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*Ministry of Foreign Affairs*

# **CBI Trade Statistics:**

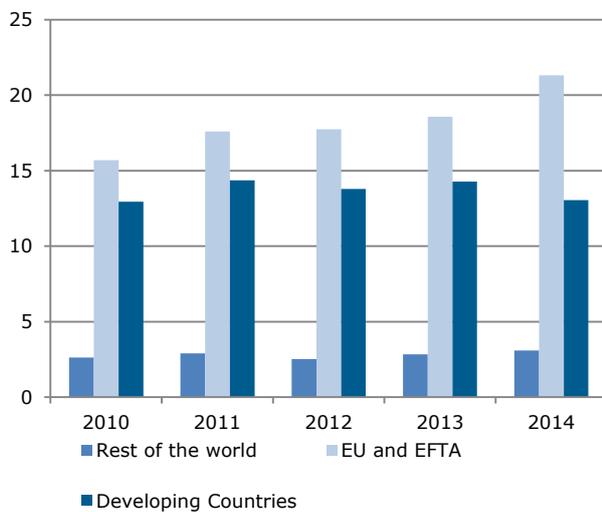
# **Processed Fruit and Vegetables in Europe**

## Introduction

Europe is a major player in the world trade for processed fruits and vegetables (PFV). Germany, France, the United Kingdom, Belgium and the Netherlands are the biggest importers of PFV. The fastest growing markets for PFV are located in Central and Eastern European countries. Imports from developing countries amount to approximately 25% of the total volume of European (EU and EFTA) imports in 2014. Production of PFV in Europe remained relatively stable over recent years. In 2014, overall consumption of PFV declined slightly, due to the increased consumption of fresh fruits and vegetables.

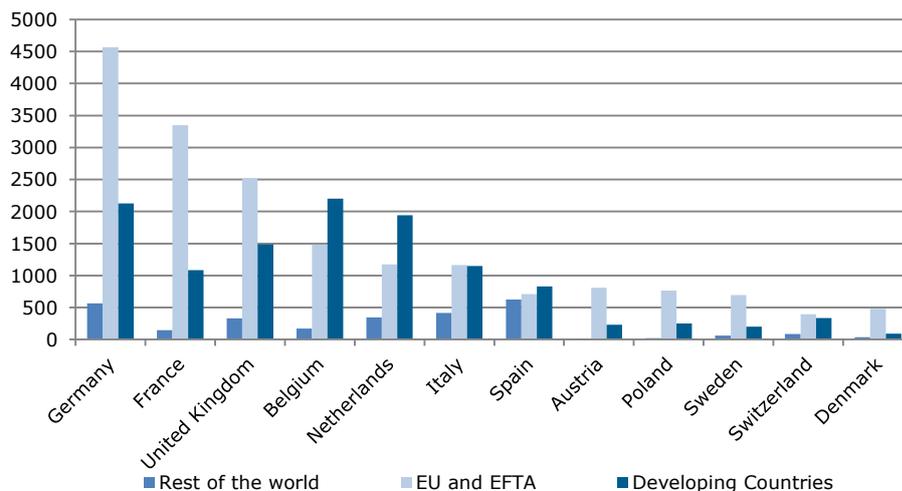
## Imports

**Figure 1: EU imports, by main origin, in € million**



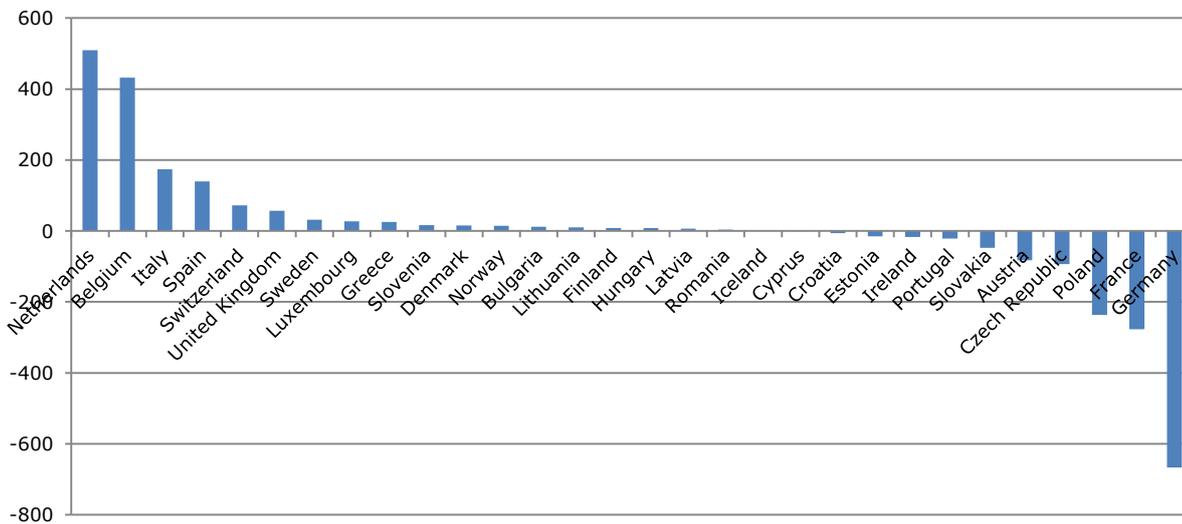
Source: Trademap

**Figure 2: Leading importers (2014), in € million**



Source: Trademap

**Figure 3: Absolute growth in imports from developing countries (2010-2014), in € million**



Source: Trademap

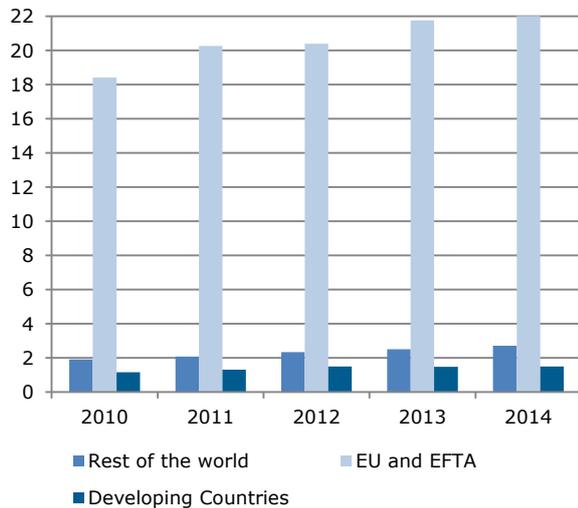
- The PFV market in the EU is continuing to grow. European PFV imports have increased since 2010, reaching a peak of €37 billion in 2014. This represents growth of 5% since 2010, as well as in the most recent year. The quantity of imported products was in line with import in values. It is important to note, however, that these figures include internal European trade.
- The import of PFV from countries outside the EU decreased from €17 billion in 2013 to €16 billion in 2014 (by 6%).
- Imports from developing countries amounted to approximately 25% of the total value of the EU imports in 2014. The import volume from developing countries is not in proportion to the growth in EU imports, however, and it continues to decrease slightly, reaching the lowest point in the past five years. This can be explained by the enlargement of the EU. The economies in Eastern EU countries are developing, thereby enhancing the internal trade within the EU community.
- Germany is by far the largest importer of PFV in Europe (accounting for 19% of all European imports in 2014), followed by France (16%), the United Kingdom (12%), Belgium (10%) and the Netherlands (9%). Belgium and the Netherlands are important entry ports (especially through the harbours of Rotterdam and Antwerp), in addition to functioning as trading hubs for products entering Europe.
- The largest growth in imports of PFV in the past five years took place in the newer EU member states, including Lithuania (66%), Romania (56%), Slovenia (51%), Bulgaria (47%) and Latvia (43%). The most rapidly growing markets remain relatively small, however, representing only a small share of the total EU market. Mature markets include the Netherlands, a major European trading hub, which has shown the most rapid growth in the past five years. The highest rate of import growth from developing countries was also observed in the Netherlands (Figure 3).
- Most processed fruit and vegetables come from within Europe. The Netherlands (12% share) and Belgium (9%) are in the first and second positions, partly because of their transit function for imports from outside Europe. The USA is in the third position (8%), followed by Germany (8%) and Spain (7%).
- Turkey is the largest developing country supplier (5%, mostly dried fruit, nuts and fruit preparations), followed by Brazil (4%, mainly orange juice), China (3%, mainly preserved vegetables), India (1%, mostly cashew nuts and preserved vegetables) and Chile (1%, walnuts, prunes, dried grapes and frozen raspberries). Exports of PFV from China into the EU have changed in the past several years. The export of apple juice has declined in response to China changing its main export destinations to the USA and the Russian Federation. This market shift can provide opportunities for other suppliers from developing countries who are prepared to face competition from Poland, which is the largest supplier of concentrated apple juice in Europe.
- Most PFV imports from developing countries consist of the following: edible nuts (29%), fruit and vegetable juices (24%), canned fruits and vegetables (21%), dried fruits and vegetables (15%), frozen fruits and vegetables (10%) and jams, jellies and purees (1%).

**Tips:**

- Although the EU market for PFV continues to grow, the largest and most mature markets have decreased their imports from developing countries. New exporters from developing countries could therefore start by selling to the more rapidly growing markets, seeking opportunities in Central and Eastern EU countries.
- Dutch importers and agents offer the best opportunity for entering other EU markets through re-exports, given that the Netherlands is the fastest growing market in the Western EU.
- With regard to product groups, exporters from developing countries should seek opportunities in the products that are growing most rapidly, including canned beans (52% growth in the past five years), desiccated coconuts (102% growth), almonds (113% growth), frozen small berry fruit (31% growth), orange juices not from concentrates (58% growth) and homogenous preparations for infants or for dietetic purposes (57% growth).

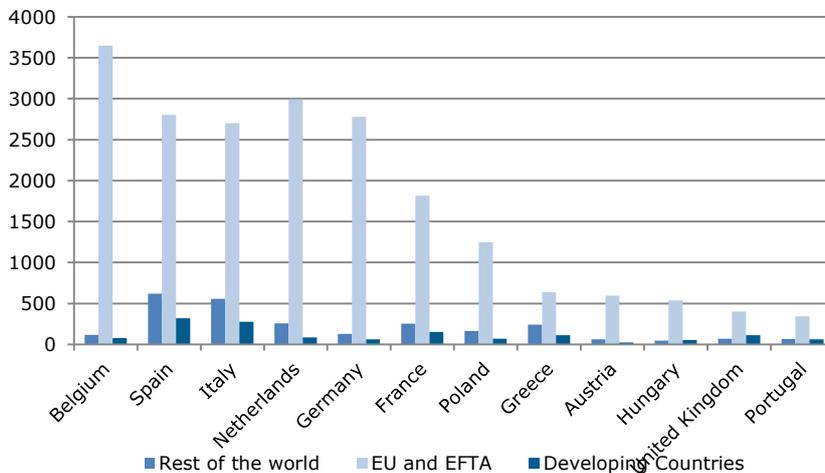
**Exports**

**Figure 4: EU exports, by main destination, in € billion**



Source: Trademap

**Figure 5: Leading exporters (2014), in € billion**



Source: Trademap

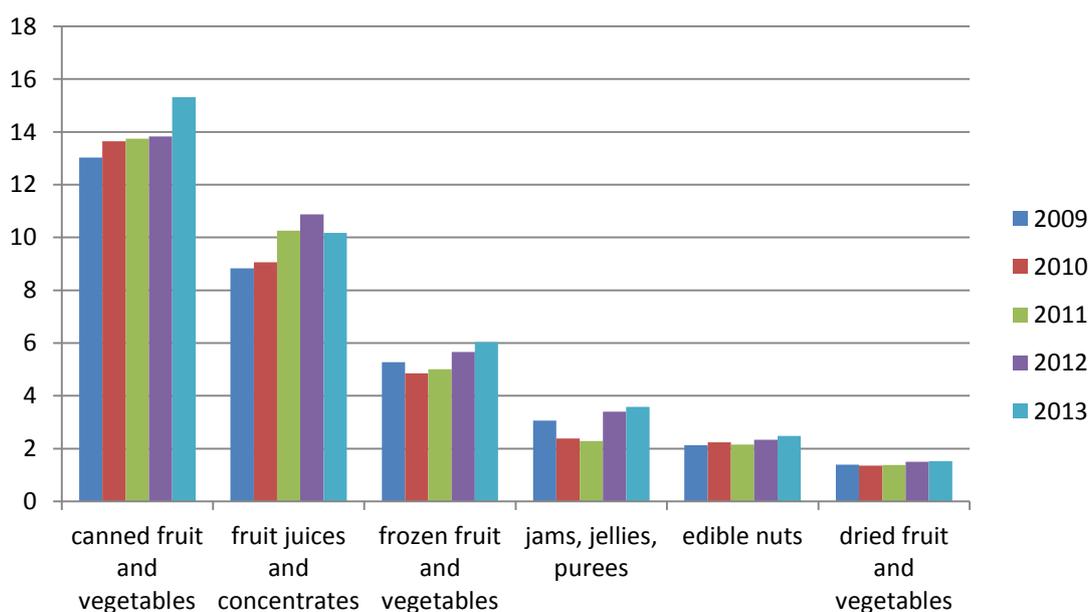
- Total European exports of PFV amounted to approximately €26 billion in 2014. Total exports show a constant increase when intra-EU trade is included.
- Exports to destinations outside the EU are stable, with a very slight increase in the past five years.
- Most exports are destined for other EU countries (€22 billion or 84% in 2014). The value of PFV exports to countries outside Europe amounted to about €4 billion in 2014, with €1.5 billion going to developing countries. In 2014, the five leading PFV export destinations outside the EU were the USA, Russia, Japan, Saudi Arabia and Australia. The most important destinations in developing countries were the BRIC countries, as well as Hong Kong, the Republic of Korea, Vietnam, Mexico and Thailand.
- Two major export destinations for PFV outside the EU, Russia and the USA, had similar import market dynamics until 2013. In 2014, however, EU exports to the USA continued to grow, while exports to Russia decreased by 8%. This can be explained by the Russian embargo on imports from the EU. The most important products exported to Russia and the USA are processed vegetables (with olives in the first place).
- Of the 30 leading export market destinations, the most rapid growth in the import of PFV from the EU was observed in the Middle Eastern countries: Saudi Arabia and United Arab Emirates. These exports consisted primarily of frozen vegetables.
- Canned fruits and vegetables (35%) comprise the greatest share of exported processed fruits.

#### Tips:

- Exporters from developing countries can learn from the EU competition in exports and focus on the most rapidly growing products. The highest export growth in the past year was observed for canned mushrooms (137%), dried jelly fungi (218%), re-exported brazil nuts (853%), frozen sweet corn, citrus fruit juices (other than orange or lemon) and berry fruit jams.
- Within the EU, exporters from developing countries can choose fast growing markets in Central and Eastern EU countries (e.g. Romania, Slovenia, Lithuania and Poland), in addition to using the Netherlands and Belgium as important destinations for reaching other EU countries through re-exports.
- Outside the EU, exporters from developing countries can follow European exporters by diversifying their exports into emerging markets, including the BRIC countries, Eastern Europe and the Middle East.

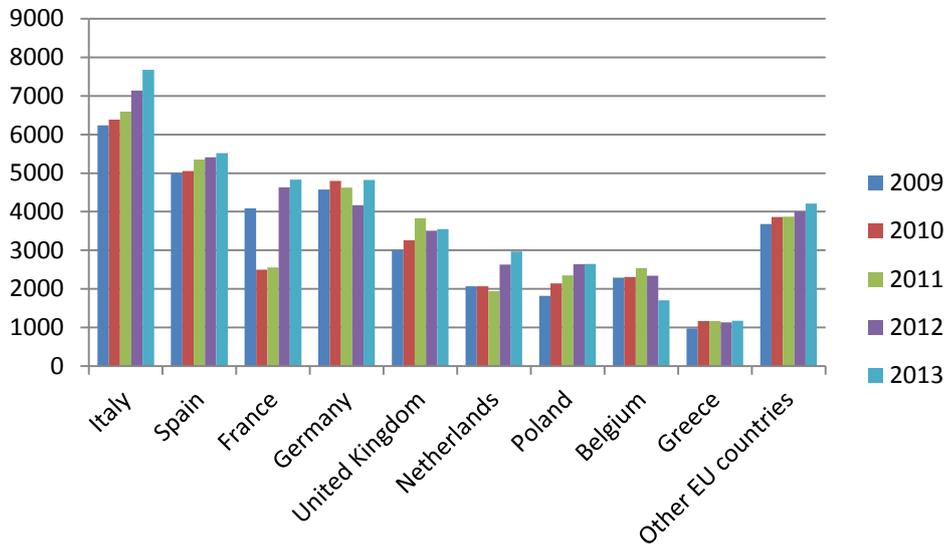
## Production

Figure 6: Total European production of processed fruits and vegetables (2009-2013), in € billion



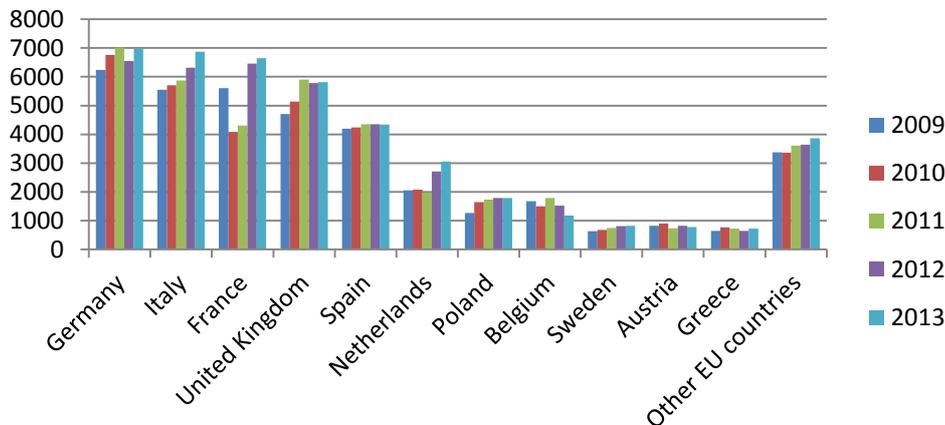
Source: PRODCOM and Eurostat

**Figure 7: Leading producers (2009-2013), in € million**



Source: PRODCOM and Eurostat

**Figure 7: Leading consuming countries (2009-2013), in € million**



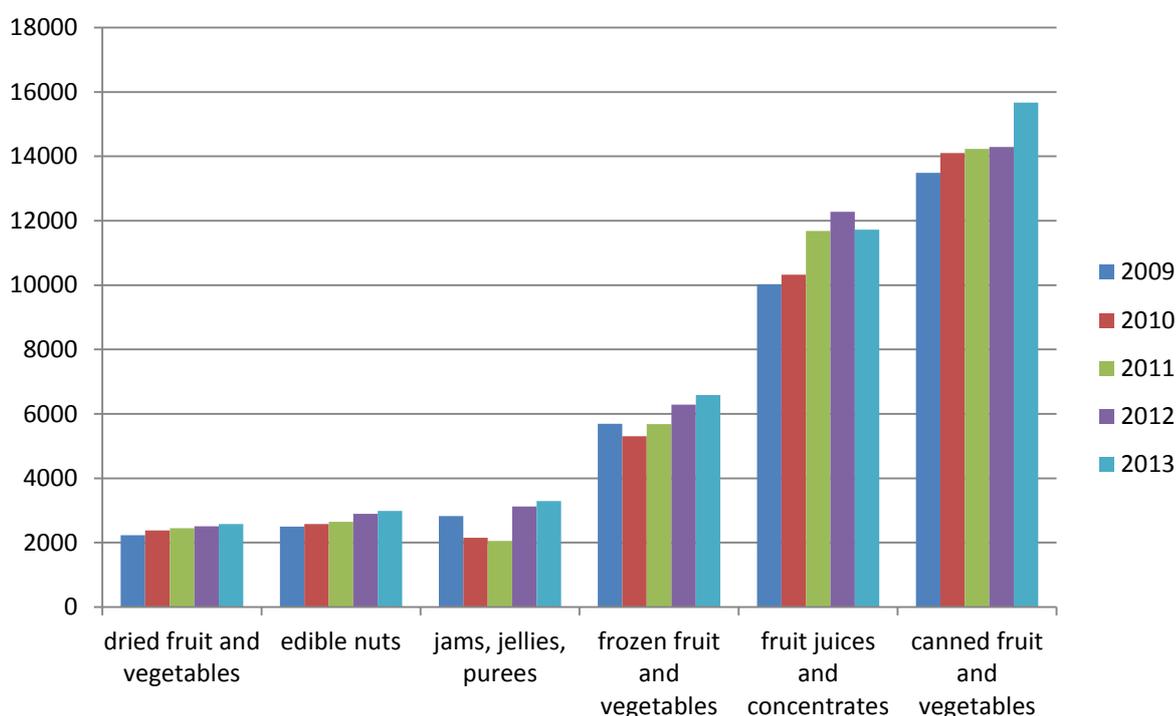
Source: PRODCOM, Eurostat and Trademap

- The production of PFV in Europe increased from €37 billion in 2009 to €39 billion in 2013. All subcategories of PFV showed an increase in production except for juices, with production decreased by 6% compared to the previous year. The highest growth in production was in the canned fruits and vegetables sector, which was the only category that has experienced constant growth in the past five years.
- Italy, Spain, and Germany produce more than 50% of European PFV. Italy is a major producer of canned fruits and vegetables (mainly canned tomatoes), dried fruits and vegetables (mainly sugar-preserved fruit) and frozen fruit. Belgium is the largest producer of frozen vegetables. Spain is a major producer of edible nuts. Germany is the largest producer of fruit juices (mainly orange and apple juices). France is the largest producer of jams, jellies and purees.
- Production is likely to continue to increase slightly, due to fruit-processing investments in Central European countries (e.g. Romania, Hungary and Poland).
- The market share of the PRV sector within the EU food and beverage industry as a whole is relatively small, with PFV accounting for around 6% of the total sector turnover. The number of companies is even smaller, with a share of 4% within the food and beverage industry. The leading processing companies at the EU level are the same as the global leaders (e.g. Nestlé, Unilever, Bonduelle and Eckes-Grannini).

**Tip:**

- Leading processing countries and companies within the EU are also importers of bulk materials. Exporters from developing countries should seek opportunities in offering PFV in bulk form (e.g. dried fruits, nuts and frozen products for packers; fruit and vegetable juices for bottlers; and fruit preparations for the jam and bakery industries). Opportunities are available in the leading producing markets.

## Consumption<sup>1</sup>

**Figure 8: Total European consumption of processed fruits and vegetables (2009-2013), in € million**

Source: PRODCOM and Eurostat

- General per capita consumption of PFV is declining, due to the increased consumption of fresh fruits and vegetables, as well as in response to the rise of flavoured water and other alternatives to fruit juice. The only categories of PFV in Western Europe to show per capita volume growth in 2014 were fruit snacks and frozen processed vegetables.<sup>2</sup>
- The consumption of fruit juices and nectars in the EU amounted to just over 10 billion litres in 2013. This is a decrease of 4.2% compared to the previous year, which was the fifth consecutive year of market shrinkage. Approximately two-thirds of the market consisted of 100% juice products, equivalent to 6.5 billion litres. This decline is due in part to shifts in perceptions regarding the health benefits of fruit juices, as people are becoming more conscious of the sugar content of fruit juice. This category has also lost its appeal as a new and trendy product, given the late stage of its life cycle. These trends have been exacerbated by a general increase in juice prices, caused by an increase in raw materials and logistics prices. Another, more positive, trend contributing to this drop involves a decline in the quantity of consumption, but an increase in quality. Not-from-concentrate juices continue to perform ahead of the overall market for fruit juices and nectars.
- More than 70% of the consumption of fruit juices and nectars in the EU is represented by only five markets. Germany leads the rankings, accounting for 25% of all consumption, followed by France, the UK, Spain and Italy, which together account for a further 46%. In terms of per capita consumption, however, Germany remains the highest consuming market. If Norway is included, the ranking changes: Norway overtook Germany in 2012, driven by growing consumer interest in healthy beverages and significant innovation in chilled juices.

<sup>1</sup> The consumption data used in this document have been derived from Eurostat calculations, with the latest available information referring to 2013. Additional data include representative industry organisations and their publications, some of which include data from reporting years as recent as 2014.

- The total consumption of canned fruits and vegetables in 16 Western European countries amounted to €9.03 billion in 2014. The total consumption of canned fruit in Western Europe in 2014 was €2.55 billion, with expenditures amounting to €2.81 per capita. Consumption of canned vegetables was valued at €6.48 billion, with per capita expenditures amounting to €15.76. Between 2009 and 2014, the per capita consumption of canned fruits and vegetables in Western Europe declined by 8%,<sup>2</sup> due to the poor image of canned products relative to fresh products. Nevertheless, both product groups are expected to grow at a rate of around 10.5%<sup>3</sup> until 2017.
- The highest consumption of nuts and dried fruits is in Germany, due to the size of the market, although per capita consumption differs by country. For example, the highest estimated consumption of almonds within the EU is in Spain (2.5 kg/year); of brazil nuts, in Sweden (0.75 kg/year); of cashew nuts, in Germany (1.3 kg/year); of hazelnuts, in France (1.8 kg/year); of macadamia nuts, in Luxembourg (which is a processing country, 1.03 kg/year); of pecans, in the Netherlands (0.7 kg/year); of pine nuts, in the Netherlands (0.5 kg/year); of pistachios, in Spain (0.76 kg/year); of walnuts, in France (0.8 kg/year); of peanuts, in Germany (2.7 kg/year); of dates, in France (0.3 kg/year); of dried apricots, in the UK (0.36 kg/year); of dried figs, in Greece (0.8 kg/year); of dried grapes, in the Netherlands (2.8 kg/year); and of prunes, in Denmark (1.2 kg/year).<sup>4</sup>
- Jams, jellies, purées and marmalades are consumed throughout Europe, but with the majority consumed in Western Europe. France is the leading country in terms of consumption, while Germany and the UK are two other major markets.

#### Tips:

- Exporters from developing countries can seek opportunities in the most rapidly growing categories within the EU markets (e.g. dried fruits and frozen vegetables).
- Although consumption in some market segments is declining, the overall forecast is positive. In addition, consumption is continuing to increase in all categories of PFV, which consumers tend to perceive as products with additional nutritional value. Examples of products with increased consumption, which could offer opportunities for exporters from developing countries, include organic products, superfruits, NFC juices, sugar-free products, naturally fermented products, dietetic products and infant foods.

<sup>2</sup> Source: Euromonitor International, *Fruits and Vegetables in Western Europe, What are Euromonitor data telling us, 2015*

<sup>3</sup> Source: Food For Thought, Free synopsis, [www.fft.com](http://www.fft.com)

<sup>4</sup> Source: International Nut and Dried Fruit Council, *Global Statistical Review 2008-2013*



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