

Fruit juices and concentrates

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The EU in brief

The European Union (EU) is the current name for the former European Community. Since 1 January 1995 the EU has consisted of 15 member states. Ten new countries joined the EU in May 2004. They are the Czech Republic, Estonia, the Slovak Republic, Cyprus, Latvia, Lithuania, Malta, Slovenia, Poland and Hungary. Negotiations are in progress with a number of other candidate member states.

The most important aspect of the process of unification (of the former EC countries) to affect trade is the harmonisation of rules in the EU countries. As the unification allows free movement of capital, goods, services and people, the internal borders have been removed. A precondition for this free movement is uniformity in the rules and regulations concerning locally produced or imported products. Although the European Union is already a fact, not all regulations have yet been harmonised. Work is in progress in the fields of environmental pollution, health, safety, quality and education. For more information about these topics, visit CBI's AccessGuide at <http://www.cbi.nl/accessguide>

On 1 January 1999, the Euro became the legal currency within eleven EU member states: Austria, Belgium, Finland, France, Germany, Italy, Ireland, Luxembourg, The Netherlands, Spain, and Portugal. Greece became the 12th member state to adopt the Euro on January 1, 2001.

Overview 25 EU countries, 2004

Population	456.3 million
Area	3,976,372 km ²
Density	116 people per km ²
Languages	20 (excl. dialects)
GDP/capita	€ 22,300
Currencies	€, GB£, DKr, SKr, PLN, EEK, CZK, HUF, SKK, LTL, LVL, SIT, CYP, MTL
Exchange rate (May 2005)	€ 1 = US\$ 1.29



Source: http://europa.eu.int/comm/mediatheque/multimedia/select/maps_en.html

Summary

This CBI EU market brief aims to provide developing-country exporters of fruit juices and concentrates with product-specific and detailed market information related to gaining access to the EU markets. By focusing on the EU market for one product or sub-product group, the Market Briefs provide additional in-depth information, complementary to the more general information and data provided in CBI EU Market Surveys, which cover several product groups at the same time. The CBI EU Market Surveys 'Preserved Fruit and Vegetables' and 'Organic Food Products', both of which also cover fruit juices and concentrates, can be downloaded from <http://www.cbi.nl>

Besides focusing on the overall EU fruit juice and concentrate markets, the following EU member countries are briefly highlighted: The Netherlands, Germany, France, Spain, Italy, the UK and Austria.

This CBI market brief consists of the following parts:

1. General product description
2. Market description (consumption, production and trade in the EU)
3. Distribution channels
4. Prices and margins
5. Market access requirements
6. International business practice and sales promotion
7. Interesting organisations and Internet sites

The following highlights are, among others, discussed in this market brief:

- ∞ In 2004 25.3 litres of fruit juice and nectar was consumed per person in the EU-15, representing a total consumption of 9.7 billion litres. Germany is the largest EU consumer of fruit juices, with a per capita consumption of more than 40 litres.
- ∞ Frozen orange juice is the main fruit juice imported in the EU. The leading importers are The Netherlands (the first is mainly used for re-export) and Germany. Brazil is the main supplier of orange juice to the EU.
- ∞ Due to increasing consumer concern for healthier lifestyle, the fruit juice market will continue to grow.
- ∞ The best-known and most-consumed fruit juice is orange juice. Apple, pineapple and grapefruit are other fruit species, which form the basis for popular fruit juices.
- ∞ Market opportunities in the EU for developing country exporters lie mostly in the production of tropical and subtropical products (*exotics*) which are hardly grown in Europe and in the production of organically grown products.
- ∞ Besides the beverage industry (juices and soft drinks), the dairy industry also accounts for considerable volumes of fruit juices and concentrates.
- ∞ There is increased competition within the European fruit juice market, resulting in new added-value products.
- ∞ Although The Netherlands and Belgium are leading suppliers of fruit juice and concentrates, these products originate mainly in Brazil from where it is shipped to The Netherlands and Belgium and often re-exported to other EU destinations.
- ∞ Quality is the primary aspect in meeting all legal and consumer requirements. This can be achieved through regulations such as HACCP, ISO9000 and VCS (Voluntary Control System).

1 General product description

Although the majority of imports by EU member countries consist of fruit juice concentrates, trade figures cannot be split up between fruit juice and fruit juice concentrate. Therefore, in the remaining part of the market brief, this product group will be referred to as *fruit juices and concentrates*.

This market brief covers fruit juices and concentrates, which are classified under the following HS codes:

HS code 2009	Fruit juices (incl. grape must) and vegetable juices, unfermented and not containing added spirit
2009 11	frozen orange juice
2009 12 / 19	unfrozen orange juice
2009 21 / 29	grapefruit juice
2009 31 / 39	juice of any other single citrus fruit
2009 41 / 49	pineapple juice
2009 50	tomato juice
2009 61 / 69	grape juice (including grape must)
2009 71 / 79	apple juice
2009 80	juice of any other single fruit or vegetable
2009 90	mixtures of juices

According to EU Directive 2001/112/EC, fruit juice consists of juice without the addition of water. The fruit juice industry in particular uses (frozen) fruit concentrate. The directive also states that fruit nectar consists partly of fruit juice and partly of added water and sugar. The directive is incorporated in the legislation of all European countries.

Some confusion exists about the host of nutritional terms used to describe different juices. Juice products can be distinguished as follows:

- ∞ *Fruit juice* consists entirely of 'liquid fruit'. It contains neither colourings nor preservatives. It comes as direct juice and as fruit juice made with fruit juice concentrate. Direct juice is filtered as it is obtained from the fruit and bottled or stored for later bottling. In order to obtain concentrated fruit juice, in the country of origin, water is extracted from the fruit, in order to maintain the quality, to prolong shelf life, and diminish the transport and storage costs. The residue is fruit juice concentrate. In the country of destination, the juice is restored to its original properties by adding water up to the original juice strength. It contains 100 percent fruit.
- ∞ *Fruit nectar* is primarily made from those types of fruit which contain particularly large or small amounts of fruit acid or a great deal of fruit pulp and are highly aromatic by nature. Such fruits must first be made potable with water and sugar. Nectar is produced, for example, from black currants, sour cherry, apricots, passion fruit and bananas. Nectar similarly contains neither colouring agents nor preservatives. Depending on the type of fruit concerned, nectar must contain between 25 percent and 50 percent fruit.
- ∞ *Fruit-flavoured drinks*. Like lemonade and effervescent (fizzy) beverages, fruit-flavoured still drinks are a refreshment or soft drink. They contain fruit juice for taste and drinking water, natural fruit flavours, sugar and possibly acid taste enhancers. The minimum fruit content, depending on the type of fruit, is around 6 to 30 percent. Fruit-flavoured drinks are also available in calorie-reduced versions.

2 Market description

2.1 Consumption, production and trade

Consumption

Sales of fruit juices/concentrates in the EU-15 reached 9.7 billion litres in 2004, increasing from 9.5 billion litres in 2001. Because consumers are increasingly concerned with healthier life styles and innovations in this market, the market for fruit juices increased considerably during the decade. However, due to a reduced consumer spending caused by the economic slowdown in the past few year, consumption has

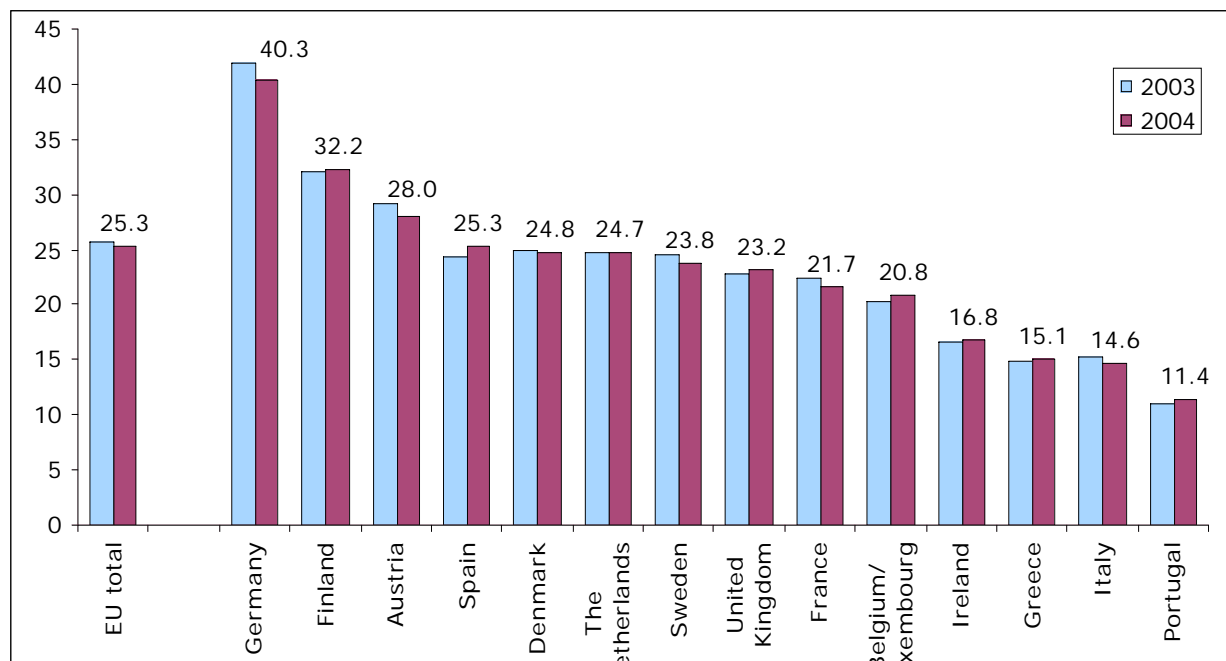
slowed down. This is also observed in the EU per capita fruit juice consumption which decreased from 25.7 litres in 2003 to 25.3 litres in 2004.

Substantial differences between markets exist within Europe. With a per capita consumption of 40.3 litres in 2004, Germany is the largest (orange) juice market in Europe followed by Finland (32.2 litres) and Austria (25.3 litres).

Price fluctuations, competition from other non-alcoholic drinks and warm/cold weather affect the juice and nectar consumption. Nevertheless, the fruit juice and nectar consumption is characterised by a high per capita consumption in West-European countries (in particular Germany) and low, but strongly rising, consumption growth in southern European countries, particularly Greece, Portugal and Spain.

Sales of fruit juice in the new EU member states have been growing substantially with the opening of these countries to imports and the increasing incomes. However, per capita consumption is still low at an estimated average of 13 litres per capita.

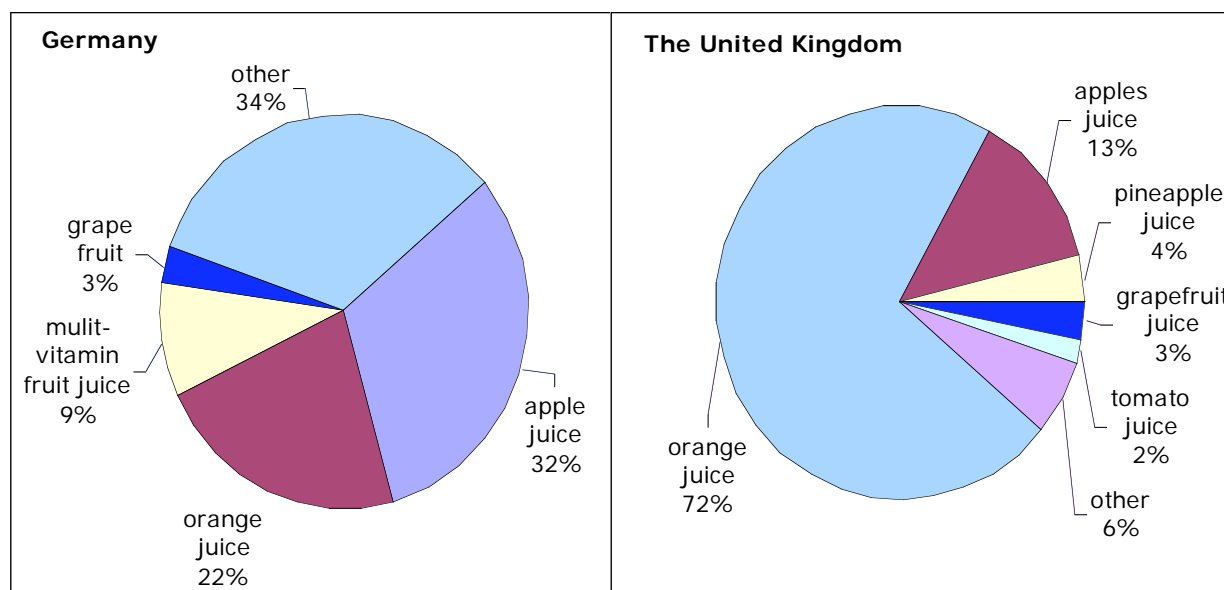
Figure 2.1 Per capita consumption of fruit juices and nectars in the EU, 2003-2004, litre per person



Source: German Fruit Juice Industry Association (VdF) (2005)

In most EU member states, the best-known and most-consumed fruit juice is orange juice. Apple, pineapple and grapefruit are other fruit species, which are the basis for popular fruit juices. Furthermore, the market for fruit juices is divided into juices for basic needs on the one hand and special needs (functional drinks, new flavours, fresh juice etc.) on the other.

Figure 2.2 The most popular fruit juices in Germany and the UK, % of total consumption



Source: German Fruit Juice Industry Association (VdF) (2005) and The 2003 Sucralose Soft Drinks Report (2005)

Germany is also the largest market for organic fruit juices, accounting for 46% of sales in Europe, followed by France (16%) and the United Kingdom (12%) (source: Brazilian newspaper O Estado do Paraná, 17/9/2000).

Production

In the EU, only Spain and Italy produce notable amounts of orange juice concentrate. Compared to Brazil and the USA, which together account for 90 percent of global production, the production in Europe is small. Moreover, the fruit juice concentrate from Spain and Italy has a different kind of quality, which makes it more suitable for the soft beverages industry and less for the processing of fruit juice and nectar.

Germany and Italy are the major EU producers of apple juice concentrate, producing some 70 thousand and 50 thousand tonnes respectively. The production of apple juice concentrate depends to a large extent on the apple harvest, which fluctuates considerably.

The processing of fruit juices is concentrated mainly in Germany, which is not surprising since Germany has the highest per capita consumption of fruit juice and nectar in Europe. According to the Association of the German Fruit Juice Industry (VdF), in 2004, the German fruit juice industry consisted of 441 fruit juice producers, together producing 4.6 billion litres of fruit juice/nectar and fruit juice drinks.

Several fruit juice producers are also located in the United Kingdom and these supply substantial amounts of fruit juices. The main 100% fruit juice manufacturer in the UK is Tropicana. It has almost a 50% market share in the sector and is a fast growing grocery brand, due to the good performance of new multi-vitamin juices.

The production of some product categories, for example orange juice concentrate and bananas, is overwhelmingly in the hands of (large) multinational companies. This means that developing country exporters should seek market segments in which small amounts of the product can be exported and in which developing country exporters are more easily able to compete. In this sense, market opportunities in the EU for developing

country exporters lie in the production of tropical and subtropical products (*exotics*) which are hardly grown in Europe and in the production of organically grown products.

Besides the beverage industry, the dairy, jam and confectionery industries take up considerable volumes of fruit juices and concentrates.

Imports

While the total EU import value increased between 2002 and 2003 by almost 7 percent, between 2003 and 2004, the import value decreased by 10 percent, reaching € 4.2 billion in 2004. In terms of volume, total imports increased by a total 25 percent during the review period (2002-2004), amounting to 6.7 million tonnes.

Table 2.1 Imports of fruit juices/concentrates by EU member countries, 2002-2004

	Import values (in € million)				Average annual change	Import volumes (in thousand tonnes)			Average annual change
	2002	2003	2004	2002/04		2002	2003	2004	
Total EU-25	4,361	4,647	4,180	-2%	5,336	6,302	6,688	+12%	
Intra-EU	2,644	2,945	2,874	+4%	3,194	3,881	4,622	+20%	
Extra-EU	1,716	1,701	1,307	-12%	2,143	2,421	2,066	-1%	
<i>Of which into:</i>									
Germany	894	1,042	841	-1%	1,145	1,359	1,212	+4%	
The Netherlands	897	852	722	-10%	971	1,059	1,048	+4%	
France	581	634	575	0%	773	902	894	+8%	
United Kingdom	454	519	506	+6%	487	765	1,376	+69%	
Belgium	494	470	454	-4%	731	764	743	+1%	
Italy	190	209	197	+2%	273	303	285	+3%	
Austria	136	184	171	+14%	190	260	262	+19%	
Spain	141	150	147	+2%	160	176	174	+4%	
Denmark	97	93	90	-4%	113	115	113	0%	
Sweden	98	93	82	-8%	99	101	96	-2%	
Ireland	78	75	71	-5%	78	74	66	-8%	
Poland	62	56	61	0%	55	57	73	+16%	
Greece	43	50	55	+12%	45	117	59	+55%	
Finland	44	48	47	+3%	37	45	50	+15%	
Portugal	43	41	42	-1%	51	50	49	-2%	
Czech Republic	30	33	32	+2%	35	43	77	+52%	
Hungary	12	29	19	+50%	11	31	21	+72%	
<i>Other</i>	67	68	67	+1%	82	80	92	+6%	

Source: Eurostat (2005)

Germany and The Netherlands were the leading importers of fruit juices/concentrates, together accounting for almost 40 percent of total value imported by EU member countries in 2004. Germany is the EU's most important producer as well as consumer of fruit juices. The Netherlands port of Rotterdam is an important turnover point for fruit juice concentrate, explaining the country's high share in total imports by EU member states (17% in value).

As a consequence of the role of The Netherlands as a turnover point, it was also a major supplier of fruit juices/concentrates to the EU, accounting for 17 percent of the total supplied value in 2004. However, the majority of exports of fruit juices/concentrates from The Netherlands – as well as Belgium – are re-exports from Brazil.

The new EU member state Poland is also increasingly becoming an important supplier to the other EU member states, accounting for 5 percent of total supplies in 2004.

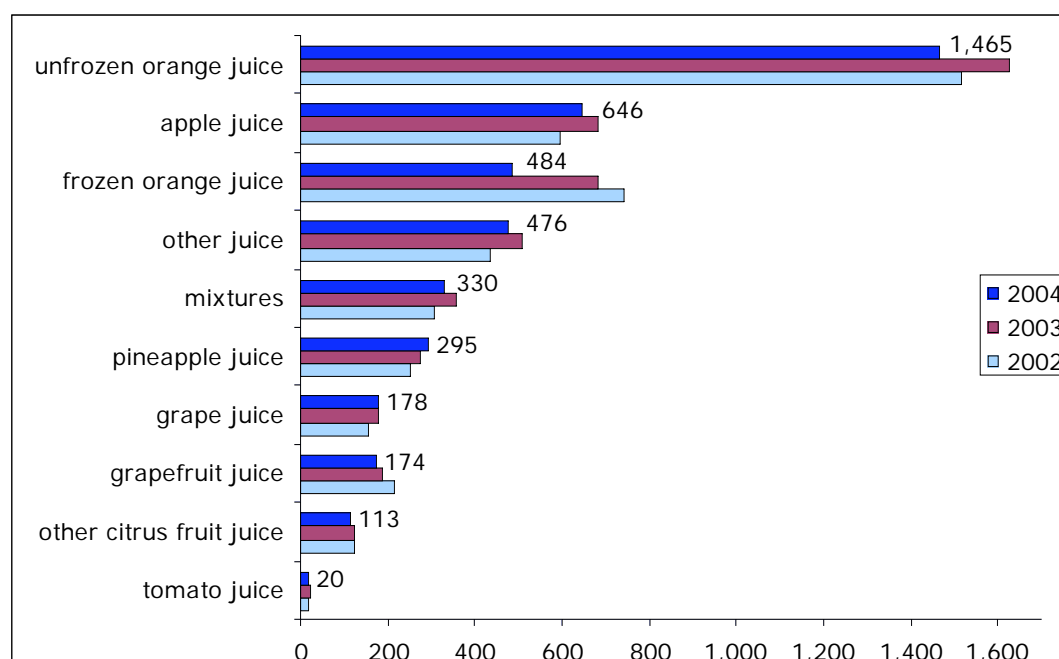
Table 2.2 Leading suppliers to the top-7 EU importers of fruit juices/ concentrates, 2004, imports in € 1,000, share in % of import value

Importing EU country:	Import value:	Leading suppliers in 2004:
Germany	787,929	The Netherlands (28%), Poland (17%), Italy (10%), Belgium (6%)
The Netherl.	485,365	Brazil (36%), Germany (17%), USA (8%), Thailand (6%), Cuba (4%)
France	414,214	Spain (26%), Belgium (23%), The Netherl. (20%), Germany (17%)
UK	383,054	Germany (26%), The Netherlands (19%), Belgium (15%), Spain (9%)
Belgium	344,441	Brazil (55%), Germany (13%), France (12%), The Netherlands (6%)
Italy	296,132	The Netherlands (26%), Germany (17%), Austria (15%), Spain (14%)
Austria	197,291	Germany (22%), Poland (13%), The Netherlands (12%), Italy (11%)
Total EU	4,180,361	The Netherl. (17%), Germany (15%), Brazil (14%), Belgium (8%), Spain (7%), Italy (6%)

Source: Eurostat (2005)

Unfrozen orange juice was the largest product within the group fruit juices and concentrates, accounting for 35 percent of the total imported value in 2004. Other important fruit juices and concentrates are apple juice (15%), frozen orange juice (12%), mixtures (8%) and pineapple juice. The imports of most of the products decreased between 2002 and 2003, but recovered in the subsequent period (2003-2004). Only pineapple juice (+18%) and grape juice (+16%) increased continuously during the review period (2002-2004).

Figure 2.3 Imports of fruit juices/concentrates by EU member countries, by product group, 2002-2004, € million



Source: Eurostat (2005)

In 2004, almost 25 percent of the import share in value as well as volume originated in developing countries. Leading developing country suppliers of fruit juices/concentrates are Brazil, Thailand, Argentina, Cuba and Turkey.

Table 2.3 Leading developing country suppliers of fruit juices/ concentrates, 2004, supplies in € 1,000, share in % of supply

Product:	Imports from DCs	Leading DC suppliers in 2004:
frozen orange juice	27,420	Brazil (46%), Costa Rica (22%), Mexico (11%), Cuba (10%)
unfrozen orange j.	584,069	Brazil (97%), Cuba (2%)
grapefruit juice	30,654	Cuba (55%), South Africa (19%), Belize (11%), Argentina (6%)
other citrus juice	26,506	Argentina (60%), Brazil (21%), Pakistan (5%), Mexico (5%)
pineapple juice	152,478	Thailand (38%), Costa Rica (12%), Indonesia (10%), Philippines (9%)
tomato juice	685	Turkey (95%), Moldova (2%), China (2%)
grape juice	3,065	Argentina (65%), Turkey (29%), Chile (3%)
apple juice	93,511	China (39%), Turkey (29%), Moldova (12%), Iran (7%), Croatia (5%)
other juice	63,023	Ecuador (38%), Turkey (16%), Brazil (10%), Costa Rica (5%)
mixtures	4,523	South Africa (23%), Brazil (21%), Thailand (15%), Turkey (13%)
Total	985,933	Brazil (61%), Thailand (6%), China (4%), Turkey (4%), Cuba (3%), Costa Rica (3%)

DC: developing countries

Source: Eurostat (2005)

Exports

In 2004, total exports of fruit juices/concentrates amounted to almost € 3.2 billion or 4.3 million tonnes. Compared to the preceding year, total exports by EU member countries decreased by 10 percent in value and by 5 percent in volume. Germany – the leading EU fruit juice producer – was the leading exporter of fruit juices/concentrates. The largest part of the export (almost 90 percent) concerned intra-EU trade.

Leading EU exporters and destinations of fruit juices and concentrates (share in EU value exports, 2004)	
EU exporters	→ Germany (18%), Belgium (18%), The Netherlands (16%), Spain (11%), Italy (10%)
Destinations	→ Germany (24%), France (18%), UK (12%), The Netherlands (6%), Belgium (5%)

2.2 Characteristics & prospects

Fruit juice market

Traditionally, the European juice industry is classified as a nationally oriented industry. However, the sector is increasingly becoming a continental business. The industry has recently been characterised by the following changes:

- ∞ Consumer demand for juice is increasingly becoming polarised between fulfilling basic needs on the one hand and special needs on the other hand. While the dominance of private labels in the basic segment pushed B-brands out of the market, suppliers of A-brands were forced to add value to defend their position. Convenience, image, wellbeing and distinct flavour have emerged as essential selling points for beverage products.
- ∞ Increased competition for space on retail shelves responds to consumer special needs. Freshly squeezed juices, breakfast drinks and NFC (Not From Concentrate) are gaining a foothold in most markets, but the battle for shelf space is intense.
- ∞ Power structure in the supply chain changed because of the growing size of retailers. Retail chains will be looking for branded players who can stock retail shelves throughout the continent. Possibly, in the future, dominant retailers will directly interact with global concentrate suppliers.

- ∞ Emergence of international suppliers. There is a number of players in the EU who have the potential to become Pan-European branded suppliers. Companies like PepsiCo, Coca-Cola and Chiquita have also entered the juice market.

It seems that, in the future, the European market leaves no room for smaller players. However, all over Europe a number of companies, for example niche players and some local heroes, have the potential to keep their head above water.

Consumer demand

The European market as a whole is much less mature than the US market measured by its annual per capita consumption. In contrast to the USA, sales of orange juice in Europe have grown substantially in recent years. Europe is likely to represent the principle source of world growth in orange juice demand in the near future.

The positive image of fruit juices and nectars has been reflected for many years by the growing consumption. They are appreciated due to their naturalness and their wide range of vitamins. Furthermore, juices have no added sugar or artificial ingredients. Traditional flavours such as orange and apple are declining, while innovative variations, fruit combinations and colours such as "red fruits" continue to gain. Because exotic fresh fruits are on offer in most supermarkets and through trips abroad, modern consumers are more open towards new exotic juices and nectars. In particular, functional drinks, like juices and nectar with the addition of vitamins and calcium, are becoming more popular. Moreover, new (exotic) flavours and dual-flavours (orange/strawberry) have been introduced, spurring market growth continuously.

Market segments

The largest part of the product group is imported into the EU in concentrated form. The major end-users are:

- ∞ Beverage industry. The beverage industry is the largest end-user of fruit juice concentrate. Fruit juice concentrate is reprocessed, by blenders and mixers, into fruit juice or nectar. The most important fruit juices in the EU are orange juice and apple juice, followed by pineapple juice and grapefruit juice.
- ∞ Jam industry. The jam industry uses considerable amounts of fruit pulp to make jam products and marmalade. This industry hardly uses fresh fruit anymore.
- ∞ Other food industries like confectionery, baby and infant food.

Trends

Since the major brands are looking at new ways to differentiate their products and to build consumer loyalty, the following are areas of growth on the EU fruit juice market:

- ∞ Use of fruit aromas, developed through natural technologies, which provide a distinctive taste for the product.
- ∞ Functional (or health-related) market with, for example, vitamin-enriched fruit juices.
- ∞ Organic juice products, particularly chilled, are another segment that is likely to grow because of the increased health concerns of consumers.
- ∞ The packaging technology has also contributed to increased consumption through convenient designs, practical individual sizes and formats (carton cans), vending packs, ready-to-drinks, multi-packs, ambient long shelf life juices, chilled and others also helping to attract consumers.

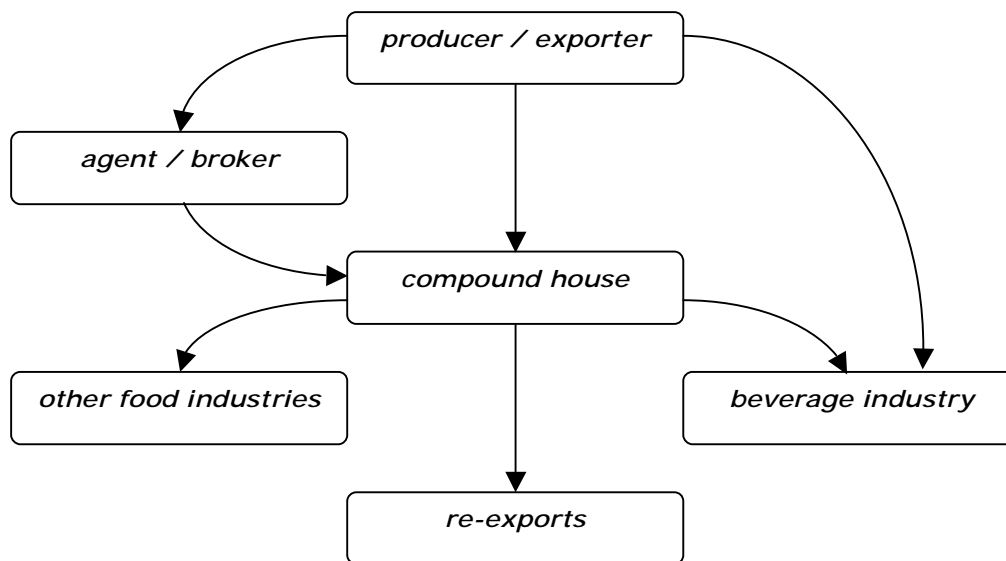
Another general trend in the food ingredients sector is that importers and food processors in the EU require extensive product documentation in order to guarantee food safety. This means that a product should include complete product specifications, instructions on how to store and to process, documentation on tracking and tracing, information on quality assurance (e.g. HACCP), or even ISO certification. An exporter capable of meeting these requirements will have an improved competitive position in the EU market for fruit juices/concentrates.

3 Distribution channels

As became clear from the earlier presented production and trade data, The Netherlands, Belgium and Germany are the main European juice trading countries. The main ports of arrival are: Rotterdam and Amsterdam (The Netherlands), Antwerp and Gent (Belgium) and Hamburg (Germany).

The distribution channel for fruit juices/concentrates, visible in figure 3.1, is relatively short. A more detailed diagram is provided in the CBI EU Market Survey 'Preserved Fruit and Vegetables.'

Figure 3.1 Most common distribution channels for fruit juices/concentrates



There are few *agents* for juice, although they are involved in the juice trade throughout Europe (Amsterdam, Rotterdam and Antwerp serve as the gateways to Europe for Brazilian orange juice concentrate).

The most interesting distribution channels for developing-country exporters go through compound houses or importers. Before a large share of the imports is re-exported, the concentrate is often *processed* by *compound houses*, which mix, pack and/or dilute the product into the basis for the manufacturing of a wide range of products. The four biggest compound houses or importers (DöhlerGroup <http://www.doehler.com>, SVZ <http://www.svz.com>, Cargill <http://www.cargill.com> and Hiwa <http://www.hiwa.nl>) and a part of the beverage industry are mostly supplied directly from the source or from tank storing farms. The compound houses supply their compounds in the first place to the beverage industry. The activities of agents/importers are generally limited to responding to spot purchases from stock and searching for products of a different nature or of a special quality.

Some *end-product manufacturers* who need large quantities (on a regular basis) of ingredients purchase their ingredients directly from producers abroad, such as the beverage industry in the case of fruit juice and fruit juice concentrate.

Another example is the jam industry, which buys substantial amounts of fruit pulp and frozen fruit directly from producers abroad. Leading importing manufacturers in EU countries are Unilever (<http://www.unilever.com>), Cadbury Schweppes

(<http://www.cadburyschweppes.com>, <http://www.parmalat.com> and Danone (<http://danone.com>). Many end-product manufacturers use processing importers or agents, as they offer a reference point situated within their own country.

4 Prices and margins

4.1 Price developments

World prices for juices are liable to fluctuate due to a variety of factors, including seasonality, crop damage due to weather or pests, and speculation on commodity exchanges. In the following table, price indications of a selection of fruit juices in June 2005 are given.

Table 4.1 Fruit juice/concentrate prices, June 2005, in US\$/kg

Fruit juice	Origin	Form	Pack	Price US\$/tonne
Orange	Brazil	single strength	66 brix	1,100-1,150 FCA European Port
Orange	Brazil	NFC	-	525-575 FOT The Netherlands
Orange	Florida	NFC	-	700 FOT The Netherlands
Grapefruit	South Africa	concentrate	58 brix frozen	2,000-2,200 C&F Rotterdam
Grapefruit	Cuba	concentrate	58 brix frozen	2,200-2,400 C&F Rotterdam
Grapefruit	Argentina	concentrate	frozen white	1,990-2,050 FCA Rotterdam
Banana	Costa Rica	single strength	22 aseptic	480-500 FCA C&F Europe
Banana	Ecuador	single strength	21-24 aseptic	430-440 FCA Rotterdam (duty free)
Guava	Brazil	single strength	8-10 brix	600-610 FCA Rotterdam
Guava	Brazil	concentrate	14-16 brix	730-760 FOB Santos
Papaya	India	concentrate	25 aseptic	1,150-1,200 FOR Rotterdam
Lemon	Argentina	concentrate	frozen	650-700 C&F The Netherlands
Pineapples	Thailand	concentrate	60 aseptic	1,200-1,325 C&F Rotterdam
Pineapples	Thailand	concentrate	60 frozen	1,340-1,370 C&F Rotterdam
Pineapples	Indonesia	concentrate	60 frozen	1,180-1,220 C&F Rotterdam
Pineapples	Brazil	concentrate	60 frozen	1,200-1,220 FCA The Netherlands
Pineapples	Vietnam	concentrate	60 frozen	1,140-1,150 FCA The Netherlands
Pineapples	Costa Rica	NFC	-	500-600 C&F The Netherlands
Passion fruit	Ecuador	concentrate	50 brix	3,500-3,750 CIF Europe
Mango	India	Alphonso puree	16 aseptic	1,250-1,325 C&F Rotterdam
Mango	India	Totapuri puree	14 aseptic	720-750 FCA Rotterdam
Mango	India	Totapuri concentrate	28 aseptic	900-950 C&F Rotterdam
Mango	Brazil	single strength	17 frozen	800-820 C&F Rotterdam
Mango	Colombia	concentrate	28 brix	1,030-1,070 FCA Rotterdam

NFC: not from concentrate, FCA: free carrier, FOT: free on truck, FOB: free on board, C&F: cost and freight, CIF: cost, insurance & freight

Source: ITC MNS, June 2005

4.2 Sources of price information

In general, exporters should receive regular information from a local agent.

Below, we give you some sources of price information. MNS, Market News Service of ITC, publishes a quarterly report on bulk packed fruit juices in the European and USA markets. The juices covered include orange, grapefruit, pineapple, guava, lemon, banana, papaya, passion fruit, mango, guanabanae and acerola.

Agribusiness online provides wholesale market reports for fresh fruits and vegetables in major world markets.

Source of price information	Internet-site
The Public Ledger	http://www.public-ledger.com
Foodnews magazine	http://www.agra-net.com
Fruit Processing magazine	http://www.fruit-processing.com
World Bank, Commodity Price Data, Pink Sheets	http://www.worldbank.org/prospects/pinksheets.htm
ITC Market News Service	http://www.p-maps.org/mns
FAO (Food and Agriculture Organization)	http://www.fao.org
Agribusiness online	http://www.agribusinessonline.com/prices

5 Market access requirements

In CBI's AccessGuide, you will find a complete overview and analysis of requirements that are applicable when exporting to the EU member states. You can find relevant information on standards, developments and market trends concerning environmental, consumer health and safety and social issues.

① For more information, please refer to <http://www.cbi.nl/accessguide>.

5.1 Legislative requirements

When exporting fruit juice / concentrate to the European Union, the following legislative requirements are relevant:

- 1) General Food Law
- 2) Fruit Juice Directive

Note that in contrast to the issues described in the following sections, these regulations are mandatory and an exporter must comply with these regulations in order to be allowed to sell the products on the European market.

More information on these issues is also provided in Chapter 9 of the CBI EU Market Surveys 'Preserved Fruit and Vegetables,' and 'Organic Food Products.'

General Food Law

In 2002, regulation EC 178/2002 has been adopted, laying down the general principles and requirements of food legislation, establishing the European Food Safety Authority and laying down procedures in matters of food safety. The regulation is commonly known as the General Food Law, and also includes provisions on the traceability of food (art. 18). The core aspects of the General Food Law have taken force in January 2005.

For more information, please refer to AccessGuide or the following link:

http://www.europa.eu.int/comm/food/index_en.html

Fruit Juice Directive

The purpose of Directive 2001/112/EC aims to harmonise rules on fruit juices across the European Union and to align them with general community legislation on foodstuffs, particularly legislation on labelling, colouring, sweeteners and other approved additives.

As already mentioned, Directive 2001/112/EC specifies a definition of fruit juice and nectar. These definitions apply in all European countries. The Directive sets compositional and labelling requirements for five designated products namely:

- ∞ Fruit juice
- ∞ Fruit juice from concentrate
- ∞ Concentrated fruit juice
- ∞ Dehydrated / powdered fruit juice
- ∞ Fruit nectar

Each of these products must meet the compositional standards laid down and may only be marketed under the correct designated name. Non-conforming products may not use these reserved names. In this way the consumer is guaranteed authenticity of product. The Directive also sets out specific rules for labelling each of the five products over and above the general rules for pre-packaged goods.

Please refer to <http://europa.eu.int/eur-lex/lex/en/index.htm> for the complete text of the Directive.

5.2 Other market requirements

Environmental, social, health and safety issues are becoming increasingly important on the EU market. Please refer to the CBI AccessGuide and the following CBI publications for more information on these issues:

- Exporting to the EU, Your guide to trade-related information, 2003
- CBI EU Market Survey Preserved Fruit and Vegetables
- CBI EU Market Survey Organic Food Products

Management and control systems

The need for good quality management is gaining increasing importance. The Hazard Analysis Critical Control Point (*HACCP*) system is applicable to companies that process, treat, pack, transport, distribute or trade foodstuffs. At present the legislation as laid down in Directive 93/43/EEC applies to producers within the EU, although European importers may in turn require it from their non-EU producers. In addition, as from 1 January 2006, a new Regulation (EC) 852/2004 will come into force that will enforce the same requirements for food imported into the EU as for food produced within the EU. This means that HACCP will also be obligatory for developing country exporters dealing with EU member states.

The International Organisation for Standardisation (*ISO*) developed the ISO 9000 series for quality management and assurance of the production process. The ISO 9000 standards represent an international consensus on the essential features of a quality system. Producers who have obtained an ISO 9000 series certificate possess an important asset. It is a major selling point when doing business in the highly competitive EU market. For more information, please refer to <http://www.iso.org> or to the CBI AccessGuide.

To minimise the risk of scandals, which other parts of the food industry have already experienced, the fruit juice industry has set up its own *Voluntary Control System (VCS)* for all stages their products go through during production and trade. It stretches from the fruit processor via cool storages and blending stations to the manufacturers of semi-finished and finished goods and the traders, up to the retail shelves. This allows tracing not just the history of the products but also possible quality deviations back to their source where they can be eliminated. Although not obligatory, commitment to the VCS can be crucial in export business. Since January 2002, the EQCS (European Quality Control System) label has been used to show commitment to VCS.

Useful Internet sites

CBI's AccessGuide	http://www.cbi.nl/accessguide
ISO	http://www.iso.nl
SGF (VCS)	http://www.sgf.org/sgf/index0_en.html
EQCS	http://www.eqcs.org

ILO and SA8000

Just as every citizen of the world, employees should be respected according to basic human rights. In order to formulate the definition of employees' rights, the ILO (international labour organisation) is the UN specialised agency which seeks the

promotion of social justice and internationally recognized human and labour rights. The ILO has installed Conventions and Recommendations setting minimum standards of basic labour rights. The ILO Conventions deal with issues like: minimum wage, minimum age of workers, non-discrimination, freedom of labour organisation etc.

SA8000 is one of the best-known voluntary global standards to ensure social accountability. SA8000 includes standards in the form of a "Code of Conduct" which defines what is considered social accountability, as well as requirements for a management system which ensures the implementation of these standards in business policy.

For more information, also refer to:

① ILO and SA8000: <http://www.ilo.org>

ISO 14001

The purpose of the ISO 14001 standard is to enable the international recognition of an individual company's environmental management system. Although voluntary, customer pressure is resulting in the ISO 14001 environmental management standard becoming a *de facto* requirement for being able to compete in many regions of the global marketplace.

For more information, also refer to:

① ISO14001: <http://www.iso.org>

Organic production

EU standards for organic food production and labelling are laid down in regulation EEC 2092/91. This regulation and subsequent amendments establish the main principles for organic production at farm level and the rules that must be followed for the processing, sale and import of organic products from third (non-EU) countries. For more information on organic production, please refer to the CBI EU Market Survey "Organic Food Products" or to <http://www.cbi.nl/accessguide> or <http://www.skal.com>

Besides these standards, the end-users have their own specifications, which should be met by the suppliers. These specifications vary from demands concerning colour, correct and constant quality, to labelling, packaging, etc. Most of these specifications are the result of the stringent (health) regulations in European countries, but in some cases, are the result of higher quality demands set by the end-product processors rather than the government. Compliance with the quality standards demanded by the importer is essential, and failure to do so results in goods being refused or only accepted at considerably lower prices for further processing. Therefore, good communication with the trade partner is essential.

5.3 Packaging, marking & labelling

The *general* trend in Europe is towards facilitating *re-use* and *recycling* of packaging through incentives and disincentives, such as levies and taxes, and through mandatory or voluntary restraints. In Germany, for example, 20 percent of the fruit juice and nectar packaging is re-used (VdF 2005).

In order to harmonise the different forms of legislation, the EU has issued a directive for packaging and packaging materials (Directive 94/62/EC) in which minimum standards are regulated.

Exporters in developing countries targeting the European market have to be aware of regulations and requirements concerning consumer products and need to take appropriate measures, in order to become or remain well-matched trade partners for European businesses. Most of the time, packaging policy does not affect 'foreign'

manufacturers because importers will be held responsible for the packaging. However, sensible marketing requires considering the obligations of the importer. That means that packaging (transport packaging, surrounding packaging and sales packaging) materials should be limited and re-usable or recyclable. Otherwise, the importer will be confronted with additional costs, thus reducing the competitiveness of the exporter.

Orange juice concentrate, the main import product, is usually shipped by tanker from Brazil, the main supplier to the EU. Within Europe, the concentrate is transported by road tanker from tank farms in The Netherlands and Belgium. The main ports in these two countries are respectively Rotterdam and Antwerp. The concentrate of orange juice is shipped in bulk vessels at -20° C under nitrogen (to exclude it from oxygen to avoid oxidation). Other concentrates are mainly packed in double polyethylene bags in 200 litre (or 266 kg) drums. Some of the larger firms, which used to accept simple capping of drums, nowadays require approved security seals.

Aseptic drums of 200 litres are also used for fruit juice concentrate. Other forms of aseptic pack are used for certain tropical products, such as banana purée and mango pulp. Aseptic packed products are sterile items, packed and sealed into sterile packaging under sterile conditions, so that no subsequent heat treatment or refrigeration is needed to preserve them until the pack is opened.

Tropical fruit pulp and purée is still in many cases hot-packed in metal cans of 3-5 kg, but most buyers prefer aseptic bulk packaging. New bulk-packaging technologies are being developed for liquid foodstuffs that are appropriate for the distribution of these product groups. The objective of the new technologies is to achieve economic handling, while maintaining product sterility. Examples are pallet-size, bag-in-box systems and flexi tanks. Products can also be packed deep-frozen in cartons of 20-25 kg or in drums of up to 200 litres.

Labelling

Importers and agents are usually in a position to provide details of the exact labelling requirements for bulk imports. Such labelling will require the specification of content, quantity, the Brix level (i.e. sugar content), the origin and final destination.

The Directive on food labelling (2000/13/EC) applies to labelling requirements for fruit juices. Additionally, there are more specific requirements for fruit juices established in Directive 2001/112/EC. For an overview of these requirements, please refer to CBI's AccessGuide.

Wood packaging material

In case fruit juice and concentrate is packed in wood material, the requirement on wood packaging material will be applicable. The EU has set new phytosanitary measures for all wooden packaging material that is used with the import of goods into the EU from third countries. The background for this legislation is to protect the EU from the introduction of organisms harmful to plants and plant products via wood packaging material.

The Directives require heat treatment or fumigation and marking of wooden packaging materials (including for example packing cases, boxes, crates, drums and similar packing, pallets, box pallets and other loader boards, pallet collars).

CBI's AccessGuide provides information on regulations concerning packaging methods, wood packaging and labelling

① CBI AccessGuide: <http://www.accessguide.nl>

5.4 Tariffs and quota

The common tariffs for the product groups falling under HS code 2009 are as high as 10.5-40 percent while on top of this tariff there is a fixed amount in Euro per 100 kg. Please refer to the websites of the Netherlands Customs Service or the EU Export Helpdesk (see box below) for an up-to-date and detailed list of applicable import tariffs.

Although fiscal borders between EU countries in theory were eliminated, as from 1 January 1993 onwards, in practice, harmonisation of VAT (tax levied at consumer sales' level) rates has not yet been achieved. Table 5.1 summarises the VAT rates applied in the different EU member states for fruit juices.

Table 5.1 VAT rates (in %) applied to fruit juices in the EU, as per 1 June 2005

Country	VAT	Country	VAT	Country	VAT
Austria	20%	Greece	9%	Poland	22%
Belgium	21%	Hungary	25%	Portugal	5%
Cyprus	15%	Ireland	21%	Slovakia	19%
Czech Republic	5%	Italy	20%	Slovenia	8.5%
Denmark	25%	Lativa	18%	Spain	7%
Estonia	18%	Lithuania	18%	Sweden	12%
Finland	17%	Luxembourg	3%	The Netherlands	6%
France	5.5%	Malta	18%	United Kingdom	17.5%
Germany	16%				

Source: European Commission (2005)

Useful Internet Sites

Netherlands Custom	http://www.douane.nl/taric-nl
TARIC Database	http://europa.eu.int/comm/taxation_customs/dds/en/tarhome.htm
Exports Helpdesk	http://export-help.cec.eu.int/
VAT rates	http://europa.eu.int/comm/taxation_customs/taxation/vat/how_vat_works/rates/index_en.htm

6 International business practices and sales promotion

International business practices

The *customary method of payment* and conditions within the fruit juices/concentrates are comparable to other products in the food and fruit sector. Although payment by letter of credit (L/C) could be negotiated for first-time shipments, trade partners in the EU usually pay by 'open account'. The exporter sends his invoice to the importer, who will (or will not) pay the invoice by bank transfer. The different payment methods and risks attached to them are extensively described in '*CBI's Export Planner*', which can be downloaded from <http://www.cbi.nl>

Because fruit juices/concentrates are usually transported as bulked goods, the recommended *mode of transport* is ocean cargo. Standard 20 ft or 40 ft reefer containers are used. More information on packaging etc. can be found under 'prices & margins' and 'market access requirements'.

Delivery terms should be based on the INCOTERMS 2000 issued by the International Chamber of Commerce (ICC). For full details on the Incoterms, please check CBI's Export Planner or visit the ICC's website: http://www.iccwbo.org/index_incoterms.asp. Delivery terms in fruit juices/concentrates depend largely on the type of trade partners in the EU:

food-processing companies often demand Delivered Duty Paid (DDP) delivery, while importers usually require Free on Board (FOB) or Cost, Insurance, Freight (CIF) deliveries. Since The Netherlands is an important European importer of fruit juices/concentrates, the company HIWA, specialised in handling fruit juice concentrates, should be contacted for more information: <http://www.hiwa.nl>

☞ For additional information on logistics, terms of payment and delivery, terms of trade and other relevant information, please refer to the CBI EU market survey 'Preserved Fruit & Vegetables'.

Sales promotion

Trade fairs serve as an important promotional tool for targeting importers and producers. Relevant international trade fairs are:

Trade fairs	What?	Where?	When?	More information
Anuga	Leading trade fair for world-wide food and beverage.	Cologne, Germany	Biennial, 8-12 October 2005	http://www.koelnmesse.de
BioFach	Organic and natural products.	Nuremberg, Germany	Annual, 16-19 February 2006	http://www.biofach.de
Food & Drink Expo	UK event for whole food & drink industry.	Birmingham, United Kingdom	Biennial, 19-22 March 2006	http://www.foodanddrinkexpo.co.uk
Health Ingredients Europe	Health, functional and organic ingredients.	Frankfurt, Germany	Biennial, 14-16 November 2004	http://www.hi-events.com
IFE	International food and drink exhibition.	London, UK	Biennial, 2007	http://www.ife.co.uk
FI Europe	Food products, product development and quality.	Paris, France	Biennial, 29 Nov-1 Dec 2005	http://www.fi-events.com
Natural Products Europe	Natural products.	London, UK	Annual, 9-10 April 2006	http://www.naturalproducts.co.uk/
SANA	Natural products.	Bologna, Italy	Biennial, 8-11 September 2005	http://www.sana.it
SIAL	Trade exhibition for the food industry.	Paris, France	Biennial, 22-26 October 2006	http://www.sial.fr

For additional information on trade fair participation, please refer to CBI's interactive tool "Your Expo Coach," CBI's manual "Your show master - a guide for selection, preparation and participation in trade fairs." and the CBI manual "Your image builder".

Trade journals serve as an important information source for obtaining up-to-date information on developments in your sector. The most relevant magazines for the fruit juices/concentrates sector are:

Magazine	More information
Fruit Processing	http://www.fruit-processing.com
Fruit World International	http://www.agropress.com
International Food Ingredients	http://www.ifi-online.com

☞ Other methods of sales promotion include company brochures and product specifications, visits to potential trade partners in the EU, company stationery and promotion by Internet. For more information, please refer to the following CBI publications: 'Your Image Builder' and CBI EU market survey 'Preserved Fruit & Vegetables'.

7 Interesting organisations and Internet sites

Below, some useful general and product specific addresses are given other than those already mentioned in the previous text. For more interesting links, please also refer to the CBI EU Market Survey 'Preserved Fruit and Vegetables' and to Linkplaza on CBI's website at <http://www.cbi.nl>

Product-specific information	Internet site
ABECITRUS The Brazilian Association of Citrus Exporters	http://www.abecitrus.com.br
AIJN: Association of the Industry of Juices and Nectars from Fruit and Vegetables of the European Union	http://www.aijn.org
CIAA: Confederation of the Food and Drink Industries of the EU	http://www.ciaa.be
Food & Drink Federation	http://www.fdf.org.uk
OEITFL: European Association of Fruit and Vegetables Processing Industry	http://www.oeitfl.org
Processed Apple	http://www.appleproducts.org
SGF Schutzgemeinschaft der Fruchtsaft-Industrie e.V.	http://www.sgf.org
Ultimate Citrus	http://www.ultimatecitrus.com
UNESDA Confederation of the Food and Drink Industry of the EU	http://www.unesda-cisda.org
VdF: German Fruit Juice Industry Association	http://www.fruchtsaft.net
VIGEF: Netherlands Association of Fruit and Vegetables Processing Industry	http://www.vigef.nl

Organisations related to the food sector in general	Internet site
IFU International Federation of Fruit Juice Producers	http://www.ifu-fruitjuice.com
Research and Information Centre on food ingredients and the food ingredients industry	http://www.foodnavigator.com
EUFIC European Food Information Council	http://www.eufic.org
Food Info Net	http://www.foodinfonet.com
Foreign Agricultural Service US Mission to the European Union	http://www.useu.be/agri/Fruit-Veg.html

Other organisations	Internet site
Codex Alimentarius	http://www.codexalimentarius.net
International Chamber of Commerce	http://www.iccwbo.org
European Normalisation Committee	http://www.cenorm.be
European Union On-line	http://europa.eu.int
Eurostat Statistics Database	http://europa.eu.int/comm/eurostat
International Trade Organisation	http://www.intracen.org http://www.p-maps.org
ISO	http://www.iso.org
Market access data base of the EU	http://mkacdb.eu.int
WHO World Health Organization	http://www.who.org
WTO, technical barriers to trade	http://www.wto.org/english/tratop_e/tbt_e/tbt_e.htm

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