. Know your strengths and weaknesses. Make sure you know your potential buyers before you contact them. Moreover, doing business in Europe requires a pro-active attitude. You need to be professional and do your best to comply with their demands. Your buyer will expect good communication skills and prompt response. European buyers expect clear and direct communication 24/7. Buyers also want to know more about your business; an informative website can be of help.

### [Tips:](#)

- Develop good communication and language skills and be proactive.
- Do market research for your products, markets and channels, make use the following CBI sector studies:
  - [Channels and segments](#)
  - [Information about specific products](#)
  - [How to do business in the European fresh fruit and vegetables sector.](#)
  - [Buyer requirements survey for an overview of market standards.](#)
- Use market studies from business support organisations in your country.
- Make sure to have an attractive and up-to-date website. Use your website to communicate about your assortment, certifications, good agricultural practices and international service.



## 2. Contact your local business support organisations:

Business support organisations in your home country will be able to provide you with relevant information about your sector. Some will also be able to give you information on your target market in Europe.

Examples of business support organisations are export associations or trade promotion agencies such as [Vietrade](#), [ASEPEX](#) (Senegal) [PromPeru](#), [ProColombia](#), [ProEcuador](#), [Agexport](#) (Guatemala)

### Tips:

- Contact business support organisations in your home country.
- Request access to databases of buyers in Europe.
- Study relevant sector information published by business support organizations.

## 3. Use online catalogues:

A good source of information about professional importers in Europe, are online exhibitor catalogues. These are published by trade fairs all over the world. The main trade fairs in the fresh fruit and vegetable sector are: Fruit Logistica in Berlin, Germany, and Fruit Attraction in Madrid, Spain.

These online catalogues have search engines which you can use to find buyers per product or product group. They offer relevant information such as buyers' websites and contact details.

### Tips:

- Look for importers participating in major trade fairs. They are generally the bigger and more professional companies worth targeting.
- Look for the online exhibitor catalogues of major trade fairs like: [Fruit Logistica](#) in Berlin, Germany and [Fruit Attraction](#) in Madrid, Spain.
- Search by product or by productgroup.
- Save relevant information such as websites and contact details and build a database with useful buyer contacts.
- Visit the relevant companies at the trade fair or make contact via email or telephone.



#### 4. Visit trade fairs:

Visit trade fairs such as Fruit Logistica in Berlin, and Fruit Attraction in Madrid, or other fairs in Paris, London and Warsaw. This will give you the opportunity to have direct contact with the various importers.

It is also a great opportunity to find background information on your new target market(s) and present your company directly to your potential customers.

This clearly means you will be making costs. However, you will find a large concentration of relevant prospects in one place. This makes it well worth the investment.

#### Tips:

- Find out if there are trade fairs or match-making events in your country that host international buyers/visitors.
- Visit trade fairs such as [Fruit Logistica](#) in Berlin, and [Fruit Attraction](#) in Madrid, or other fairs such as the [London Produce Show](#).

#### 5. Use online platforms for information and promotion:

Online platforms are good sources of information about buyers, markets as well as other companies in the fresh fruit and vegetable sector. This makes them the ideal place for promoting your own company.

Search for the following platforms online, for example:

[Freshplaza.com](#) (English) and [Freshplaza.es](#) (Spanish) – a news site for fresh produce

[Freshfruitportal.com](#) – a news site for fresh produce in English and Spanish.

[Organic-bio.com](#) – a company database for organic products

[Rungismarket.com](#) – a large wholesale / import market in Paris, France

[Mercamadrid.es](#) – a large wholesale / import market in Madrid, Spain

[Mercabarna.es](#) - a large wholesale / import market in Barcelona, Spain

[Fruitrop.com](#) - Market news site

The sector's news sites are updated daily. They also publish stories about specific companies throughout the sector, producers, exporters, importers, and more. The websites often have search engines and the information is divided into subsectors. This provides easy access to relevant information about importers.



## Tips:

- Promote your company with a free publicity article on the mentioned online platforms.
- Source information about buyers, markets and other companies in the sector.
- Keep up to date with sector news.

## 6. Participate in European support programmes

There are organisations in Europe that help exporters from overseas with support programmes and or databases. In addition to an extensive range of market studies, the [Centre for the Promotion of Imports from developing countries \(CBI\)](#) in the Netherlands offers export coaching programmes that help you to access the European market. The Swiss Import Promotion Programme ([SIPPO](#)) and the German [Import Promotion Desk](#) (IPD) have similar programmes and can also help you to get in contact with European importers.

## Tips:

- Contact export promotion agencies like of [Sippo](#), [IPD](#) and the [CBI](#).
- Apply to join export support programmes in Europe that help companies from overseas.

## 7. Comply with buyers' demands and requirements

The number of potential buyers in the European fresh fruit and vegetable sector is diminishing. There is a concentration of buyers who supply fresh fruit and vegetables to European supermarkets. In order to keep them as buyers, you need to comply with their demands.

## Tips:

- Have a look at the CBI [buyer requirements study for an overview of market standards](#).
- Read our CBI study on [how to do business in the European fresh fruit and vegetables sector](#).

## 8. Be careful who you do business with

Many European companies in the fresh fruits and vegetables sector showed poor results in recent years due to economic decline (numerous economic crises). There is a reduction in the number of



relevant distributing importers, and an increasing concentration of large retail chains with strong buying power. This concentration of buying power, combined with the Russian ban on agricultural products imports from the European Union (EU), has affected the rest of the supply chain, putting pressure on both importers and foreign suppliers.

As a result, it is a good idea to find out how financially sound and reliable a buyer is, before doing business with them.

### **Tips:**

- Be careful about who you choose to do business with. Ask around what other people in your sector know about a specific company.
- Choose companies that are reliable and financially sound.
- Study market trends and economic developments at market news platforms such as:  
[Freshplaza.com](https://www.freshplaza.com) (English) and [Freshplaza.es](https://www.freshplaza.es) (Spanish) and [Fruitrop Online](https://www.fruitrop.com).
- Credit insurance companies and local chambers of commerce may have information, make use of them.