

6 July 2022

Innovations Session N°10

Successes in export markets from SMEs and entrepreneurs



INNOVATIONS
SERIES





State of play and opportunities of the EU market for fruit and vegetables from ACP countries

PAFO-COLEACP INNOVATIONS SESSION n°10
6 July 2022

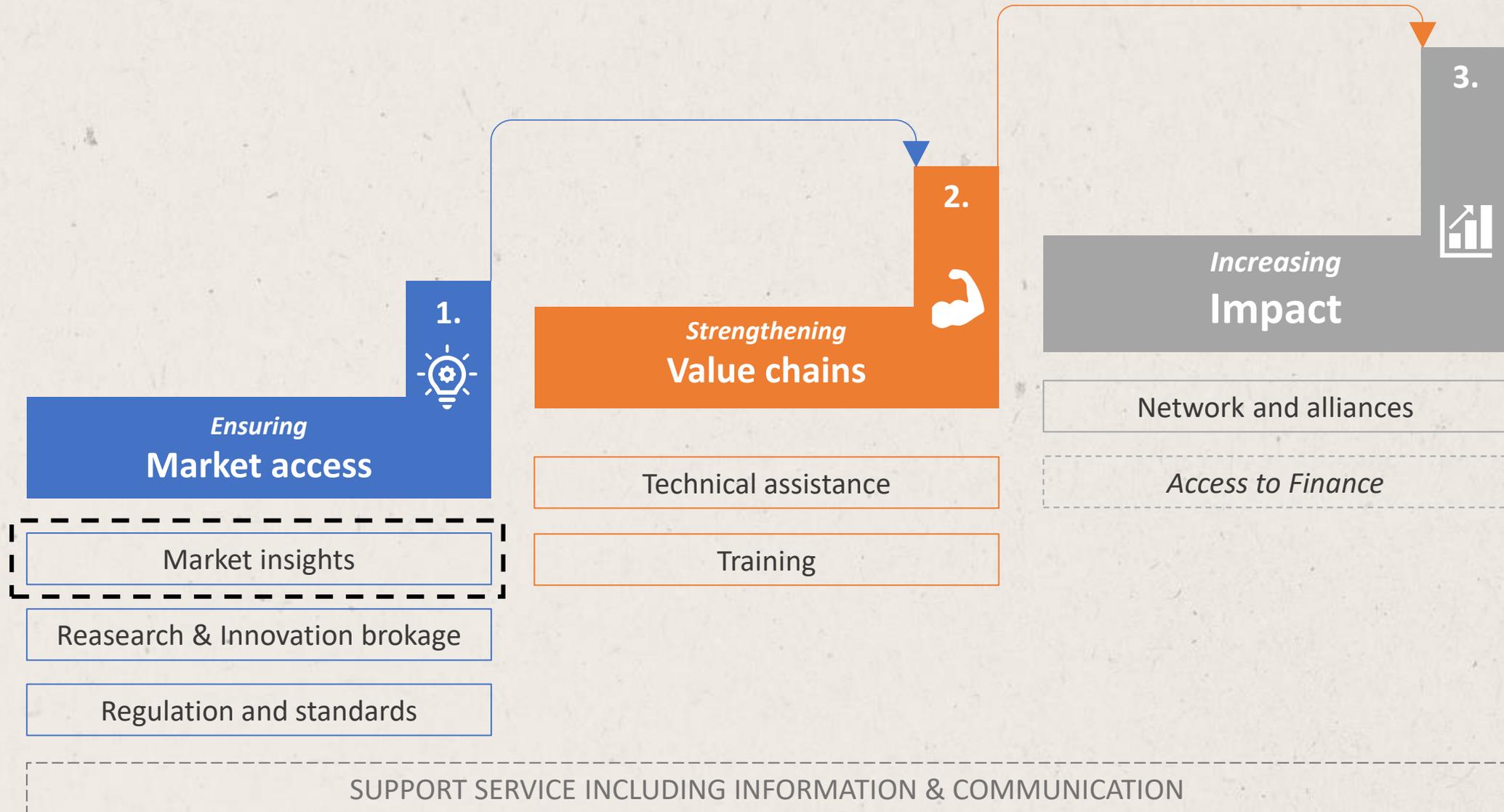


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Market Insights Department

Market Insights

COLEACP ORGANISATION AND APPROACH



Market Insights

To Provide Information

- **Qualitative** and **quantitative**
- To **understand trade trends** in different markets
- To **support action plans** at the service of SMEs in the agricultural industry (mainly Fruits & Vegetables)



Activities financed by **programmes** (mainly by EU and OACPS)



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State of play and opportunities
of the EU market for F&V from
ACP countries

Methodology and Scope

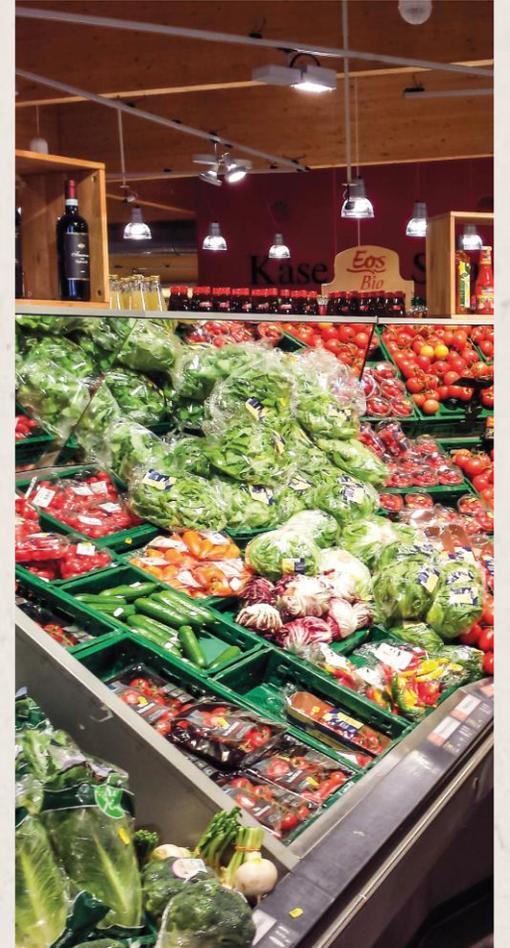
Methodology and Scope

- What are the **market opportunities** for fruit and vegetables (F&V) of **ACP origin** with regard to **marketing trends** in the sector in Europe? (consumption, distribution, product and packaging innovations, etc.).
- Study based on various **online sources of data and qualitative information** e.g. insights from the **Fruit Logistica** trade fair and the **COLEACP's network**.
- Data: EUROSTAT, International Food Policy Research Institute (IFPRI), Centre d'Etudes Prospectives et d'Informations Internationales (CEPII) BACI,... South Africa not included.
- Product scope: HS chapters 07 and 08 i.e. Fresh Fruits (incl. nuts) and Vegetables.

Methodology and Scope

Content:

- **Consumer trends:** organic food as a driver of continuous growth
- **Distribution and marketing** of F&V in the EU
- **ACP supply** on the European fresh F&V market
- **Opportunities** for ACP supply on the European F&V market



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EU F&V market

Consumer Trends

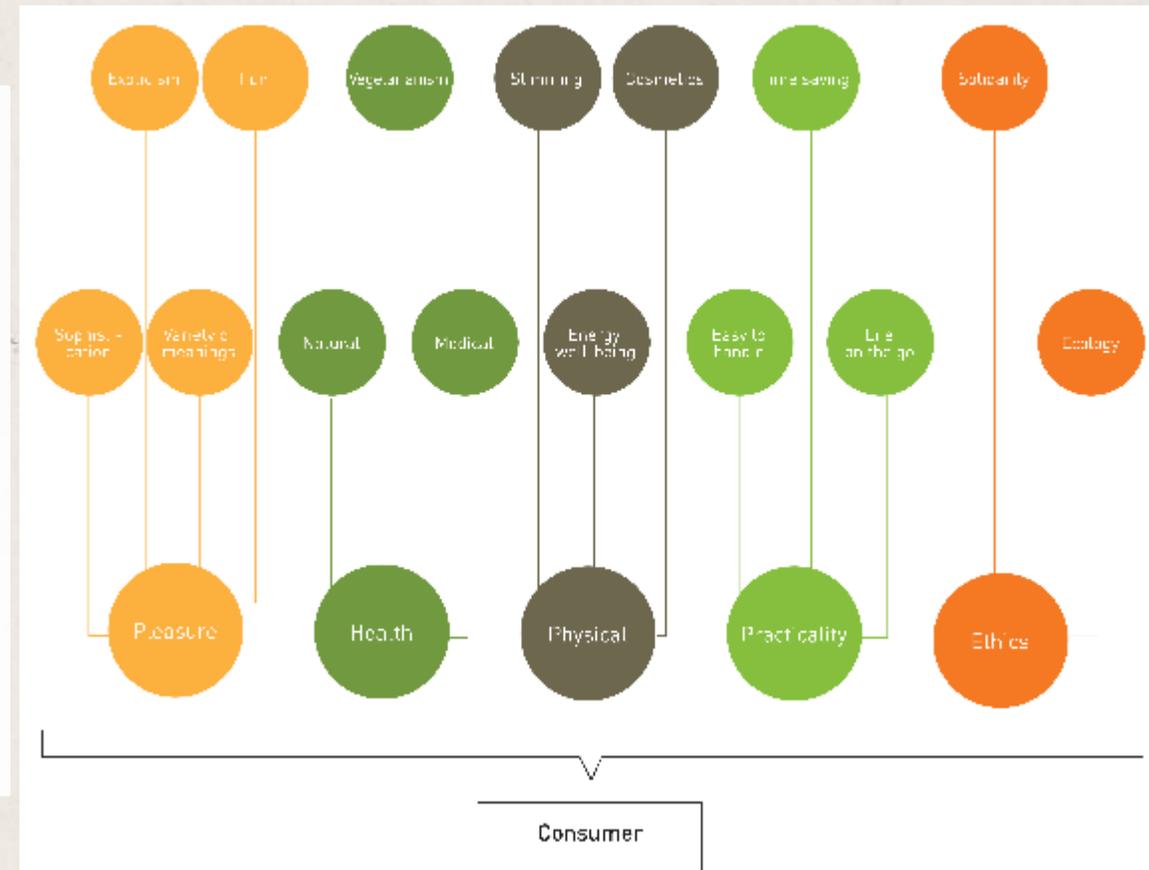
Consumer Trends

Overall F&V consumption is increasing and there is still space for growth.

Consumer wants **fresh, healthy, ready to eat, sustainable,...**



Annual per capita consumption of fruit and vegetables, 2019 (Source: Freshfel)

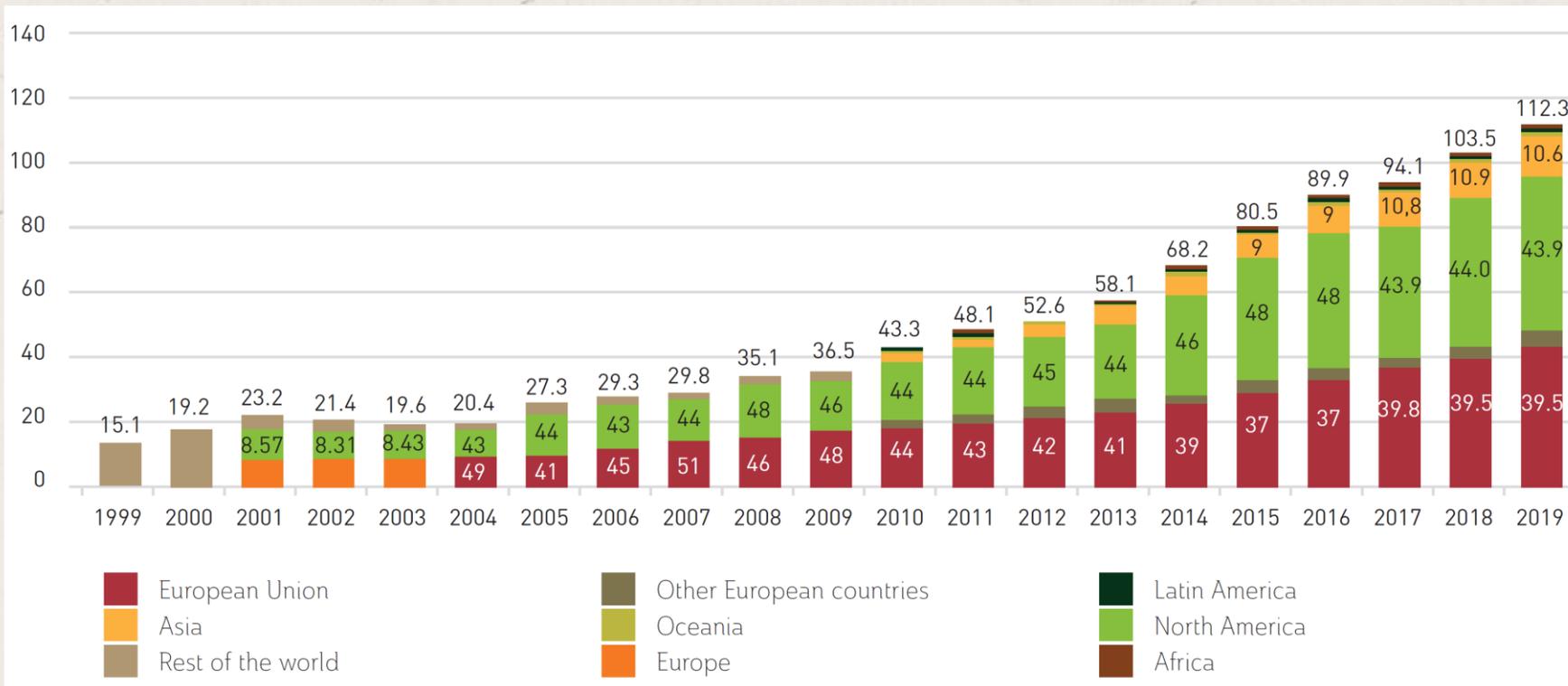


Trends in food innovation (Source: FoodDrinkEurope, Data and trends: EU food and drink industry 2018)

Consumer Trends

Organic products: catalyzing growth of entire sector, alternative for intensive farming, further promoted by EU, especially for ACP producers.

Covid-19 pandemic, exotics for young generation, veganism, vegetarianism but locavorism,...



Development of the global organic food market from 1999 to 2019 (in billion euros)



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EU F&V market

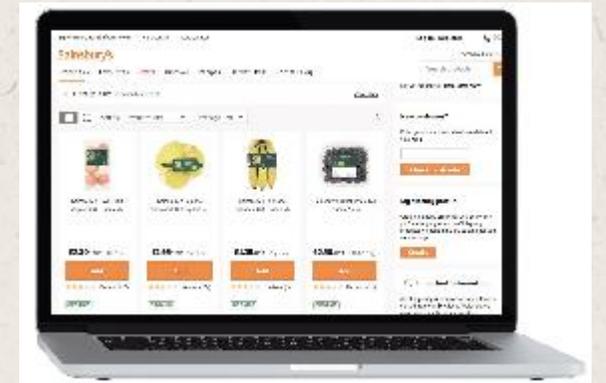
Distribution and Marketing

Distribution and Marketing

ACP F&V exports to EU increased in value of **51%** (total imports 60%), **26%** in volume (vs 32%) between 2009 and 2019.

Confirms the **attractiveness of the EU market for higher quality F&V of ACP origin.**

Traditional retailers still dominant but expected arrival of **tech giants**. Also increasing **competitive pressure from discounters (Aldi/Lidl)**. Traditional retailers react by upgrading their F&V sections to increase their appeal (importance of expertise, relationship with producers, sensory **experience in shop**) => competition with online suppliers.



Distribution and Marketing

Packaging:

Increasingly important. Combining preservation and sustainability.
Zero plastics. Recyclable, biodegradable packaging, no more packaging.



Photo 11. Biodegradable and compostable packaging presented by SILBO



Photo 12. SoFruMiniPak, 100% biodegradable packaging from SoFruPak



Traceability:

Info on origin, digitalization of market, data sharing block chain.

Sustainability:

Preference for short chain, locavorism => more attention to communicating the positive impact on economic development and poverty alleviation in the ACP countries where these products originate + consideration of footprint of whole production process etc.

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EU F&V market

ACP Supply and Opportunities

ACP Supply and Opportunities

As for all suppliers of F&V to the European market, **the outlook for ACP exporters is positive**, given the growth trend and qualitative development of the market.

Figure 13: Evolution of ACP fresh fruit and vegetable exports to the EU in tonnes, including bananas, excluding South Africa (Source: Eurostat)

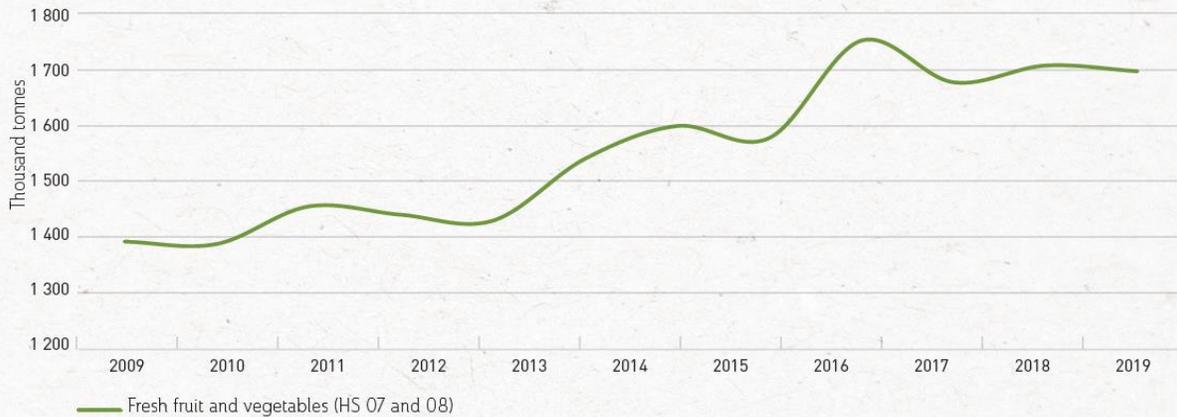
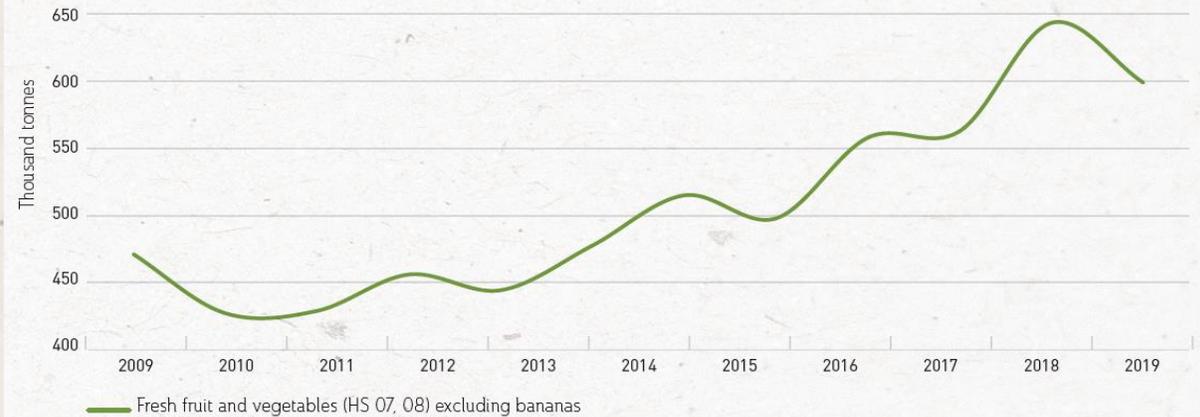


Figure 14: Evolution of ACP fresh fruit and vegetable exports to the EU in tonnes, excluding bananas, excluding South Africa (Source: Eurostat)



The regulatory framework (e.g. EU Green deal, Farm to Fork strategy) and consumer expectations keep evolving.

Ongoing competition with e.g. Central and South America.

But...growing **professionalisation** of ACP + **geographical** proximity (SSA). + desire for **fresh, exotic**, attention of shops, **organic**,...

ACP Supply and Opportunities

Level 1: Main developing European market segments

Hass avocado, Organic banana, Lime, Coconut, Mango (Amélie, Keitt, Kent), Melon, Papaya, Sweet potato, Pea, Pepper, Taro, Watermelon, Jerusalem artichoke, Sweetcorn

Level 2: Niche markets with high development potential

Sugarloaf and Smooth Cayenne pineapple, Greenskin avocado, Exotic berries, Snow pea

Level 3: Main stable or mature European market segments

MD2 pineapple, Banana, Plantain, Green bean, Orange

Figure 58: Evolution of European imports of mangoes from ACP countries (excluding South Africa), in tonnes. CAGR between 2009 and 2019 (Source: COLEACP from Eurostat)

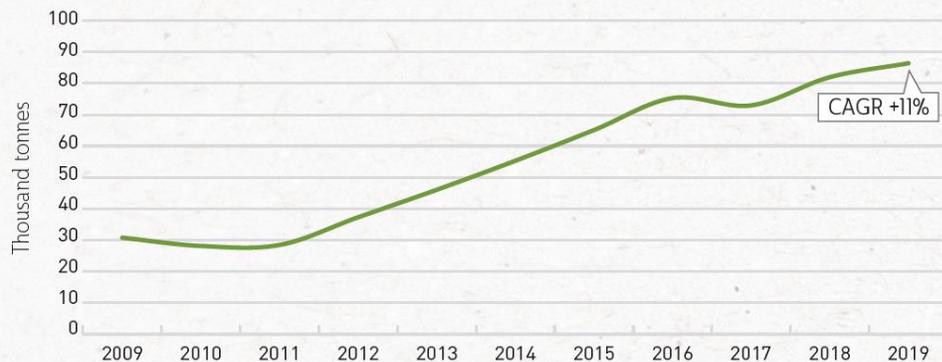
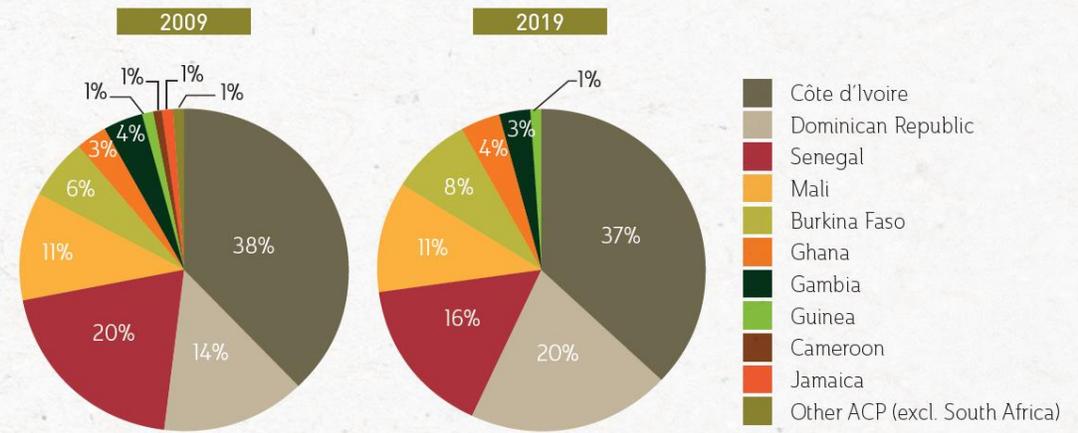


Figure 60: Share of exporting countries in EU28 imports of mangoes of ACP origin, in tonnes, in 2009 (total: 30,780 tonnes) and 2019 (total: 86,422 tonnes), excluding South Africa (Source: COLEACP from Eurostat)



ACP Supply and Opportunities

EU market opportunities

- Increased consumption of fruit and vegetables
- Increase in imports of fruit and vegetables of ACP origin
- Supply of some fruit and vegetables does not meet demand
- Popularity of fresh produce among European consumers
- Popularity of exotic produce, especially among young people
- Organic food is the driving force behind the qualitative and quantitative growth of the agri-food market; fruit and vegetables are drivers of the organic market
- Fruit and vegetables are an important selling point for shops and online platforms
- Online platforms help popularise fruit and vegetable consumption
- Sustainable packaging innovations are a new marketing focus
- Rising import prices

EU market threats

- Ultra-competitiveness of competing ACP fruit and vegetable producers
- High requirements to enter the European market and continuous development of these requirements (public norms and standards)
- Specific requirements for sustainable packaging and therefore innovation
- The rise of locavorism
- Civil society pressure to reduce the carbon footprint due to its contribution to global warming

Downloading the EU Market Study

The Market study is available via:

<https://eservices.coleacp.org/en/e-bibliotheque/state-of-play-and-opportunities-of-the-european-market-for-fruit-and-vegetables-from>



Other questions? Contact us at: marketinsights@coleacp.org

MERCI
THANK YOU





The PAFO-COLEACP Innovations Series focuses on innovations and successes of African farmer-led businesses and SMEs. These activities are supported by the Fit For Market SPS programme, implemented by COLEACP within the Framework of Development Cooperation between the Organisation of African, Caribbean and Pacific States (OACPS) and the European Union.



Thank you

