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processed fruit and vegetables and edible nuts to Europe

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For exporters from developing countries there are interesting opportunities on the European processed fruit and vegetables and edible nuts market. On this page you can find information that will help you get processed fruit and vegetables or edible nuts 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) Which requirements should your product comply with?

- ## Tips

- 10 tips to do business
- 10 tips to find buyers

1) What competition do you face?

Competition is fierce on the European market, and you will need a clear strategy in order to enter it successfully.

Find out in the studies below what competition you face on the European market for processed fruit and vegetables and edible nuts.

a) What competition do you face on the European market for edible nuts and dried fruit?

b) What competition do you face on the European processed fruits and vegetables market?

c) Through what channels can you get edible nuts and dried fruit onto the European market?

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a) What competition do you face on the European market for edible nuts and dried fruit?

To be competitive on the European market, a first step would be to implement food safety systems. Investing in new processing technologies, which will result in high-quality products and the preservation of all functional ingredients, can be the next step to success when competing with substitute products.

- **What are the opportunities and barriers when I try to enter the market?**
- **What are substitute products?**
- **How much power do I have as a supplier when negotiating with buyers?**
- **Who are my rivals?.**

- **What are the opportunities and barriers when I try to enter the market?**

Food safety certification is already a must:

Due to complex challenges in today's food supply chain, almost all food retailers request a food safety certification scheme. There are currently more than 200 different certification schemes for fruit and vegetables sector in the European Union. The preferred and most widely recognised certification schemes in the sector of dried fruit and edible nuts are BRC, FSSC 22000, IFS and SQF certification.

CSR is slowly integrated with product quality and safety requirements:

Corporate social responsibility (CSR) is slowly integrated with product quality requirements. In the long-term foresights, suppliers of food safety and CSR certification will dominate the market because importers will not have a lot of time to find new suppliers or money to invest in their codes of practice. This process means that already certified companies will be more easily selected as a supplier, which could lead to more business for a smaller number of suppliers.

Tips:

- **Introduce Hazard Analysis and Critical Control Points (HACCP) system into your daily practice. Even if HACCP is not obligatory in your country, you must comply with European food safety regulations. It is highly recommended to go one step further and certify your production with the latest versions of internationally recognised standards such as FSSC 22000, BRC or IFS. Invest in a certificate that is commonly requested by importers in your target market.**

- **For more information on legislative and buyers requirements, read our study of European buyer requirements for processed fruit and vegetables.**

- **For tariff levels that apply to your country and your competitors, use ITC's Market Access Map.**

- **Do regular contaminants checks on products before exporting. Carefully check with the European importer that the laboratory sampling of your products is accredited and recognised by the European authorities and buyers. Being recognised as a mycotoxin-free company is a great advantage, not only for your company but for the whole country.**

- **Ensure that official controls in your country include verification of compliance with hygiene requirements at least equivalent to the European regulations.**

- **Certain systems for sustainable standards/certification can help you to enter the European market. It is recommended to improve your competitiveness by becoming CSR certified through one of the certification schemes such as Fairtrade, SMETA and BSCI or ISO 26000, especially if your product is aimed for repacking and reaches retail buyers. You can negotiate with your target buyers to co-finance a CSR scheme for long-term cooperation.**

- **What are substitute products?**

Chips and baked savoury snacks remain strong competitors to nuts and dried fruit:

The snack industry in Europe is dominated by potato chips. The largest market for savoury snacks within Europe is in the United Kingdom, which is estimated to be worth around € 4.1 billion. The largest markets for potato chips, crisps, savoury snacks and snack nuts per capita are the United Kingdom, the Netherlands, Norway and Spain. The consumption of savoury snacks across Europe varies from country to country, but an average of around 3.6 kg is purchased per year per capita.

Private-label products are beating branded products:

Although consumers are searching for cheaper products, some of the packers have a “dual-track” strategy and operate in both the private-label and the branded segment. Moreover, many retailers offer opportunities for buying unpacked dried fruit and nuts.

Fresh fruit is a strong competitor to dried fruit:

Dried fruit as a sweet snack is usually consumed between the main meals. There are many national campaigns to encourage the consumption of several portions of fresh fruit and vegetables daily. Those campaigns are often supported by fresh fruit and vegetables companies.

Tips:

• Use the healthy food trend as your unique selling point. Promote dried fruit and edible nuts as healthy snacks in your offer, on your websites and via social networks. Nuts are often used in snacks, biscuits, chocolates and bakery products. The current market trend is “health”, as consumers look for alternatives to “unhealthy” products such as biscuits and savoury snacks made of potatoes or flour. Unprocessed nuts are often seen as healthy, so this niche market certainly has growth potential.

- **Advertise your dried fruit and edible nuts offer as natural and, if possible, free of additives.**
- **Invest in technologically improved drying and processing technology that can help your products to be**

perceived even as healthier. Try to eliminate by-products of baking and frying such as acrylamide, and use natural sugars such as fruit juice for the infusion of certain dried fruit instead of white sugar.

• See whether you can offer your products at a lower price. Since the costs of production in Europe are rising, consider using cheaper processing facilities at additional stages of production.

• Examine the performance of your products in the context of their sector (savoury snacks) and substitute products (for example, fresh fruit and vegetables). See whether your products are declining or increasing in sales and find out what caused the changes in sales.

- **How much power do I have as a supplier when negotiating with buyers?**

Buyer power Retail requirements are increasing:

The requirements set by the European retail are already high and will increase. Particular attention is paid to traceability and sustainable and responsible sourcing. Retail supplying companies, including the European processing industry, must provide detailed information on their sourcing. This fact means that exporters from developing countries must more effectively register where their products come from.

The European processing industry increasingly depends on dedicated suppliers:

The processing industry is always looking for ways to lower the costs of supply and processing. This situation means that there is a search for partnerships, joint ventures and even partly backward integration in order to ensure a constant quality and supply, which is needed for the end products.

There will be increased demand for sustainable food ingredients:

This development implies that items which are produced under good labour conditions or products which are organically produced or have a low CO2 footprint could increase in value. Such a situation is in line with the sustainability strategies that are being introduced by large companies. Their messages to the outside world inform the consumer and other parties that they are acting responsibly. This process means that they also expect such aspects from their suppliers and even their supplier's subcontractors.

Tips:

• Cooperate with other exporters in your country; join forces to export to the European market.

• Try to partner up with local importers in order to have the right equipment for processing and to meet the different requirements of European buyers.

• Investigate who the major buyers are and try to arrange long-term contracts with them for a constant supply of edible nuts or dried fruits. Use trading agents if your company is new on the European market and if your country is not well recognised as a supplier of a certain product.

- Be a reliable and professional partner within your partnership or joint venture. Be aware that buyers are demanding in their selection of partners; professionalism is a must.

- Invest in packaging equipment if you aim to supply to retail chains. With the possibility to offer different packing formats and produce recyclable packaging, you increase your chances of becoming a supplier to private-label brands of European retail chains

Supplier power Increasing bargaining power of suppliers for specific products:

The bargaining power of suppliers (farmers) towards exporters from developing countries is slowly increasing. Information is becoming more easily accessible to farmers thanks to modern communication tools such as smartphones and computers.

In general, the cyclical nature of raw material markets will continue and markets will change from being dominated by buyers to being dominated by sellers. In the long term, it is expected that some products will be insufficiently available. New land for production is sought after and farmers are gaining power.

The concentration of specific products in a small number of countries gives them a strong negotiation power; for example, hazelnuts and dried grapes from Turkey or almonds from the USA. As a result, any new product origin with high-quality produce has a good competitive position as a welcome alternative to the dominant players.

The demand from emerging economies puts Europe under pressure. People are becoming richer (including the development of a middle class in the BRICS and Next Eleven countries), leading to a higher demand for imports from developing countries. The growing global demand results in price increases.

Brazil is still facing a severe recession partly due to the fall in demand from China and the lower prices for raw materials. China itself is also experiencing weaker growth, while both imports and exports have been decreasing. Nevertheless, emerging markets offer you good opportunities in the medium term.

European eating patterns:

European eating patterns may change, which increases suppliers' bargaining power. The influence of different cultures (more "ethnic" restaurants) means that new dishes are eaten, some of which will contain nuts, as in the Asian cuisine. Although this part of the market will expand, it will probably not become mainstream. However, it could have an impact on nut consumption, as consumers may try the dishes at home as well. This situation will result in a higher demand and an improved position for exporters from developing countries.

Tips:

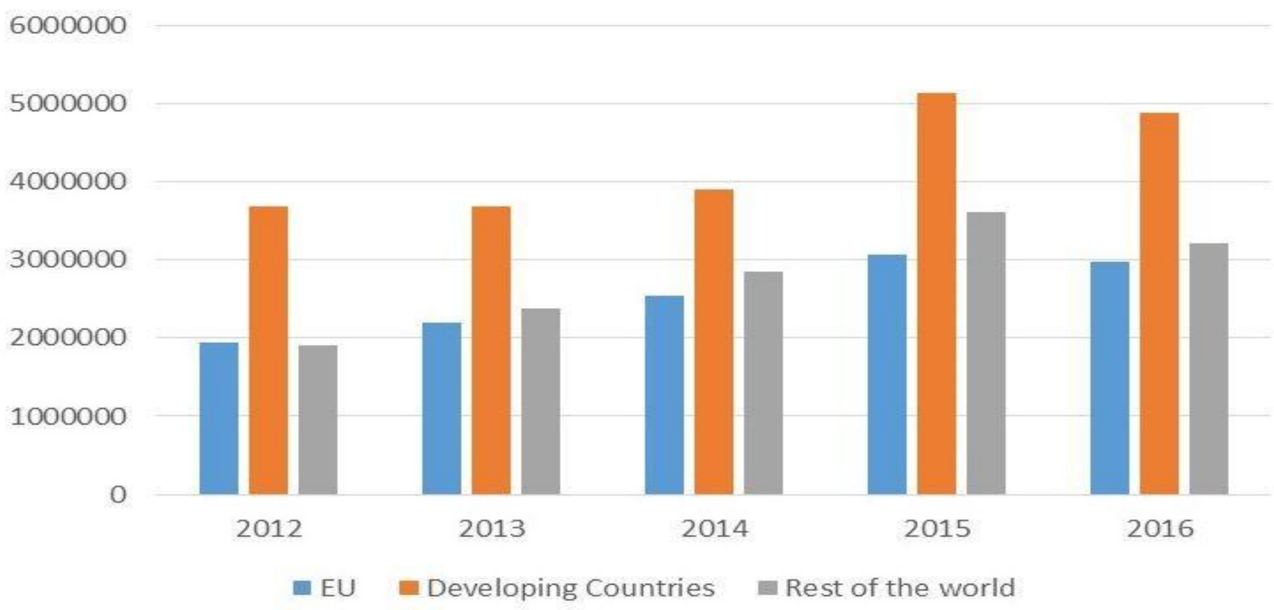
- Consider bundling your supply with other suppliers from developing countries, as European processors want to ensure the continuity of supply. Note that the European processing industry has some strong players.
- Eating patterns and dishes differ across Europe. Try to find out which kinds of nuts are eaten where and how. This information will determine your position in that specific market.
- Look at the worldwide demand to strengthen your position within the chain. The demand from emerging economies is putting pressure on the availability of ingredients for food manufacturers in Europe. This fact could strengthen your position.

- ## Who are my rivals?

Developing countries are losing a small part of the market share to competitors from the United States:

The total imports of edible nuts and dried fruit increased over the last several years. This growth is especially high within the edible nuts sector in the last year. However, the import growth rate in the last five years was higher from other developed countries (14%) than from developing countries (7%). This import structure is greatly influenced by the significant increase in imports of almonds from the USA.

Figure 1: European imports of dried fruits and edible nuts by main origin, 2012–2016, in k €



Source: ITC Trademap

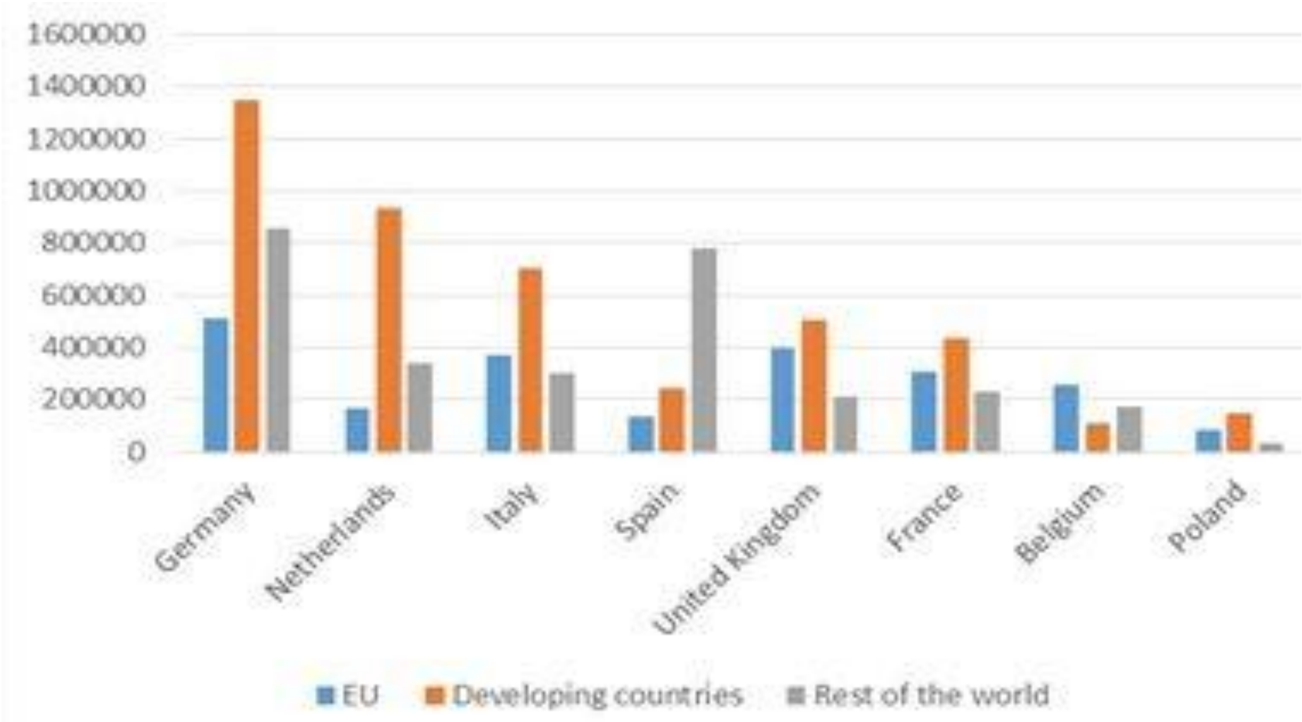
The European market for dried fruit and edible nuts is concentrated:

Over 70% of all the European imports of dried fruit and vegetables are represented by only four countries: Germany, the Netherlands, Italy and Spain. There are a number of well-established players (importers, agents and food manufacturers) in those countries. Dutch companies form the main European import hub for American and Asian countries.

All leading European importers of edible nuts and dried fruit have increased their imports and consumption. Italy and Spain noted the highest annual increase in rate of imports. In Italy, there was a high increase in import value of hazelnuts due to increasing prices from Turkey. Although Spain had a significant increase of almonds from the USA, the country imported fewer almonds in 2016 than in 2015.

The imports of edible nuts and dried fruit are led by suppliers from developing countries, with the exception of Spain, which is importing large quantities of almonds from the USA (Figure 2).

Figure 2: Main European importers of dried fruit and edible nuts, 2016, in k €



Source: ITC Trademap

New origins for edible nuts and dried fruit are appearing on the European market:

For edible nuts, your main competitors are the USA (almonds and to a lower extent walnuts), Turkey (hazelnuts) and Spain (almonds). For dried fruit, they are Turkey (dried grapes and dried apricots), China (dried vegetables and mushrooms) and the USA (dried grapes, prunes and cranberries). Strong competition for other products includes China (walnuts and pine nuts), Vietnam (Brazil nuts), Argentina (prunes), Chile (prunes and dried grapes) and the Philippines (desiccated coconuts).

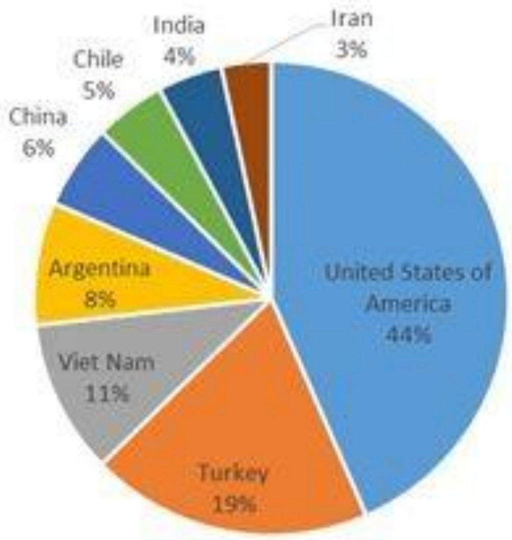
Among the leading suppliers, Vietnam (mainly cashew nuts), Australia (almonds and walnuts) and USA (almonds) note the highest annual growth. Several new supplying countries in the sector for dried fruit and edible nuts are also strengthening their position on the European market; for example, cashew nuts from

western African countries, Pakistan and Indonesia, groundnuts from Nicaragua, walnuts from eastern Europe or dried grapes from Iran and Uzbekistan.

Tariff rates vary and some countries benefit from preferential agreements:

Depending on your exporting country and the existing trade agreements with the European Union, applied tariff rates may differ when exporting to Europe.

Examples include walnuts with an applied tariff of 4% for China and 0% for the other main suppliers, hazelnuts (3.2% for the USA, 3% for Turkey and 0% for Chile and the other main suppliers), dried grapes (0% for Turkey and Chile, but 2.4% for the USA and Iran), dried apricots (0% for Turkey and Afghanistan, but 2.1% for Tajikistan and other GSP countries). In other cases, such as with desiccated coconuts, there is no difference in applied tariffs between countries. Figure 3: Leading external suppliers of dried fruit and edible nuts to Europe, 2015, in k €



Source: ITC Trademap

Tips:

- Continuously monitor the trade between Europe and competing countries. In the past years with low harvests in leading producing countries, European buyers looked for new alternatives. Some European importers even invest in new producing countries to secure a stable supply. In the long term, the production of dried fruit and vegetables and edible nuts may become less concentrated.

- Add value with substantiated health claims. The superfruit category is a new category where competition is not so fierce compared to mainstream products. You can use this opportunity and offer quality superfruits even if you are new to the market.

- Compare your offer to that of the largest European suppliers for specific products. Find out why certain products are imported from specific countries.

- Check the current import tariffs at the EU Export Helpdesk site. Choose “my export” and enter the CN code to find the import duties

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b) What competition do you face on the European processed fruits and vegetables market?

To be competitive on the European market for processed fruit and vegetables, the first step would be to implement food safety systems. Investment in new processing technologies, which will grant high quality products and preservation of all functional ingredients, can be a next step to success when competing with substitute products.

- What are the opportunities and barriers when I try to enter the market?
- What are substitute products?
- How much power do I have as a supplier, when negotiating with buyers?
- Who are my rivals?

- What are the opportunities and barriers when I try to enter the market?

Food safety certification is already a must:

As a response to health scares and risk aversion among the population, almost all food retailers request a food safety certification scheme. The preferred and widely recognised certification schemes in the sector of processed fruit and vegetables are BRC, FSSC 22000, IFS and SGF (for the juice industry).

High quality products with competitive pricing are just the first step for negotiation:

Offering high quality products and fruit and vegetable varieties that are appealing to the taste of European consumers are a prerequisite for negotiation with buyers. Even if your prices are competitive, be prepared to wait for a longer time before your first shipments. Usually European buyers test your products for some time in terms of quality, taste and shelf life before offering them to final buyers.

CSR is slowly integrating with product quality requirements:

In the long-term foresights, food safety and Corporate Social Responsibility (CSR) certified suppliers will dominate the market because importers will not have a lot of time to find new suppliers and money to invest in their codes of practice. This means that already certified companies will be more easily selected as a supplier. This could lead to more business with a smaller number of suppliers.

Innovation and modern technologies are driving the market:

Fruit and vegetable processors require from their ingredient suppliers the ability to deliver very different specifications of products in a short time. The number and variety of fruit and vegetable products available to the consumer has increased substantially in recent years. New technologies also offer a competitive advantage, such as heating (for example UHT, microwave, ohmic), pasteurising (like High Pressure Processing), freezing (for example cryogenic) or packing (like aseptic).

Tips:

- **For more information on legislative and buyers requests read our study on European Buyer Requirements for Processed Fruit and Vegetables.**
- **For tariff levels that apply to your country and your competitors use ITC's Market Access Map.**
- **Introduce a Hazard Analysis of Critical Control Point (HACCP) system into your daily practice. Even if in your country HACCP is not an obligation, you must comply with European food safety regulations. It is highly recommended to go one step further and certify your production with the latest versions of internationally recognised standards such as FSSC 22000, BRC or IFS.**
- **Do regular contaminant checks of products before exporting. Carefully check with the European importer that the laboratory sampling your products is accredited and recognised by the European authorities and buyers. Ensure that your country's official controls include verification of compliance with hygiene requirements at least equivalent to the European regulations.**
- **Consider investing in ethical and sustainability certification schemes, especially if your product is aimed for re-packing and reaching retail buyers. You can negotiate with your target buyers to mutually finance a certification scheme for long-term cooperation.**

- ## What are substitute products?

Fresh fruit and vegetables are the strongest competitor:

Major substitute products for frozen and canned fruits and vegetables are fresh fruits and vegetables. Although consumption of fresh fruit and vegetables has not increased significantly in recent years, the European authorities are supporting consumption through different initiatives such as availability of fresh fruit and vegetables at schools and working places. Similar initiatives are present in processed fruit and vegetables producers and traders associations.

Soft drinks and mineral water are defeating juices on the European market:

Fruit juice consumption has decreased in Europe due to high sugar content but on the other hand there is increased consumption of flavoured waters, energy drinks, coconut water and cider. Beverage producers market soft drinks as low sugar products, products with functional supplements or products that increase the daily intake of liquid necessary for hydration and maintaining good health.

Chocolate spreads and honey are competing with jams and marmalades:

Chocolate spreads are increasingly popular in Western Europe with highest projected sales in Belgium, Germany, Italy, Spain and the United Kingdom. Sweet spreads competitors market their products as containing no additives, vegetarian, organic, with low allergen contents, trans fats free, gluten free and with environmentally friendly packaging.

Locally produced fruit and vegetables are praised by final consumers:

Local produce is on the rise. A threat for developing country suppliers is posed by (processed) fruits and vegetables that can be produced in Europe itself. Processors prefer to buy locally, because of reduced transport costs and reduced carbon footprint. This complies with the growing sustainability market, where value is added to the product. Instead of competition on price, the product is positioned as 'good for people and planet'.

Cheaper alternatives:

Within the specific categories of processed fruit and vegetables there is high price competition. There is a number of cheaper products, such as nectars instead of 100% fruit juices, homogenous marmalades without visible pieces of fruit, fruit preparations and jams with decreased amounts of fruit and cheaper continental fruit in frozen and canned products as alternatives to superfruit or exotic fruit products.

Tips:

- **Investigate marketing strategies of substitute products. See what the trends are for your substitute products. Are they declining in sales or increasing and if so, why? Learn from producer organisations and advertise the special characteristics of your products. For example, quick frozen fruit and vegetables are marketed as having more nutrients than fresh fruit and vegetables, canned as more convenient to use, juices as a source of natural energy and healthier hydration than soft soda drinks and 100% fruit jams as healthier than chocolate spreads.**
- **Actively market from a known origin as a specialty to add value to your product.**

- **How much power do I have as a supplier, when negotiating with buyers?**

Buyer power:

Retail (supermarkets) will put more pressure on the price you ask through direct or indirect sourcing. This is because the retail market is characteristically focussed on price and volume sales in their own market. In addition, for industrial buyers of processed fruit and vegetables (food manufacturers), supply is mainly in bulk. This will put pressure on you to offer the cheapest possible prices. If you can supply a differentiated product, along the lines pointed out below, so you will have a better negotiating position.

Supply chains are shortening. More and more European processing companies and manufacturers seek control of their sourcing and try to accomplish this, for example, by buying plants in the countries of origin. A similar trend is also present in the fruit preparations industry.

Requirements of retailers and food manufacturers are increasing. Retail increasingly demands to show the consumer where their product comes from. 'The farmer should have a face.' Exporters from developing countries are slowly subjected to increasing pressure to know where their products come from, up to the farming level. An adequate registration system is needed for this level of transparency.

Demand for sustainable food ingredients will increase. This implies an added value for products that are produced under good labour conditions where fair wages are paid, that are organically produced, or that have a low CO2 footprint. These requirements are communicated to the European consumer and, therefore, also need to be true. As a consequence, sustainable exporters are increasingly preferred.

Buyers show increasing interest in contract growing and processing. The volatility of prices and volumes can be extremely high due to scarcity. To eliminate this volatility and to gain more control of traceability, buyers prefer reliable partners or even joint ventures. This is a long-term trend that affects your position. Think about your position and role in the chain and see where you can be of additional value.

Tips:

- **Read more about different types of buyers in our study on European Channels and Segments for Processed Fruit and Vegetables.**
- **Try to partner with importers to have the right equipment for processing and to meet the different requirements of European buyers.**
- **Find ways to demonstrate transparency in the supply chain, for example by building longterm relationships with European buyers, by having a good, 'authentic' story behind your product, and by ensuring that you have an information infrastructure within your company that can be easily shared when asked for.**
- **Try to find a sustainability initiative or a certification scheme that supports you in entering the European market. This initiative can help you optimise your business for the European market.**

- Transparency is very important for European buyers at the moment. As a service, you can be transparent in showing where the product comes from.
- Contract growing is a 'common' contract, in which farmers need to deliver a certain quantity of harvest at a certain time of year. This can be an opportunity to consider, since you can supply at fixed times in the year.
- Long-term contracts, partnerships, and joint ventures are all possibilities to gain a better position in the European market, even among other exporters, your direct competitors.

Note: buyers are critical in their selection of partners; professionalism is a must.

Supplier power

The bargaining power of suppliers from developing countries (farmers) towards European importers is slowly increasing. Information is becoming more easily accessible to farmers thanks to modern communication tools such as cell phones and computers. Prices of many raw materials have been in an upward trend for almost a decade, but in the last few years this trend has been reversed.

The current crisis in larger developing countries such as Brazil or Russia has put further pressure on raw material prices. In general, the cyclical nature of raw material markets will continue, and markets will change from being dominated by buyers to being dominated by sellers. In the long term, it is expected that sometimes products will not be sufficiently available.

Demand from emerging economies puts Europe under pressure. People are becoming richer (like the development of a middle class in the BRIC and Next Eleven countries), leading to more demand for imports from developing countries. Higher global demand results in price increases.

Regarding the situation in Brazil and China Brazil is still facing severe recession, partly due to the fall in demand from China and the lower prices for raw materials. China itself is also experiencing weaker growth and both imports and exports have been decreasing.

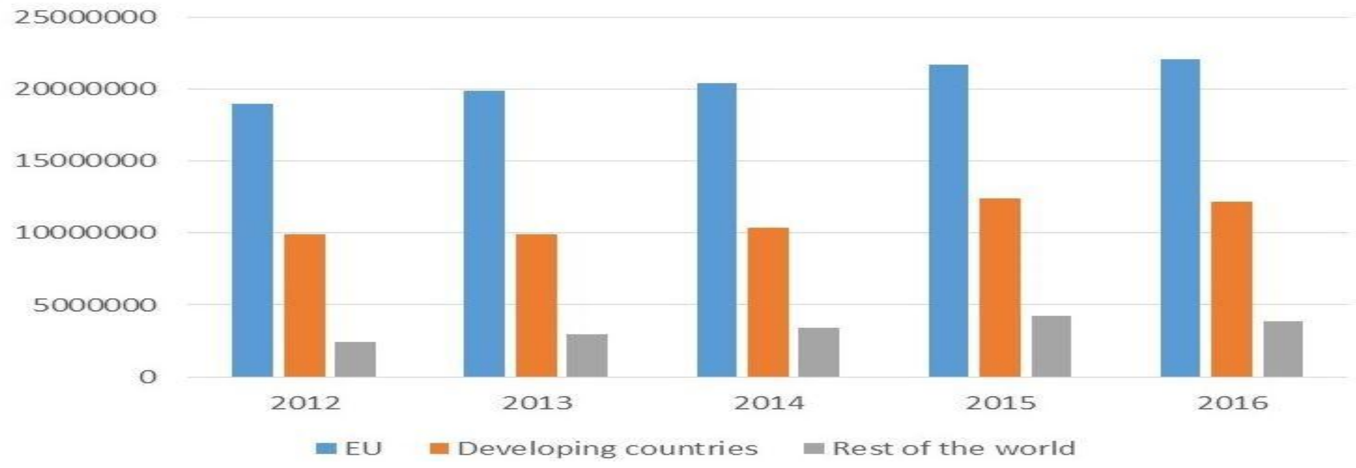
Tip:

- Look at worldwide demand to strengthen your position within the chain. Demand from emerging economies is putting pressure on the availability of ingredients in Europe for food manufacturers.

- Who are my rivals?

Imports of processed fruit and vegetables in Europe continue to increase, but the imports from developing countries slightly decreased during 2016. The main reason for this is the decreased value of imports of orange juice from Brazil. However, other developed countries are also increasing their exports to Europe, led by the USA, which increased the export of preserved tomatoes and preserved cranberries significantly (Figure 1).

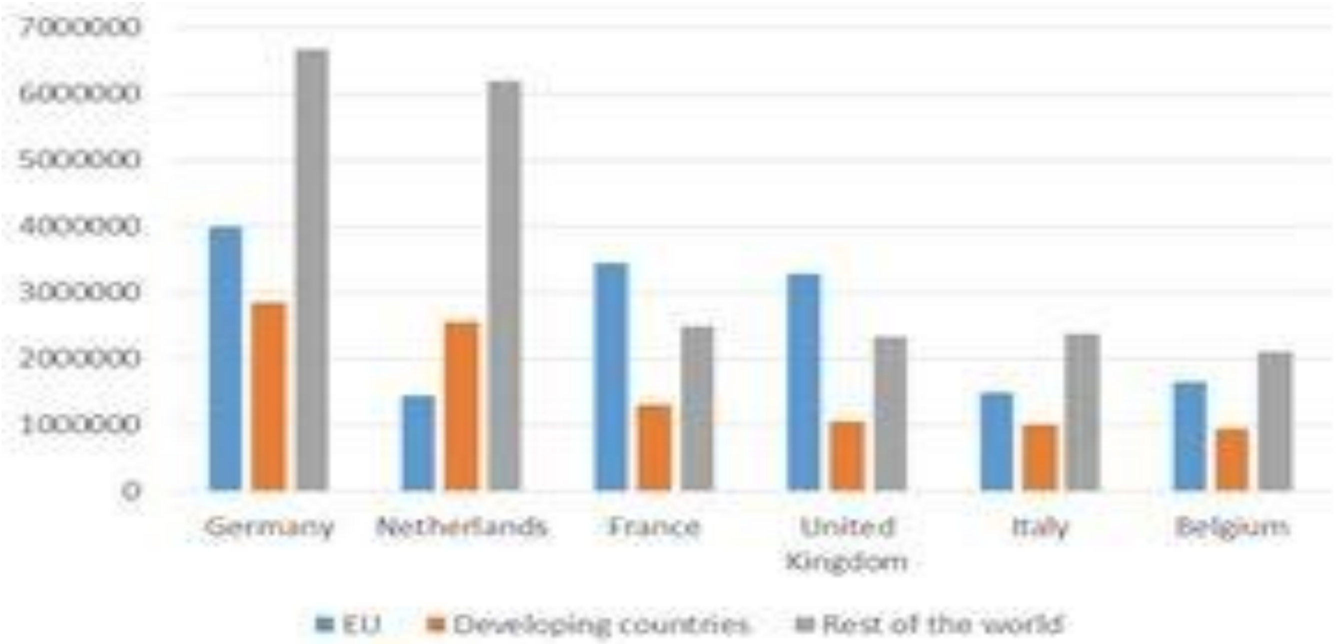
Figure 1: European imports of processed fruit and vegetables, by main origin, € thousands



Source: ITC Trademap.

The largest importers of processed fruit and vegetables in Europe are Germany, France and the United Kingdom (Figure 2). In all three countries, the import from developing countries increased faster than general import. Still, the highest import value was in the product segments that are rarely imported from developing countries, such as preserved tomatoes, frozen potatoes and frozen vegetables.

Figure 2: Main importers, 2016, € thousands



Source: ITC Trademap.

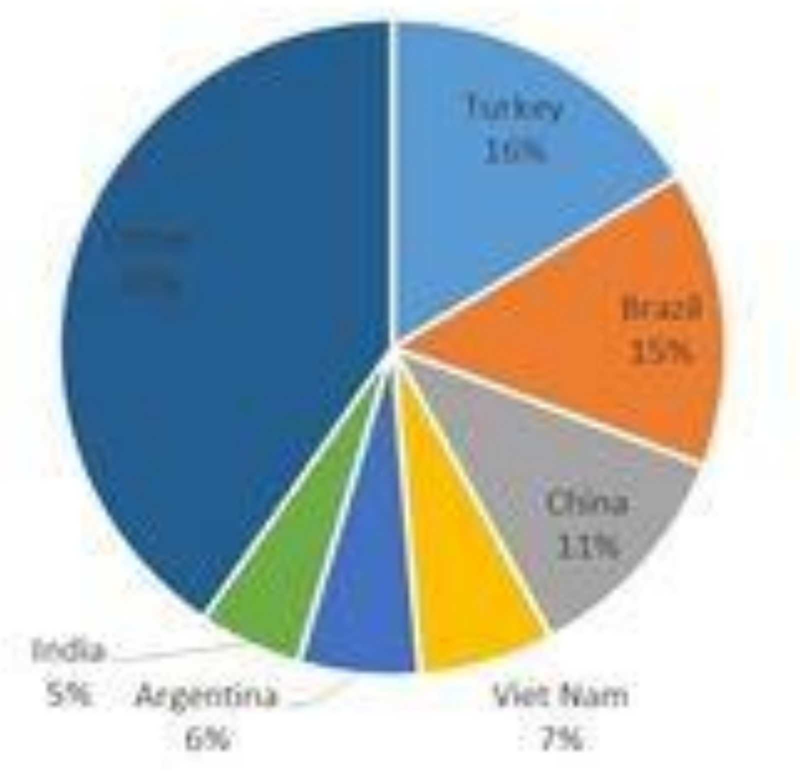
There is high concentration and specialisation of exporting countries outside of Europe. USA, Turkey and Brazil account for almost half of the total imports (Figure 3). Leading supplying countries in this sector are often specialised in one or two product groups.

In frozen fruit and vegetables, Serbia (berries), China (various) and Morocco (strawberries) have a strong position. For canned fruit and vegetables your main non-European competitors are China (various), Turkey (peppers/olives) and Thailand (pineapples). For juices: Brazil (orange), USA (cranberry), Turkey (apple) and Thailand (pineapple). For jams, purees and fruit preparations: Turkey (nut purees), Mexico (homogenous preparations), Serbia (plum jams/purees) and South Africa (peach purees).

Within Europe, the highest supply in the vegetables segment comes from Belgium and in the frozen fruit segment from Poland (mainly frozen berry fruit). In the canned fruit and vegetables segment the biggest competitors are Italy (preserved tomatoes) and Spain (vegetable mixtures, artichokes, olives). In the fruit juices the biggest European competitors are the Netherlands and Germany (partly of re-exports). In jams, purees and fruit preparations the highest competition comes from Germany and France.

Several new supplying countries in the processed fruit and vegetables sector are strengthening their position on the European market. Examples include Benin and Vietnam as suppliers of pineapple juice or Sierra Leone and Guatemala as suppliers of mango puree.

Figure 3: Leading external suppliers of processed fruit and vegetables to Europe, 2016



Source: ITC Trademap.

Tips:

- Be aware of the main suppliers. Use the internet to explore their portfolios and selling strategies to cope with the competition.
- Compare your offer with the offer from the major external European suppliers. Find out why specific products are sourced in high quantities from certain countries.
- A great deal of efficiency can be gained in transport and distribution in developing countries. You can realise efficiency savings by achieving control over their distribution channels. This will give you a competitive advantage in your country and make you more competitive on price.
- Show willingness to invest in your relationship with your European buyer. This can strengthen your position compared to other Developing Country suppliers and in the European market.

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c) Through what channels can you get edible nuts and dried fruit onto the European market?

The specialised importer is the preferred channel for market entry in the sector of edible nuts and dried fruit. Many importers are also packers and in addition conduct trading and wholesale activities. Generally, more dried fruit is being repacked for the retail industry and more nuts end up in the food manufacturing industry. However, quantities in channels are different for specific products.

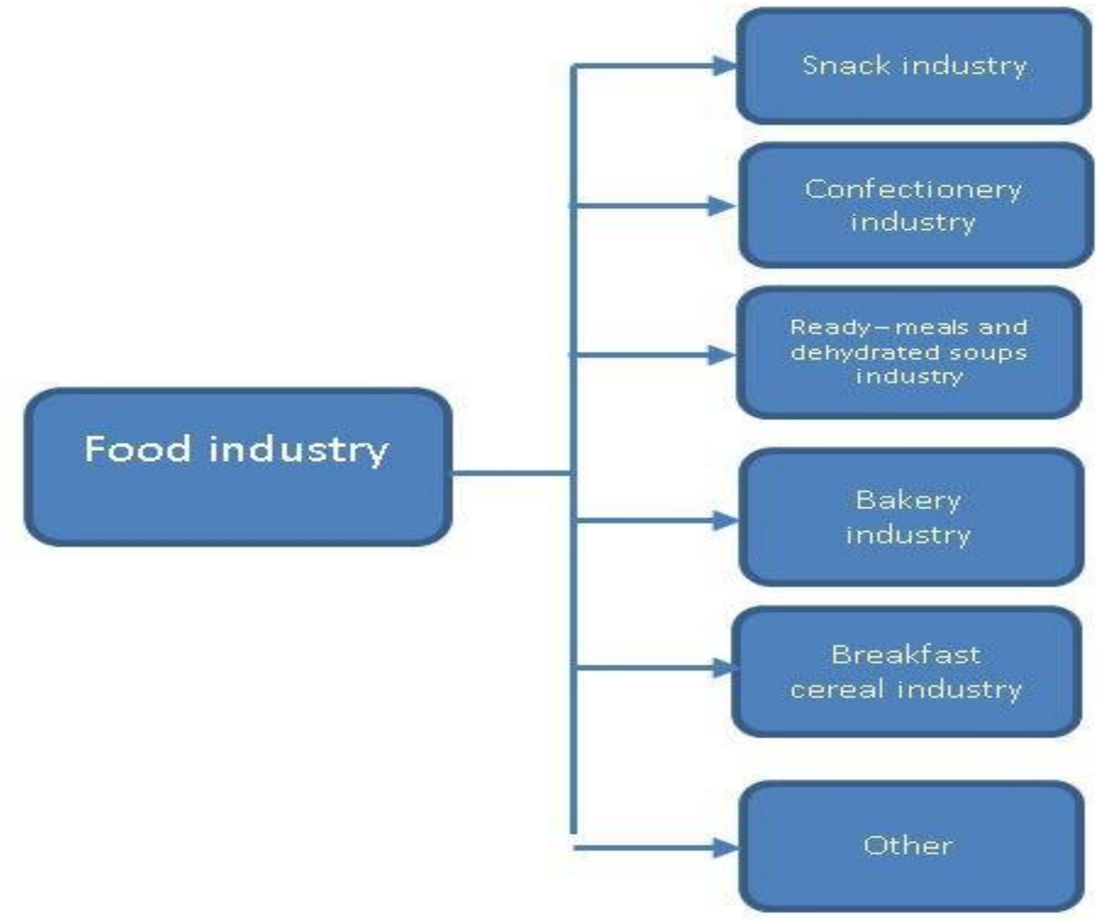
- Which market segments to target?
- Market Channels
- End consumer channels for dried fruit and edible nuts

- **Which market segments to target?**

This document distinguishes two main ways of segmentation of the edible nuts and dried fruit market:

- **Food manufacturing industry segmentation Price**
- **segmentation**

Figure 1: Segments in the food manufacturing industry



Market segments for edible nuts and dried fruit in the food manufacturing industry:

The food manufacturing industry uses edible nuts and dried fruit as ingredients. Imported products are processed further but the level of processing differs. For example the snack industry can process imported nuts or dried fruit by roasting or coating, but it can also use the same products as finished and just repack them into retail packaging.

Snack industry:

In 2016 the retail value of the savoury snacks market in Western Europe amounted to around €23 billion. This segment consists of branded products and private label products, which are mainly sold through retail outlets and the food service sector. Peanuts have the largest share of snack nuts on the market.

The United Kingdom is the largest market for salty snacks in Europe with a market share of approximately 30%. The increase in the consumption of edible nuts and seeds as snacks was particularly strong in the United Kingdom and Northern European countries.

According to Innova Market Insights, snack nuts and seeds like trail mixes accounted for over 30% of snack launches in 2016, up from 27% five years earlier. Factors driving that growth include new research on nuts' health attributes, greater availability of various nut types, and technological advances allowing for new coatings, flavors, and packaging formats.

Alternative production techniques such as popping or baking without the use of oils are

increasingly being explored as a result of the health trend.

In November 2016, almonds were reported to be the number one in new product introductions across Europe. There is also a rising demand for dried fruit snack bars.

Examples of companies from the packing and snack segment include Intersnack, Atrimex, Seeberger.

Tip:

- **Try to offer natural products as much as possible, as dried fruit and nuts in Europe are marketed as healthy snacks. Preservative free or sugar free products can give you an advantage if you are targeting the snacking segment.**

Confectionery industry:

In particular the chocolate industry is the largest industrial user of edible nuts (like hazelnuts, pistachios, and almonds). With the exception of Germany and Italy, chocolate is the only confectionery type that has shown growth over 2002-2016.

This segment focuses on the 'health aspect' of edible nuts and dried fruit, which are increasingly perceived as healthy. Examples of companies from this segment are Nestle, Ferrero and August Storck.

The confectionary industry is increasing the use of freeze dried fruit in different forms such as:

powders, whole pieces, segments and slices. Also due to a possible increase in cocoa prices chocolate producers are looking for ingredients such as nuts that can decrease the amount in cocoa used in final products.

Chocolate-coated nuts and dried fruit are popular sweets in Europe. Confectionary industry buyers are increasingly asking for UTZ certification from developing country suppliers of chocolate-coated products.

Tip:

• Consider investing in chocolate coating equipment to meet the needs of European importers, as they import chocolate-coated nuts and dried fruit more frequently.

Ready meals and soup industry:

The European soup market is expected to grow at a rate of 3.3% in the next 5 years, to reach €8.6 billion by 2022. The consumption of dried soups is estimated to grow significantly in the next several years in Europe, as people are more interested in having quick and healthy meals due to busy lifestyles. On the other hand the demand for canned soups has been decreasing due to their big size, difficulty in opening and health concerns because of the addition of preservatives.

The ready meals and soup industry offers the highest opportunities for the developing country exporters of dehydrated vegetables.

Examples of companies from this segment are Unilever (Knorr brand), Campbell soup, Collusi Group (Liebig brand) and Nestle (Maggi brand).

Germany, the United Kingdom and France account for over 60% of the total European market of dehydrated soups. Furthermore, Spain holds 13% market share.

Tip:

• Consider the possibility of mixing different freeze-dried vegetables for buyers in the dehydrated soups segment. If you want to focus on the ready meals or dehydrated soups market segments in Europe, you can offer your customer a supply solution package of mixed items in one shipment.

Breakfast cereal industry:

Revenue in the "Breakfast Cereals" segment in Europe amounts to around €9.5 billion in 2017. The market is expected to grow annually by 2.6 % until 2021. The breakfast cereal industry uses different types of nuts and dried fruits for the production of biscuits, cereals and muesli. The sector includes more than 75 companies. The United Kingdom, Germany and France are the main markets for breakfast cereals with respective market shares of 50%, 20% and 10%.

The cereal and energy bar consumption is increasing, as they can be eaten without liquid (such as milk or yogurt) anywhere (such as on the street) and anytime (usually between meals). Examples of companies from this segment are Kellogg's, Nestlé and Brüggen.

Tip:

• If you would like to explore possibilities for the supply of the breakfast cereals segment, consider investing in cutting equipment, especially if you are dealing with dried fruit. This is because customers from this segment require dried fruit cut in small cubes or other forms.

Bakery industry:

The bakery industry in Europe is very big: with €98 billion in annual revenue, it is the fifth subsector of the European food industry. The bakery industry is an important user of dried fruit and nuts. The majority of bakeries are supplied by specialised European ingredient suppliers. However some larger bakery industry companies import ingredients directly.

The most used products from the sector in the European bakery industry are dried grapes, hazelnuts, almonds and walnuts.

Tip:

- **You should look for big industrial bakeries, as they are more likely to import ingredients directly than artisan bakers.**

Other food industries:

There are plenty of opportunities in other smaller but still important market segments for developing country exporters of dried fruit and vegetables and edible nuts. Those segments include the ice cream, nut oils and butters, nut milk and pet food (including bird feed) industries.

Tip:

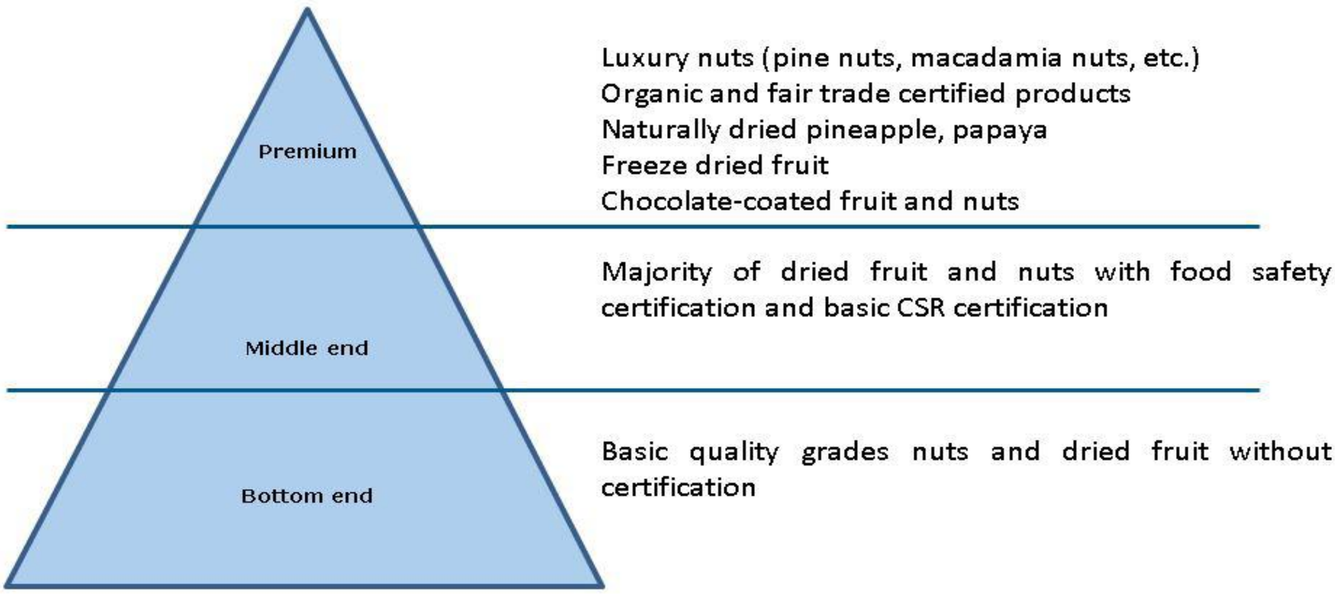
- **Target specialised online retailers directly if you produce 'superfood' products. Sometimes, those suppliers import directly from developing countries.**

Price segmentation:

Due to the large variety of different products in this sector, it is not easy to make a real price segmentation according to the type of nuts or dried fruit, as every individual product can be produced in a number of different forms and reaches different price levels. Generally, higher prices are reached in the following cases:

- **Fruit with a naturally high water content (requiring more raw materials and energy in the drying process). Some examples of fruit with high water content are berry fruits, mushrooms and mango.**
- **Edible nuts with a lower production volume per ha**
- **Naturally dried fruit without preservatives or sugar infusion**
- **Larger size grades**
- **Organic or Corporate Social Responsibility (CSR) certified products**
- **Freeze-dried products**
- **Additionally processed products (like cut in small shapes, coated with chocolate, in syrup etc.)**

Figure 2: Segments according to the price ranges

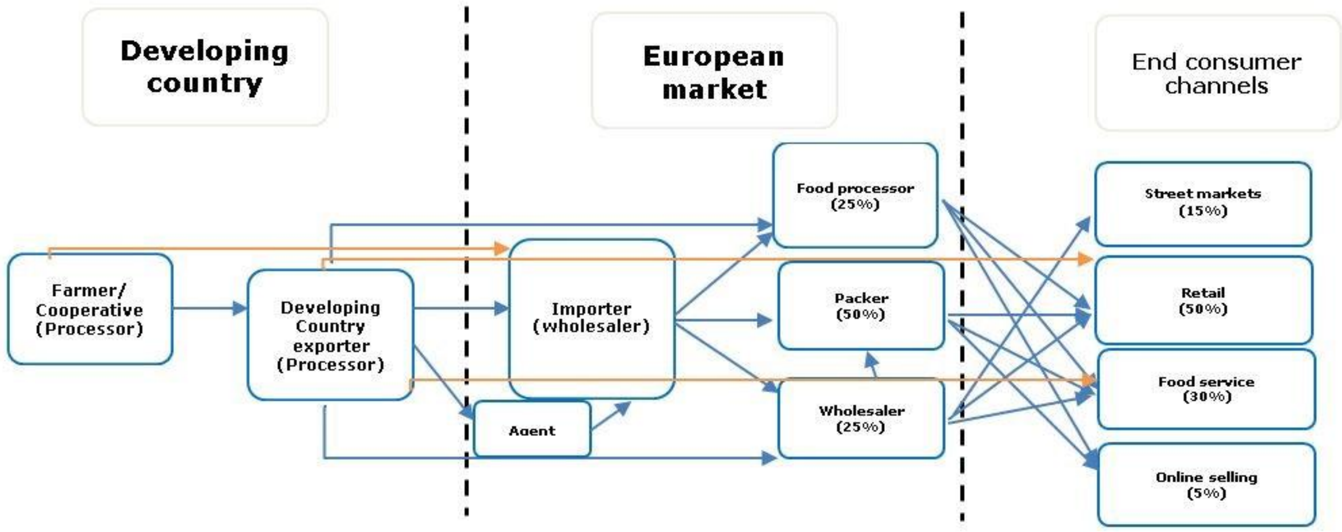


Tips:

- **Be aware that some higher price segments are very small and only offer opportunities for a limited number of suppliers.**
- **In many cases, the segments that you are operating in also defines the channel. For example importers and packers dealing in organic products are different from companies dealing in conventional products.**

- ## Market Channels

Figure 3: European market channels for dried fruit and edible nuts



Growers and processors in Developing Countries:

Depending on the product, (country) growers can work together and act as a processor. However, in the majority of the cases, processors are separate from growers. The exception is the production of sun-dried products, where growers produce naturally dried products that are further processed in the industrial facilities.

A major trend in the processing industry of the edible nuts and dried fruit and vegetables is the investment in new drying and processing technologies. This trend continues as a move away from sun-drying processes, to improve food safety and quality control over the production process.

Freeze-drying (lyophilisation) becomes a more frequent demand from the breakfast cereal and confectionary industry, although it is more expensive than traditional drying with hot air. Berry fruit, which is traditionally processed by freezing, is now increasingly freeze-dried.

Processors also invest more in cutting, cracking, pitting and rehydration equipment to meet demands from different end segments. Exporters from developing countries are also often asked to further process basic products (for example by coating in chocolate or as a salty or savoury snack) rather than to export ingredients only.

Tip:

- **Consider investing in processing equipment that will make it possible to reach different market segments and enable production of products with different shapes and sizes, roasted, shelled, pitted, calibrated and dried to specific amounts of humidity. If you want to supply the food manufacturing industry directly, make sure you have cutting equipment that can customise different cuts according to industry needs.**

Importers:

There is a move here from importer-traders, who do not add any processing, to importer-packersprocessors, who not only pack, but also blend, mix, coat, and brand the products.

There is also further specialisation of the importers (wholesalers) and some of them exclusively deal with dried fruit and vegetables and edible nuts as food ingredients.

One of the newer, but still small developing trends for some importers, is the broadening of the product range with powdered superfruit products. However importers of dehydrated superfruit in powdered form usually belong to a slightly different supply chain of traders of organic products and food supplements.

The position of the importer and food manufacturers are put under pressure by retail. The higher requirements from the retail industry determine the supply chain dynamics from the top down the chain. Pressure is translated into lower prices, but also added value aspects such as "sustainable," "locally sourced," "free range," "natural," "organic," "fair trade" and "carbon neutral" products.

Transparency in the supply chain is needed. To achieve this, many importers develop their own codes of conducts and build long-lasting relationships with preferred Developing Country suppliers.

Tip:

- **Try to build good long-term relationships with specialised importers. For this, you could start with trial volumes and lower prices. This will help you to be better positioned and gain the status of a partner company. Depending on your company portfolio, you can be a preferred supplier of products in trends such as dried superfruit, tropical dehydrated fruit or organic products or an industry supplier.**

Food processors:

Food manufacturers use dried fruits, vegetables and edible nuts as ingredients. The bakery and confectionary industry uses nuts and dried fruit, the ready meals industry and the soup industry use dried vegetables, the breakfast cereal industry uses dried fruit and nuts and the pet food industry uses dried vegetables and nuts.

Big food processing companies more often import directly from developing countries, however this trend only applies to the most used products (such as peanuts or raisins). This trend is still not applicable to 'exotic' ingredients as these are imported in small quantities.

One of the strong developments in the food manufacturing industry is vertical integration. European processors are investing in production facilities, source directly from the farmers and even grow nuts in their own orchards in developing countries. One of the recent examples is the investment in hazelnut production in several developing countries by the Ferrero Hazelnut Company.

Increasing demands for food safety and sustainability also motivate vertical integration, which allows more control of these aspects. Vertical integration may come as a subsidiary, joint venture or a long-term cooperation between exporter and importer.

Tip:

- **Consider using the opportunity to sell directly to food manufacturers. European processors want to ensure the continuity of supply, but to sell directly you should be ready to customise your offer according to particular product specifications from the different industries. On the other hand, be careful that such a move does not damage your relation with existing buyers, since you may end up serving the same customers.**

Packers:

Packers are the most important channel in terms of quantity of traded dried fruit, vegetables and edible nuts, as more than 50% of products is re-packed in Europe into smaller packs for the retail and food service sector. Packers increasingly pack under private label brands for retailers.
However in many cases, wholesalers also have packing facilities but this is more usual for supply to the food-service segment than for retail.

Many packers import directly as well, thus threatening the existence of the stand-alone importers. Actually, 'packers' also perform other processing and marketing functions such as blending, mixing, coating and branding of the products, and have thus earned a strong position as product category specialists.

Tips:

- **Invest in food safety certification and in processing equipment if your aim is to deliver products to packers that pack under their own brands or under private labels. In processing you should be able to produce products with a minimum content of fruit pits and with different humidity levels.**

- **Consider packing dried fruit and nuts for European suppliers of private label brands. If your packing costs are lower than in Europe it can be a potential advantage over European packers. However keep in mind that firstly you need to fulfil high food safety and sustainable requirements by European retailers.**

- **End consumer channels for dried fruit and edible nuts**

Retail channel:

Around 50% of dried fruit and edible nuts are sold in the retail channel. Next to supermarkets, many countries have specialised outlets for dried fruit and edible nuts, such as stalls at public and street markets and speciality stores.

Retailers rarely buy directly from developing country exporters. However, there are some cases where developing country exporters (processors) pack directly for private label or even own label brands. A recent development is the polarisation of the retail sector into discounters and high-level segments. Consolidation, market saturation, strong competition and low prices are key characteristics of the European retail food market.

Leading food retail companies in Europe differ per country. The companies that are holding the largest market shares are: Schwartz Gruppe (Lidl and Kaufland brands), Carrefour, Tesco, Aldi, Edeca, Leclerk, Metro Group, Rewe Group, Auchan and Intermarché.

Besides big retail chains, specialised stores (health food stores, greengroceries or convenience stores) are important segments for dried fruit, vegetables and edible nuts and many wholesalers in Europe target this segment.

Tips:

- Understand the pressure by retailers for sustainable products and make yourself more competitive by investing in different certification schemes such as CSR related, organic or food safety. Food safety certification is the minimum requirement if you want to reach the retail segment. For more information see our study about Buyer requirements for processed fruit and vegetables.

- Try to make direct contact with owners of ethnic food shops or specialised health food shops, as they import directly more often than big retail chains. Especially if you produce more 'exotic' and 'superfruit' products, you will have a greater chance at exporting directly to European retailers.

The food service channel:

World cuisines, healthy food and food enjoyment are the major driving forces in the food service channel in Europe. The fastest growing business types are likely to be new (healthier) fast food, street food, pop up restaurants, international cuisines, coffee shops and sandwich bars.

The food service segment often requires specific packaging, which is different from bulk or retail packaging (for example from 1 to 5 kg) packs instead 10 kg and above packaging.

Tip:

- Consider investment in smaller packaging equipment if your aim is to become a supplier of food service industry.

The street markets channel:

Around 15% of edible nuts and dried fruit are still sold on street markets in Europe. Street markets are more popular in Southern and Eastern Europe than in Western European countries. Although street markets are facing a decrease in market share compared to retail chains, they are still the preferred buying option for some European consumers who believe their products are fresher and sourced directly from farmers.

Tips:

- Street markets are supplied by specialised wholesalers (see Figure 3), so you should search for them.

- Do not be tricked by the perception of lower requirements for street markets. The same food safety requirements for the retail market also apply to street markets.

Online selling:

Internet grocery shopping is growing at a fast rate across Europe. According to IGD Shopper Vista, the fastest growing online grocery markets are in the United Kingdom, France, Germany and the Netherlands. Almost all retail chains in Europe offer possibilities for online shopping.

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2) Which trends offer opportunities?

Which trends offer opportunities on the European market for processed fruit and vegetables and edible nuts?

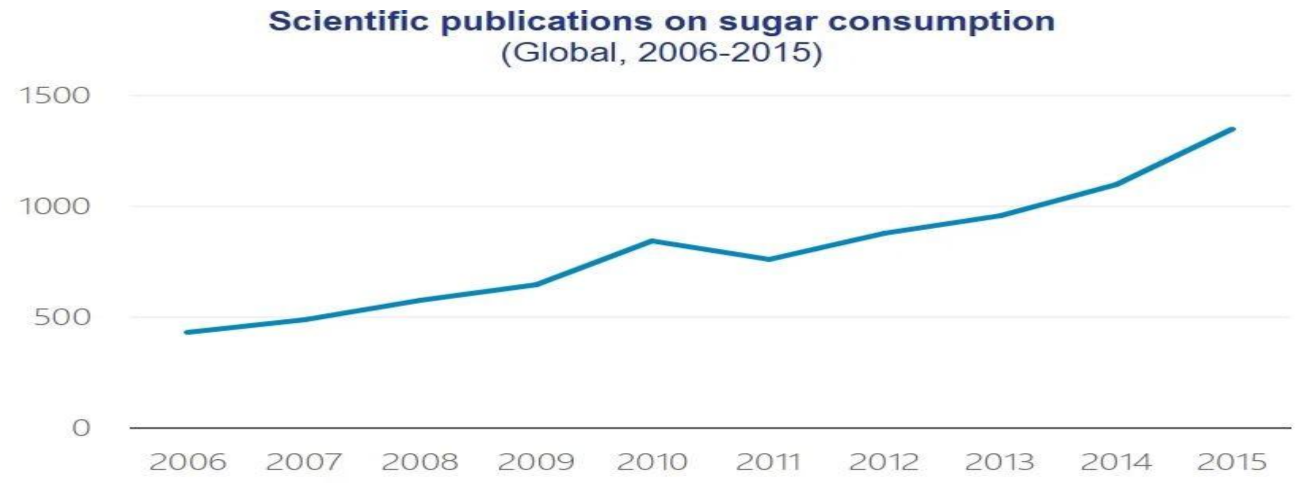
Consumer demand for low-sugar products, exotic fruit and vegetables and superfruit offers opportunities for exporters from developing countries. Possibilities can also be found in the increasing demand for sustainably sourced products; for example, certified Fair Trade and Organic products. The trend of vertical integration of supply chains offers an opportunity to establish long-term partnerships with European buyers.

a) Campaigns to decrease sugar consumption continue
b) Natural, healthy and clean labelling trend is continuing
c) Vertical integration
d) Sustainable initiatives are becoming more important and more complicated
e) Growth of the organic market
f) Demand for superfruit is continuing
g) Increasing food safety regulations
h) Exotic fruit preparations, sweet potato and frozen fruit are in demand
i) Vegetable alternatives for animal products are in high demand
j) Busy lifestyles and convenience in eating

a) Campaigns to decrease sugar consumption continue:

The impact of excessive sugar consumption on health is currently an active area of scientific and political debate (Figure 1). Following a guideline for sugars intake from the World Health Organisation, several European countries are considering the introduction of new regulations or public health policy measures to lower sugar intakes in their countries. For example, the newest regulation in the form of a sugary drinks tax is set to come into effect within the United Kingdom in 2018.

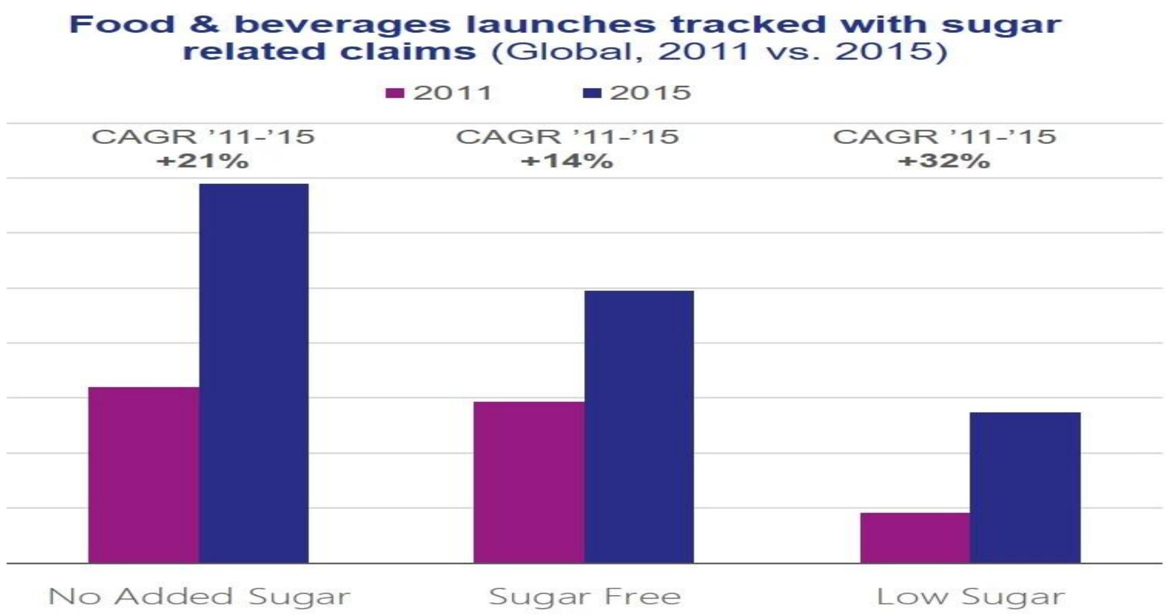
Figure 1: Number of scientific publications on sugar consumption, 2006–2015



Source: Innova Market Insights

Sugar intake is under pressure, although it remains the key ingredient in delivering the sweetness and taste for which consumers are looking. To maintain stable sales, companies are introducing sugar replacements to their products or lowering the amount of sugar used. The number of new product launches with labels such as "no added sugar", "sugar free" or "low sugar" is increasing (Figure 2).

Figure 2: New food and beverage product launches with sugar related claims, 2011–2015



Source: Innova Market Insights

Due to sugar intake campaigns, the consumption of fruit juices decreased by more than 5% in the last year. This trend specifically affects the demand for one-litre packs of fruit juices made from concentrates. To confront this trend, the European Fruit Juice Association (AIJN) started a campaign to improve the image of juices on the market. During 2016, AIJN juice promotion programmes started in 14 countries, informing consumers about several key facts related to the consumption of juices.

On the other hand, fruit juice processors started to develop new products where juices are used as ingredients. Fruit-based drinks are usually made from water and juice with added minerals and vitamins, which leads

consumers to perceive them as healthier alternatives for juices. This trend is growing more important and is expected to become one of the key trends for the juice industry in the near future.

Tips:

- **If you are a juice producer, consider joining forces with the European juice industry and promote your product as "liquid fruit", with components such as vitamins, antioxidants and water, so your products can be perceived as healthy and safe goods for consumption. See the guidelines for juice marketing campaigns of the European Fruit Juice Association. For current achievements of the fruit juice promotional programme, read more in the Fruit**

Juice Matters report.

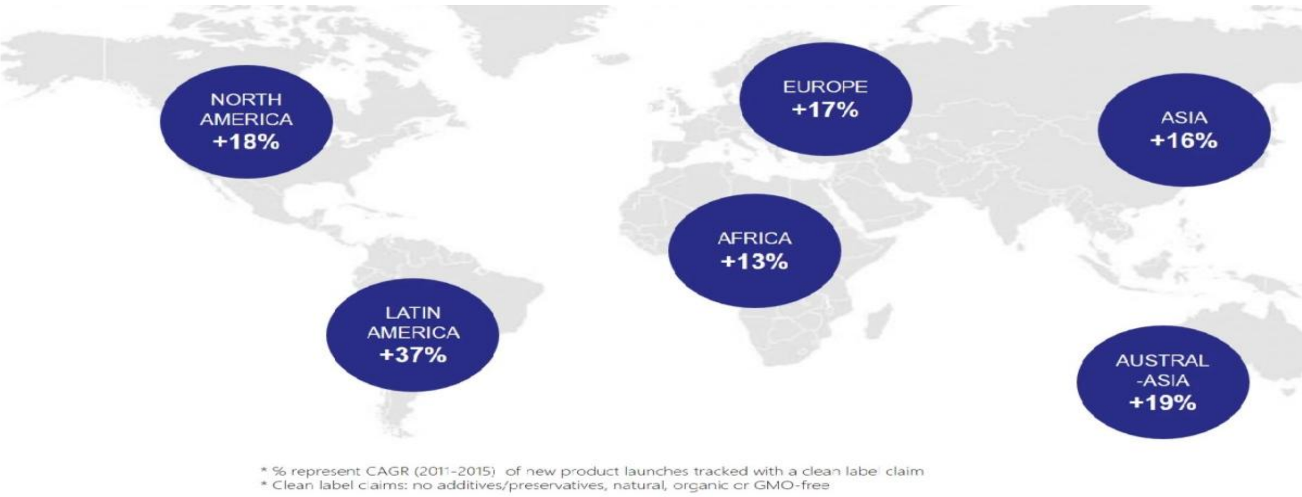
- **Consider replacing added sugar in your products with other sweet ingredients. An interesting possibility is using concentrated fruit juice as a natural sweetener in jams or dried fruit. Other possible sweetening options are lucuma powder, mesquite, stevia, banana puree and tree syrups (maple, birch, agave, yacon, and so on).**

b)Natural, healthy and clean labelling trend is continuing:

According to Innova Market Insights, "Clean label" established itself as a key trend in 2015 (Figure 3). Clean label relates to the consumer demand for more natural products; for example, without artificial ingredients or with simplified lists of ingredients.

Common clean claims on product packaging are "free of additives/preservatives", "natural" (which still does not have a specific definition), "organic" and "environmentally friendly". In the last five years, the use of these supply chain claims showed an annual growth rate of 72% and 45%, respectively.

Figure 3: Compound annual growth rate of new product launches tracked with a clean label claim



Source: Innova Market Insights

Tips:

• Consider investing in technology to shorten your production process and supply chain. Some examples are not-from-concentrate juices or high-pressure processing of juices and smoothies.

• Consider investing in natural ways of preservation. Some examples are sundried fruit and vegetables, dried fruit and nuts without preservatives or bleaching, vegetable juices preserved with natural acid or vegetables preserved with natural fermentation.

c) Vertical integration:

Frequent fluctuations of production volume in the leading production countries are making it more difficult for fruit and vegetable processors to keep a stable supply of raw materials. These fluctuations are likely to increase due to global climate change. A strong dependence on only a few countries for the production of specific products adds to this problem. Increasing demands for food safety and sustainability also motivate vertical integration, which allows much more control of these aspects. Vertical integration may come as a subsidiary, a joint venture or a long-term cooperation between exporter and importer.

In several production countries, processing companies started to invest in fruit orchards so as to ensure stable supplies. Some examples are the following:

- **In Brazil, large processors are already producing on their own orange plantations.**
- **In China, processors grow industrial varieties of apples on their own orchards.**
- **In Chile, large fruit processors have started their own production of peaches.**
- **European processors have started strawberry production in northern Africa and eastern Europe. Italian processor Ferrero has started investing in hazelnut orchards within several developing countries in South America and eastern Europe.**

Other examples of investment in fruit orchards by fruit processors are happening in Ecuador (pineapples) and Mexico (strawberries and vegetables).

Tips:

• Use the opportunity to subcontract with European processors, not only for final products but also for the production of fresh fruit and vegetables as ingredients.

• Consider supporting the enlargement of production fields in conjunction with farmers. Processors prefer to deal with a smaller number of larger producers rather than with larger numbers of smaller producers.

d)Sustainable initiatives are becoming more important and more complicated:

Although sustainable certification such as Organic and Fair Trade has created an interesting but limited market niche for several years, mainstream conventional companies are now introducing other sustainability initiatives as well. This interest of large companies is expected to have a positive impact on existing Fairtrade and similar initiatives, as well as encouraging the use of sustainable alternatives such as UTZ, Rainforest Alliance and several others internal to the trade, including SMETA and BSCI.

Fair Trade certification is also becoming more complicated, including several types of certifications and types of logos that are used on the products. One new initiative is "Fair Trade and Organic".

Another new and important issue is ensuring that farmers earn a sufficient income for a normal life. Commonly accepted certification schemes often do not guarantee this aspect, because it is not commonly agreed on what a living income actually is.

In the next several years, the strongest impact of sustainable initiatives is expected in the juices and purees subsector. Leading European beverage and food companies have formed a coalition aiming for 100% sustainable juice and puree by 2030. With the support of the European Fruit Juice

Association, they will work on the certification/verification of their supply chains and address specific sustainability issues such as smallholder inclusion, working conditions, soil erosion and degradation, and climate resilience.

Tips:

- **Review good practice examples of corporate social responsibility (CSR) on the Fruit Juice CSR Platform. This platform is co-initiated by the European Fruit Juice Association (AIJN) and Sociability, and it is endorsed and co-funded by the European Commission.**

- **Get CSR certified to become more competitive on the market. Certified companies will be more easily selected as a supplier. You can start your own assessment with the selfassessment tools of the Sustainable Agriculture Initiative Platform or the Sedex Members Ethical Trade Audit (SMETA). You can invite suppliers or farmers in your supply chain to use the same tools.**

- **Get familiar with sustainability initiatives on the International Trade Standards Map portal.**

- **Communicate with end consumers in Europe on an emotional level by providing specific information on the effects of your sustainable approach in your country or community.**

e)Growth of the organic market:

The organic market in Europe continues to grow. In 2015, it increased by 13% and reached nearly 30 billion euros. In Germany, the largest European market, the market grew by nearly 10% in 2016 to €9.5 billion.

Switzerland has the highest per capita consumption of organic food worldwide, followed by Denmark and Sweden.

The fact that the number of processors and importers grows more rapidly than the number of producers indicates that organic production does not keep pace with demand. This fact offers opportunities to you.

Tips:

- **Consider investing in organic production; the demand for organic nuts and dried fruit is growing.**
- **Try to combine Organic certification with other sustainable initiatives in order to increase your competitiveness on the European market.**

f) Demand for superfruit is continuing:

As the “superfruit” and general “superfood” trend continues, producers are placing new superfood products on the international market. A notable trend is the increasing consumption of pomegranate juice. Coconut is also establishing an image of superfruit, not in its traditionally popular forms such as desiccated coconut but as coconut oil and as cosmetic ingredients.

Processing factories produce either coconut water as a side product or high-quality coconut chips if they decide not to remove oil or water.

Although South America still produces the largest volume of superfruit (açaí, acerola, camu camu, lucuma, maca, and so on), African and Asian products are now receiving more and more recognition. Some recent examples are dried baobab and moringa.

Tips:

- **Be prepared to customise your superfruit offer to different buyers. The market is segmented and some buyers request finalised prepacked products for final consumers (or the catering sector), while other buyers use superfruits as ingredients.**
- **If you are exporting superfruits onto the European market, you should consider mutual investments in health and nutrition research on the benefits of superfruits with other producers, European processors and traders. The procedure for placing a health claim on products in Europe is difficult and involves a lot of steps.**
- **Get Organic certified if you export South American superfruits. Powdered products, such as maca or lucuma, are in high demand within the health food and organic food segments.**

g) Increasing food safety regulations:

The European Union is frequently increasing its food safety requirements. In January 2016, the European Union announced amendments of the maximum residue levels to lower pesticide residues in fruit and vegetables. The maximum levels for several contaminants and preservatives are also under revision; for example, sorbates, which are used in the preservation of dried fruit and jams. The fungicide Thiabendazol will be banned, which is relevant for producers of mango products.

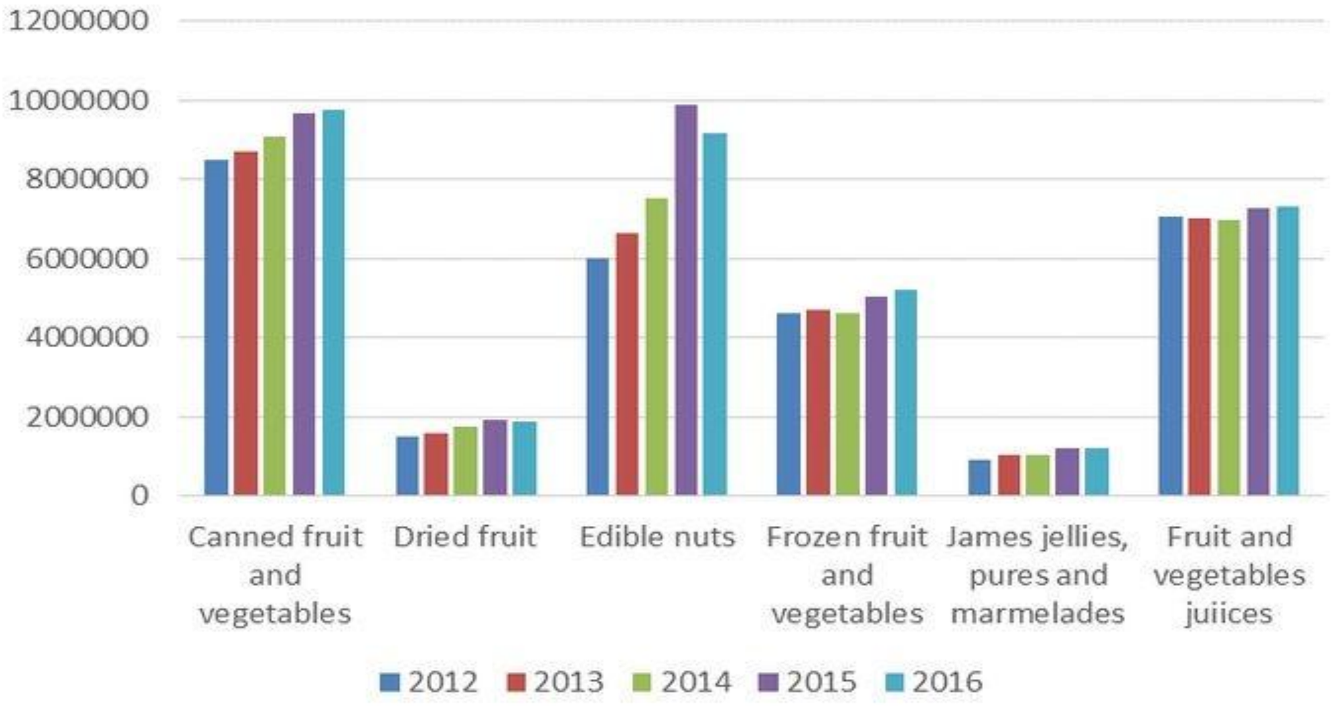
Tips:

- **Regular analysis of pesticide residues should be part of your monitoring plan. Make sure that you are up to date with the changes to the requirements in Europe.**
- **Implementation of a HACCP (Hazard Analysis and Critical Control Points) system is a minimum requirement for European importers, but certification such as BRC (British Retail Consortium) is preferred.**
- **For more information, see our study of** [Buyers requirements for processed fruit and vegetables on the European market.]

h) Exotic fruit preparations, sweet potato and frozen fruit are in demand:

Fruit purees, which are used for the production of juices and frozen fruit, showed increasing demand in 2016. Some fruit preparations such as sweet potatoes have seen a rise in demand due to the positive image of sweet potato as a healthy vegetable. Fruit preparations such as frozen banana puree have also been in demand. This demand is caused by the increased production of “smoothie” types of fruit and vegetable drinks on the European market.

Figure 4: European imports of processed fruit and vegetables, 2012–2016, in k €



Source: ITC Trademap

Tip:

- **Consider broadening your offer of purees and fruit preparations to include exotic types of products, in addition to the most consumed fruit and vegetables that are sold in high volumes.**

i) Vegetable alternatives for animal products are in high demand:

Vegetable-based milks, meat alternatives and vegan offerings have rapidly become one of the key trends on the European markets. Consumers are looking for innovative options to decrease their consumption of meat and animal products.

Tips:

- **Find opportunities in the increasing consumption of foods of non-animal origins; for example, edible nuts, which are promoted as a healthy alternative to meat proteins. Another opportunity can be found in “edible nut milks” to replace animal milk, such as hazelnut, almond or coconut milk. However, this process requires investments in production technology.**
- **Consider adding value to your offer of dried fruit and juices, or use the side products of juices by extracting valuable ingredients such as proteins or natural colorants.**

Examples of natural colorants are black carrot, carrot, elderberry, plum, beetroot or sour cherry.

j) Busy lifestyles and convenience in eating:

Due to busier lifestyles, people more often eat away from home or "on the go". However, healthy food trends and balanced diets are still important, even for snacking. Favourite "fast and healthy" foods are breakfast cereals. New product launches include mueslis that can be prepared by pouring milk into the packaging, even without heating.

Tips:

- **Find opportunities to offer edible nuts and dried fruit as healthy snacks or ingredients in breakfast cereals.**
- **Cabbage vegetable chips offer opportunities for suppliers of frozen cabbages and kales.**
- **Discuss with your buyers what the best formulations are for frozen fruit mixtures that consumers can use to make homemade smoothies.**
- **Consider investing in added-value products such as fruit bars or ready-to-eat fruit purees.**

3) Through what channels can you get your product onto the market?

a) Through what channels can you get Edible Nuts and Dried Fruit on the European market.

b) Through what channels can you get Fruit Juices, Frozen Fruit and Vegetables, Canned Fruit and Vegetables, Jams and purees on the European market.

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a) Through what channels can you get Edible Nuts and Dried Fruit on the European market:

- **The specialised importer is the preferred channel for market entry in the sector of edible nuts and dried fruit. Many importers are also packers and in addition conduct trading and wholesale activities. Generally, more dried fruit is being repacked for the retail industry and more nuts end up in the food manufacturing industry. However, quantities in channels are different for specific products.**

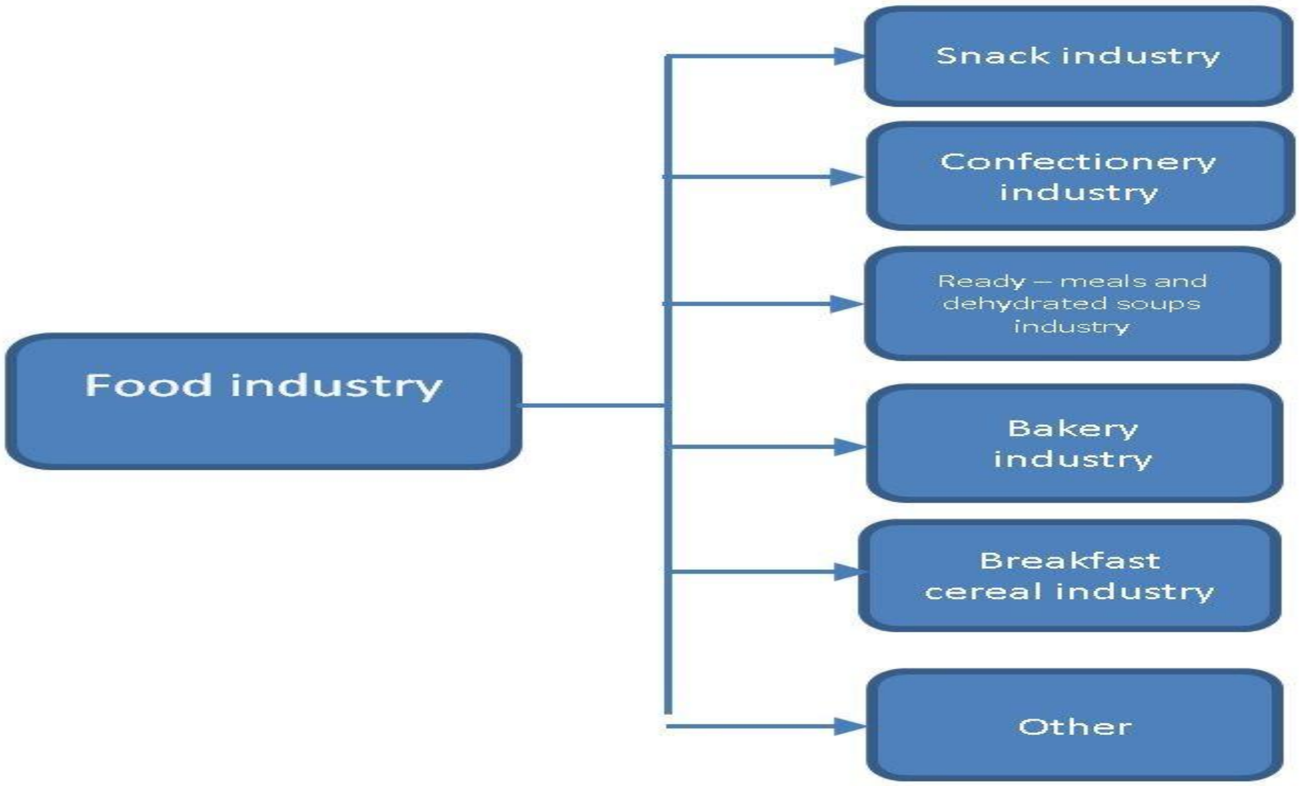
- **Which market segments to target?**
- **Market segments for edible nuts and dried fruit in the food manufacturing industry**
- **Price segmentation**
- **Market Channels**
- **End consumer channels for dried fruit and edible nuts**

• Which market segments to target?

This document distinguishes two main ways of segmentation of the edible nuts and dried fruit market:

- **Food manufacturing industry segmentation Price**
- **segmentation**

Figure 1: Segments in the food manufacturing industry



- **Market segments for edible nuts and dried fruit in the food manufacturing industry**

The food manufacturing industry uses edible nuts and dried fruit as ingredients. Imported products are processed further but the level of processing differs. For example the snack industry can process imported nuts or dried fruit by roasting or coating, but it can also use the same products as finished and just repack them into retail packaging.

Snack industry:

In 2016 the retail value of the savoury snacks market in Western Europe amounted to around €23 billion. This segment consists of branded products and private label products, which are mainly sold through retail outlets and the food service sector. Peanuts have the largest share of snack nuts on the market.

The United Kingdom is the largest market for salty snacks in Europe with a market share of approximately 30%. The increase in the consumption of edible nuts and seeds as snacks was particularly strong in the United Kingdom and Northern European countries.

According to Innova Market Insights, snack nuts and seeds like trail mixes accounted for over 30% of snack launches in 2016, up from 27% five years earlier. Factors driving that growth include new research on nuts' health attributes, greater availability of various nut types, and technological advances allowing for new coatings, flavors, and packaging formats.

Alternative production techniques such as popping or baking without the use of oils are increasingly being explored as a result of the health trend.

In November 2016, almonds were reported to be the number one in new product introductions across Europe. There is also a rising demand for dried fruit snack bars.

Examples of companies from the packing and snack segment include Intersnack, Atrimex, Seeberger.

Tip:

- **Try to offer natural products as much as possible, as dried fruit and nuts in Europe are marketed as healthy snacks. Preservative free or sugar free products can give you an advantage if you are targeting the snacking segment.**

Confectionery industry:

In particular the chocolate industry is the largest industrial user of edible nuts (like hazelnuts, pistachios, and almonds). With the exception of Germany and Italy, chocolate is the only confectionery type that has shown growth over 2002-2016.

This segment focuses on the 'health aspect' of edible nuts and dried fruit, which are increasingly perceived as healthy. Examples of companies from this segment are Nestle, Ferrero and August Storck.

The confectionary industry is increasing the use of freeze dried fruit in different forms such as:

powders, whole pieces, segments and slices. Also due to a possible increase in cocoa prices chocolate producers are looking for ingredients such as nuts that can decrease the amount in cocoa used in final products.

Chocolate-coated nuts and dried fruit are popular sweets in Europe. Confectionary industry buyers are increasingly asking for UTZ certification from developing country suppliers of chocolate-coated products.

Tip:

- **Consider investing in chocolate coating equipment to meet the needs of European importers, as they import chocolate-coated nuts and dried fruit more frequently.**

Ready meals and soup industry:

The European soup market is expected to grow at a rate of 3.3% in the next 5 years, to reach €8.6 billion by 2022. The consumption of dried soups is estimated to grow significantly in the next several years in Europe, as people are more interested in having quick and healthy meals due to busy lifestyles. On the other hand the demand for canned soups has been decreasing due to their big size, difficulty in opening and health concerns because of the addition of preservatives.

The ready meals and soup industry offers the highest opportunities for the developing country exporters of dehydrated vegetables.

Examples of companies from this segment are Unilever (Knorr brand), Campbell soup, Collusi Group (Liebig brand) and Nestle (Maggi brand).

Germany, the United Kingdom and France account for over 60% of the total European market of dehydrated soups. Furthermore, Spain holds 13% market share.

Tip:

- **Consider the possibility of mixing different freeze-dried vegetables for buyers in the dehydrated soups segment. If you want to focus on the ready meals or dehydrated soups market segments in Europe, you can offer your customer a supply solution package of mixed items in one shipment.**

Breakfast cereal industry:

Revenue in the "Breakfast Cereals" segment in Europe amounts to around €9.5 billion in 2017. The market is expected to grow annually by 2.6 % until 2021. The breakfast cereal industry uses different types of nuts and dried fruits for the production of biscuits, cereals and muesli. The sector includes more than 75 companies. The United Kingdom, Germany and France are the main markets for breakfast cereals with respective market shares of 50%, 20% and 10%.

The cereal and energy bar consumption is increasing, as they can be eaten without liquid (such as milk or yogurt) anywhere (such as on the street) and anytime (usually between meals). Examples of companies from this segment are Kellogg's, Nestlé and Brüggen.

Tip:

- **If you would like to explore possibilities for the supply of the breakfast cereals segment, consider investing in cutting equipment, especially if you are dealing with dried fruit. This is because customers from this segment require dried fruit cut in small cubes or other forms.**

Bakery industry:

The bakery industry in Europe is very big: with €98 billion in annual revenue, it is the fifth subsector of the European food industry. The bakery industry is an important user of dried fruit and nuts. The majority of bakeries are supplied by specialised European ingredient suppliers. However some larger bakery industry companies import ingredients directly.

The most used products from the sector in the European bakery industry are dried grapes, hazelnuts, almonds and walnuts.

Tip:

- **You should look for big industrial bakeries, as they are more likely to import ingredients directly than artisan bakers.**

Other food industries:

There are plenty of opportunities in other smaller but still important market segments for developing country exporters of dried fruit and vegetables and edible nuts. Those segments include the ice cream, nut oils and butters, nut milk and pet food (including bird feed) industries.

Tip:

- **Target specialised online retailers directly if you produce 'superfood' products. Sometimes, those suppliers import directly from developing countries.**

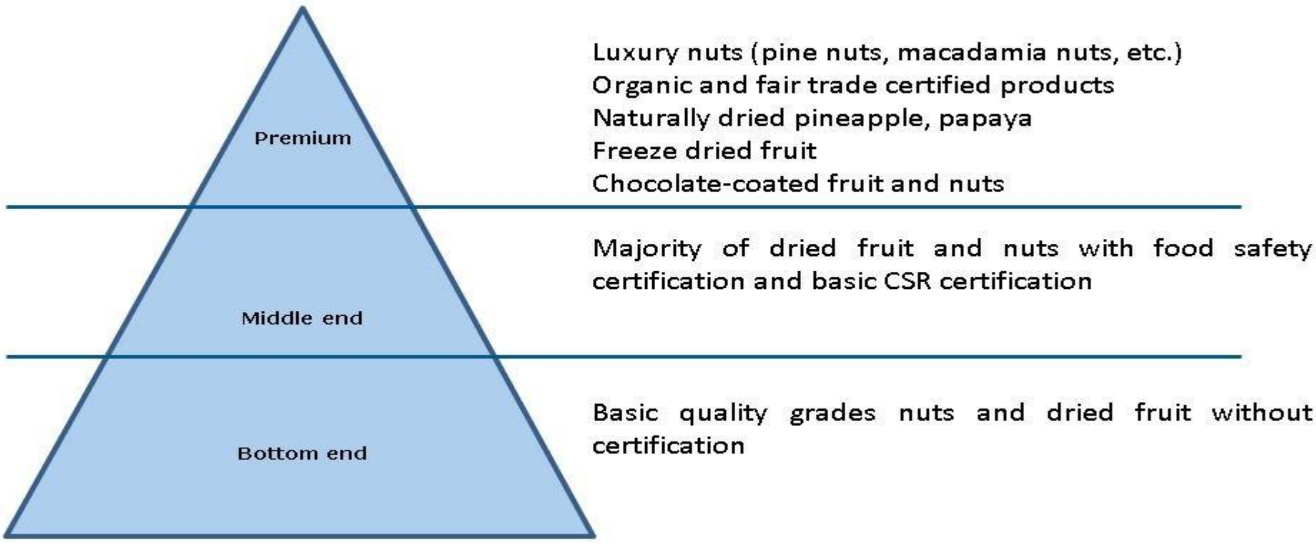
• Price segmentation:

Due to the large variety of different products in this sector, it is not easy to make a real price segmentation according to the type of nuts or dried fruit, as every individual product can be produced in a number of different forms and reaches different price levels. Generally, higher prices are reached in the following cases:

- Fruit with a naturally high water content (requiring more raw materials and energy in the drying process). Some examples of fruit with high water content are berry fruits, mushrooms and mango.
- Edible nuts with a lower production volume per ha
- Naturally dried fruit without preservatives or sugar infusion
- Larger size grades
- Organic or Corporate Social Responsibility (CSR) certified products
- Freeze-dried products

Additionally processed products (like cut in small shapes, coated with chocolate, in syrup etc.)

Figure 2: Segments according to the price ranges

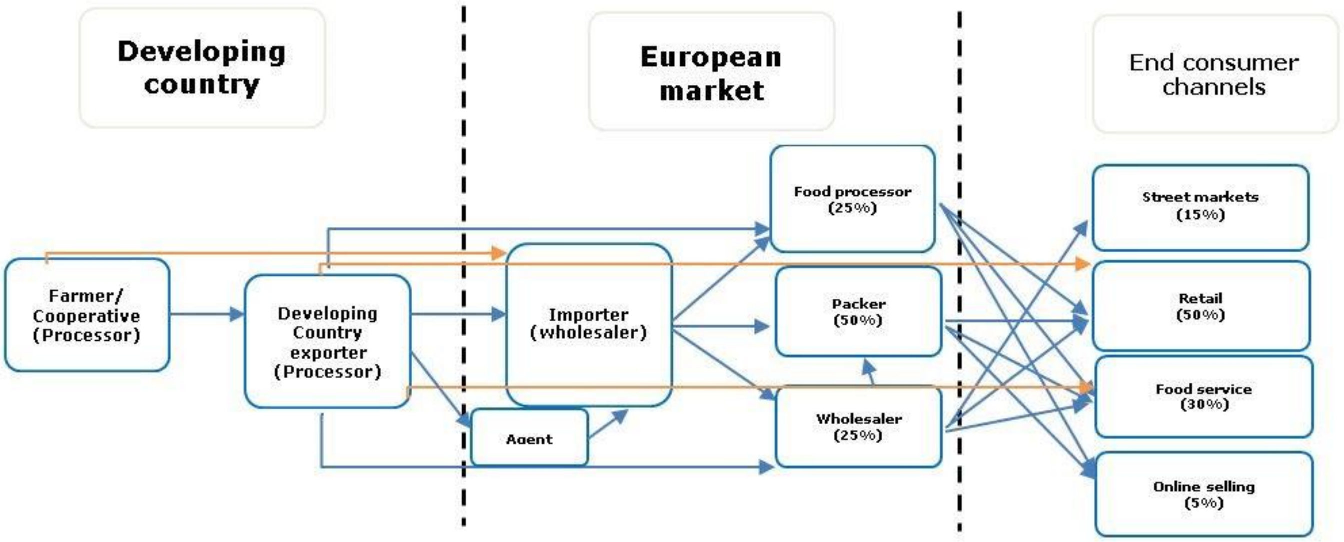


Tips:

- Be aware that some higher price segments are very small and only offer opportunities for a limited number of suppliers.
- In many cases, the segments that you are operating in also defines the channel. For example importers and packers dealing in organic products are different from companies dealing in conventional products.

• Market Channels:

Figure 3: European market channels for dried fruit and edible nuts



Growers and processors in Developing Countries:

Depending on the product, (country) growers can work together and act as a processor. However, in the majority of the cases, processors are separate from growers. The exception is the production of sun-dried products, where growers produce naturally dried products that are further processed in the industrial facilities.

A major trend in the processing industry of the edible nuts and dried fruit and vegetables is the investment in new drying and processing technologies. This trend continues as a move away from sun-drying processes, to improve food safety and quality control over the production process.

Freeze-drying (lyophilisation) becomes a more frequent demand from the breakfast cereal and confectionary industry, although it is more expensive than traditional drying with hot air. Berry fruit, which is traditionally processed by freezing, is now increasingly freeze-dried.

Processors also invest more in cutting, cracking, pitting and rehydration equipment to meet demands from different end segments. Exporters from developing countries are also often asked to further process basic products (for example by coating in chocolate or as a salty or savoury snack) rather than to export ingredients only.

Tip:

• Consider investing in processing equipment that will make it possible to reach different market segments and enable production of products with different shapes and sizes, roasted, shelled, pitted, calibrated and dried to specific amounts of humidity. If you want to supply the food manufacturing industry directly, make sure you have cutting equipment that can customise different cuts according to industry needs.

Importers:

There is a move here from importer-traders, who do not add any processing, to importer-packersprocessors, who not only pack, but also blend, mix, coat, and brand the products.

There is also further specialisation of the importers (wholesalers) and some of them exclusively deal with dried fruit and vegetables and edible nuts as food ingredients.

One of the newer, but still small developing trends for some importers, is the broadening of the product range with powdered superfruit products. However importers of dehydrated superfruit in powdered form usually belong to a slightly different supply chain of traders of organic products and food supplements.

The position of the importer and food manufacturers are put under pressure by retail. The higher requirements from the retail industry determine the supply chain dynamics from the top down the chain. Pressure is translated into lower prices, but also added value aspects such as “sustainable,” “locally sourced,” “free range,” “natural,” “organic,” “fair trade” and “carbon neutral” products.

Transparency in the supply chain is needed. To achieve this, many importers develop their own codes of conducts and build long-lasting relationships with preferred Developing Country suppliers.

Tip:

- Try to build good long-term relationships with specialised importers. For this, you could start with trial volumes and lower prices. This will help you to be better positioned and gain the status of a partner company. Depending on your company portfolio, you can be a preferred supplier of products in trends such as dried superfruit, tropical dehydrated fruit or organic products or an industry supplier.

Food processors:

Food manufacturers use dried fruits, vegetables and edible nuts as ingredients. The bakery and confectionary industry uses nuts and dried fruit, the ready meals industry and the soup industry use dried vegetables, the breakfast cereal industry uses dried fruit and nuts and the pet food industry uses dried vegetables and nuts.

Big food processing companies more often import directly from developing countries, however this trend only applies to the most used products (such as peanuts or raisins). This trend is still not applicable to ‘exotic’ ingredients as these are imported in small quantities.

One of the strong developments in the food manufacturing industry is vertical integration. European processors are investing in production facilities, source directly from the farmers and even grow nuts in their own orchards in developing countries. One of the recent examples is the investment in hazelnut production in several developing countries by the Ferrero Hazelnut Company.

Increasing demands for food safety and sustainability also motivate vertical integration, which allows more control of these aspects. Vertical integration may come as a subsidiary, joint venture or a long-term cooperation between exporter and importer.

Tip:

- Consider using the opportunity to sell directly to food manufacturers. European processors want to ensure the continuity of supply, but to sell directly you should be ready to customise your offer according to particular product specifications from the different industries. On the other hand, be careful that such a move does not damage your relation with existing buyers, since you may end up serving the same customers.

Packers:

Packers are the most important channel in terms of quantity of traded dried fruit, vegetables and edible nuts, as more than 50% of products is re-packed in Europe into smaller packs for the retail and food service sector. Packers increasingly pack under private label brands for retailers.
However in many cases, wholesalers also have packing facilities but this is more usual for supply to the food-service segment than for retail.

Many packers import directly as well, thus threatening the existence of the stand-alone importers. Actually, 'packers' also perform other processing and marketing functions such as blending, mixing, coating and branding of the products, and have thus earned a strong position as product category specialists.

Tips:

- Invest in food safety certification and in processing equipment if your aim is to deliver products to packers that pack under their own brands or under private labels. In processing you should be able to produce products with a minimum content of fruit pits and with different humidity levels.

- Consider packing dried fruit and nuts for European suppliers of private label brands. If your packing costs are lower than in Europe it can be a potential advantage over European packers. However keep in mind that firstly you need to fulfil high food safety and sustainable requirements by European retailers.

- ## End consumer channels for dried fruit and edible nuts:

Retail channel:

Around 50% of dried fruit and edible nuts are sold in the retail channel. Next to supermarkets, many countries have specialised outlets for dried fruit and edible nuts, such as stalls at public and street markets and speciality stores.

Retailers rarely buy directly from developing country exporters. However, there are some cases where developing country exporters (processors) pack directly for private label or even own label brands. A recent

development is the polarisation of the retail sector into discounters and high-level segments. Consolidation, market saturation, strong competition and low prices are key characteristics of the European retail food market.

Leading food retail companies in Europe differ per country. The companies that are holding the largest market shares are: Schwartz Gruppe (Lidl and Kaufland brands), Carrefour, Tesco, Aldi, Edeca, Leclerk, Metro Group, Rewe Group, Auchan and Intermarché.

Besides big retail chains, specialised stores (health food stores, greengroceries or convenience stores) are important segments for dried fruit, vegetables and edible nuts and many wholesalers in Europe target this segment.

Tips:

- Understand the pressure by retailers for sustainable products and make yourself more competitive by investing in different certification schemes such as CSR related, organic or food safety. Food safety certification is the minimum requirement if you want to reach the retail segment. For more information see our study about Buyer requirements for processed fruit and vegetables.

- Try to make direct contact with owners of ethnic food shops or specialised health food shops, as they import directly more often than big retail chains. Especially if you produce more ‘exotic’ and ‘superfruit’ products, you will have a greater chance at exporting directly to European retailers.

The food service channel:

World cuisines, healthy food and food enjoyment are the major driving forces in the food service channel in Europe. The fastest growing business types are likely to be new (healthier) fast food, street food, pop up restaurants, international cuisines, coffee shops and sandwich bars.

The food service segment often requires specific packaging, which is different from bulk or retail packaging (for example from 1 to 5 kg) packs instead 10 kg and above packaging.

Tip:

- Consider investment in smaller packaging equipment if your aim is to become a supplier of food service industry.

The street markets channel:

Around 15% of edible nuts and dried fruit are still sold on street markets in Europe. Street markets are more popular in Southern and Eastern Europe than in Western European countries. Although street markets are

facing a decrease in market share compared to retail chains, they are still the preferred buying option for some European consumers who believe their products are fresher and sourced directly from farmers.

Tips:

- **Street markets are supplied by specialised wholesalers (see Figure 3), so you should search for them.**
- **Do not be tricked by the perception of lower requirements for street markets. The same food safety requirements for the retail market also apply to street markets.**

Online selling:

Internet grocery shopping is growing at a fast rate across Europe. According to IGD Shopper Vista, the fastest growing online grocery markets are in the United Kingdom, France, Germany and the Netherlands. Almost all retail chains in Europe offer possibilities for online shopping.

The trend of online shopping is noticeable in niche markets for special, organic, functional and ethnic foods.

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b) Through what channels can you get Fruit Juices, Frozen Fruit and Vegetables, Canned Fruit and Vegetables, Jams and purees on the European market?

Food manufacturers, importers and bottlers or packers are the main channels to reach this diverse market. Canned fruit and vegetables, individual quick frozen fruit (IQF) products and not from concentrate (NFC) juices usually have a short supply chain which would mean more added value to the developing countries exporters. Among several segments beverages industry is using largest share of this product group.

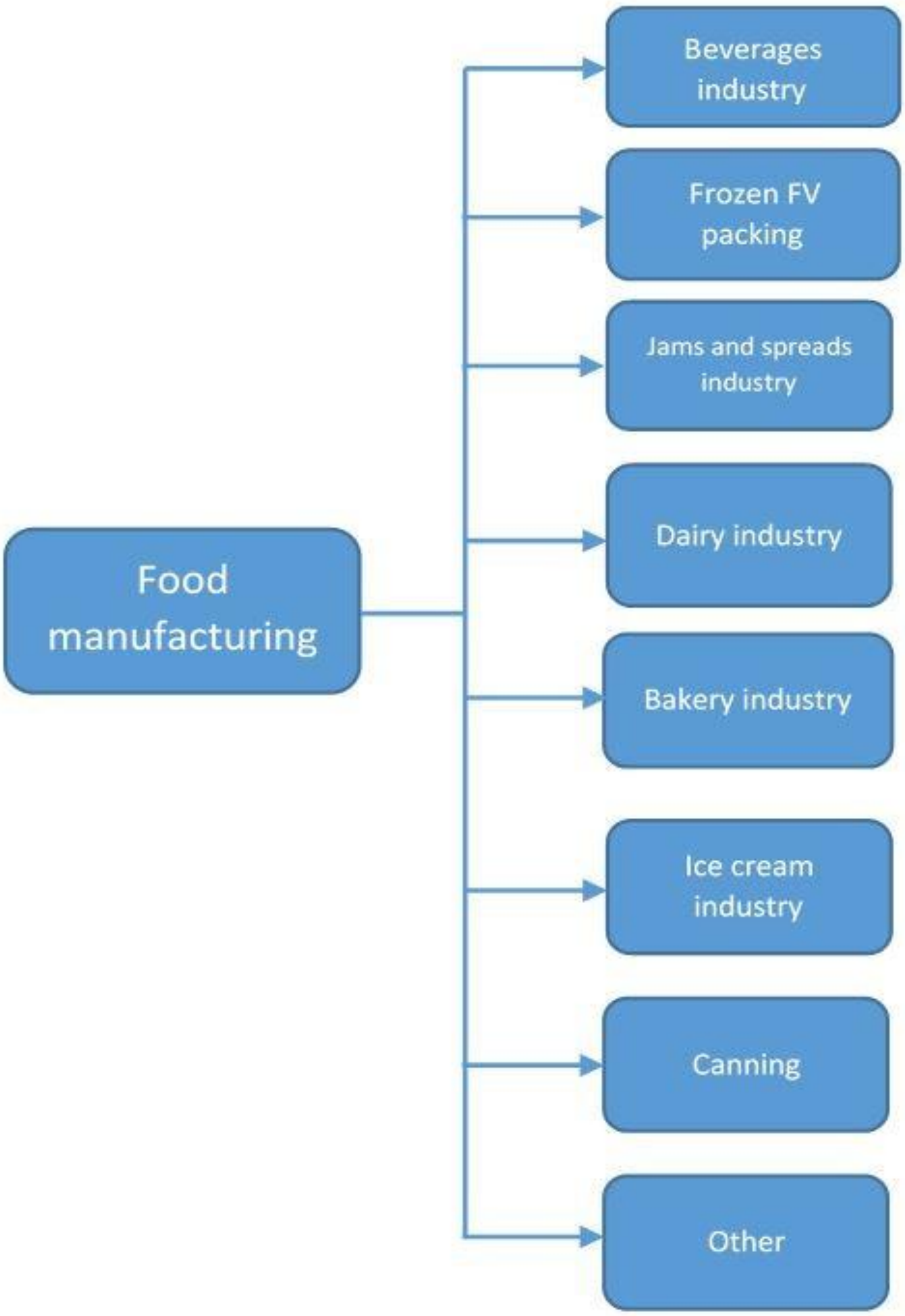
- **Which market segments to target**
- **Market Channels for processed fruit and vegetables on the European markets**
- **End consumer channels for processed fruit and vegetables**

- **[Which market segments to target](#)**

For developing country exporters, a closer look at food manufacturing industry segments and price segments can provide more insights. Most products of the processed fruit and vegetables (PFV) industry imported into Europe are used in various industries.

Market segments for processed fruit and vegetables within food manufacturing industry:

Figure 1: European market segments for Fruit Juices, Frozen Fruit and Vegetables, Canned Fruit and Vegetables, Jams and Fruit Preparations.



Beverages industry:

The beverages industry, and especially fruit juice, is the main consumer of processed fruit and vegetables (especially fresh and frozen concentrated juices). Fruit juice concentrates, frozen fruit and purees are used for the production of juices, nectars, soft drinks and alcoholic drinks.

The fruit juice market in Europe is expected to decline because of the high sugar content in juice drinks. Therefore beverage producers are expected to introduce more drinks where pure fruit and vegetables juices will be used as ingredients with the addition of water and other nutrients such as vitamins and minerals.

The preferred flavour in the European markets is orange, followed by flavour mixes, pineapple and peach.

Examples of companies from this segment are Döhler, Friesland Campina, Refresco and Louis Dreyfus.

Tips:

- Try to source and offer the most preferred fruit and vegetable varieties for the beverages industry, as variety strongly influences the taste of products and can give you a competitive advantage. For example, in mango purees the variety alphonso is the international benchmark, while totapuri is also widely used.

- Start to sustainably source raw materials for fruit juices and purees as soon as possible. Under the coordination of the Sustainable Trade Initiative (IDH), the leading European beverage companies signed a global agreement targeting 100% verified sustainable sourcing for their juices by 2030.

- Look for opportunities in the fruit juices segment by offering products with an increased demand, such as superfruit juices, NFC juices, frozen berries or exotic vegetable juices and purees.

Frozen fruit and vegetable packers:

Deep freezing companies represent an important market segment, which imports IQF products and re-packs them directly or combines them into mixes for retail or food service sale. It is expected that some subcategories such as frozen berry (superfruit) products will continue to increase their sales. Frozen fruit and vegetable packers are often suppliers of other industries such as the jam, fruit juices or bakery industry.

It is expected that market segment for IQF fruit and vegetables will continue to grow with double digits in the next several years, due to increased use of these products in both foodservice and retail.

Convenience, price and popularity among consumers are the main drivers for IQF fruit and vegetables. Concerning individual categories, IQF berries are expected to be the most dynamic segment in the next five years, in terms of revenue contribution (strawberry, raspberry, blueberry and cranberry).

Frozen fruit and vegetable packers require varieties that are harder, well coloured and well shaped as those characteristics are more important for packers than brix level.

Examples of companies from this segment include Descours, Merko and Dujardin.

Tip:

• Find opportunities in the 'Superfruits' niche of the frozen fruit and vegetables segment. Some berry fruits offer good opportunities for suppliers of the packed frozen fruit segment.

Jams and spreads industry:

The jams industry imports various fruit preparations, such as aseptically cooked fruit without sugar, and further prepares them into jams, marmalades and other spreads. This is a stable segment in Europe without significant changes.

As in the other industries, a continuous trend is the demand for sugar-free jams and marmalades. In such products alternative sweeteners may be used, such as apple juice concentrate and stevia, which are perceived as more natural. Companies from this segment are often also suppliers of other industries such as the ice cream or bakery industry.

The use of jams, jellies, and preserves is increasing in salads, cookies, pizzas, sandwiches, and smoothies. Because of the healthy living trend producers are inventing new products such as with high fruit content and sugar-free products.

Packaging is an important factor for the jams industry, because oxidation can happen in nonhermetic packaging. This can cause deterioration of the colour and taste of the product.

Examples of companies from this segment include Zentis, Hero Group and Andros.

Tip:

• Invest in aseptic high-pressure equipment, as this can ensure production of good quality ingredients with stable colour.

Dairy industry:

The dairy industry is a large consumer of different fruit preparations. Different fruit (and sometimes vegetable) preparations such as stirred, layered, swirl or side compartment are used in yogurts, dairy desserts, curds, milk drinks, soya based products and cream products. The most popular types of fruit in milk based drinks are different types of berry fruits (strawberries, raspberries, blackberries and blueberries). Other popular fruits are peach, cherry and tropical fruit such as mango, papaya and passion fruit.

Examples of companies that supply to this segment include Agrana, Grunewald International, Valio and Friesland Campina.

Bakery industry:

The bakery industry has demand for specific formulations for different fruit preparations, which are used in biscuits, cereal bars, cakes, pastries, etc. A recent trend in the bakery industry is the increased demand for preparations with lower content of fruit due to effort to produce cheaper products.

Examples of bakery industry suppliers include Zuegg, Loragro and Mondi Condex.

Ice cream industry:

The ice cream industry uses mainly frozen fruit but also fruit preparations such as standard and semi-infused fruit pieces, fruit chunks, etc. used on top, and in ice cream applications. The ice cream industry across Europe comprises some 100 companies operating in the various member states. Europe's ice cream market continues to display relatively limited volume growth, reflecting the maturity of the market.

Innovation in the ice cream and frozen desserts sector continues to be shaped by the trend towards natural ingredients, like no additive/preservative and low fat claims.

Finding the right applications for the dairy industry depends a lot on the taste of the final consumers in the target market. It therefore requires a lot of mutual investment in research and development process with dairy companies.

Examples of companies from this segment include Unilever (Magnum brand), Milcobel (Ysco brand) and Nestle.

Tips:

- Invest in modern technology and strong connections with companies from dairy, bakery or ice cream sector to become a preferred supplier of these segments. Therefore consider exporting ingredients to companies in Europe that have already established a position as 'fruit preparation' suppliers, before targeting those segments directly.

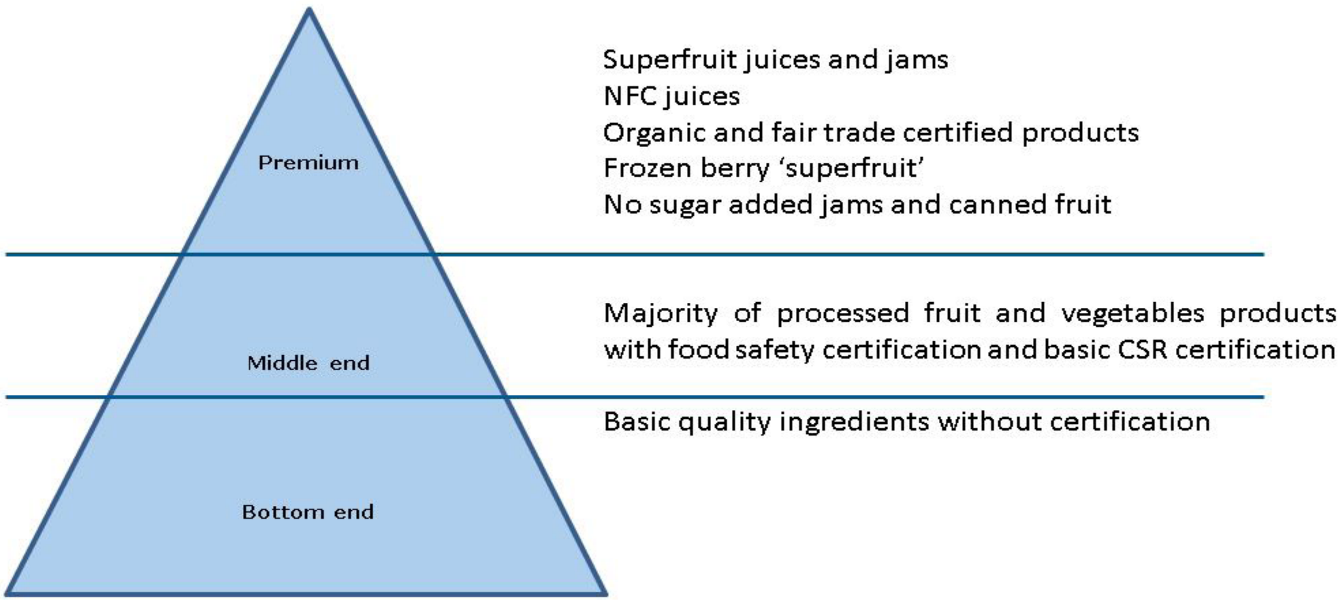
- Offer processors in this segment your ideas about new tastes and product compositions, as those segments are constantly looking for innovative solutions to be in line with consumer trends. Some ideas can be found in exotic tastes such as pineapple, soursop, cherimoya, guanabana, guava, kiwi, lychee, mango, passion fruit etc.

Price segmentation:

Due to the large variety of products in these sectors, it is not easy to make a precise price as different products reach different price levels. Generally, higher prices are reached in the following cases:

- Fruit and vegetable varieties with higher brix levels
- Superfruits' and 'exotic' types of fruit and vegetables
- Sugar free' products
- Organic or ethically and sustainability sourced certified products
- Retail or food-service packed products

Figure 2: Indication of price ranges and market segments

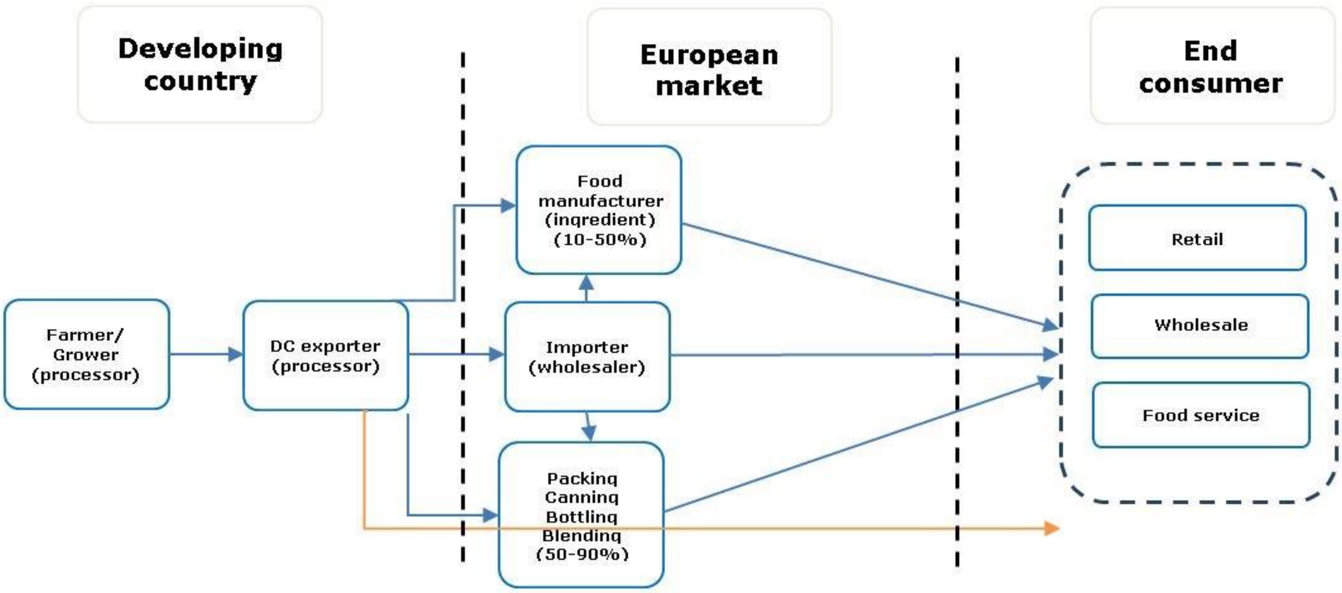


Tip:

- **Be aware that some higher price segments are very small and offer opportunities only for a limited number of suppliers.**

• Market Channels for processed fruit and vegetables on the European markets

Figure 3: European market channels for fruit juices, frozen fruit and vegetables, canned fruit and vegetables, jams and fruit preparations.



Source : CBI, Centre for the Promotion of Imports from Developing Countries, www.cbi.eu

Growers and processors in developing countries:

At the growers' level, Good Agricultural Practices are becoming more important and requested by all participants in the food supply chain, especially in the aspects of food safety where traceability is the main issue. GlobalGap, which is a common standard in the supply chain for fresh fruit and vegetables, is also becoming more important.

Besides food safety, Corporate Social Responsibility (CSR) standards are gradually becoming more important, but they are not widely demanded yet. More often, CSR is part of supplier audit schemes.

After harvesting, fruit and vegetables are processed in developing countries with different methods, such as deep freezing, concentrating, preserving, canning, cooking etc. Fruit and vegetable preparation processing technology in particular is developing fast to meet tailor-made requests from the European processing industry. This includes specification according to fruit size, cut and variety, stabilisation systems, different flavour combinations, sugar reduction and vitamins/minerals enrichments.

High pressure processing (HPP) will be the most commercially important food processing technology for the European industry in the next ten years. Other important technology trends are cold plasma, PEF (pulsed electric field), microwave pasteurisation/sterilisation and UV processing, according to recent research by Campbden BRI.

Tips:

- Ensure that a traceability system is implemented in your company. Cooperate closely with growers and invest in their good agricultural practices. A practical tip is to use marked packaging for every individual producer so you can trace collected products to the individual growers.
- Try to comply with new requirements relating to CSR in order to enter the market for alonger period of time and obtain a preferred supplier status.
- Be informed about the latest technology developments and invest in equipment that will enable you to reach different European market segments. Follow the market trends for better conservation of nutritional values of PFV products.

Importers:

The role of the importers as intermediate traders of the PFV sector is weakening especially in jams, fruit preparations, juices and canned segments. Processing companies are more willing to purchase directly in order to cut costs and to establish long-term relationships with developing countries suppliers. Canned produce, for example, is increasingly sold directly to multiple retailers, thus bypassing such importers. For specialised canned products, importer-traders continue to play a role as consolidators and sourcing specialists.

Importers often implement additional processing before selling added value products on the European market. In the frozen industry segment, importers usually implement basic cleaning of products and sometimes pack products or mix them before selling. But in other industries, products can be processed in more advanced ways, including for example blending in the juice industry or creating custom made preparations for jams, yogurt or the bakery industry.

Contracting channels and channels of physical movement of goods can be different. So for instance, bulk juice suppliers can supply to the retail segment directly and have direct contract with a retail chain, but they would use blending and bottling companies as subcontractors.

Packers (bottlers):

Packers import products in bulk, repack them with or without processing and sell them to final consumer segments, mostly retail. The frozen fruit and vegetables sector sources IQF products and re-packs them under private labels or own brands. The bottling industry sometimes uses cold pressed juices but usually reconstitutes juices through the use of water.

The canning and jams industry re-packs imported processed fruit and vegetables but also imports directly packed products for the retail or food service sector.

In the fruit juice industry the largest proportion of the products (around 90%) is used by juice and beverage producing companies (bottlers). However, in the frozen fruit and vegetables sector much more products are packed as IQF products and sold in the retail segment. Still, more products are processed rather than re-packed in retail packaging.

Although many packing companies are supplied by wholesalers, the importer and packer are often the same company and use processed fruit and vegetables as ingredients for final products.

Packers are faced with the increasing pressure to use only recyclable packaging and to decrease CO2 emission. Big packaging suppliers such as "Tetra Pak" already have an action plan to ensure sustainability in the whole supply chain.

Packaging has started to influence the demand for PFV and there is growing demand for convenient, on-the-go packaging often with re-sealable caps, easy to open and use. There is also evidence that consumers increasingly buy products in packaging that is easier to recycle. Even sustainable canning technology is being developed by "Bonduelle", where cans are pressurised to make them thinner, saving weight by 15%.

Examples of companies from this segment include Coca Cola (Minute Maid brand), Pepsico (Tropicana brand) and Eckes - Granini.

Tip:

- Invest in good harvesting practices and post-harvest product handling as it ensures a large proportion of IQF fruit and vegetables, which is used by packing companies. IQF products reach better prices on the market than crumbled products.

Food manufacturers:

The European food and drink industry is the largest European industry in terms of employment. It is very competitive and globally connected as a major importer and exporter of food and agricultural products. To further increase its competitiveness, The European Commission is addressing a number of challenges such as

sub-optimal business-to-business relationships, a lack of transparency in the food supply chain, a lack of attractiveness for skilled workers, and a lack of market integration across Europe.

The food manufacturing industry consumes the largest share of processed fruit and vegetables as ingredients on the European markets.

The food manufacturing industry is dominated by fruit juice production, which mainly uses concentrated fruit juices in aseptic packing or in frozen form. Frozen cut or crumbled products, concentrated juices, fruit preparations (purees, pulps and special products) are used by a variety of industries including the jams and spreads industry, bakery industry, ice cream industry, dairy industry, soft drinks industry, canning industry and ready-meal industry.

A distinction should be made between final product manufacturers and intermediate product manufacturers, who supply to another industry. Fruit preparations, for example, constitute a specific intermediate industry supplying to the bakery, dairy and icecream industries (like CSM and Zuegg)

A general trend for all food manufacturers is the increasing pressure from retailers to supply CSR certified products.

One of the strong developments in the food manufacturing industry is vertical integration. European processors are investing in production facilities, source directly from the farmers and even grow fruit on their own orchards in developing countries. Increasing demands for food safety and sustainability also motivate vertical integration, which allows more control of these aspects. Vertical integration may come as a subsidiary, joint venture or a long-term cooperation between exporter and importer.

Tips:

- **Try to develop products according to the demands of the European food manufacturing industry. You will increase your competitiveness if you are able to formulate products in cooperation with specific consumer groups.**
- **In many cases, the segments that you are operating in also define the channel. For example, importers and packers dealing in organic products are others than companies dealing in conventional products.**

• End consumer channels for processed fruit and vegetables Retail channel

Generally, exported processed fruit and vegetables rarely reach the retail channel directly. However, this varies per subsector. For example, canned fruit is usually produced directly for the final consumers while in the juices subsector, this is rarely the case as water content and packaging increase transportation costs.

Leading food retail companies in Europe differ per country. The companies holding the largest European market share are: Schwartz Gruppe (Germany, Lidl and Kaufland brands), Carrefour (France), Tesco (United Kingdom), Aldi (Germany), Edeka (Germany), E.Leclerc (France), Metro Group (Germany), Rewe Group (Germany), Ahold (the Netherlands, Belgium), Auchan (France) and Intermarché (France).

Besides big retail chains, specialised stores (health food stores, fresh juice stores, greengroceries or convenience stores) are important segments for processed fruit and vegetable products.

The retail segment increasingly demands CSR, certified and healthy trend products (functional, organic and natural PFV).

The private label market is still growing and will continue to do so in the future. This particularly applies to the supermarket segment.

Food service channel:

The food service channel is usually supplied by specialised importers (wholesalers). Canned fruit and vegetables are commonly packed especially for the food service sector as whole, in halves, slices, cubes and cocktails by developing country processors. Also, frozen fruit, vegetable and jam wholesalers supply the food services sector by using larger non-branded packaging.

The food service segment often requires specific packaging, which is different from bulk or retail packaging (for example from 1 to 5 kg) packs.

Some fruit juice producing companies are only specialised suppliers to the food service sector (hotels, restaurants and catering) such as the Austrian Pago brand which is now part of EckesGranini group.

Tip:

- **Consider investment in packaging equipment if your aim is to become a supplier of the food service industry.**

4) Which requirements should your product comply with?

Which requirements should processed fruit and vegetables comply with to be allowed on the European market?

All foods sold in Europe, including imported processed fruit and vegetables, must be safe for consumption. This requirement means that additives must be approved or that harmful residues in pesticides are banned, for example. Several maximum levels of pesticides changed since last year. Labels should clearly state whether a food contains allergens. European fruit juice associations have started industrial selfcontrol of quality and food safety practices. Ethical trading initiatives are being integrated with product quality and safety requirements.

- **Which legal and non-legal requirements must processed fruit and vegetables comply with?**
- **Which additional requirements do buyers often have?**
- **What are the requirements for niche markets?**

- **Which legal and non-legal requirements must processed fruit and vegetables comply with?**

When exporting to Europe, you have to comply with the following legally binding requirements.

Food safety:

The European Union constantly works to ensure that Europe's food supply is the safest in the world. The same standards of food safety apply to all food products, regardless of whether they are imported or produced in Europe. The General Food Law is the legislative framework regulation for food safety in Europe. Around 90% of the food legislation is harmonised at the European Union level.

The European Union has developed an integrated "Farm to Fork" approach, covering all sectors of the food chain. This approach means that all food must be traceable throughout the entire supply chain and that the risks of contamination must be limited. To achieve this situation, all food business operators need to implement the Hazard Analysis of Critical Control Points (HACCP) system in their daily operations. Note that food business operators also include exporters from developing countries.

The monitoring and implementation of food law is done in a collaboration between national and European organisations. The General Food Law specified the establishment of the European Food Safety Authority (EFSA). EFSA is responsible for the development of specific legislation on food safety and the creation of a framework for official food controls.

The most important aspects of legislative requirements based on the General Food Law as relevant for exporters from developing countries include:

- control of food imported to the European Union; contaminants.
-

Tips:

- Implement a HACCP system into your daily practice. Even if HACCP is not obligatory in your country, you must comply with the European food safety regulations.
- Read more about traceability and food control in the European Union Export Helpdesk.
- Read more about food hygiene rules and how to implement them in specific sectors on the Guidance Platform for Food Hygiene.

- **For the full overview of requirements for processed fruit and vegetables and edible nuts, consult the EU Export Helpdesk, where you can select your specific product code under Chapter 07, 08 or 20.**

Official border control for food imported to the European Union:

Official food controls include regular inspections that can be carried out during import or at all further stages of marketing. In case of non-compliance with the European food legislation, individual cases are reported through the Rapid Alert System for Food and Feeds (RASFF), which is freely accessible to the general public.

You should be aware that repeated non-compliance from particular countries may lead to suspension of imports or to special import conditions for products from those countries. This measure is part of a risk-based approach by the food safety authorities, which focus their resources on the products and origins that represent the highest risks for food safety.

Nevertheless, only a small part of the products imported and marketed in Europe is subject to official physical controls, since the first responsibility for their safety is with the commercial operators such as importers. Importers will therefore conduct most of the checks required for assuring a safe product and may also demand certification as well as other proof of quality and safety.

The European Parliament and Council adopted the New Official Controls Regulation on 15 March 2017, which entered into force on 27 April 2017. Secondary legislation on official legislation for food controls has to be revised in the near future. You can read more about application dates in the application timeline table. New official regulation will extend the scope of controls to organic products. Exporters from third countries will use the single-standard Common Health Entry Document for the prior notification of exports.

In case of repeated non-compliance by specific products originating from particular countries, those product can only be imported under stricter conditions, such as having to be accompanied by a health certificate and an **analytical test report. Products from countries that have shown repeated non-compliance are put on a list included in the Annex of the Regulation on the increased level of official controls on imports.**

Since February 2017, the following processed fruit and vegetables are on the stricter inspection list:

- **canned apricots from Turkey and Uzbekistan (increased control on sulphites); dried**
- **apricots from Turkey and Uzbekistan (increased control on sulphites); dried lemons from**
- **Turkey (increased control on pesticide residues);**

- **frozen raspberries from Serbia (increased control on norovirus); frozen sweet peppers from Egypt and**
- **Turkey (increased control on pesticide residues); peanut butter from Bolivia, Gambia, Madagascar and**
- **Sudan (increased control on aflatoxins); groundnuts (peanuts) from Bolivia, Gambia, Madagascar and**
- **Sudan (increased control on aflatoxins); hazelnuts from Georgia (increased control on aflatoxins);**
- **pistachios from United States (increased control on aflatoxins).**

- **Note that proposed changes to the current list will be discussed and voted on by Member States in June 2017. If approved, the new changes will apply from 1 July 2017. Those new changes may include the following new listings:**

- **chili peppers from Sri Lanka for aflatoxins at 20%; dried grapes**
- **from Iran and Turkey for ochratoxin A at 5%; groundnuts from**
- **Senegal for aflatoxins at 50%.**

Furthermore, a change in frequency of sampling is expected for dried apricots from Turkey for sulphites (increase from 10 to 20%).

Tips:

- **Keep up to date with the Official Controls Regulation on the European Commission website.**
- **Work closely with the growers from whom you are sourcing products. Invest in their good agricultural practices to have full control of the supply chain.**
- **Consistently check the regulation on the increased level of official controls for imports of your product and country, as the list is updated regularly. Even if your country is not on the list, be aware of the most common contaminations for your product and implement all possible preventive measures.**
- **Search in the RASFF database to see examples of withdrawals from the market and the reasons behind these withdrawals.**

Contaminants:

Food contaminants are unwanted and harmful substances in food that can cause consumer illness. These substances may be present in food as a result of the various stages of its production, packaging, transport or holding, or from the external environment. The European Union has taken strict and extensive measures to minimise contaminants in foodstuffs.

The European Union Regulation on Contaminants in Food sets maximum levels for certain contaminants in foodstuffs. This regulation is frequently updated and contains, apart from the limits set for general foodstuffs, a number of contaminant limits for specific products.

The most common requirements for contaminants in processed fruit and vegetables are the following.

Limited use of pesticides:

The European Union has set maximum residue levels (MRLs) for pesticides in and on food products. Products containing more pesticide residues than allowed will be withdrawn from the European market. The general public is very concerned about pesticide residues. Both government organisations and non-governmental organisations frequently conduct sampling and testing, which often leads to public blaming and shaming of the industry if residues are found.

Note that the use of most pesticides is not allowed in organic products, although these products permit a very low level of residues in practice if it can be proven that this level is the result of cross-contamination rather than illegal use. However, the applicable limit is often a factor of 10 to 100 lower than for conventional products and generally stands at 0.01 ppm.

The European Union regularly publishes a list of approved pesticides that are authorised for use in the European Union. This list is frequently updated. During 2016, there were 23 changes to this list.

The European Union Directive on Maximum Residue Levels of Pesticides defines MRLs and should be checked frequently. MRLs apply to 315 fresh products and to the same products after processing. A general default MRL of 0.01 mg/kg applies where a pesticide is not specifically mentioned. Regulations on pesticides are scheduled to be reviewed in the coming years. More background information on the upcoming review can be found in the European Crop Protection position paper.

The level of pesticide residue accepted for a specific crop is often subject to intensive lobbying, since a limit at the default level will generally complicate its production and trade. In order to change the limit, proof will be needed that the higher level is safe for consumers. The most recent changes relevant for processed fruit and vegetables were the changes to the maximum residue level of the pesticides Chlorpyrifos (relevant for dried grapes) and Thiabendazol (relevant for mango products).

Be aware that some European buyers may use stricter limits for pesticide residues than official MRLs regulations. This situation is often the case with producers and importers of baby food such as fruit and vegetable purees, while it is also common in the fresh fruit and vegetables trade. Importers of processed fruit and vegetables may opt to limit the risk of non-compliance and adopt a safety margin comparable to the official limit.

Tips:

- See the European Commission Pesticides Database for the latest updates. The best way to find out what MRLs currently apply is to search for pesticides residues of the selected products.
- Read more about MRLs on the European Commission website for Maximum Residue Levels.
- To be prepared for the potential changes to the MRLs, read the Ongoing Review of MRLs in the European Union.
- Work closely with farmers to have full control of the use of pesticides in your raw materials. Engage plant protection experts who can regularly guide and advise farmers on the sustainable use of pesticides. For example, with a subscription to professional weather services or with the use of agricultural weather stations, it is possible to forecast the appearance of potential pests or plant illnesses and to limit the use of pesticides.

Absence of mycotoxins:

Mycotoxins are toxic substances produced by fungi commonly known as moulds. It is important to recognise that, although it is primarily food commodities that become contaminated with aflatoxins via mould growth, these toxins are very stable and survive severe processes such as heat treatment.

Control of mycotoxins is best achieved by measures designed to prevent the contamination of crops in the field and during storage, or by the detection and removal of contaminated material from the food supply chain. For example, colour sorting is often used to remove mouldy nuts from bulk shipments. Density segregation, mechanical separation, or the removal of fines and screenings from nut shipments can also be effective measures.

The most common mycotoxin contaminations in the processed fruit and vegetables sector are aflatoxins, ochratoxin A and patulin. In 2016, the RASFF issued a total of 366 notifications for the presence of mycotoxins in edible nuts and dried fruit. Of all recorded cases, 85% were border rejections. This figure is only the tip of the iceberg, since most controls are conducted by private operators and are not recorded here.

Aflatoxins are the most common mycotoxins found in edible nuts, especially in groundnuts, pistachios and hazelnuts. They are also frequently found in dried figs. Limits have been set for aflatoxins B1, B2, G1 and G2 in most edible nuts and dried fruit. According to the RASFF notifications, there were 312 cases of aflatoxin contaminations in edible nuts and 44 in dried fruit over 2016.

Ochratoxin A is a mycotoxin most commonly found in dried fruits, especially grapes, but also in grape juice. Ochratoxin A is not easy to prevent, as its appearance is connected to climatic conditions. In 2016, there were 25 notifications of high levels of ochratoxin A in dried fruit. Note that for some products, ochratoxin A limits may become stricter in the near future. However, it is still too early to speak about specific changes, as no concrete proposal is currently available. These discussions started in June 2017.

Patulin is especially associated with a range of mouldy fruits and vegetables, particularly rotting apples and figs. For different types of fruit juices limits between 10 and 50 µg/kg apply. However patulin is not a very common reason for border rejections, probably because the industry is itself monitoring this sufficiently. In 2016 there were no notifications of high patulin levels, but in 2017 there was one notification for fruit nectar where the product was withdrawn from the market.

Tips:

- Understand better growing, drying, processing or storage practices and discuss them with your suppliers. For example, refer to the Codex Alimentarius codes of practice for the prevention and reduction of aflatoxin contamination in tree nuts, peanuts and dried figs, or the FAO guidance for the prevention of aflatoxin in pistachios.
- For information on the safe storage and transport of processed fruit and vegetables and edible nuts, go to the website of the Transport Information Service.
- Check the sampling and analysis guidelines on the European Commission page for food contaminants.

Limited amount of heavy metals in food:

Heavy metals can occur as residues in food because of their presence in the environment, as a result of human activities such as farming, industry and car exhausts, or from contamination during food processing and storage. The European Union regulation on food contaminants sets restrictions for lead (fruit, fruit juices and various kinds of vegetables), cadmium (fruit and vegetables), mercury in food supplements and tin (canned food and beverages).

In the processed fruit and vegetables sector, a high presence of lead or cadmium can be found in frozen fruit and vegetables, but also in colours used on glass packaging materials. Higher concentrations of tin used to be found in canned fruit and vegetables as a result of dissolution of the tin coating or tin plate. However, since tin cans now generally have other inside coatings, there are no recent alerts of tin found in canned products.

Note that the European Commission has proposed a draft regulation on the review of existing maximum residue levels for mercury compounds. New limits for mercury are planned to be issued in October 2017.

Tip:

- Use expert help for the right advice on the implementation of the HACCP system in your daily practice. You need to have tight control over the traceability of raw ingredients and support farmers or growers in establishing good agricultural practices so as to prevent contamination of final products.

Reducing the risk of microbiological contaminants:

The most common types of microbiological contaminants in processed fruit and vegetables are salmonella and viruses such as norovirus or hepatitis A. According to EU legislation, salmonella is an important source of contamination in unpasteurised fruit and vegetable juices. It can be also present in other processed fruit and vegetable products.

Note that since March 2016, four European Union Member States have reported a total of 40 cases of a new Salmonella serotype with an antigenic formula that has never been described before. An epidemiological analytical study discovered that the source was sesame-based products imported from India. As a result, the official border control for sesame seeds imported from India has become stricter.

The World Health Organisation (WHO) estimates that norovirus is the most common cause of foodborne illness in Europe with close to 15 million cases each year, causing more than 400 deaths. A common source of norovirus is human hands that are not cleaned well before hand-harvesting fruit and vegetables. In addition, several cases were found where the source of norovirus were vehicles used for the transport of animals beside the transport of fruit.

The WHO estimates that there are 100,000 cases of hepatitis A infection in the European region each year, causing 200 deaths. In the fruit and vegetable processing sector, the major source of hepatitis A is infected pickers and handlers who transmit the virus to products.

Tips:

- Follow the most recent trends on food safety testing. Increased levels of quick tests on site, automation and computerisation of testing methods for food safety can help you a lot in your production process. Read the news on the webpage of the European Food Safety Authority (EFSA) to keep up to date with the latest food safety developments.
- Follow the safe food manual published by the WHO to prevent microbiological contamination.

- Read the guidelines for minimising the risk of microbial contamination in berries on the webpage of the European Association of Fruit and Vegetables Processors.
- Keep processed fruit and vegetables at safe temperatures.
- Transport fruit and vegetables from farmers to the processing facility in clean vehicles. The same vehicles which are used for transport of fruit must not be used for the transport of animals.
- Regularly inspect the water that you use for cleaning and processing fruit and vegetables, as infected water is one of the most common sources of microbiological contamination

Chlorate concerns:

Long-term exposure to chlorate in food, particularly in drinking water, is a potential health concern for children. Since 2008, chlorate is no longer authorised for use as a pesticide in the European Union. In addition, sodium chlorate may no longer be used in biocide products. The European Commission is working on setting a standard for chlorate levels in food.

A main contributor to the potentially increased level of chlorate in processed fruit and vegetables is the use of chlorinated water to wash fruits or reconstitute juices from concentrates. Another source is the use of disinfection substances with chlorates. As a consequence, many European buyers may ask you not to use chlorinated water from public water systems but to have your own water sources.

Limited nitrate level
A specific maximum level of 2,000 mg NO3/kg applies to frozen spinach.

Concerns about glycidyl esters:

Glycerol-based products are contaminants found within vegetable oils and in smaller quantities within some processed food, such as dried preparations for soups, breakfast cereal products, some snacks and potato products. Consequently, the European Commission wants to establish new maximum levels for glycidyl esters in vegetable oil. The updated opinion is expected to be delivered by the end of 2017.

Absence of foreign matters:

Contamination by foreign matter such as glass particles, plastic and insects is a threat when food safety procedures are not carefully followed.

Limited levels of irradiation:

Irradiation is a way to combat microbiological contamination, but its use is limited by European Union legislation for processed fruit and vegetables and edible nuts. European radiation protection legislation and radioactive contamination legislation define maximum permitted levels of radioactive contamination in food.

Although irradiation is authorised for some food ingredients, it is almost never used in the processing of fruit and vegetables. The maximum overall average absorbed radiation dose for dried fruit and vegetables can be different in some European countries. It is common for European buyers to request the issuing of irradiation level tests for all food shipments.

Product composition requests:

Buyers and European authorities can reject products if they have undeclared, unauthorised or excessive levels of extraneous materials. There is specific legislation for additives (such as colours or thickeners) and flavourings that list what E numbers and substances are allowed for use. If you want to add vitamins, you will have to know which vitamins (see Annex I) and sources, vitamin formulations and mineral substances are allowed (see Annex II).

Additives that are authorised are listed in Annex II of the Food Additives Regulation. The authorised uses of additives are listed according to the category of food to which they may be added. Other annexes of the regulation list food enzymes, flavourings and colorants. Note that pectin derived from apple, citrus fruits or quinces, which is used in the production of jams and marmalades, is not considered to be a food additive.

Vitamins and minerals can be added to fruit juices and fruit nectars. Although maximum levels have not yet been established, the European Commission is working on a proposal for them.

Food additives permitted before 20 January 2009 must go through a new risk assessment by the European Food Safety Authority (EFSA). The most relevant additives for processed fruit and vegetables that are currently under assessment are sorbates and sulphites. However, it is difficult to say when exactly the Commission will discuss possible changes to the maximum levels.

Product-specific legislation on composition applies to fruit juices and fruit jams, jellies, marmalade and sweetened chestnut puree. The Directives indicate which raw materials and additives may be used. In the processed fruit and vegetables sector, problems commonly occur because of the undeclared or excessive presence of used preservatives.

Examples of frequent problems are sulphite used as a preservative in dried fruit and coconut products, or benzoic acid in some pickled vegetable products. Another frequent problem is the excessive or undeclared presence of food colours. Typical examples are colour E110 (sunset yellow) used in dried candied fruit or colour E102 (tartrazine), which also gives a yellow colour and is used in condiments, spreads, pickled products and soft drinks.

Tips:

- Read more about additives for processed fruit and vegetables in the Food Additives Regulation under Section 4.
- Use the European Commission's Food Additives Database to check which food additives are allowed in Europe.
- Find a list of the forms of vitamins and minerals that can be added to foods inEurope.
- E numbers indicate approval by the European Union. To obtain an E number, the additive must have been fully evaluated for safety by the competent food safety authorities in the European Union. For an overview of E numbers, refer to the specifications for food additives in the annex of the Food Additive Regulation.

- Prepare in advance for the potential changes to food additives limits by checking the reevaluation of food additives on the website of the European Commission.

Safe packaging and informative labeling:

Export packaging must be in line with the European legislation on weighting and be safe for consumer health as well as for the environment. Packaging made of wood or vegetable materials may be subjected to phytosanitary controls. The labelling of packed products must contain various items of information relevant to the consumer.

Packaging requirements:

The first requirement is that the content in the packaging corresponds to the indicated quantity (in weight or volume) on the label. Importers will check the packaging size and weight to ensure that prepacked products are within the limits of tolerable errors.

You will frequently be faced with buyer requirements for the use of recyclable packaging such as cartons. This requirement is especially relevant if the exporters aim to supply to European retail chains, which often require that packaging is made of 100% ecological and recyclable materials including lids and caps.

The new Regulation (EU) No 1169/2011 on the provision of food information to consumers entered into force on 13 December 2014. The obligation to provide nutritional information has applied since 13 December 2016.

For consumer packaging materials that come into contact with food (such as cans or jars), specific health control provisions apply. Food contact materials must be manufactured so they do not transfer their constituents to food in quantities that could endanger human health, change the composition of the food in an unacceptable way or deteriorate the taste and odour of foodstuffs.

An interesting substance of which to be aware is Bisphenol A (BPA). BPA is known for its use in plastic bottles, but is also sometimes used in inner coatings of jar lids. At the moment, the use of BPA is still allowed, but there have been several discussions recently and some buyers may require you not to use it.

Tips:

- Read more about legislation on packaging waste on the European Commission website.
- Be informed about the German "green dot" system for the identification of recyclable packaging materials.
- Document the toxicology test for packaging materials that you conducted and the risk assessment that you implemented for your importer. The European legislation on food contact materials is quite extensive and it is not easy to prove to your importer that your product complies with all requirements.

Labelling requirements:

In the European Union, the labelling rules enable citizens to obtain comprehensive information about the content and composition of food products. Labelling helps consumers to make an informed choice when purchasing their foodstuffs.

The regulation on the provision of food information to consumers defines obligations such as:

- labelling of the energy value and quantities of fat, saturates, carbohydrates, protein, sugars and salt;
- presentation of allergens (such as soya, nuts, gluten and lactose) for prepacked foods (emphasis on font, style or background colour) in the list of ingredients; mandatory allergen information for non-prepacked food, including in restaurants and cafes; minimum font size for mandatory information of 1.2 mm.
- There is a possible extension of the regulation on the compulsory labelling of the country of origin for ingredients that represent more than 50% of a food. Some of the obligations (such as the minimum font size) relate to consumer-packed products only. However, as a supplier of bulk products, you will be asked to provide relevant information; for example, on allergens and composition.

Tips:

- Read more on general food labelling in the EU Export Helpdesk.
- For practical guidance on food labelling for prepacked products, see a guidance document with information on the new food labelling legislation and check the official guidance document published by the European Commission on the control of compliance with nutrient values declared on a label.
- Note that information on the presence of allergens is becoming more and more important.

The chance of cross-contamination (for example, when a product is processed in a factory that also processes peanuts) is sometimes even considered to be possible at the farm level.

Novel foods must be authorised before entering the European market:

Novel food refers to all foods that were not consumed in the European Union to a significant degree before the first Regulation on novel foods entered into force (May 1997). It also refers to food produced using new techniques and technologies, such as nanomaterials.

In 2015, this regulation was replaced by Regulation (EU) 2015/2283, which simplified the procedure for placing novel food of traditional use in third countries on the European market. In particular, the so-called notification procedure has been skipped, thereby allowing all operators to market a product as soon as it has been initially authorised and included in a “Union List”.

To market a novel food or ingredient, companies must apply to the European country authority for authorisation, presenting the scientific information and a safety assessment report. Marketing authorisation covers conditions of use, designation of the novel food or novel food ingredient, and specification and labelling requirements.

Alternatively, a novel food or ingredient may be marketed through a simplified procedure called "notification". The European Commission has prepared a [guidance document to assist businesses when a product does not require authorisation](#).

In the processed fruit and vegetables sector, novel foods frequently appear, especially in the subsector of "superfruit" ingredients. Authorised novel food includes products traditionally eaten in non-European Union countries such as noni and baobab juice, or food produced using the latest technological innovations such as high-pressure fruit juice (which is an example of a food derived from new production processes).

Tip:

- **To check whether your product or ingredient is authorised as a novel food, check the Novel Food Catalogue. Note that the list is not exhaustive and serves as an orientation on whether a product will need authorisation under the Novel Food Regulation.**

• Which additional requirements do buyers often have? Food Safety Certification as a basis for entering the European market

Although food safety certification is not obligatory under European legislation, it has become a must for almost all European food importers. Most established European importers will not work with you if you cannot provide some proof of food safety certification as the basis for cooperation.

The majority of European buyers will ask for Global Food Safety Initiative (GFSI) certification. For fruit and vegetable processors and traders, the most popular certification programmes are:

- International Featured Standard (IFS);
- British Retail Consortium Global Standard for Food Safety (BRC);
- Safe Quality Food Program (SQF);
- Food Safety System Certification (FSSC 22000).

Please note that this list is not exhaustive and food certification systems are constantly developing.

The majority of food safety certification programmes are based on existing ISO standards such as ISO 22000.

Although different food safety certification systems are based on similar principles, some buyers may prefer one specific management system. Also note that while food safety certification is a basis to start exporting to Europe, reliable buyers will usually visit your production facilities. If you supply to large retail chains in Europe, retail chain representatives may conduct audits a few times per year.

In the fruit juice industry, the most recent development is SGF certification. SGF certifies fruit processing companies, packers and bottlers, traders and brokers for fruit juices, as well as transport companies and cold stores in almost 60 countries worldwide. SGF certification covers not only food safety but also product quality and Corporate Social Responsibility (CSR) principles.

Tips:

- **Check which specific food safety management systems buyers in your target market most commonly request. For example, British buyers often require BRC, while IFS is more common for German retailers. In any case, choose a management system that is GFSI approved.**

- When you decide on a food safety certification scheme, carefully check the available consultants and certification bodies in your country and with your buyers. In practice, European buyers may not accept particular certification bodies if they are not familiar with them.
- Read more on the different Food Safety Management Systems at the ITC Standards Map.

Please note that some large companies use electronic qualification systems, in which you register in a supplier qualification system.

Corporate Social Responsibility:

Social, environmental and ethical elements of CSR in the European industry for processed fruit and vegetables range from the farm and production level, through the processing of fruit and vegetables, to their delivery to the final consumer.

Although sustainable certification such as Organic and Fair Trade has created an interesting but limited niche market for several years, mainstream conventional companies are now introducing sustainability initiatives as well. This interest of large companies is expected to have a positive impact on existing Fairtrade and similar initiatives, as well as encouraging the use of sustainable alternatives such as UTZ, Rainforest Alliance and several others internal to the trade, including SMETA and BSCI.

Fairtrade products are produced with additional focus on the social conditions in the producing areas. The leading standard from Fair Trade International is available for dried fruits and vegetables, fruit juices and nuts. This standard is primarily concerned with the living conditions of disadvantaged producers in developing countries, in particular small farmers and plantation or farm workers.

Fair Trade certification is becoming more complicated, including several types of certifications and types of logos that are used on the products. One new initiative is “Fair Trade and Organic”. Another new and important issue is ensuring that farmers and workers earn a sufficient income for a normal life, a so-called living wage or living income. Commonly accepted certification schemes do not guarantee this aspect.

In the next several years, the strongest impact of sustainable initiatives is expected in the juices and purees subsector. Leading European beverage and food companies have formed a coalition aiming for 100% sustainable juice and puree by 2030. With the support of the European Fruit Juice Association, they will work on the certification/verification of their supply chains and address specific sustainability issues such as smallholder inclusion, working conditions, soil erosion and degradation, and climate resilience.

Tips:

- For a full overview of certification schemes in the processed fruit and vegetables sector, you can consult ITC’s Standards Map.
- Review good practice examples of corporate social responsibility (CSR) on the Fruit Juice CSR Platform. This platform is co-initiated by the European Fruit Juice

Association (AIJN) and Sociability, and it is endorsed and co-funded by the European Commission.

- Get some sort of CSR-related certification to become more competitive on the market. Certified companies will be more easily selected as a supplier. You can start your own assessment with the self-assessment tools of the Sustainable Agriculture Initiative Platform or the Sedex Members Ethical Trade Audit (SMETA). You can invite suppliers or farmers in your supply chain to use the same tools.
- Communicate with end consumers in Europe on an emotional level by providing specific information on the effects of your sustainable approach in your country or community.
- Familiarise yourself with the ETI base code to check what ETI members require from their suppliers. This information is especially relevant if you are targeting the British market.
- Do a self-assessment through the producer starter kit from the BSCI website.
- Ask your farmers to fill in the Farmer Self-Assessment by the Sustainable Agriculture Initiative in order to check how sustainable their production is.
- Consider defining and implementing your own code of conduct. Although this process is not required by buyers, it may be a good way to show potential buyers your views on corporate responsibility. Refer to the code of practice by the Fruit Juice Association (AIJN) for inspiration. The AIJN represents a large share of the fruit juice producers in Europe.
- Consider implementing management systems such as ISO14001 (environmental aspects), OHSAS 18001 (occupational health and safety), ISO 26000 (a comprehensive system including all social responsibility aspects) or SA 8000 (labour and working conditions). Those systems are good ways to address sustainability and possibly gain a competitive advantage. Research with your buyer whether this aspect is appreciated.
- Invest in building a good relationship with your buyer, invite them at the production location and enter into a dialogue so as to build trust and a long-term relationship.
- Check the Fair Trade Standards for small producer organisations for edible nuts and prepared and preserved fruit and vegetables.

- What are the requirements for niche markets?

Fulfilling requirements for organic products present opportunities for growing organic market segment:

Organic processed fruit and vegetables and edible nuts are produced and processed by natural techniques (such as crop rotation, biological crop protection, green manure or compost).

The organic market in Europe continues to grow. In 2015, it increased by 13% to nearly € 30 billion. The largest European market, Germany, grew by nearly 10% in 2016 to € 9.5 billion.
Switzerland has the highest per capita consumption of organic food worldwide, followed by Denmark and Sweden. The fact that the number of processors and importers grows more rapidly than the number of producers indicates that organic production does not keep pace with demand. This fact offers opportunities to you.

To market processed fruit and vegetables and edible nuts as organic in Europe, they must be grown using organic production methods laid down in European legislation. Growing and processing facilities must be audited by an accredited certifier before you may put the European Union's organic logo on your products, as well as the logo of the standard holder (for example, Soil Association in the United Kingdom or Naturland in Germany).

European Union authorities can require increased control of imported organic products from nonMember States.

Note that importing organic products is only possible with an electronic certificate. A new system of electronic certificates for imports of organic products became applicable on 19 April 2017. It replaces the paper-based certificate of inspection that has been in effect since 2008.

Tips:

- Consider investing in organic production and make a cost-benefit analysis. Organic production will often make your products more expensive, but you may be able to compensate this increase with higher sales prices. The demand for certified Organic processed fruit and vegetables is increasing.

- Read more about the electronic certificate for the inspection of imported organic products in the new European legislation.

- Try to combine Organic certification with other sustainable initiatives in order to increase your competitiveness on the European market.

- Check the Guidelines on imports of organic products into the European Union to get an idea of the requirements for European traders.

- Consult the Standards Map database for organic labels and standards.

- Check the Guidelines on additional official controls on imported organic products. In 2017, additional controls are suggested for organic products imported from Ukraine, Kazakhstan and the Russian Federation.

Ethnic, niche markets certification:

The Islamic dietary laws (halal) and the Jewish dietary laws (kosher) propose specific restrictions in diets. If you want to focus on Jewish or Islamic ethnical niche markets, you should consider implementation of halal or kosher certification schemes.

Tip:

- If you are focusing on the Jewish or Islamic market within Europe, you should become familiar with certification procedures. You can find answers from halal or kosher organisations such as the certification agency OU Kosher or the Halal Food Council of Europe

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10 tips for doing business with European buyers of processed fruit and vegetables

European buyers of processed fruit and vegetables expect excellent quality, food safety, service and a competitive price. In some market segments additional requirements for sustainability are important, such as organic and fair trade. Here, you'll find ten key tips for doing business with European processed fruit and vegetables buyers.

1. Choose your market entry approach carefully
2. Meet the required quality and safety standards
3. Provide reliable product specifications
4. Develop a B2B brand
5. Set reasonable prices
6. Provide correct packaging and transportation
7. Meet your buyers in person
8. Be aware of differences in business cultures

9. Deliver what you promise

10. Keep learning

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1. Choose your market entry approach carefully:

When you start looking for buyers, think about what kind of buyers you would like to work with. This will narrow down your search and increase your success rate in turning prospects to customers.

Your options include selling to traders or distributors, packers and final product manufacturers. You may also consider using an agent to help you connect to such buyers. As a first step, decide on your product market combination. This is the specific market (defined by country and segment) that you want to target with a specific product or product group.

If you sell fruit juices and concentrates in bulk for example, you will want to look for packers, blenders and food manufacturers who use your products. You can either try contacting them directly, or you can go through importers and agents.

If you sell finished products, such as canned fruit and vegetables, you will need to target either the retail or the catering market. You can look for distributors and agents who target these particular markets. However, if the retail is your target market be prepared for very strict requirements including sustainable packing and testing of products.

If you export organic processed fruit and vegetables, you will need to target the niche market segment for organic food products. This segment is served by entirely different importers than the general market.

Tips:

- See our study about market channels and segments on the European processed fruit and vegetables market.
- Read our tips for finding buyers in the processed fruit and vegetables market.
- Prepare an export marketing plan, and a systematic approach to market.
- For producers of primary products, your best option may be to sell through processors and exporters in your own country, rather than exporting directly.

2. Meet the required quality and safety standards:

The European market is very demanding when it comes to food quality and safety. Many buyers will have quality managers who are responsible for monitoring the quality and safety of the food and ingredients they buy. These people have the power to make or break a deal. Make sure you know what their requirements are, and ensure that your products comply with them.

Examples of expected food-safety certifications include BRC Global Standards (BRC: British Retail

Consortium), Safe Quality Food (SQF), International Food Standard (IFS) and Food Safety System Certification (FSSC 22000), which are all recognised by the Global Food Safety Initiative, and ISO22000 from the International Organization for Standardization (ISO). The Global Food Safety Initiative was created by retailers and manufacturers in an effort to harmonize requirements for food safety.

Safety of processed fruit and vegetables is regulated by European law, but private standards (such as those mentioned above) are also widely used. Familiarise yourself with market requirements in your target sector.

Tips:

- Read our study on market requirements for processed fruit, vegetables and nuts
- Get certified: food-safety certifications such as HACCP, BRC, SQF, ISO22000 and similar are important, and are often expected by buyers.
- Find out more on international standards and food safety management systems from Standards Map.

3. Provide reliable product specifications:

Product specifications define the type and quality of the product that you will supply. They will be legally binding when you close a deal, so make sure that they reflect the true characteristics of your product. They should also be aligned with legal requirements. When you issue a quotation, send this product specification with it. You can also provide additional information that underlines the quality of your products, such as laboratory analysis and quality and safety certificates. These are good tools for your sales process.

Product specifications define the characteristics of your products and will be included in contracts. Remember to include the following:

- a description of your product
- the grade
- the purity
- maximum levels of contaminants such as mycotoxins, heavy metals and pesticide residues.
- Brix level, especially for fruit juices and concentrates
- moisture content, especially for dried fruits
- if your product has been in touch with any allergens, these must be declared as well
- variety of fruit or vegetable used in the processing
- shelf life of the product
- quantity of preservative(s) if used.

Tips:

- Ask buyers for their product specifications and compare them with your own. Identify the gaps and discuss them before making a deal.

- Traceability is a big trend, and many buyers are interested in knowing exactly where your products come from. If possible, try to meet this demand by providing information on your website and in your production information.

4. Develop a B2B brand:

It is a good idea to develop a brand for your company. This works well in business-to-business (B2B) trade in a similar way to business-to-consumer (B2C) trade.

Communicate your brand consistently on all of your media platforms, your website, social media, in your emails, newsletters, quotations, letters and business cards for example. Creating a brand will make you more unique and recognisable, and will add value to your business.

How you present yourself is also important. Create one clear message in a consistent style, which tells how your products and company can make a difference in the market. Think about benefits of your proposition both for customer and end-users of your product.

Target this information at your potential buyers. Choose issues that they will understand and relate to.

Be honest. Do not advertise products or services you cannot deliver.

Tips:

- **Identify and communicate your Unique Selling Points (USPs). These are the most relevant issues that make you stand out in the eyes of your buyers. For inspiration you can think about your product type and quality, your food safety system, your approach to Corporate Social Responsibility, but also your service level, delivery options and price can be relevant.**
- **Read our study about competition on the European processed fruit and vegetables market to help you identify your USPs.**
- **Some examples of strong B2B brands are the multinational trading company Olam and, of a smaller size, the Dutch superfruit importer, Berrico. But the list is really endless. Every successful company needs to present itself professionally to the market.**

5. Set reasonable prices:

Keep up to date on price fluctuations and market trends. This is a good way of knowing how to set your prices and whether or not your buyers are offering you market-acceptable prices.

When selling to Europe, you will initially have to depend on prices offered to you by traders. Once you are more familiar with the market and able to anticipate market trends, you will have a tiny margin to set your own price. Remember, that the prices of processed fruit and vegetables are dictated by the international market, and there is little flexibility in setting your own prices.

When starting a business in a new market, one approach is to keep prices a little lower than competition. Buyers will not easily switch to new suppliers without additional benefits. This is especially true of the offers from developing countries which are new in offering particular products.

Once you are in the market, you can try to upgrade your buyer portfolio, and thus improve your average sales price. However, buyers willing to pay more will also be more demanding in terms of quality, logistics and service. So be realistic about your possibilities.

Tips:

- ITC's Market Insider offers some information on current trends and prices in the fruit juices, pulps and purees market.
- ITC's Market Insiders also has a similar market information service on edible nuts, in particular peanuts and cashews.
- Agranet's Foodnews publishes prices of processed fruit and vegetables, but this is a paid service. News headlines can be read free of charge.
- Be aware of competitors. If you offer a similar product and service, your price will have to be similar as well.
- Once you are 'in the market', you will get regular feedback from buyers on your offer, and thus become familiar with price levels.

6. Provide correct packaging and transportation:

Make sure that your products are well protected during transport. Processed fruit and vegetables can be packed in a variety of ways, depending on the product and market segment. Juices and concentrates are often traded as aseptic produce, meaning that they are kept at ambient temperatures after sterilisation. Alternatively, they can be transported as frozen. Edible nuts and dried fruits are often transported in multi-layered cardboard bags or in a bag in a cardboard box.

The terms under which processed fruit and vegetables are generally shipped are:

- **Free on Board (FOB) – named origin: you will deliver products onto the ship at port of departure; sea freight is paid by your buyer.**
- **Cost and Freight (CFR) – named destination. This means that you will deliver products to an export port or to the port of destination.**
- **Cost Insurance Freight (CIF) – named destination: the same as above but with insurance added. Insurance is always strongly recommended.**
- **Ex Works (EXW) – named place of delivery: The seller makes the goods available at their premises, or at another named place. This term is used to quote a price without any further obligations, and it is also widely used for sales that do not involve sea transport.**
- **Free on Carrier (FCA) – named place of delivery: The seller delivers the goods, cleared for export, at a named place (possibly including the seller's own premises).**

Most buyers will hire a forwarding agent to arrange further transportation.

Lead times and delivery times are very important factors when managing your exports, as is timeliness. Make sure you are punctual and do not make agreements you cannot keep.

Tips:

- Check our Product Fact Sheets on specific products for detailed information about common packaging options.
- Learn about the major stages, relationships and terminology used in international logistics and supply chain management. Check the website of the International Chamber of Commerce for more information on Incoterms rules.
- Have a look at the Transport Information Service website for more information about packaging, cargo securing and transport risk factors etc.

7. Meet your buyers in person:

Buyers in this sector value personal contact. It is especially important if you want to build long-term business relationships.

Try to meet your customers face-to-face in an early stage of the relationship. This will lay down the foundations for making agreements and solving problems later on. If your buyer is located in the country where you will visit or exhibit in a trade fair, try to arrange a meeting in her/his office before the trade fair.

If you can't meet your buyers in person, you can try to arrange phone or Skype meetings.

Tips:

- When contacting buyers or prospects, make sure you address them personally. Refrain from general mailings.
- Use sector events such as trade fairs and conferences to meet your business contacts. For more information, see our tips for finding buyers in processed fruit and vegetables.

8. Be aware of differences in business cultures:

In Europe, business cultures and ways of communicating differ considerably from country to country. Be aware that your way of doing business is probably quite different to the way buyers do business in Europe.

It is therefore important for you to have a basic understanding of who your buyers are. You will need to adapt your business style to suit theirs.

Having said this, the traders in the processed fruit and vegetables sector are quite similar. They are mostly professional, pragmatic and to the point. They will appreciate personal contact, and putting professionality first.

If you are lucky enough to visit (potential) clients in their home countries, do your research before you go. Then your interaction with clients will be fun as well as fruitful.

Tips:

- Read the Passport to Trade 2.0 website for more information about international business culture and business etiquette across Europe.

- The Kwintessential Etiquette Guide gives you a country-by-country guide to languages, cultures, etiquettes and taboos throughout Europe.

- Regardless of the country where your buyer is located, it is highly appreciated if you are punctual and answer emails quickly.

9. Deliver what you promise:

The No. 1 mistake made by suppliers, is to make promises you can't keep. Be realistic and honest about what you can offer. Otherwise you will soon damage your business relationships.

Make sure you deliver your products according to the specifications you have agreed with your buyer: agreed delivery times and packaging requirements for example.

If you are aware of any shortcomings in your product (unable to match the sample quality for example), you must discuss this with your buyer straight away. Make sure you inform buyers about problems quickly and make yourself part of the solution.

Things can go wrong, but as the exporter, you will be expected to take a leading role in solving it. Try to be pro-active in this.

10. Keep learning:

In the process of doing business, you have access to a lot of information. Especially in conversations with buyers and prospects they will tell you about emerging trends, new requirements and current prices. Make sure you are attentive to this information and record it properly. You can also actively arrange for opportunities to talk with your relations at leisure, for example over dinner. In a few years' time, you will have become an expert in your industry.

Tips:

- Make sure you have an open eye for developments in your industry. Record your findings in your own market information system.

- For more established businesses it is a common pitfall to continue doing the same thing for too long and forget to innovate. Be open to emerging opportunities for introducing new products or addressing new markets.

- Read more about current developments in our study on trends for processed fruit and vegetables in European markets.

10 tips for finding buyers in the European processed fruit and vegetables market

European buyers of processed fruit and vegetables expect excellent quality, food safety, service and a competitive price. In some market segments, additional requirements for sustainability are important, such as organic and Fairtrade. Here, you will find ten key tips for doing business with European buyers of processed fruit and vegetables.

1. Choose your market entry approach carefully:

When you start looking for buyers, think about the kind of buyers with which you would like to work. This process will narrow down your search and increase your success rate in turning prospects into customers.

Your options include selling to traders or distributors, packers and end-product manufacturers. You may also consider using an agent to help you connect to such buyers. As a first step, decide on your product-market combination. This information concerns the specific market (defined by country and segment) that you want to target with a specific product or product group.

If you sell fruit juices and concentrates in bulk, for example, you will want to look for packers, blenders and food manufacturers who use your products. You can either try contacting them directly or you can go through importers and agents.

If you sell finished products such as canned fruit and vegetables, you will need to target either the retail or the catering market. You can look for distributors and agents who target these particular markets. However, if the retail is your target market, be prepared for very high requirements such as sustainable packing and testing of products.

If you export organic processed fruit and vegetables, you will need to target the niche market segment for organic food products. This segment is served by entirely different importers than the general market.

Tips:

- See our study of Market channels and segments on the European market for processed fruit and vegetables.
- Read our tips for Finding buyers in the market for processed fruit and vegetables.
- Prepare an export marketing plan and a systematic approach to the market.
- For producers of primary products, your best option may be to sell through processors and exporters in your own country rather than exporting directly.

2. Meet the required quality and safety standards:

The European market is very demanding when it comes to food quality and safety. Many buyers will have quality managers who are responsible for monitoring the quality and safety of the food and ingredients that they buy. These people have the power to make or break a deal. Make sure that you know what their requirements are and ensure that your products comply with them.

Examples of expected food safety certifications include BRC Global Standards (British Retail Consortium), Safe Quality Food (SQF), International Food Standard (IFS) and Food Safety System Certification (FSSC 22000), which are all recognised by the Global Food Safety Initiative, as well as ISO22000 from the International Organization for Standardization (ISO). The Global Food Safety Initiative was created by retailers and manufacturers in an effort to harmonise the requirements for food safety.

The safety of processed fruit and vegetables is regulated by European law, but private standards (such as those mentioned above) are also widely used. Familiarise yourself with market requirements in your target sector.

Tips:

- Read our study of Market requirements for processed fruit, vegetables and nuts.
- Get certified: food safety certifications such as HACCP, BRC, SQF, ISO22000 or similar are important and are often expected by buyers.
- Find out more on international standards and food safety management systems from the Standards Map.

3. Provide reliable product specifications:

Product specifications define the type and quality of the product that you supply. They are legally binding when you close a deal, so make sure that they reflect the true characteristics of your product. They should also be aligned with legal requirements. When you issue a quotation, send this product specification with it. You can also provide additional information that underlines the quality of your products, such as laboratory analysis or quality and safety certificates. These tools are good for your sales process.

Product specifications define the characteristics of your products and are included in contracts. Remember to include the following:

- **a description of your product;**
- **the grade;**
- **the purity;**
- **maximum levels of contaminants such as mycotoxins, heavy metals and pesticide residues;**
- **Brix level, especially for fruit juices and concentrates;**
- **moisture content, especially for dried fruits;**
- **allergens, if your product has been in touch with any;**
- **variety of fruit or vegetable used in processing;**
- **shelf life of the product;**
- **quantity of preservative, if used.**

Tips:

- **Ask buyers for their product specifications and compare them with your own. Identify the gaps and discuss them before making a deal.**

- **Traceability is a major trend and many buyers are interested in knowing exactly where your products come from. If possible, try to meet this demand by providing information on your website and in your production specifications**

4. Develop a B2B brand:

It is a good idea to develop a brand for your company. This strategy works well for business-tobusiness (B2B) trade in a similar way to business-to-consumer (B2C) trade.

Communicate your brand consistently on all of your media platforms, your website, social media, in your emails, newsletters, quotations, letters and business cards, for example. Creating a brand will make you more unique and recognisable, and will add value to your business.

How you present yourself is also important. Create one clear message in a consistent style, which tells how your products and company can make a difference on the market. Think about the benefits of your proposition both for customers and for end-users of your product.

Target this information at your potential buyers. Choose issues which they will understand and to which they relate.

Be honest. Do not advertise products or services that you cannot deliver.

Tips:

- **Identify and communicate your Unique Selling Points (USPs). These are the most relevant issues that make you stand out in the eyes of your buyers. For inspiration, you can think of your product type and quality, your food safety system or your approach to Corporate Social Responsibility, although your service level, delivery options and price can also berelevant.**
- **Read our study of Competition on the European market for processed fruit and vegetables to help you identify your USPs.**

- **Some examples of strong B2B brands are the multinational trading company Olam and, on a smaller scale, the Dutch superfruit importer Berrico. However, the list is really endless.
Every successful company needs to present itself professionally to the market.**

5. Set reasonable prices:

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When selling to Europe, you will initially have to depend on prices offered to you by traders. Once you are more familiar with the market and able to anticipate market trends, you will have a tiny margin to set your own price. Remember that the prices of processed fruit and vegetables are dictated by the international market and that there is little flexibility in setting your own prices.

When starting a business in a new market, one approach is to keep prices a little lower than competition. Buyers will not easily switch to new suppliers unless some additional benefits are offered. This fact is especially true for offers from developing countries which are new in providing particular products.

Once you are in the market, you can try to upgrade your buyer portfolio and thereby improve your average sales price. However, buyers willing to pay more will also be more demanding in terms of quality, logistics and service, so be realistic about your possibilities.

Tips:

- **ITC's Market Insider offers some information on current trends and prices in the market for fruit juices, pulps and purees.**
- **ITC's Market Insiders has a similar market information service for edible nuts, in particular peanuts and cashews.**
- **Agranet's Foodnews publishes prices of processed fruit and vegetables, but this information is a paid service. News headlines can be read free of charge.**
- **Be aware of competitors. If you offer a similar product and service, your price will have to be similar as well.**
- **Once you are "in the market", you will receive regular feedback from buyers on your offer and thus become familiar with price levels.**

6. Provide correct packaging and transport:

Make sure that your products are well protected during transport. Processed fruit and vegetables can be packed in a variety of ways, depending on the product and market segment. Juices and concentrates are often traded as aseptic produce, meaning that they are kept at ambient temperatures after sterilisation.

Alternatively, they can be transported frozen. Edible nuts and dried fruits are often transported in multi-layered cardboard bags or in a bag within a cardboard box.

The terms under which processed fruit and vegetables are generally shipped are:

- Free On Board (FOB) – named origin. You deliver products onto the ship at the port of departure; sea freight is paid for by your buyer.
- Cost and Freight (CFR) – named destination. This situation means that you deliver products to an export port or to the port of destination.
- Cost Insurance Freight (CIF) – named destination. The same as above, but with insurance added. Insurance is always strongly recommended.
- Ex Works (EXW) – named place of delivery. The seller makes the goods available at their premises or at another named place. This term is used to quote a price without any further obligations and it is also widely used for sales that do not involve sea transport.
- Free on Carrier (FCA) – named place of delivery. The seller delivers the goods, cleared for export, at a named place (possibly including the seller's own premises).

Most buyers will hire a forwarding agent to arrange further transport.

Lead times and delivery times are very important factors when managing your exports, as is timeliness. Make sure that you are punctual and do not make agreements which you cannot keep.

Tips:

- Check our Product Fact Sheets on specific products for detailed information about common packaging options.
- Learn about the major stages, relationships and terminology used in international logistics and supply chain management. Check the website of the International Chamber of Commerce for more information on Incoterms rules.
- Have a look at the Transport Information Service website for more information on packaging, cargo securing and transport risk factors, among other things.

7. Meet your buyers in person:

Buyers in this sector value personal contact. It is especially important if you want to build long-term business relationships.

Try to meet your customers face-to-face in an early stage of the relationship. This approach will lay down the foundations for making agreements and solving problems later on. If your buyer is located in the country where you are visiting or exhibiting in a trade fair, try to arrange a meeting in their office before the trade fair.

If you cannot meet your buyers in person, you can try to arrange phone or Skype meetings.

Tips:

- When contacting buyers or prospects, make sure that you address them personally. Refrain from general mailings.

- Use sector events such as trade fairs and conferences to meet your business contacts. For more information, see our tips for Finding buyers in processed fruit and vegetables.

8. Be aware of differences in business cultures:

In Europe, business cultures and ways of communicating differ considerably from country to country. Be aware that your way of doing business is probably quite different to the way in which buyers do business within Europe.

As a result, it is important for you to have a basic understanding of who your buyers are. You will need to adapt your business style to suit theirs.

Having said this much, the traders in the processed fruit and vegetables sector are quite similar. They are mostly professional, pragmatic and to the point. They will appreciate personal contact and put professionalism first.

If you are lucky enough to visit potential clients in their home countries, do your research before you go and your interaction with clients will be fun as well as fruitful.

Tips:

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- Regardless of the country where your buyer is located, it is highly appreciated if you are punctual and if you answer emails promptly.

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The No. 1 mistake made by suppliers is to make promises that you cannot keep. Be realistic and honest about what you can offer. Otherwise, you will soon damage your business relationships.

Make sure that you deliver your products according to the specifications which you have agreed with your buyer; delivery times and packaging requirements, for example.

If you are aware of any shortcomings in your product (an inability to match the sample quality, for example), you must discuss this aspect with your buyer straight away. Make sure that you inform buyers about problems quickly and make yourself part of the solution.

Things can go wrong, but you as the exporter will be expected to take a leading role in solving them. Try to be proactive in this regard.

10. Keep learning:

In the process of doing business, you have access to a lot of information. Especially in conversations with buyers and prospects, they will tell you about emerging trends, new requirements and current prices. Make sure that you are attentive to this information and record it properly. You can also actively arrange for opportunities to talk with your relations at leisure; for example, over dinner. In a few years' time, you will have become an expert in your industry.

Tips:

- **Make sure that you keep an eye out for developments in your industry. Record your findings in your own market information system.**
- **For more established businesses, it is a common pitfall to continue doing the same thing for too long and forget to innovate. Be open to emerging opportunities for introducing new products or addressing new markets.**
- **Read more about current developments in our study of Trends for processed fruit and vegetables on the European market.**