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FR*ui*TROP

English edition



Close-up Avocado

**EU apples
& pears**

**Pips in focus
in 2014**

**Banana
market**

**Summer
round-up**

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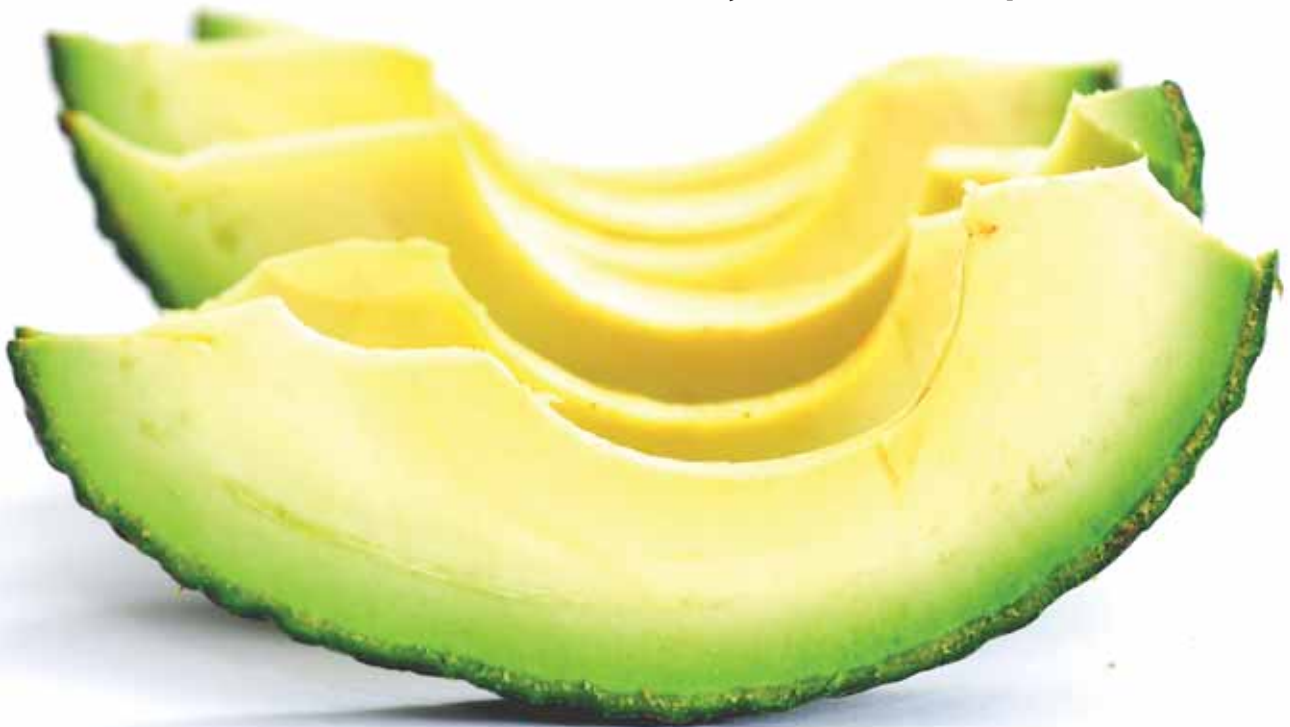
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European avocado consumption

A record vintage in 2013-14...
and set to usher in more

It has practically given cause to claim victory! The 2013-14 season shows that the import sector's efforts to develop consumption in Europe, striving in particular to improve the quality of fruit available to the general public, through varietal change and the ready-to-eat segment, are working. It is a real source of pride for the initiators of this approach, which are most often small or medium facilities which have had to invest heavily to dare to pick up the gauntlet thrown down by the American operators.



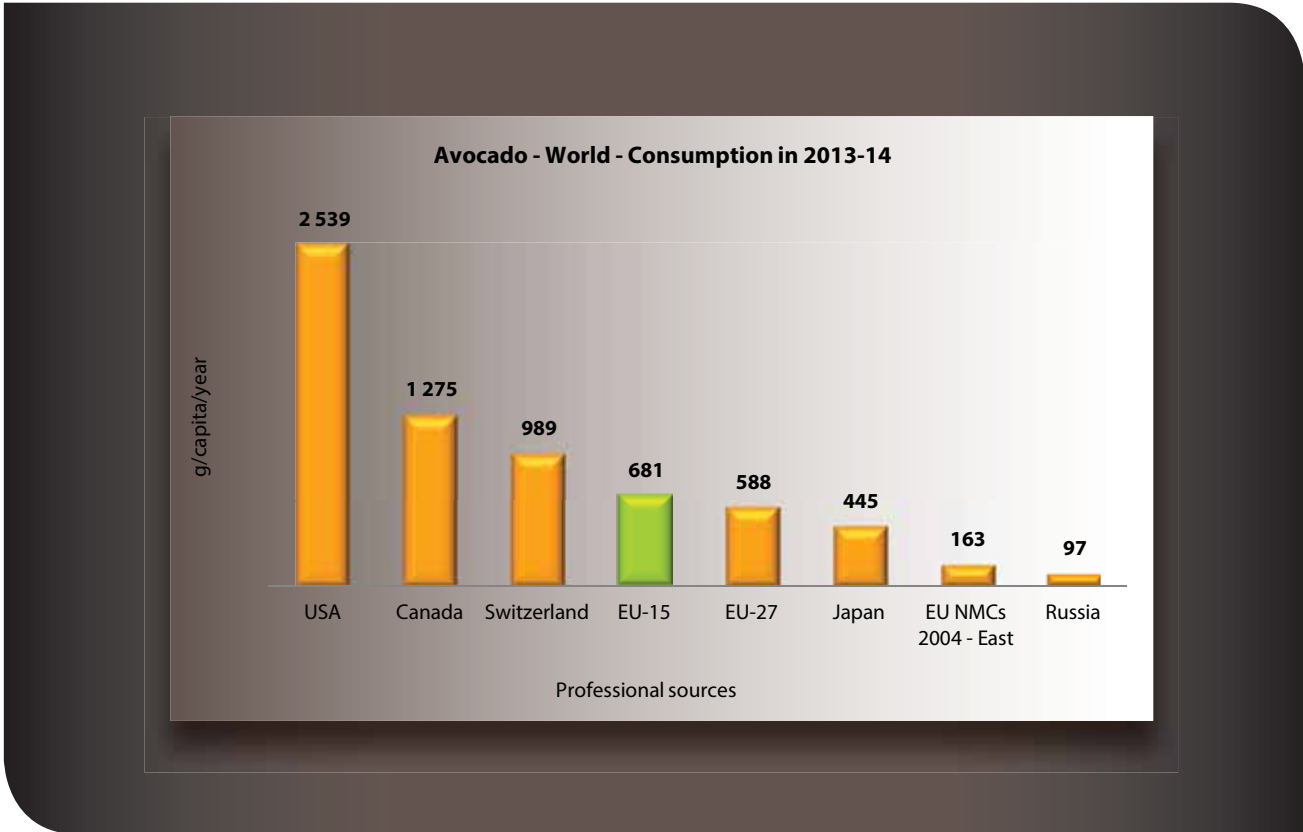
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Three avocados on average per year per capita



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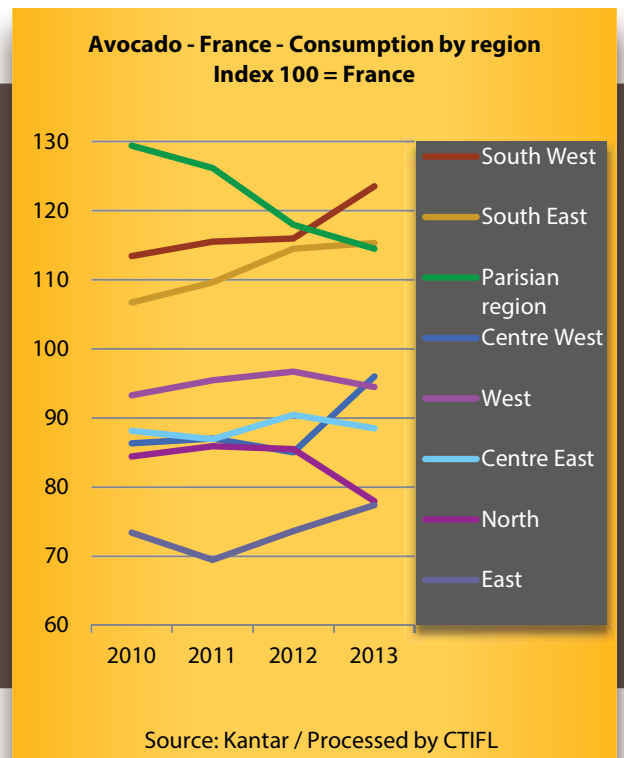
According to our estimates, European consumption amounted to approximately 290 000 t from June 2013 to May 2014. This figure takes the volumes absorbed per capita in the EU-28 to just under 600 g/year. This average level does not carry much significance, since it conceals a still very marked difference between the East and West of the Community. Despite an increasingly pronounced dynamic, the inhabitants of Eastern Europe consume just one little avocado per year (just over 160 g, i.e. one size 24 fruit). It is still the Western part of the continent which is driving the market, but again with volumes remaining restricted in comparison with other high-revenue zones. The almost 700 g consumed today per capita per year (i.e. approximately 3 size 18 fruits) is a long way from the Swiss consumption level of 1 kg, the Canadian level of nearly 1.3 kg, and even further from the US level of 2.5 kg; markets which, in addition, are far from being mature, and are continuing to exhibit a fine dynamic. In short, the European market has started to make good steps forward, but it still has a long way to go.





France on top!

As the old adage says, some things get better with age. France, the pioneering market where the avocado hatched in Europe, and which has ever since been number one in terms of volumes, is also the market which best rode the wave of growth of the 2013-14 season. Volumes, up 8 000 t from the previous season, approached the consumption record of 90 000 t set in 2004-05. If we believe the data of the consumption boards, this boom is mainly due to greater popularity of the avocado in under-consuming regions, which augurs well for the future! The product is increasingly breaking into Eastern France, which is nonetheless well behind despite a fine rise. A similar observation can be made for Central France, and to a lesser degree in the West. The sole exception of note is the fall in consumption in the North, probably associated with the low revenue levels in some parts of the region, the product being increasingly consumed among the better-off segment of the population. As for the big consumers, the South's infatuation with the avocado is intensifying, unlike the Paris region which is still among the aficionados of the product, but has lost more than 15 index points in 3 years! This downturn is amazing for this part of the country where average revenues are the highest in France. Another cloud on the horizon is that the avocado is highly consumed by the oldest segment of the population, while its popularity is tending to drop among young people - a trend which also seems to be linked to the rise in the retail price.

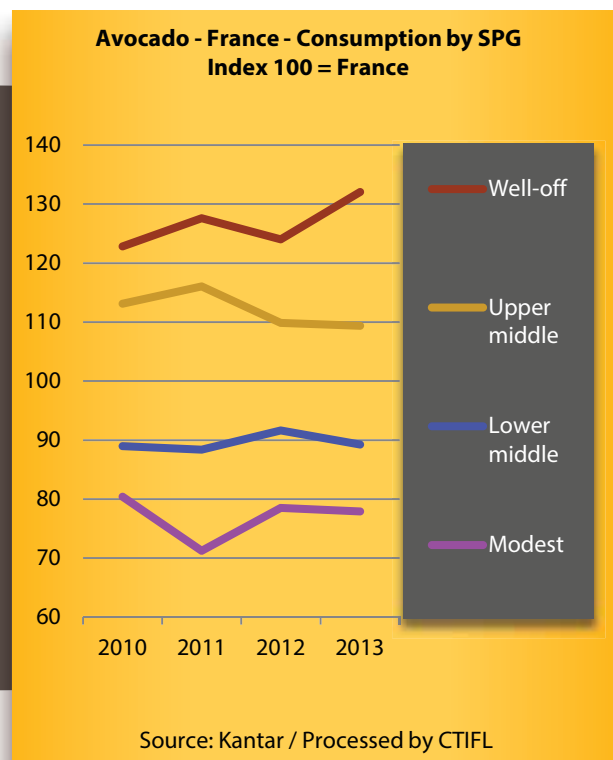
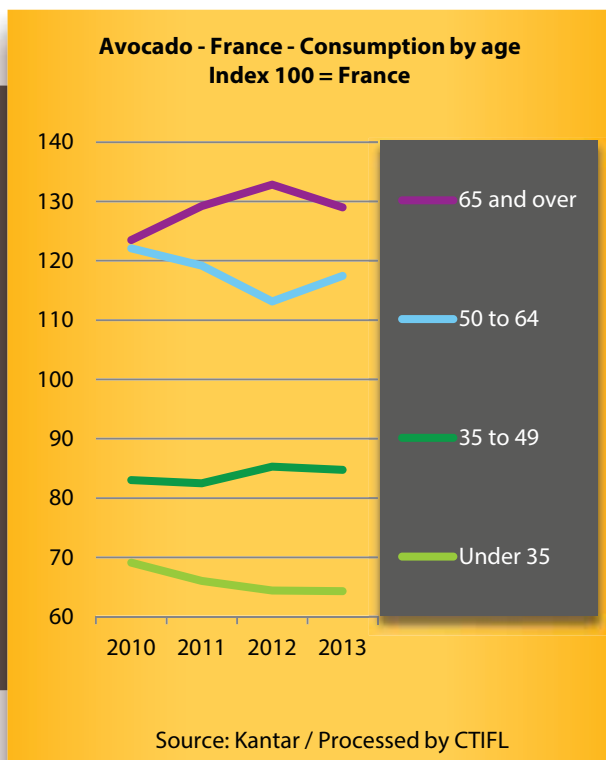


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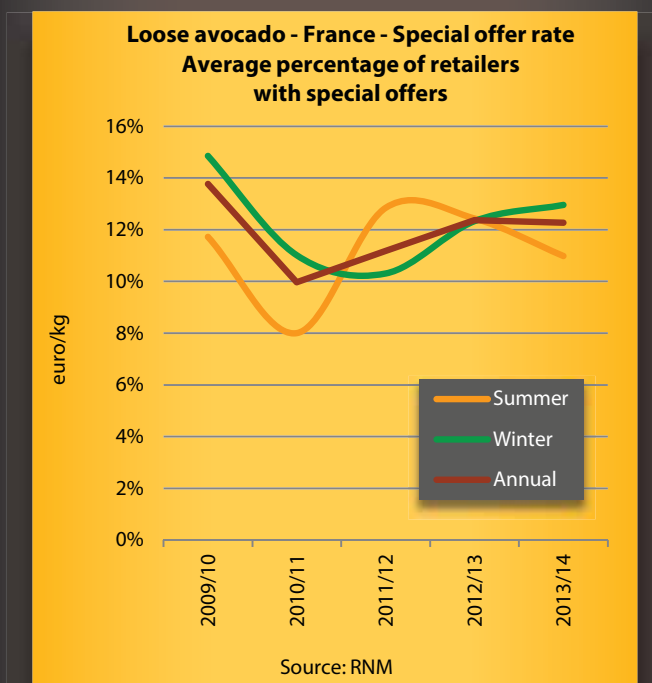
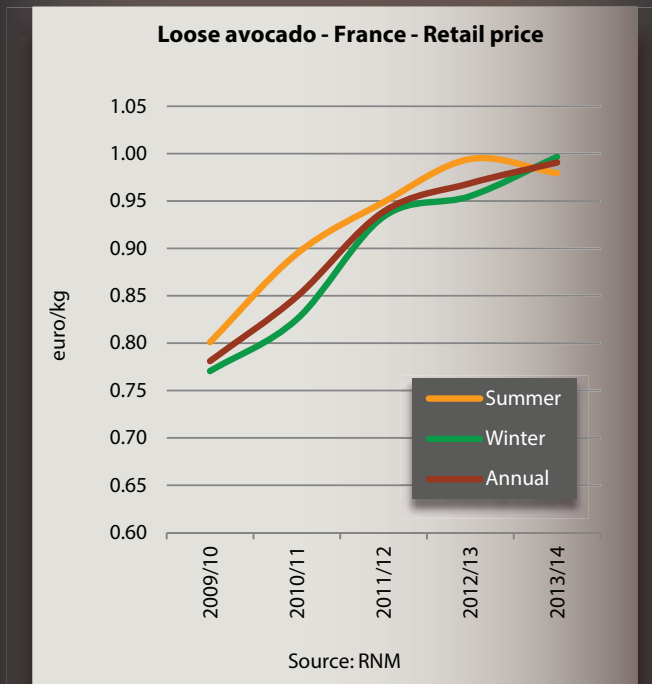


Quality comes at a price, but it is driving the market upward in France!

It cannot be said that the spectre of deflation, threatening the economies of the Old Continent, has hovered over the French avocado market. With practically the whole distribution sector switching to triggered fruits, retail prices have continued to rise, reaching a record level near the one-euro mark on the loose market segment. This is a dazzling demonstration that the consumer is prepared to pay a bit more — as it happens approximately 15 to 20 % — to be guaranteed a product that they can at least eat (no more avocados that never ripen), and that in most cases will meet their expectations in terms of taste. Nor have distributors needed to drive sales by increasing the promotional activity, with the number of promotions keeping to the average despite the abundance of volumes to sell. This model, which demonstrates that quality is able not only to increase consumer satisfaction, but also turnover for the benefit of all links in the industry, must be contemplated for other products and, first of all, for other climacteric fruits. We can only encourage the efforts made in this respect also by the imports sector to develop a similar approach with the mango. The same could apply to the grapefruit for example, where more relevant segmentation would make it possible to demarcate fruit from tropical regions.

An excellent balance in the United Kingdom

The results are lukewarm in Europe's two other big consumption centres. The United Kingdom has recorded a very fine performance, doing more than confirming its little leap made in 2012-13 after a long flat period, registering a spectacular increase of 15 %. This long-term success relies on two pillars. On the one hand, the communication campaigns conducted for the past few years have made it possible to persuade a good proportion of consumers that the avocado is a health fruit, emphasising in particular the qualities of its fatty acids. Furthermore, banking on quality, in the form of developing clear segmentation, seems to be bearing fruit. The vast majority of distribution sector sales now comprise ready-to-eat fruits (pack of 2 fruits, generally size 20 to 22, or even





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24). The remainder of sales (generally in loose form, from sizes 14 to 16, or even 12 more recently, a baby pack of 3 small fruits of size 28 to 32) comprise triggered fruits. Hence the British market is now hot on the heels of Scandinavia, with its consumption in excess of 43 000 t.

Mixed fortunes for Scandinavia

The balance is much more qualified in this northern part of the continent. The maturity of the two main markets has been confirmed. Consumption stabilised in Sweden, where volumes per capita are slightly above the 2 kg/year mark. In Denmark, they actually saw a considerable decline. Conversely, the growth trend which had established itself on the Finnish and Norwegian markets two or three seasons ago seems to be consolidating. The annual consumption per capita is now approaching the one-kilo mark in Finland, and the (fateful?) 2-kg mark in Norway.

Germany corroborated and into overdrive!

The 2013-14 season confirmed that the German market was among the most promising. Consumption beat a new record of 27 000 t, up by approximately 2 000 t from the previous season. Hence it has climbed more than 10 000 t since the market's first steps at the end of last decade, and the tempo should pick up considerably over the coming years. The switch from green varieties to triggered Hass, the main factor behind the awakening of the market, has now spread

practically across the board. Aldi Nord took the plunge approximately one year ago, and Lidl last season, following the trail blazed by the pioneering Aldi Sud at the end of the previous decade. Hence approximately 90 % of the German distribution sector has now opted for quality, and has been rewarded by sales quadrupling in certain stores. Another important factor for the development of consumption on this highly price-responsive market: size range tailored to consumer revenue. Indeed, the distribution sector is mainly working with big fruits in the urban areas, and more modestly sized avocados in rural areas. Similarly, the discount stores are offering smaller fruits (16-18 for example) than the conventional supermarkets (14).

“Little markets” taking off, but will they gain altitude?

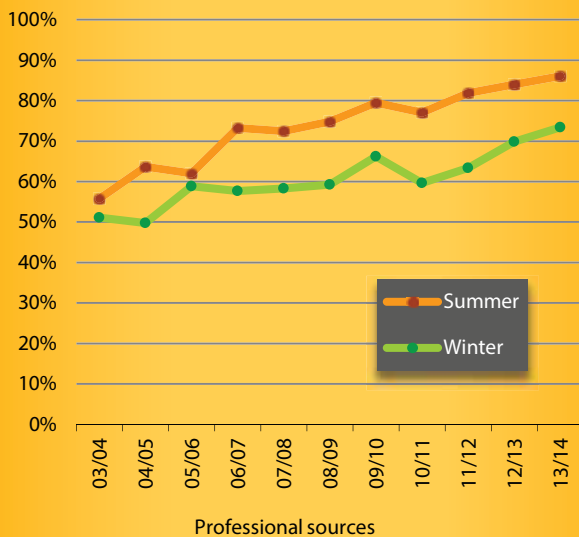
Goods news too from Western Europe's “little markets”, which weigh in at under 10 000 t. Italy, hitherto among the non-subscribers in terms of the avocado, seems to be showing some initial signs of awakening. For the first time, consumption took off from 4 000 to 5 000 t per year. Nonetheless, the prospects seem modest for the medium term. While the avocado is now present on supermarket shelves (green varieties of size 10, or even 12), it is still very much an exotic fruit. Hass is very scarce and little known (except for some ready-to-eat fruit packs available from certain supermarkets), and gaining public approval is a challenge calling for heavy investment that no professionals seem to want to take on at present.

The same observation can be made in Austria, where an initial leap was observed, with volumes taking off from 2 000 to 2 500 t/year. Conversely, the Irish market remained completely static.

Eastern Europe: markets which now matter

The East European markets registered another brilliant performance in 2013-14. Just as between 2011-12 and 2012-13, the rise was approximately 4 000 t, taking overall consumption to nearly 16 000 t. Practically all the markets in the zone registered spectacular increases, of around 45 % on average from last season. Poland and the Baltic States remain the regional

Hass share in the European avocado supply



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champions, with consumption levels nudging the 5 000-mark t in 2013-14. Romania, Hungary and the Czech Republic come next, with volumes of between 1 000 and 2 000 t. This dynamic is very good news in more than one respect. On the one hand, it is an opportunity to familiarise consumers from these regions with the avocado, hitherto very little known, thanks to the accessible introductory prices of the green varieties. On the other hand, it is reassuring as to the future of the green varieties. These cultivars, which continue to represent a significant proportion of production for certain supplier countries (approximately one quarter of the Spanish supply, two thirds of the Israeli supply and one third of the South African supply), now have only a very restricted outlet in Western Europe. During this last season, they represented just one quarter of volumes consumed during the winter period, and under 15 % of volumes during the summer period.

Big growth margins

The growth trend which has taken hold on the Community market seems to be solid, provided that the fuel is there (see next article). While there are clearly margins for growth, how big are they? We should seek some answers to this difficult question in the analysis of the markets where consumption is tending to stabilise, a probable sign of approaching maturity. Are the volumes absorbed by the big Scandinavian markets, such as Sweden or Denmark, which seemed to stall once they passed the 2 kg/capita/year mark, good gauges for the markets of non-producer countries? True, competition from local produce on the same segment is less than in Southern Europe, but the climate is also less favourable for consumption of raw vegetable salads. If we can believe the Freshfel estimate of overall fruit consumption in the various Community countries, Sweden is actually slightly under-consuming in relation to France or Germany. Although this consumption level might represent only a very rough marker, the big European markets are still a very long way from it: more than 600 g/capita for France, more than 1.3 kg for the United Kingdom and more than 1.7 kg for Germany. Hence even if we take only these three driving markets, which together represent a population of more than 200 million, the growth margins are enormous! ■

Eric Imbert, CIRAD
eric.imbert@cirad.fr

Avocado — Consumption in Europe (EU-27 + Norway)

	Estimated marketed volume in 2013-14 (tonnes)	Population in millions	Consumption per capita (grams)	2013-14 compared to		GNP-PPS (index)
				2012-13	average 2009-10 to 2012-13	
EU-27 + Norway	289 357	495.0	585	+ 18 %	+ 23 %	100
EU-15 + Norway	273 103	401.2	681	+ 16 %	+ 21 %	111
France	88 656	65.9	1 345	+ 10 %	+ 14 %	108
Scandinavia	43 709	25.8	1 694	+ 16 %	+ 24 %	136
Sweden	19 924	9.6	2 075	+ 2 %	+ 25 %	127
Denmark	8 719	5.6	1 557	- 30 %	- 20 %	125
Norway	9 877	5.1	1 937	+ 33 %	+ 69 %	191
Finland	5 189	5.5	943	+ 62 %	+ 147 %	112
United Kingdom	43 182	64.3	672	+ 16 %	+ 24 %	106
Germany	27 109	80.8	336	+ 6 %	+ 22 %	124
Netherlands	27 117	16.8	1 614	+ 124 %	+ 34 %	127
Spain	21 413	46.5	460	+ 42 %	+ 19 %	95
Italy	6 425	60.8	106	+ 29 %	+ 36 %	98
Belgium	5 180	11.2	463	- 15 %	+ 18 %	119
Austria	3 428	8.5	403	+ 47 %	+ 38 %	129
Portugal	2 431	10.4	234	- 18 %	- 12 %	75
Ireland	2 219	4.6	482	+ 8 %	+ 4 %	126
Greece	1 967	11.0	179	- 1 %	+ 11 %	75
Luxemburg	267	0.6	485	+ 31 %	+ 25 %	264
Eastern Europe NMCs	16 254	99.7	163	+ 45 %	+ 107 %	68
Poland	4 724	38.5	123	+ 58 %	+ 99 %	68
Baltic states	4 823	6.2	778	+ 35 %	+ 78 %	71
Czech Republic	1 373	10.5	131	+ 43 %	+ 113 %	80
Slovakia	601	5.4	111	+ 5 %	+ 46 %	76
Hungary	1 311	9.9	132	+ 101 %	+ 158 %	67
Slovenia	773	2.1	368	- 17 %	+ 183 %	83
Romania	1 852	19.9	93	+ 78 %	+ 223 %	54
Bulgaria	541	7.2	75	+ 61 %	+ 122 %	47
Croatia	256	4.2	61	+ 85 %	nd	61

From June 2013 to May 2014 / Import-export+production / Sources: Eurostat, FAO, professionals