CBI Product Factsheet:

Canned Fruit and Vegetables in Europe
Introduction

The EU is a large market for canned fruit and vegetables. In 2014, the EU imported €5.6 million tonnes of canned fruit and vegetables with a value of €6.5 billion. This product factsheet provides you with information on product specifications, statistics, trends, market channels and segments, and the competitiveness of canned fruit and vegetables in the EU processed fruit and vegetables market.

Product description

Product Definition

Canned fruits are fruits that are processed and sealed in an airtight container. Key processing methods are heat treatment and the use of preserving agents such as sugar, citric acid and spirit. Canned products are thus made shelf-stable at ambient temperatures.

Examples of products that fall within this product category are provided in the table below:

<table>
<thead>
<tr>
<th>Canned fruit and vegetables prepared or preserved whether or not containing added spirit and/or sugar</th>
<th>Canned fruit and vegetables prepared or preserved whether or not by vinegar or acetic acid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guavas, mangoes, mangosteens, papaws 'papayas', tamarinds, cashew apples, lychees, jackfruit, sapodillo plums, passion fruit, carambola, pitahaya, coconuts, cashew nuts, brazil nuts, areca 'betel' nuts, cola nuts and macadamia nuts and their mixtures.</td>
<td>Mango chutney</td>
</tr>
<tr>
<td>Pineapples</td>
<td>Yams, sweet potatoes and similar</td>
</tr>
<tr>
<td>Pears</td>
<td>Fruit of genus capsicum (excl. sweet peppers and pimentos)</td>
</tr>
<tr>
<td>Citrus fruit, grapefruit, mandarins</td>
<td>Sweetcorn 'zea mays var. saccharata'</td>
</tr>
<tr>
<td>Apricots</td>
<td>Mushrooms</td>
</tr>
<tr>
<td>Cherries</td>
<td>Sweet peppers</td>
</tr>
<tr>
<td>Strawberries</td>
<td>Cucumbers and gherkins</td>
</tr>
<tr>
<td>Peaches, whether or not including nectarines</td>
<td>Other vegetables, fruit, nuts and other edible parts of plants, prepared or preserved by vinegar</td>
</tr>
<tr>
<td>Ginger</td>
<td>Palm hearts</td>
</tr>
<tr>
<td>Grapes</td>
<td>Olives</td>
</tr>
<tr>
<td>Plums</td>
<td>Peeled and unpeeled tomatoes</td>
</tr>
<tr>
<td>Palm hearts</td>
<td>Peas 'pisum sativum'</td>
</tr>
<tr>
<td>Potatoes in the form of flour, meal or flakes (excl. frozen, excl. thinly sliced, cooked in fat or oil, whether or not salted or flavoured, in airtight packings)</td>
<td>Shelled and unshelled beans 'vigna spp., phaseolus spp.' (excl. frozen)</td>
</tr>
<tr>
<td>Maize 'corn', prepared or preserved (excl. added sugar or spirit and sweet corn)</td>
<td>Asparagus</td>
</tr>
<tr>
<td>Homogenized vegetables put up for retail sale as infant food or for dietetic purposes</td>
<td>Bamboo shoots (excl. frozen)</td>
</tr>
<tr>
<td></td>
<td>Capsers (excl. frozen)</td>
</tr>
<tr>
<td></td>
<td>Artichokes (excl. frozen)</td>
</tr>
<tr>
<td></td>
<td>Carrots (excl. frozen)</td>
</tr>
<tr>
<td></td>
<td>Mixtures of vegetables (excl. frozen)</td>
</tr>
<tr>
<td></td>
<td>Sauerkraut, non-frozen</td>
</tr>
<tr>
<td></td>
<td>Homogenized vegetables put up for retail sale as infant food or for dietetic purposes</td>
</tr>
</tbody>
</table>

Please see the Annex for the full table with the products (and their product codes) in the product group of edible nuts and dried fruits.

Product Specification

Quality:

Canned fruits must have the usual colour, flavour, and odour, according to the type of fruit and packing medium used. They must possess the texture characteristics of the type of product used and must be substantially free from defects. Information on quality requirements for each fruit and vegetable is given in the in the Codex Alimentarius ("Food code" of WHO and FAO).
Labelling:
If you export food to the EU, you need to know that all pre-packaged food products sold to consumers in the EU must comply with general labelling legislation. Labels cannot contain any toxic ink or glue. See General Standard for the Labelling of Prepackaged Foods which lays down the general rules on labelling of pre-packaged food sold on the EU market. On 13 December 2014, the new Regulation (EU) No 1169/2011 on the provision of food information to consumers came into effect. It specifically requires allergens to be highlighted in the ingredients lists. Canned fruits and vegetables sold in retail or used in the food service market must be marked with the following information:
- Name under which the product is sold;
- List of ingredients;
- Quantity of ingredients or categories of ingredients;
- Net quantity;
- Date of minimum durability consisting of day, month, and year in that order and preceded by the words “best before” or “best before end” or the “use by” date;
- Any special storage conditions or conditions of use;
- The name or business name and address of the manufacturer or packager, or of a seller established within the Community;
- The place of origin or provenance where failure to give such particulars might mislead the consumer;
- Instructions for use should be included to enable appropriate use of the foodstuff;
- Indication of the acquired alcoholic strength of beverages containing more than 1.2 % by volume of alcohol.

Packaging:
The container should be properly filled with the product (including packing medium), which should occupy not less than 90% (minus any necessary head space according to good manufacturing practices) of the water capacity of the container. See the Codex Alimentarius standards for individual fruits and vegetables for fill and weight requirements.

Marketing requirements for packaging differ widely between customers and market segments. Therefore, it is crucial that you discuss the preferred packaging requirements with your customers. Some general characteristics are:
- **Size**: 100 ml to 1 litre retail cans; 50 to 150 ml single portion retail containers or 30 to 50 g pouches; 1 to 5 litre catering cans, also used for industry.
- **Since canned fruit and vegetables are solid products, the quantity and net quantity that is indicated on the cans is generally by weight (g), not volume (ml).**
- **Material**: glass jars have been replacing tin cans in many product-market combinations in the past couple of decades. The possibility to visually examine the contents if they are packed in glass increases the value of these products. The use of plastic packaging is increasing, especially in the ready-to-eat segment (often offered in small portions).
- **Innovation**: innovative packaging, such as microwave-friendly packaging, new attractive colourful designs, snack packs (drained products), and pouches stimulate new demand (e.g. snack pouches with drained olives are already on the market and gaining in popularity).
- **Information** for non-retail containers must be given either on the container or in accompanying documents, except that the name of the product, lot identification and the name and address of the manufacturer, packer, distributor or importer, as well as storage instructions, must appear on the container. However, lot identification, and the name and address of the manufacturer, packer, distributor or importer, may be replaced by an identification mark, provided that such a mark is clearly identifiable with the accompanying documents.

Processing:
Two types of canning are used in the European Union:
- **'Water-bath canning' or hot water canning**, uses a large kettle of boiling water. Filled jars are submerged in the water and heated to an internal temperature of 212 degrees for a specific length of time. This method is used for processing high-acid foods, such as fruit, items made from fruit, pickles, pickled food, and tomatoes.
- **'Pressure canning'** uses a large kettle that produces steam in a locked compartment. The filled jars in the kettle reach an internal temperature of 240 degrees under a specific pressure (stated in pounds) that is measured with a dial gauge or weighted gauge on the pressure-canner cover. This method is used for processing acidic foods, such as vegetables.

See the Codex Alimentarius standards for individual fruits and vegetables, for the basic ingredients and other permitted ingredient requirements. Please note that the EU has its own regulations for permitted additives.

**Buyer requirements**
Buyer requirements can be divided into (1) must requirements; these must be met in order to enter the market and include legal requirements, (2) common requirements, most of your competitors will have already implemented these and
you will therefore need to comply with these in order to keep up with the market, and (3) niche market requirements for specific segments.

Legal requirements are a must – food safety and informing consumers correctly

Here you can find requirements you must meet when marketing your products in the EU. Pay attention to the indications of which materials/products are involved per requirement described. The following ‘musts’ apply to the products and uses listed here:

- Food safety and health control
- Contamination
- Composition
- Labelling
- Food contact materials

Food safety: Traceability, hygiene and control

Food safety is a key issue in EU food legislation. The General Food Law is the legislative framework regulation for food safety in the EU. To guarantee food safety and allow appropriate action in the event of unsafe food, food products must be traceable throughout the entire supply chain and risks of contamination must be limited. An important aspect for controlling food safety hazards is defining critical control points (HACCP) by implementing food management principles. Another important aspect is subjecting food products to official controls. Products that are not considered safe will be denied access to the EU.
Control of food imported to the EU

The controls may apply to imports into the EU and/or to any other stage of the food chain (manufacture, processing, storage, transport, distribution, and trade) and in case of canned fruits and vegetables may include a systematic documentary check. In the event of repeated non-compliance, specific products originating from particular countries can only be imported under stricter conditions, e.g. accompanied by a health certificate and analytical test report. Products from countries that have shown repeated non-compliance are put on a list included in the Annex of Regulation (EC) 669/2009.

Avoid contamination to ensure food safety

Contaminants are substances that may be present as a result of the various stages of growing, processing, packaging, transport or storage. The EU has set threshold limits for certain substances that could be present in food products, such as microbiological contamination, contaminants, and residues of pesticides. The different forms of contamination are:

- Heavy metals: there are restrictions for lead (vegetables), cadmium (fruit and vegetables) and tin (see section 3 of Annex of Regulation (EC) No 1881/2006).
- Microbiological: according to EU legislation, salmonella is an important source of contamination in unpasteurised fruit and vegetable juices and cannot be present. For E-coli, of the 5 samples only two can have a value between 100 cfu/g and 1,000 cfu/g. For other processed fruit, vegetables and edible nuts there are no EU requirements. Food safety authorities however can withdraw imported food products from the market or prevent them from entering the EU if salmonella is detected.
- Pesticides: the EU has set maximum residue levels (MRLs) for pesticides in and on food products. Products containing more pesticides than permitted will be withdrawn from the EU market.
- Foreign matter: contamination by foreign matter like plastic and insects are a threat when food safety procedures are not carefully followed. Glass fragments are regularly found in glass packaging in canned fruit and vegetables.

Tips:
- Search in the EU's Rapid Alert System for Food and Feed (RASFF) database to see examples of withdrawals from the market and the reasons behind these withdrawals. In 2014 RASFF reported 18 alert notifications for canned fruit and vegetable products, of which 14 were from Developing Countries (China, Vietnam, Thailand, Lebanon). These notifications constitute only the top of the iceberg, since many rejections and other food safety issues are handled directly by the trade, without the government intervening.
- EU buyers will often ask buyers to implement a food (safety) management system based on HACCP-principles (see under Common requirements).
- Read more about HACCP and health control in the EU Export Helpdesk.

Tips:
- To help you answer key questions about health control refer to the guidance document of the EU.
- Check if there are any increased levels of controls for your product and country. Read more about health control on the EU Export Helpdesk website.

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Tips:
- For information on safe storage and transport of canned fruit and vegetables go to the website of the Transport Information Service.
- Check the European Commission’s factsheet on food contaminants "Managing food contaminants: how the EU ensures that our food is safe".
- Read more about contaminants in the EU Export Helpdesk.
- Irradiation is a way to combat microbiological contamination but this is not allowed by EU legislation for processed fruit and vegetables.
- To find out the MRLs that are relevant for your products, you can use the EU MRL database in which all harmonised MRLs can be found. You can search for your product or pesticide used and the database shows the list of the MRLs associated with your product or pesticide. Read more about MRLs in the EU Export Helpdesk.
- A good way to reduce the amount of pesticides, is applying integrated pest management (IPM) which is an agricultural pest control strategy that uses complementary strategies including growing practices and chemical management.
Product composition

Product can be rejected by buyers and EU customs authorities if they have undeclared, unauthorised or excessive levels of extraneous materials. There is specific legislation for additives (e.g. colours, thickeners) and flavourings that lists which E-numbers and substances are permitted. 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). In canned fruit and vegetable products common problems occur because of undeclared or excessively high content of used preservatives such as benzoic acid, sorbic acid and sulphite. Another problem is undeclared or excessively high content of colours such as E 124 - Ponceau 4R, E 110 - Sunset Yellow, E 128 - Red 2G, E 102 – tartrazine, E 122 – azorubine and E 127 – erythrosine.

Tips:
- Refer to the Buyer Requirement module on natural colour, thickeners and flavours for more information.
- E-numbers indicate approval by the EU. To obtain an E-number the additive must have been fully evaluated for safety by the competent food safety authorities in the EU (EFCH).
- Read more about legislation on authorised food additives and flavourings under general conditions of preparation of foodstuffs

Labelling

If you are supplying consumer labelled product (in for example cans and jars) you will have to take labelling requirements laid down EU Regulation 1169/2011 into account. Labels should inform consumers about composition, manufacturer, storage methods and preparation.

Tips:
- In December 2014 EU Regulation 1169/2011 came into effect. This new labelling legislation considerably changed previous legislation. For example, allergens have to be highlighted in the list of ingredients and requirements on allergen information cover non pre-packed foods including those sold in restaurants and cafés. Find out more about the new labelling legislation requirements on the EU website.
- Read more about food labelling in the EU Export Helpdesk.

Nutrition and health claims

Nutrition and health claims suggest or indicate that a food has a beneficial characteristic. They cannot be misleading. Therefore, only EU approved nutrition and health claims can be made. If new nutrition or health claims are made these have to be approved in advance by the European Food Safety Agency (EFSA).

Tips:
- For more information about nutrition and health claims refer to the website of the EU.
- See EU Regulation 1169/2011 for information about allergens labelling requirements.

Allergens

Pre-packed products that contain allergens have to be labelled in such a way that it is clear to consumers that they contain allergens.

Tip:
- The EU legislation on food contact materials is quite extensive and it is not easy to prove to your EU importer that your product complies with all requirements. EU importers of food products will require documentation on toxicology and risk assessment of chemical migration from food contact materials and/or declarations of compliance.

Food contact materials

Specific health control provisions apply to packaging materials that come into contact with food (e.g. cans, jars). Food contact materials must be manufactured so that 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 impact upon the taste and odour of foodstuffs. Tin, which is present in the can, has been known to leach into food. This has been shown to occur in the case of...
acidic foodstuffs. For tinned foods, therefore, EU regulations stipulate a maximum level of tin that may be found in food (see regulations on contamination).

**Full overview of requirements for canned fruit and vegetables:**

For a list of requirements consult the [EU Export Helpdesk](#) where you can select your specific product code under chapters 07, 08 and 20.

**Common requirements: food safety management is crucial, addressing sustainability is gaining ground**

**Food Safety Certification as a guarantee**

As food safety is a top priority in all EU food sectors, you can expect many players to request extra guarantees from you in the form of certification. Many EU buyers (e.g. traders, food processors, retailers) require the implementation of a (HACCP-based) food safety management system. The most important food safety management systems in the EU are BRC, IFS, FSSC22000 and SQF. Different buyers may have different preferences for a certain management system, so before considering certification in line with one of these standards, you are advised to check which one is preferred (e.g. UK retailers often require BRC and IFS is more commonly required by other European retailers). All the aforementioned management systems are recognised by the [Global Food Safety Initiative (GFSI)](#), which means that they should be accepted by major retailers. However, in practice some buyers still have preferences for one specific management system. GLOBAL G.A.P. is a minimum requirement demanded by EU retail for fresh fruit and vegetables and is recommended for fruit and vegetables for canning.

**Tips:**
- EU market entry preparation is likely to include implementing a food safety management system and it is therefore important to familiarise yourself with them.
- If you plan to target one or more markets, check which specific food safety management systems are most commonly requested. In any case choose a management system that is GFSI approved.
- Read more on the different Food Safety Management Systems in the [Standards Map](#).

**Corporate responsibility**

EU buyers (especially large ones in western and northern EU countries) are paying increasing attention to their corporate responsibilities regarding the social and environmental impact of their business. This also affects you as a supplier. Common requirements include the signing of a suppliers’ code of conduct which states that you conduct business in a responsible way, i.e. you (and your suppliers) respect local environmental and labour laws, avoid corruption etc. Furthermore, importers may also participate in initiatives such as the [Ethical Trading Initiative](#) or the [Business Social Compliance Initiative](#). These initiatives focus on improving social conditions in their members’ supply chains. This implies that you, as a supplier, are also required to act in line with these principles.

**Tips:**
- If you are targeting the UK market, familiarise yourself with the [ETI base code](#) to check what ETI members require from their suppliers.
- When targeting other EU markets it might be interesting to assess your company’s current performance by conducting a self-assessment, which you can find on the [BSCI website](#).
- Be aware that many of the environmental and social sustainability issues take place at farm level. To test to what extent your farmers are sustainable you could ask them to fill in the [Farmer Self Assessment](#) by the Sustainable Agriculture Initiative.
- Implementing a management system such as [ISO14000](#) (environmental aspects), OHSAS 18001 (occupational health and safety) or [SA 8000](#) (social conditions) is a way to address sustainability and possibly gain a competitive advantage. Research with your buyer whether this will be appreciated.

**Niche requirements: a growing market for certified products**

**Fairtrade Certification**

Fairtrade products are produced with extra focus on the social conditions in the producing areas. Having your products certified is the most far-reaching way to prove your business performance with respect to social conditions in your supply
chain. After certification by an independent third party, you may put the Fair Trade logo on your product. In general, premium prices are paid for fair trade products. Although growing, the market for Fair Trade certified canned fruit and vegetables is still a niche market.

Tips:
- Check the Fair Trade Standards for small producer organisations.
- Consult the Standards Map database for more information on the Fair Trade label.

Organic, niche market

Organic canned fruit and vegetables are produced and processed by natural techniques (e.g. crop rotation, biological crop protection, green manure, compost). Although growing, the market is still relatively small. The EU organic market is dominated by four countries: Germany, the UK, France, and Italy, which together account for 80% of EU demand. Germany is the largest market. To market canned fruit and vegetables in the EU as organic, they must be grown using organic production methods which are laid down in EU legislation, and growing and processing facilities must be audited by an accredited certifier. Only then may you put the EU organic logo on your products. Although there is an EU-wide system for the regulation of organic farming, well-established national and private logos can continue to be used on product labels (e.g. Soil Association in the UK, Naturland in Germany).

Tips:
- Implementing organic production and becoming certified can be expensive. In the current market the return on investment may not be high. On the other hand it can increase yields and improve quality.
- Check the Soil Association standard for Food and drink to get an idea of the requirements of organic production.
- Consult the Standards Map database for the different organic labels and standards.

Rainforest Alliance

The Rainforest Alliance (RA) standard is a mainstream sustainability scheme which focuses on environmental issues. Rainforest Alliance certifies tropical products such as bananas, pineapple, mango, avocado, guava and citrus. Rainforest Alliance is growing fast in the fresh fruit market. It is still very small in the market for canned fruit and vegetables.

Tip:
- Consult the Standards Map database for more information on the RA standard.

Trade and macro-economic statistics

General information and figures about production and trade developments in the EU market are provided in the CBI Trade Statistics. This section provides you with more detailed statistics for the production, trade and consumption of canned fruit and vegetables in the EU.
Trade: imports and exports

Figure 1: Imports of canned fruit and vegetables in the EU, 2010-2014, in thousand tonnes

Data source: Trademap

Figure 2: Breakdown of import volume of canned fruit and vegetables in the EU by country of origin, including intra trade, in 2014

Data source: Trademap

Figure 3: Main external suppliers of canned fruit and vegetables in the EU in 2014 in € thousands

Data source: Trademap

Figure 4: Exports of canned fruit and vegetables from the EU, 2010-2014, in thousand tonnes, excluding intra-EU trade

Data source: Trademap

Figure 5: Breakdown of export volume of canned fruit and vegetables in the EU by country of destination, including intra trade, in 2014

Data source: Trademap
Total imports of canned fruit and vegetables in the EU market amounted to €6.5 billion in 2014. The total volume was 6 million tonnes. Since 2010 imports have slightly decreased in volume by 1% (in 4 years), but increased in value by 1.8%.

Intra-EU trade accounts for the largest share of imports between member countries. Imports from DC countries represent around 25% of total imports. It shows the same general pattern of total imports and it has decreased in volume by 2.1% but increased in value by 2.2%.

The EU import market for canned fruit and vegetables is concentrated and the 3 largest importers (Germany, UK and France) have a share of 52% of total EU imports. Those 3 countries represents 40% of the EU population and every country imports these products, since they are used in every country. However, some countries specialise in imports from DCs.

Compared to the previous year, the highest import growth in volume among EU member states was present in Ireland (15%), Romania (14%) and Slovakia (8%).

The largest import share (including intra EU trade) is canned cut tomatoes (10%), sliced prepared potatoes (10%), mixtures of vegetables (10%) and fruit compotes (9%).

The largest external suppliers of canned fruit and vegetables are China (mainly prepared tomatoes and canned asparagus), Turkey (mainly canned sweet peppers, cucumbers and olives), Thailand (mainly canned pineapples), USA (mainly tomato and cranberry paste) and Peru (mainly canned asparagus and sweet peppers).

Considering the type of product, the highest growth in imports in the last year has been seen in canned (jarred) sweet and chilli peppers, crystallised ginger, canned tropical fruit and canned cranberries.
DCs with the highest export growth in the last 5 years in the range of significant EU suppliers were: Egypt (71% growth; mainly canned olives), Chile (52% growth; mainly canned cranberries and tomatoes), Ukraine (47% growth; mainly canned tomatoes), Madagascar (37% growth; mainly canned beans) and Serbia (pasteurised sour cherries).

Total exports of canned fruit and vegetables from the EU amounted to €7 billion in 2014. The total volume was 6 million tonnes. Since 2010 exports increased in volume by 0.7% but increased in value by 3.2%.

Italy, Spain and the Netherlands account for more than 50% of total EU export volume although a significant share of exports from the Netherlands are re-exports. The Netherlands is an important hub for products entering from DCs. Top exported products from the EU are preserved tomatoes, olives and potatoes. Products with the highest export growth are different types of wild mushrooms.

There is a shift towards the centralised distribution within the EU (hubs) of imports from outside the EU. This trend follows on from the consolidation in transport, processing and retail sectors. These trends are likely to continue in the near future.

Total imports in the EU in the years 2009-2013 varied between 5.7 and 6.1 million tonnes (Source: Eurostat Comext). With an import variation around 6 billion tonnes in the last years there is no sign of a sharp fall or rise in the future.

Germany and the UK are the largest net importers of canned fruits and vegetables.

**Production**

Since 2009 production has increased, with the only decrease in 2012. The highest production growth in the last 5 years was reported in the Netherlands (19.5%), Greece (18%), Lithuania (17.6%) and Portugal (16.5%).

**Tips:**
- Canned fruit and vegetables are produced within the EU on a large scale, but the costs of production are rising. Explore the potential of low price supply.
- There are varieties of canned fruits and vegetables, some with different characterising flavours on the market. Explore niche markets for canned fruits and vegetables with other taste characteristics and tropical canned fruit and vegetables.
Production is highly influenced by harvested crops used for processing.

Canned tomatoes are an individual product with the largest production volumes in the EU. Italy is the largest producer of canned tomatoes and tomato pasta.

The fruit and vegetable processing industry in the EU uses mostly domestic European produce, because ingredients for canning have to be fresh. The type of fruit and vegetables produced and processed depends on the climate zone. Exotic fruit and vegetables cannot be produced in the EU and therefore have to be imported. These are often preserved in the country of origin. Yet, some of the exotic canned fruits and vegetables are perceived as mainstream by consumers because they are widely available and extensively used, e.g. canned pineapple.

The costs of agricultural production are rising but, on the other hand, innovation and productivity is ongoing in the EU agricultural sector and there is uncertainty as to whether this will have a larger impact on the availability of fresh inputs for canning in the future.

There are approximately 10,000 enterprises across the EU-27 whose main activity is processing and preserving fruit and vegetables; they employ 280,600 persons (Source: Eurostat).

Currently the largest 5 players in the canned fruit sector in Western Europe are: Del Monte Fresh Produce, LBO France (French equity fund, owner of MOM Group/Materne fruit compotes brand), Andros, Conserve Italia and Dole. The largest 5 players in the canned vegetables segment are: Bonduelle, General Mills, CECAB Group, Orkla and Grupo di Luca. They all are sourcing different products from developing countries.

Consumption

| Figure 8: Total consumption of canned fruits and vegetables in the EU, 2009-2013, in thousand € |
| Figure 9: Consumption of canned fruits and vegetables in the EU by country, 2013, in % |

Data source: Eurostat

Analysis and interpretation

There are several product varieties within the category of canned fruit and vegetables. For some single products, there are taste and cutting varieties (e.g. different packs with aroma and herbs, whole or in pieces).

Tip:
- Explore niche markets for canned fruit and vegetables with other taste characteristics. You can do this by visiting the export market you target, conducting additional market research, appointing an agent or visiting existing clients. The opportunities can vary between European countries.

Since 2009 consumption has increased, with the only drop in 2012. The highest consumption growth in the last five years was reported in Greece (30%), the Netherlands (21%), Italy (13%) and Lithuania (12%).

Tip:
- Check the website of PROFEL, the European Association of Fruit and Vegetable Processing Industries, for information about ongoing issues on the European processed fruit and vegetables market. The website contents link to the websites of the national members.

1 Food For Thought Newsletter, April, 2015
The mean vegetable intake (including canned, pulses and nuts) in Europe is 220 g per day. Mean fruit intake (including canned) is 166 g per day, implying that the average consumption of fruit and vegetables (including canned) is 386 g per day per person. Mean fruit and vegetable intake per person per day varies per EU country: from 237 g/day in Sweden (lowest) to 577 g/day in Poland (highest) (EUFIC, 2012). The countries of Central and Eastern Europe have the highest intake of fruit, followed by those in the South and the lowest in the North.

There is seasonal (winter-spring-summer-autumn), geographical (climate, north-south) variation in consumption of canned products related to the availability of fresh products. In addition, cultural aspects play a role: despite its southern location, Italy has the highest consumption of processed vegetables (56 g/day per person) (EUFIC, 2012). This is mainly due to the national cooking habits.

Canned fruit makes up to 4% of the EU fruit market (based on volume and excluding B2B). Other segments are: whole fresh fruit (90%), frozen fruit (1%), fresh-cut fruit (1%), and other fruit (4%). Canned vegetables make up to 8% of the EU vegetable segment. Other segments are: whole fresh vegetables (80%), frozen vegetables (6%), fresh-cut vegetables (4%), and other vegetables (2%) (Source: Rabobank, 2010).

Top-5 largest retailers in the EU are Schwartz (Germany), Tesco (UK), Carrefour (France), Aldi, and Rewe (both Germany).

**Macro-economic statistics**

**Figure 10: Real GDP, 2014-2016, % change from previous year**

![Real GDP, 2014-2016, % change from previous year](source)

*Source: Eurostat (2015)*

**Figure 11: Real private consumption expenditure, 2014-2016, % change from previous year (projection)**

![Real private consumption expenditure, 2014-2016, % change from previous year (projection)](source)

*Source: Eurostat (2015)*

**Economic indicators are promising**

Predictions of GDP and private consumption expenditure can be one of the indicators for the European canned fruit and vegetables market.
Between 2014 and 2016, European GDP and private consumption expenditures are expected to increase. This means that consumption of canned and particularly exotic and healthy products is likely to rise. Especially in Eastern European emerging markets, an increase in GDP creates room for this type of spending. Due to saturation, growth in consumption will be moderate for mature markets.

**Market trends**

**CBI Trends** provides you with general trends in the European market for processed fruit and vegetables. This section provides more details about specific trends in the market for canned fruit and vegetables.

**Analysis and interpretation**

**Social trends**

Convenience is highly appreciated in the EU, since households have become smaller. Due to of heat treatment, canned fruits and vegetables are more convenient to prepare and consume. Canned food is also used by the food processing industry as an ingredient. Both consumers and the industry appreciate canned food as it is easy to store.

**Tip:**

- Get information from your contact person in the EU about the cutting and packaging requirements of sales channels to consumers.

More consumers are eco-aware and require organic (i.e. pesticide free, or ecologically responsible) products.

**Tip:**

- Consider certifying and labelling your products as Organic. See the background, assessment, and interpretation document for Regulation (EC) No 834/2007 for Organic Food and Farming for more information about requirements. Check the International Trade Center Standards Map for a comparative analysis and review of voluntary standards.

**Economic trends**

There is an increased concentration of retailers. Supermarkets exert their bargaining power by paying late. Payment after 120 days or even 180 days is common (Source: FAO, 2009).

Supermarkets demand good quality and the presence of a food-safety system, preferably certified, and have strict delivery schedules as they want their shelves to be filled throughout the year. Supermarket chains use their own name on cans as a brand for middle market segments (private labelling).

**Tip:**

- Get information from your contact person in the EU about quality standards, delivery schedules, and logistics requirements. Evaluate whether working capital, processing technology, logistics, and the skill levels of employees at your company are able to keep up with these requirements.

**Market Channels and Segments**

For more general information about market channels and segments, you can have a look at the Market Channels and Segments document for processed fruit and vegetables available on the CBI market intelligence platform. This section provides some information about the marketing channels through which canned fruit and vegetable are marketed in the EU.
Analysis and interpretation

In the canned industry supply chain, the importer sells end products directly to the different segments. Moreover, many multiple retailers import directly from the producers. Therefore, producers and retailers play an important role in the distribution of goods in the EU.

Tips:
- As an exporter, you can approach either importers or retailers. For the latter option, you must be able to provide large volumes at a consistent quality.
- Gain increased market power within the chain by building long-term relationships (and signing contracts) with large renowned buyers in the EU market.
- For the canned fruit and vegetable markets, you can focus on retail, wholesale, and the foodservice as your end users or customers.

According to IBIS (2012) ‘Germany is considered to be the largest producing country in Europe, where its canning industry, which includes a wide range of pickled vegetables such as sauerkraut, dominates the market’. In addition, the production levels of such products have increased and will increase further in countries like Hungary. A large player within this segment is a.o. Bonduelle which works with the contract-growing concept.

Tip:
- Keep an eye on the dynamics between brands and private labels in order to identify possible growth markets. Read published reports on private labels for general insights. Visit the export market you target and conduct additional market research on specific EU countries for more information about private labelling in relation to specific products.

At the same time, retail power is increasing in the area of private labels. The private label is not related to ‘lower quality’ any more than a regular brand. In 2009, the percentage of private labels varied per country between 17% (Italy) and 48% (UK) (Source: Bunte et al. 2011)\(^2\). The share of private labels in a range has shown an increasing trend ever since. Eventually, the retailers will stop at a certain private label optimum level.

A retailer takes care of marketing, but engages producers to supply products manufactured in accordance with the retailer’s requirements. Commonly, the retailers look for manufacturers that are able to supply at the cheapest price given the retailer’s conditions.

Manufacturers of branded products own factories where these products are manufactured. A recent development is that brand owners outsource production to cheaper third-party production plants that are able to produce at lower costs, for example private-label suppliers that are already operational. In this case, marketing and production are split between different companies.

\(^2\) Latest available data.
Figure 11: Indication of price ranges and market segments

<table>
<thead>
<tr>
<th>Premium/convenience</th>
<th>Middle range</th>
<th>Low price</th>
</tr>
</thead>
<tbody>
<tr>
<td>For example, organic, exotic processed products</td>
<td>For example, tropical fruits and vegetables for mass production</td>
<td>For example, bulk products, also produced in Europe</td>
</tr>
<tr>
<td>High quality class and additional quality standards from processing industry filling consumer packaging</td>
<td>High quality class and standard retail requirements from processing industry filling consumer packaging</td>
<td>Good quality</td>
</tr>
<tr>
<td>Price range: € 4.25 – € 8.00 per kg. Main sales channels ingredients: Importer or primary processor</td>
<td>Price range: € 1.00 - € 3.50 per kg Main sales channels ingredients: Importer or primary processor</td>
<td>Price range: € 0.35 – € 0.80 per kg Main sales channels ingredients: Importer or primary processor</td>
</tr>
<tr>
<td>Main sales channel end products: Retail</td>
<td>Main sales channel end products: Retail</td>
<td>Main sales channel end products: Retail</td>
</tr>
</tbody>
</table>

Analysis and interpretation

Bulk canned fruit and vegetables are sold at high volumes and relatively low margins. They are perceived as mainstream by consumers and are often sold in the cheapest segment, like discount brands (for example Euro Shopper) and private labels. Alongside retail, these products are widely traded in the industrial markets, such as food services, for further processing. The products do not possess value-adding features such as innovative packaging and innovative preparation methods.

Tip:
- Consider whether it might suffice to use the importer’s quality standards for sales to the retail or processing industry.

Mid-range products are subject to higher class and standard retail requirements. Mid-range products are sold at lower volumes than bulk products. Some varieties of canned fruit are not considered mainstream, but are still easily available. These products are commonly sold under manufacturers’ brands or private labels. These products have some value-adding characteristics, such as innovative packaging, which enable higher margins to be achieved.

Premium products are of the highest quality, have the highest standards, and have additional non-conventional characteristics, e.g. organic, CSR or Fair Trade, ethnic/exotic products or regional specialities and innovative packaging. These characteristics mean relatively high margins on these products. The products are commonly sold under manufacturers’ brands.

Market Competitiveness

For more general information about market competitiveness for processed fruit and vegetables, you can look at the Market Competitiveness document available on the CBI market intelligence platform.

Useful Sources

Export and market entry support:
http://www.cbi.eu/

Certification schemes:
http://www.sa-intl.org/
http://www.iso.org/iso/home.htm
http://www.standardsmap.org/identify.aspx
http://www.fairtrade.net/
Marketing and trade standards:
http://www.unece.org/tradewelcome/trade-home.html
http://www.codexalimentarius.org/codex-home/en/

Statistics and sector information:
http://ec.europa.eu/eurostat
http://comtrade.un.org/