CBI MARKET SURVEY

THE FRESH FRUIT AND VEGETABLES MARKET IN THE EU

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

Report summary

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

Consumption

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

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

Production in the EU

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

Trade channels

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