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Fresh Deciduous Fruit

The Saudi Market for Fresh Apples and Pears

1. Summary

Saudi Arabia is a significant market of a wide variety of fresh fruits from many countries. A Saudi population of 21 million (including 8 million expatriates) consumed about 6 million boxes or about 118,000 metric tons of imported

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apples in 1995. The average weight of a box is 19 kilos valued on average at \$18 (cost and freight-Jeddah port). Annual consumption of fresh pears is placed at 1.3 million boxes or 13,000 MT.

According to industry sources, the market for apples and pears is steady, but should increase in the future. Health consciousness among consumers is on the increase and the Saudi population continues to grow at 3.75 percent annually.

2. Imports

The two tables below show Saudi imports of fresh apples and pears over the past 3 years.

Saudi Imports of Fresh Apples

Country of Origin	1994	1995 -----Metric Tons-----	1996
Chile	36,774	35,897	36,000
USA	27,876*	16,585*	28,000
Iran	32,619	26,815	30,000
Turkey	16,335	10,133	14,000
Swaziland	5,273	10,901	15,000
Lebanon	7,646	5,812	5,000
Syria	1,738	1,065	1,000
France	6,134	5,000	6,000
Italy	8,760	4,632	4,000
Others	3,345	1,196	1,000
TOTAL	146,500	118,036	140,000

Saudi Imports of Fresh Pears

Year	Total (Metric Tons)	U.S. *
1994	13,305	2,852
1995	13,500	1,806
1996*	13,000	

Source: 1994 & 1995 : *U.S. data are from U.S. Customs. All other figures

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 2. Imports

 are from the Saudi Customs,, Ministry of Finance, and the local trade.
 1996 data are estimates.

Turkey has emerged as the market leader in fresh pears, with a market share of 30 percent, followed by the United States, Chile, and Lebanon. Other suppliers are Swaziland, Syria and Spain.

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3. Varieties, Packaging and Prices:

Apples:

Red apples dominate the market (80 percent of consumption according to the trade), followed by Golden Delicious and Granny Smith. Red Apples are mainly from the United States and Chile. "Red Delicious", "Scarlet", "Fancy Red" are common varieties found on the Saudi marketplace. A dual colored apple (red and gold) from France is slowly gaining popularity among consumers.

The bulk of imported apples are packed in boxes. The average count per box ranges from 100 to 125 apples. Average weight of each box is between 18 and 20 kilograms.

Apple prices are based on color, size and cost of freight. Import prices for U.S. apples range from US \$18 - 20 per box (CF Jeddah port), while Chilean apples ranged from \$16 - 18 per box. Some apples are as low as \$12.

Retail Pricing : A recent visit to a local souk (market) in Jeddah by a marketing specialist of the U.S. Agricultural Trade Office found U.S. Red apples being sold at US \$ 26 per box, while comparable categories from France, Turkey and Iran ranged between \$ 20 -22. The higher price of U.S. apples is due to higher freight costs (many U.S. apples are flown into the Kingdom), their high quality and larger size relative to selected varieties from other sources.

Pears:

Popular pear varieties found on the Saudi marketplace are the Anjou (US & Chile), Williams (South Africa), Corsica (Europe). A new variety, Packam which is sold in small packs of ten, five, and two kilograms is gaining popularity.

Import prices of pears currently range from US \$13 to \$18 per box.

4. Suppliers

The United States is a major supplier of apples to this region. The fact that a

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4. Suppliers

significant portion of imported apples from the United States are transported by air results in a higher price compared to apples from Iran, Turkey, and other closer sources. U.S. apples, however, are found in most major supermarkets and at wholesale markets throughout the Kingdom.

The season for Chilean apples starts in March and extends through August--a season opposite that of the U.S. France is emerging as a major supplier of both

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red and green apples. The apple trade expects larger shipments from South Africa in 1997.

5. Importers

The fresh Apple sector is a mix of free lance importers who transport apples by surface from Turkey, Syria and Iran and other nearby countries to the larger companies who bring in apples from Chile, USA , Europe, and South Africa.

Abbar & Zainy and Sharbatly Cold Stores are the two major giants in the fresh apple and pear import sector, with a combined market share of about 70 percent. M/S Sharbatally imports primarily from Chile & USA, but also imports from France, Iran and Turkey. Abbar and Zainy Company is the leading importer from the United States, but also brings in large quantities from other sources such as Chile, Italy, and Iran. Arabian Trading Corporation lead in surface imports from Iran, Lebanon, Turkey, and other nearby sources.

Selected Saudi supermarket chains such as Tamimi Markets import apples directly from the U.S. There are several "commission agents" who import from Turkey, Iran and Syria on a consignment basis. (See appendix for the coordinates of key apple and pear importers).

6. Distribution

Apples and pears are primarily sold in vegetable souks found in most Saudi cities. Smaller cold stores pick up consignment orders from importers and distribute to whole sellers and other markets as needed. Since many small fruit shops lack proper storage and refrigeration units, distributors often hold consignments before making delivery, with a cost passed on to the owner of a small shop.

Because of the large size of Saudi families (both nucleus and extended families), many Saudis prefer to buy apples by the box. Sources estimate that 60 percent of apples are marketed in wholesale vegetable and fruit markets. Apples are also sold in supermarkets and other grocery stores, but these outlets account for no more than 10 percent of total quantities marketed. This may pick up, however, as more Saudi couples are opting to live on their own away from the extended family, making one-stop shopping at supermarkets more popular. The balance are sold in specialized vegetable and fruit shops, mostly

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6. Distribution

owned and run by expatriates.

7. Advertising & Promotion

The Washington Apple Commission and the Oregon California Washington Pear Board conduct in-store sampling in several supermarkets in the Kingdom. Chile produces POS material and media advertising is used by European

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suppliers.

8. Coordinates of Major Importers

IMPORTER Origin	Fruit	Countries of
Abbar & Zainy Colds Stores P.O. Box: 2495, Jeddah 21451 Y. Tel: 6371315 Fax: 6373012 Contact: Alsandro Mondin	Apples: Pears:	USA/ Chile/France Iran/ Turkey/ Ital
Sharbatly Cold Stores P.O. Box: 4150, Jeddah 21491 Tel: 6910052 Fax: 6910103 Contact: Bill Walker	Apples: Pears:	USA/ Chile/France Iran/ Turkey/ Italy USA/Chile/Turkey
Trans Arabian Markets P.O. Box: 20068, Jeddah 21455 n Tel: 6533797 Fax: 6516055 Contact: Sami Momenah	Apples: Pears:	USA/ Chile/France South Africa/Lebanc USA/Chile
Sanad Trading Cold Stores P.O. Box: 20607, Jeddah 21465 Tel: 6730274 Fax: 6731732 Contact: Hussain H. Issa.	Apples: Pears:	USA/ Chile/Iran Lebanon. USA/Chile/Turkey
Tammimi Company P.O. Box: 172, Dammam 31411 Tel: 8574050 Fax: 8571592 Contact: John Wright.	Apples: Pears:	USA/ Chile USA
Arabian Trading Corporation P.O. Box: 1393, Jeddah 21432 Tel: 6364262 Fax: 6363687 Contact: Abdul A. Awad.	Apples:	Iran/ Turkey/Syria

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