CBI MARKET SURVEY

The fresh fruit and vegetables market in the UK

Publication date: April 2009

Report summary
This CBI market survey discusses the fresh fruit and vegetables market in the UK. The highlights are summarized below.

- Household consumption of fresh fruit and vegetables increased in value and in volume. Domestic production is insufficient to meet demand, especially for fresh fruit. The United Kingdom (UK) therefore relies on imports.
- Consumption of exotic and off-season fruits is increasing in value and in volume, and also the demand for exotic vegetables is growing.
- The market for pre-cut and pre-packed fresh fruit and vegetables experienced strong growth. Sales are expected to continue to grow, especially for pre-cut and pre-packed fruit.
- The UK is one of the largest importers of fresh fruit and vegetables in the EU. It is a major importer of fresh fruits from DCs. In imports of vegetables the share of DCs is much lower, but their share in imports is increasing in both product categories.
- Imports of fresh fruit and fresh vegetables grew more quickly than the total EU market, with a average of 6% per year in value between 2003 and 2007. Imports of fresh fruit from DCs increased 9% annually, and imports of vegetables from DCs increased 10% in value.
- Imports of tropical fruits from DCs, especially pineapples and mangoes, are high and increased much more quickly than total imports. Imports from DCs of berries and other minor fruit, including passion fruit, carambola and pitahaya also showed above average growth, just as imports of sweet corn, asparagus, aubergines and courgettes.
- The UK is an important re-exporter of bananas, pineapples and other tropical fruits, such as mangoes and avocados. It also re-exports small amounts of other fresh fruits and vegetables, such as citrus fruits, figs, beans and peas. Ireland is the main destination.
- Imports of citrus fruit were slowing down between 2005 and 2007, and imports of papaya, tamarinds, cashew apple, jackfruit, lychees and sapodillo decreased.

This survey provides exporters of fresh fruit and vegetables with sector-specific market information related to gaining access to the British market. The survey is complementary to the CBI market survey 'The fresh fruit and vegetables market in the EU', which covers the EU market in general. That survey also contains an overview and explanation of the selected products dealt with, some general remarks on the statistics used as well as information on other available documents for this sector. It can be downloaded from http://www.cbi.eu/marketinfo.

1 Market description: consumption and production

Total consumption

Apparent consumption[1] of fresh fruit and vegetables in the UK was 8.3 million tonnes in 2007 (Table 1.1). In 2007, the British consumed 3.7 million tonnes of fruit, which amounted to 61 kg per person, far below the EU average of 94 kg. Consumption of vegetables amounted to 4.6 million tonnes, an average of 76 kg per person, also below the EU average (120 kg). The UK is a large market, with a share of 8% in fresh fruit and vegetable consumption in the EU. The UK is the fifth EU consumer of fruit and sixth consumer of vegetables. Between 2002 and 2007, consumption of fresh fruit increased quickly: 16% (3% per year). Consumption of fresh vegetables increased 15% (+2.9% annually).

[1] Calculation based on data from Eurostat (2007, 2008) and the Food and Agriculture Organisation (FAO) (2008). Apparent consumption is calculated as production plus imports minus exports and includes industrial and consumer demand. Grape production is excluded, because this is mainly used for production of wine. Imports and exports of grapes, however, used primarily for table grapes, are included in the figures.

Industrial demand forms a substantial share of the apparent consumption, but the food industry is mainly supplied by domestic production and therefore hardly presents an outlet for DCs. Industrial demand for fresh fruit and vegetables from DCs is small.

Table 1.1 Apparent consumption of fresh fruit and vegetables in the UK, 2002-2007, in million tonnes

	2002	2003	2004	2005	2006	2007
Total	**7.2**	**7.2**	**7.5**	**8.1**	**8.4**	**8.3**
Fruit	3.2	3.2	3.4	3.5	3.7	3.7
Vegetables	4.0	4.0	4.1	4.5	4.7	4.6

Source: FAOSTAT - Food and Agriculture Organization, 2008, and Eurostat, 2007 and 2008

Household consumption

In 2007, food sales in the UK amounted to almost €73.5 billion, an increase of nearly 8% compared to 2004, which is 2.7% per year (Dutch Agency for International Business and Cooperation, EVD, 2008). Compared to the average growth of food consumption, sales of fruit increased much more quickly, at 7% annually in value, while sales of fresh vegetables increased at a similar rate as total sales of food.

The average annual GDP growth was 2.7% between 2002 and 2007. Due to the economic crisis, the GDP growth rate is expected to decrease -1% in 2009. Because of the recession consumers will become more careful in spending their money, which may have a negative effect on the sales of luxury food products. Less affluent consumers may shift from fresh to preserved fruit and vegetables, which are generally cheaper. Based on an extrapolation of trends, the British market for fresh fruit and vegetables is expected to remain stable in volume, but, depending on the influence of the recession, value may increase. The trend of increasing popularity of pre-cut and pre-packed fresh fruits and vegetables, which have a higher value per unit of volume, is not expected to be turn. Consumers of pre-cut and pre-packed fruit and vegetables are generally more affluent and less affected by the crisis.

Table 1.2 Per capita household consumption of fresh fruit and vegetables in the UK, 2002-2006, volume in kg per year

	2002/03	2003/04	2004/05	2005/06	2006	AAC*
Total	**98.5**	**97.1**	**99.4**	**104.6**	**103.8**	**1.3%**
Fruit	41.3	41.0	41.9	44.5	44.4	1.8%
Vegetables	57.3	56.1	57.5	60.1	59.4	0.9%

Source: DEFRA[2], 2008
*Average Annual Change

Fresh fruit

In 2006, household consumption amounted to 45 kg of fresh fruit per capita, with a value of €83 (Table 1.2 and 1.3). Between 2002/03 and 2006, per capita consumption of fresh fruit increased 9% in volume and 22% in value (5% annually). Strongest growth was achieved in consumption of miscellaneous soft fruit (which included berries), miscellaneous fruit (which includes exotic fruits) and melons. Sales of pre-cut and pre-packed fruit are also growing quickly. The market for pre-cut and pre-packed fruit is expected to continue to grow quickly.

Apples are the most popular fruit, accounting for 17% of the total value of fresh fruit consumption in 2006. Between 2002/03 and 2006, sales of apples increased 17% in value and 5% in volume[3]. Pears accounted for only 5% of the consumption value, but sales increased quickly: +33% in value and +17% in volume in the same period. Bananas, the second most popular fruit, accounted for 16% of the sales value. The British started eating more bananas (+9% in volume), but sales did not increase in value between 2002/03 and 2006. Over the long term, bananas are becoming more popular.

[2] From the 'Food Statistics Pocketbook 2008'.
[3] Changes in volume are based on household consumption only and exclude out-of-home data.