EU MARKET BRIEF 2005

Dried fruit

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November 2005

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 member states. 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	Euro €, UK£ , DKr., SKr., PLN,
	EEK, CZK, HUF, SKK, LTL,
	LVL, SIT, CYP, MTL
Exchange rate (October 2005)	€ 1 = US $ 1.20

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

Centre for the Promotion of
Imports from developing countries

Summary

This CBI EU market brief aims to provide developing-country exporters of dried fruit 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 'Food Ingredients for Industrial Use', 'Preserved Fruit and Vegetables' and 'Organic Food Products', all covering dried fruit, can be downloaded from http://www.cbi.nl. This market brief focuses on the seven major EU markets for dried fruit: France, United Kingdom, Germany, The Netherlands, Belgium, Italy and Spain.

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, total EU production of dried fruit amounted to 591 thousand tonnes, representing an increase of almost 70 percent since 2002. This increase is mainly caused by an exceptionally high currant production in 2004. Poland is the main producer of currants, and France of prunes.
- Total imports of dried fruit by EU member countries amounted to € 951 million / 635 thousand tonnes in 2004, representing a total increase of 7 percent in value and 8 percent in volume since 2002.
- The United Kingdom was the leading EU importer of dried fruit in 2004, accounting for one fourth of the total EU import value, followed by Germany (21%), France (13%), The Netherlands (7%), Italy (7%), Spain (4%) and Belgium (4%).

1 General product description

Dried fruit is fruit that has been dried, either naturally or through use of a machine, such as a dehydrator. Raisins, plums or prunes and dates are examples of popular dried fruits. Other fruits that may be dried include apples, apricots, bananas, cranberries, figs, mangoes, papaya, peaches, pineapples and tomatoes. Water is usually removed by evaporation (air drying, sun drying, smoking or wind drying) but, in the case of freeze-drying, *food* is first frozen and then water is removed by sublimation.

Dried fruit has a long shelf life and can therefore provide a good alternate to fresh fruit, allowing out of season fruits to be available. Drying is a good way to preserve fruit in the absence of refrigeration. Dried fruit is often added to baking mixes and breakfast cereals. Due to the water loss experienced during dehydration, dried fruit can have a stronger flavour. However the drying process also destroys most of the Vitamin C in the *food*, so that the dried version of the fruit has only a fraction of the levels of Vitamin C that would exist in the fruit if it were fresh.

This market brief covers those product groups of dried fruit, which are interesting for developing country producers. The selected product groups are classified under the HS codes presented in the table below. Typical tropical and subtropical dried fruit from this list are: bananas, papaya, dates, figs and tamarind[1]. Product groups representing dried and fresh products together (such as pineapples, avocados, guavas, mangoes, mandarins and other citrus fruit) will not be discussed in this market brief. Trade in these products mainly consists of fresh fruit. Moreover, the product group of (dried) citrus fruit has been left out, because it is produced by a few countries which supply large bulk quantities to the EU.

HS code	DRIED FRUIT
0803 00 90	dried bananas, incl. plantains
0804 10 00	dates (fresh and dried)
0804 20 90	figs
0806 20 12/92	sultanas
0806 20 18/98	other dried grapes
0813 10 00	dried apricots
0813 20 00	dried prunes
0813 30 00	dried apples
0813 40 10	dried peaches, including nectarines
0813 40 30	dried pears
0813 40 50	dried papayas
0813 40 60	dried tamarind fruit
0813 40 70/95	other dried fruit
0813 50 12/ 15/19/91/99	mixtures of dried fruit, including: - mixtures of dried papaws, papayas, tamarinds, cashew apples, lychees, jackfruit, sappdillo plums, passion fruit, carambola and pitahaya, not containing prunes - mixtures of dried fruit, not containing prunes (excl. fruit in headings 0801 to 0806 and papaws papayas, tamarinds, cashew apples, lychees, jackfruit, sappdillo plums, passion fruit, carambola and pitahaya) - mixtures of dried apricots, apples, peaches, incl. nectarines, pears, pawpwas, or other dried fruits n.e.s., including prunes (excl. mixtures of nuts) - mixtures of dried fruit n.e.s. (excl. prunes or figs) - mixtures of dried fruits n.e.s.

The annual global trade in dried fruit amounts to some 1.290.000 tonnes of product, and was worth approximately € 1,211 million in 1999. Dried grapes, in their various forms, account for half the trade, followed by dates, apricots and other dried fruits, including dried mangoes. Grapes constitute approximately 50% of the annual tonnage of dried fruit traded, whilst dates make up 34%, apricots and mangoes 6%, and other fruit 10%.

The products are primarily imported in bulk into the major developed markets, where they are packed - often along with other dried fruit and nuts - as consumer products, or are sold on as raw material for the *food* processing industry (ITC, 2002).

The Internet site of Transport Information Service (http://www.tis-gdv.de/tis_e/ware/inhaltx.htm) provides detailed technical information on product properties, packaging and transport for dried apples, apricots, dates, figs, currants, prunes, raisins and sultanas.

[1] Other known tropical and subtropical dried fruits are: citrus fruit, pineapples and mangoes.

2 Market description

2.1 Consumption, production and trade

Consumption
Since dried products are mainly used as ingredients for *food* processing, data regarding the consumption of dried fruit are scarce and hardly available. Therefore, we will also discuss the consumption of dried end products and the presence of processing industry on the major markets, which reflects industrial demand. The total dried *food* consumer market in the EU-15 countries has a value of € 7.9 billion and a volume of 3.8 million tonnes in 2003.

Table 2.1 Size of the dried *food* sector in the EU-15 countries, € billion, thousand tonnes, 2003 and 2006 estimation

	2003	2006 (estimation)	Change
Value	7.9	8.2	+3.8%
Volume	3,839	3,954	+3.0%

Source: Euromonitor, 2003

Dried fruit is used in consumer or *food* service packing, mainly consumed as a snack and as an ingredient for breakfast cereals, healthy ready-to-eat snacks and desserts. Bakeries and breakfast cereal mixes are one of the largest end users of dried fruit. The market for bakery products in the EU-15 had a value of € 70.3 billion and a volume of 26.8 million tonnes in 2003.

When looking at the import of dried fruit by the EU member states - which gives an indication of consumption - it can be concluded that sultanas, dates, prunes, other dried grapes and apricots are important dried fruit products in the EU. Sultanas account for more than a quarter of the total imports by EU member countries and are mainly used for *food* processing (cereals, bars, etc.).

Table 2.2 Descending size of per capita consumption of dried *food* in major EU countries, kilograms, 2002 and estimated consumption 2007 in €

Country	2002	2007 (estimation)
Italy	24.7	24.8
Portugal	14.6	15.3
Hungary	13.6	14.4
Czech Republic	13.6	16.3
Sweden	11.4	12.6
Slovakia	11.1	11.7
Denmark	10.8	11.7

Source: Euromonitor, 2003

Italy, Portugal and the new East European member states are the leading dried *food* consuming countries. The lowest consumption is measured in United Kingdom with 4.5 kilograms per capita.

France
The French packaged *food* market grew by only 2% in 2004, mainly due to disappointing sales results for bakery products and confectionery. Due to changing eating habits, the French increasingly prefer a cereals breakfast rather than a continental type breakfast. This leads to an increase in sales for breakfast cereals, including dried fruit.

Since France is the largest EU producer of prunes, this product group is an important part of the French diet. In 2003/2004, a total of 2,147 tonnes of raw prunes was used for processing. Moreover, in the same period 4,891 tonnes of final products processed from prunes can be noticed. Prunes are consumed fresh or as a processed-food product in juices or as ingredients for cookies, yogurts, etc.

French domestic consumption is relatively high, partly due to the domestic marketing efforts of the French Prune Board (BIP). These include TV campaigns and distribution of samples, prune cuisine in hotel chains, and BIP's presence in major shows such as the International Agricultural Show (SIA) and the "Children and Taste" show ("Les Enfants du Goût") in Paris. Processed prunes include purée, syrup, juices, while dried prunes comprise only a small part.

United Kingdom

In 2003, the consumption of dried fruit increased by 11%. The dried fruit market in the UK has enjoyed growth, benefiting from the ever growing demand for snacking products and interest in healthy eating. While sales of the favourite potato crisp snack are in decline, sales of organic fruit and nut ranges increasing by nearly 70% were reported in 2002.

Whitworths, the UK's largest manufacturers of dried fruit, forecasts that there is a huge potential for market growth in the UK dried fruit convenience sector. The dried fruit market is worth around € 180 million while related products, apart from the baking sector which dropped 4% in 2001, are seeing a significant, explosive increase. Sales of raisins are worth € 27.3 million (source: AC Nielsen, 2001). While the market has remained static, Sun-Maid sales grew by 13.1 per cent to € 9.2 million.

Table 2.3 Value sales of dried fruit in the UK and related products in € , 2000-2001

	Value sales October 2000	Value sales October 2001	Change
Dried fruits	157,239,440	173,493,072	13.5%
Baking fruit	61,416,670	57,315,386	-4%
Convenience fruit	95,822,616	116,177,660	24.7%
Total snacking fruit	15,888,821	38,370,622	148.4%
Snacking fruit, other format	15,722,668	18,575,992	21.5%
Snacking fruit, strips/bars	166,153	19,794,630	12154.8%

Source: http://www.readymealsinfo.com

Although Table 2.3 shows some outdated numbers, it can be assumed that the growth of the UK dried fruit market continued after 2001, which is also supported by UK import and production data for dried fruit.

Apart from a consumer focus on more healthy snacks, there are several opportunities that could drive the growth of the dried fruit market in the UK. Since most of the UK retailers merchandise dried fruit snack packs in the home-baking department, because the buyer for dried fruit is always the home-baking buyer, the industry is currently working on a number of initiatives with UK retailers, siting the products alongside cereals, yoghurts and sandwiches. Apart from the major multiples, the vending market may be another outlet that would be ideal for marketing dried fruit. Apart from the retailers and vendors, the UK dried fruit industry could be boosted by taking advantage of the government programme designed to increase the fruit intake of every child in Britain.

Germany is among the world's largest *food* and beverage importers and is one of the most important *food* processing countries in Europe, including dried fruit. Primary non-EU suppliers are countries in Eastern Europe, the Mediterranean region, Latin America and the Caribbean, and South Africa. Nuts and dried fruit are one of Germany's major consumer-oriented product imports from these countries. The USA is an important supplier of raisins and prunes. Dried fruits are mostly found in breakfast cereals and baked goods, also popular in snacks, which is a growing segment in Germany as a replacement for breakfast and lunch. Another important trend in Germany is organic: Germany is Europe's largest organic *food* market, with retail sales of € 3.3 billion in 2002. Specialty and private label products are also popular. Moreover, immigrant populations and traveling abroad have broadened demand for a greater variety of ethnic *foods*, including lesser known dried fruit.

The Netherlands is an important trading point of dried fruit within the EU. Rotterdam's port has cold storage facilities available from where the products are distributed to Germany and other countries. The Netherlands has also an important processing industry itself, for which dried fruit is used in the production of breakfast cereals and bars. The leading companies in the dried *food* market in 2004 were H.J. Heinz Company and Unilever. There is a growing demand for organic dried fruits in The Netherlands.

Next to The Netherlands, ***Belgium*** is an important trading point of dried fruit. Dried fruit products are distributed from the port of Antwerp to the hinterland. The *food* manufacturing industry is the third major manufacturing sector in Belgium. In 2004, total *food* turnover amounted to more than € 31 billion, accounting for 15.5% of the total processing industry. The Belgian *food* manufacturing industry is very diverse and extensive; a lot of different *food* products are being produced, industrially as well as traditionally. There is also a growing demand for organic dried fruits in Belgium. Belgian imports of dried fruit showed some increase between 2002 and 2004.

Italy is an important market for dried fruit suppliers in the USA which offer high quality products, mainly prunes. Italy has an all year round strong tradition for aperitifs and there are over 28,000 bakeries and 20,000 confectionery shops that use dried fruits and nuts in their everyday fresh products. The success of snack foods in Italy is due to modern distribution and marketing strategies. Teenagers are still fairly health conscious or at least under the influence of the traditional Italian diet. The Italian organic market is on the rise and several companies are active in distributing organic dried fruit and nuts (for example check http://www.fao.org/documents/show_cdr.asp?url_file=/DOCREP/004/Y1669E/y1669e0a.htm)

The ***Spanish*** food industry is highly developed and competitive. Spain is a major food producer, offering an increasing range of processed *food* products. Spain is also a major producer of many *food* ingredients and imports large quantities from other EU member countries. Dried fruit such as figs and apricots are an important part of the Spanish and Mediterranean diet. According to the Spanish Ministry of Agriculture, Fisheries and Food, dried fruit was, from 2000 to 2002, one of the products with the greatest increase in consumption at home (+28%). Local production of dried fruits increased more than imports (+50% between 2002 and 2004), suggesting that the increasing demand for dried fruit is mainly met by locally produced dried fruit. However, exports of dried fruit from Spain also increased.

Production

In total, 8,194 European companies are active in the field of processing fruit and vegetables (CIAA, 2004).

EU countries produce substantial quantities of dried fruit. The southern EU countries bordering the Mediterranean produce currants and raisins. Due to the mainly

Mediterranean, maritime and continental climate, hardly any tropical fruits are grown in the EU. Therefore, production of dried tropical fruit is negligible.

In 2004, total production of dried fruit amounted to 591 thousand tonnes, representing an increase of almost 70 percent since 2002. This increase was mainly caused by an exceptionally high currant production in 2004, increasing by more than 100% percent since 2002. Poland is the main producer of currants, and France of prunes. In general, raisins, prunes and currants are principally produced by wine-producing countries, such as France, Germany and the Czech Republic, but also by the United Kingdom. Figs, dates and apricots are produced by Southern countries with a warm, Mediterranean climate.

Table 2.4 Production of dried fruit in the EU, 2002-2004, 1,000 tonnes

	2002	2003	2004
Total EU	**350.9**	**356.4**	**590.7**
of which:			
currants	202.2	207.7	442.6
raisins	60.0	60.0	60.7
dried prunes	42.7	42.7	31.0
dried figs	23.0	23.0	23.2
dates	3.7	3.7	3.7
dried apricots	0.6	0.6	0.7
other dried fruit	15.9	15.9	24.8
other dried tropical fruit	2.8	2.8	4.0

	2004	Main products
Poland	193.6	currants
Germany	148.0	currants
Greece	73.4	raisins, figs
France	42.6	currants, prunes
Spain	26.9	figs
Czech Republic	21.0	currants
Austria	19.5	currants
United Kingdom	19.3	currants
Hungary	10.7	currants, other
Denmark	7.9	currants
Other EU states	*26.0*	*currants*

Source: FAO (2004 for numbers of 2002/2003 and 2005 for 2004)

France

In 2004, France was the fourth EU producer of dried fruit with a total of 42.5 thousand tonnes, representing a decrease of 2 percent compared to 2002. The majority of dried fruit production in France comprises prunes.

Table 2.5 Production of dried fruit in France, 2002-2004, in tonnes

	2002	2003	2004
Total dried fruit	**43,445**	**41,538**	**42,552**
Of which:			
Dried prunes	34,200	30,400	30,400
Currants	9,245	10,338	11,352
Other dried trop. fruit	0	800	800

Source: FAO (2005)

According to USDA FAS (2005) total prune production amounted to 44,000 tonnes in 2004, down from 57,700 tonnes in 2003. As a result, beginning stocks and production in 2004/2005, each equalled 44,000 tonnes. These heavy stocks resulted from the abnormally large crops of 2001 and 2003. Consequently, the French prune industry decided to impose stricter grade standards for prunes harvested in 2004/2005, so that only the largest grades (of highest quality) only will be commercialized. Since 2002, prunes harvested under certain standards have benefited from a Protected Geographical Indication (PGI) with a European logo and "pruneaux d'Agen" brand name.

Table 2.6 French dried prune production, 2003-2005 in hectares/trees/ tonnes

	2003	2004	2005 (forecast)
Area planted	13,400	13,400	13,400
Area harvested	12,500	23,600	12,500
Trees	2,500	2,500	2,500
Beginning stocks	32,500	44,000	41,300
Production	57,777	44,000	48,000
Imports	2,900	2,800	2,800
Total supply	**93,177**	**90,800**	**92,100**
Exports	19,700	20,000	20,000
Domestic consumption	29,477	29,500	29,600
Ending stocks	44,000	41,300	42,500
Total distribution	**93,177**	**90,800**	**92,100**

Source: USDA FAS GAIN Report FR5010, 2005

In 2004, ***Spain*** was the second leading EU producer of dried fruit, with 'dates' and 'figs' as the largest cultivated product groups. Apricot production mainly takes place in the North-East Teruel region, while raisin production takes place in the South, in the Malaga area.

Table 2.7 Production of dried fruit in Spain, 2002-2004, in tonnes

	2002	2003	2004
Total dried fruit	**17,871**	**26,930**	**26,880**
Of which:			
Other dried fruit	6,250	15,000	15,000
Dried figs	5,000	5,000	5,000
Dates	3,450	3,732	3,732
Raisins	1,723	1,750	1,700
Other dried trop. fruit	700	700	700
Dried apricots	648	648	648
Currants	100	100	100

Source: FAO (2005)

Table 2.8 Production of dried fruit in Germany, 2002-2004, in tonnes

	2002	2003	2004
Total dried fruit	148,000	148,000	148,000
Of which:			
Currants	148,000	148,000	148,000

Source: FAO (2005)

Although ***Germany*** does not produce large amounts of different dried fruits, after Poland it is the largest currant producer of the EU. In 2004, total German currant production amounted to 148 thousand tonnes. This amount remained fairly stable over the past few years.

Although it has a far smaller production than Germany, the ***United Kingdom*** is a relatively important EU producer of currants. Production of other dried fruit is negligible.

Table 2.9 Production of dried fruit in the UK, 2002-2004, in tonnes

	2002	2003	2004
Total dried fruit	**13,369**	**19,263**	**19,263**
Of which:			
Currants	12,900	18,800	18,800
Other dried trop. fruit	469	463	463

Source: FAO (2005)

Although ***Italy*** is not one of the main producers of dried fruit in the EU, it produces the most diverse range of dried products. Dried figs is the largest group, with a constant production of 2,200 tonnes over 2002-2004.

Table 2.10 Production of dried fruit in Italy, 2002-2004, in tonnes

	2002	2003	2004
Total dried fruit	**10,836**	**4,456**	**4,450**
Of which:			
Other dried fruit	7,500	1,000	1,000
Dried figs	2,200	2,200	2,200
Currants	586	615	600
Dried prunes	450	450	450
Other dried trop. fruit	100	200	200

Source: FAO (2005)

Table 2.11 Production of dried fruit in The Netherlands, 2002-2004, in tonnes

	2002	2003	2004
Total dried fruit	**4,203**	**4,443**	**4,443**
Of which:			
Currants	3,000	3,000	3,000
Other dried trop. fruit	1,203	1,443	1,433

Source: FAO (2005)

Although ***The Netherlands*** and ***Belgium*** are important trade centres for dried fruit products, they do not produce a lot of dried fruit themselves. Currants are for both countries the largest group, amounting to 3 thousand tonnes in The Netherlands and almost 2 thousand tonnes in Belgium.

Table 2.12 Production of dried fruit in Belgium, 2002-2004, in tonnes

	2002	2003	2004
Total dried fruit	**2,000**	**1,810**	**1,820**
Of which:			
Currants	2,000	1,790	1,800
Other dried trop. fruit	0	20	20

Source: FAO (2005)

Imports

Total imports of selected dried fruit by EU member countries amounted to € 951 million / 635 thousand tonnes in 2004, representing a total increase of 7 percent in value and 8 percent in volume since 2002.

Table 2.13 Imports of selected dried fruit by EU member countries, 2002-2004

	Import values (in € million)			Total change	Import volumes (in thousand tonnes)			Total change
	2002	2003	2004	2002/04	2002	2003	2004	2002/04
Total EU-25	885	895	951	7%	590	606	635	8%
Intra-EU	225	233	260	15%	109	110	122	11%
Extra-EU	659	661	691	5%	480	496	514	7%
Of which into:								
United Kingdom	206	207	237	15%	133	138	145	9%
Germany	195	194	203	4%	136	134	142	5%
France	117	117	124	6%	72	68	75	4%
The Netherlands	64	71	71	10%	53	60	57	7%
Italy	74	77	68	-7%	46	51	48	4%
Spain	34	33	40	16%	22	22	28	29%
Belgium	38	40	39	2%	25	25	25	1%
Sweden	23	21	23	4%	11	11	13	13%
Poland	21	20	23	9%	20	20	20	1%
Austria	18	19	22	19%	10	11	12	19%
Denmark	22	22	21	-3%	13	13	13	1%
Greece	8	11	12	47%	3	7	7	105%
Czech Republic	11	10	11	6%	9	9	10	15%
Finland	12	11	11	-9%	6	6	6	-1%
Portugal	7	8	8	16%	5	5	5	1%
Ireland	11	8	8	-26%	8	7	6	-33%
Slovakia	5	6	7	27%	4	4	4	25%
Lithuania	4	5	6	41%	5	5	7	41%
Hungary	3	3	5	50%	2	2	4	100%
Other	*11*	*12*	*14*	*19%*	*8*	*9*	*10*	*20%*

Source: Eurostat (2005)

In general, EU imports of selected dried fruit increased, particularly from non European countries. The United Kingdom was the leading EU importer of selected dried fruit in 2004, accounting for one fourth of the total EU import value, followed by Germany (21%), France (13%), The Netherlands (7%), Italy (7%), Spain (4%) and Belgium (4%).

Turkey is the leading supplier of selected dried fruit to the EU, representing 33 percent of total imports. Next to European suppliers, developing countries' suppliers play an important role in European imports.

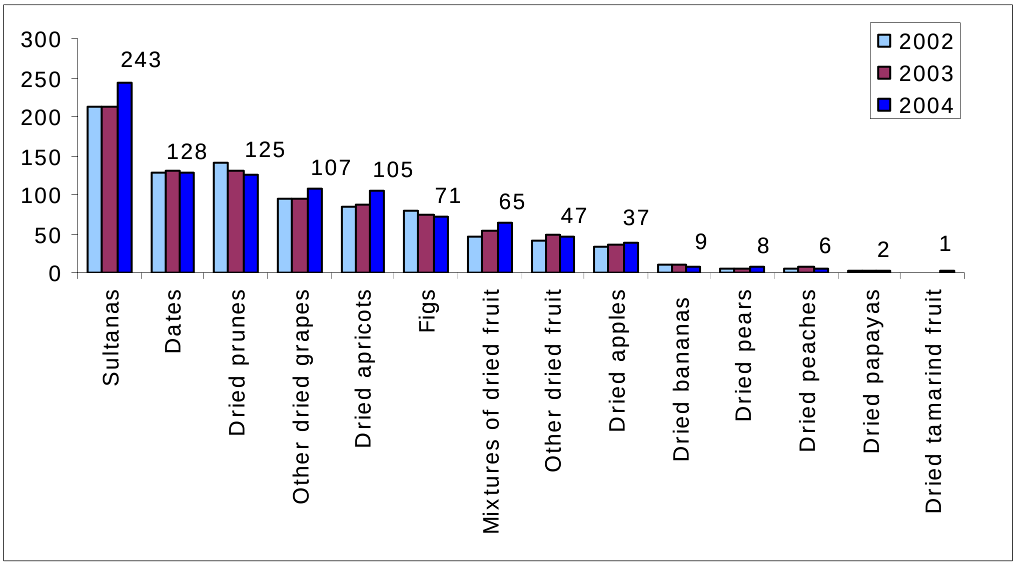
Table 2.14 Leading suppliers to the top-7 EU importers of selected dried fruit, 2004, imports in € 1,000, share in % of imported value

Importing EU country:	Import value:	Leading suppliers in 2004:
UK	237,157	Turkey (35%), USA (18%), France (14%), Germany (5%), Iran (4%), Chile (4%), Italy (3%)
Germany	202,595	Turkey (34%), USA (11%), The Netherlands (8%), Chile (8%), France (4%), Belgium (4%), Tunisia (4%),
France	123,548	Turkey (39%), Tunisia (18%), Algeria (9%), Germany (6%), South Africa (4%), Israel (4%), Spain (3%)
The Netherlands	70,548	Turkey (45%), USA (13%), Chile (6%), France (6%), South Africa (5%), Germany (5%), Iran (4%)
Italy	68,352	Turkey (39%), USA (16%), Tunisia (14%), France (7%), Germany (5%), Greece (5%), Israel (4%)
Spain	39,545	Turkey (25%), Tunisia (19%), France (14%), Chile (10%), Israel (9%), Argentina (7%), USA (6%)
Belgium	38,699	Turkey (27%), France (19%), The Netherlands (14%), USA (14%), Iran (4%), Israel (4%), Italy (3%)
Total EU	***951,208***	***Turkey (33%), USA (13%), France (8%), Tunisia (6%), Germany (6%), Chile (5%), Iran (4%)***

Source: Eurostat (2005)

Sultanas are the leading dried fruit imported by EU member countries, accounting for 26 percent of the total import value in 2004. Other important product groups are: 'dates', 'dried prunes', 'other dried grapes' and 'dried apricots'. The most noticeable increases occurred in the imports of 'tamarind fruits' (+61%) and 'dried pears' (+50%), both relatively small product groups. All together, imports of the selected dried fruits increased by 7 percent between 2002 and 2004.

Figure 2.1 Imports of selected dried fruit in € million by EU member countries, by product group, 2002-2004



Source: Eurostat (2005)

In 2004, developing countries supplied 55 percent of the total imported value of selected dried fruit. Leading developing country suppliers are Turkey, Tunisia, Chile, Iran, South Africa, China and Argentina.

Table 2.15 Leading developing country suppliers of selected dried fruit, 2004, supplies in € 1,000, share in % of DC supply

Dried fruit:	Import from DCs		Leading DC suppliers in 2004:
	total	%	
Sultanas	191,477	79%	Turkey (82%), Iran (10%), South Africa (5%), Chile (2%)
Dried apricots	85,856	82%	Turkey (97%), China (1%), Iran (1%)
Dates	79,002	62%	Tunisia (76%), Algeria (16%), Iran (10%), South Africa (2%), Saudi Arabia (1%), Pakistan (1%), Turkey (1%), Jordan (1%)
Figs	53,834	66%	Turkey (98%), Iran (2%)
Other dried grapes	42,581	40%	Turkey (33%), Chile (22%), South Africa (18%), Iran (17%), Uzbekistan (4%), Argentina (4%), Afghanistan (1%), China (1%)
Dried prunes	26,542	21%	Chile (69%), Argentina (19%), Serbia and Montenegro (4%), Turkey (4%), Tunisia (2%), Moldova (1%), China (1%)
Other dried fruit	14,944	32%	Chile (53%), China (24%), Iran (4%), Turkey (4%), South Africa (3%), Moldova (2%), Albania (2%), Philippines (1%)
Dried apples	14,574	39%	Chile (52%), China (29%), Turkey (14%), Argentina (2%), Moldova (1%), Albania (1%), Georgia (1%), Serbia Montenegro (1%)
Mixtures of dried fruit	7,980	12%	China (63%), Turkey (20%), Tunisia (9%), South Africa (3%)
Dried bananas	3,020	35%	Ecuador (54%), Philippines (13%), Colombia (6%), Vietnam (5%), Costa Rica (3%), Cameroon (2%), Uganda (2%), Brazil (1%)
Dried pears	2,361	29%	China (61%), South Africa (21%), Argentina (16%), Turkey (2%)
Dried peaches	2,149	39%	China (65%), South Africa (22%), Argentina (7%), Turkey (5%)
Dried tamarind fruit	1,201	82%	India (36%), Philippines (4%), Sri Lanka (1%), Syria (1%)
Dried papaya	1,106	66%	Philippines (4%), Brazil (3%), Sri Lanka (3%), China (2%), Vietnam (1%), Guatemala (1%), South Africa (1%), Cameroon (1%)
Total	***526,626***	***55%***	***Turkey (59%), Tunisia (10%), Chile (9%), Iran (7%), South Africa (4%), China (3%), Argentina (1%)***

DC: developing countries
Source: Eurostat (2005)

Exports
Between 2002 and 2004, selected dried fruit exports by EU member countries increased by both 12 percent in terms of value and in terms of volume, amounting to approximately € 351 million / 148 thousand tonnes in 2004.

France – a producer of large amounts of prunes – is the leading EU exporter of dried fruit in terms of value, followed by Germany. Most of the EU export was directed to other EU member countries, revealing the large volumes of re-exported dried fruit. Only on fourth of the total 2004 export value was destined for countries outside the EU.

Leading EU exporters and destinations of edible nuts (share in EU value exports, 2004)	
EU exporters	→ France (33%), Germany (23%), Italy (8%), The Netherlands (8%), Belgium (6%)
Destinations	→ UK (17%), Germany (17%), USA (7%), The Neth. (6%), France (5%), Austria (5%)

2.2 Characteristics & prospects

Market segments

The major customers for dried fruit in the EU are:

- The dried fruit and nut industry, which sells mixed retail packs consisting of dried tropical fruits and other dried fruits and nuts, also selling retail packs consisting solely of one dried fruit.
- Breakfast cereal industry. The breakfast cereal industry uses nuts and dried fruits in its production of cereals, and muesli. The dried fruit used in cereals and muesli mainly concern banana chips and raisins, but increasingly also tropical dried fruit such as papaya, guava and mango. There is also a breakfast cereal on the market with added dried raspberry.
- Other food industries. Several other food industries utilise ingredients in one way or another. For dried fruit, these mainly include the confectionery (candy and cereal bars) and bakery industries. Raisins, currants, apricots and apple are often used in cereal bars. The bakery industry uses dried apples, apricots, banana chips, currants, dates and others.

Increasingly, as also became visible from the UK market description, dried fruit is consumed as a health snack, offered as whole pieces in one packaging. Supplying such an end-product, instead of ingredients for further processing, offers an interesting opportunity for developing countries producers. Please note, however, that the packaging must comply with the legal and market packaging requirements of the EU. Moreover, individual retail organisations prefer to “tailor” their own mixtures for various reasons, for example, in order to go along with the different seasons. This is also supported by Table 2.15 in which the share of imports of mixtures of dried fruit from developing countries is relatively low (12%). Value addition mainly takes place in the consuming country. Dried apricots, prunes and apples are familiar snacks for Europeans and also produced in the EU itself. Market opportunities for more tropical dried fruit snacks, such as mango, papaya and pineapple should be further explored.

The market for dried fruit can also be segmented according to whether the products are grown by organic farming or by conventional farming. This is particularly important since the demand for organic food is expanding in several EU member countries and can offer interesting market opportunities for developing countries’ exporters. Because of its nature, organic production is highly suitable for small and medium-sized farmers working in areas, which may not be suitable for large-scale food production. Dried fruits like apricots, bananas and pineapple are important organic products within the segment of processed fruit. For more information on the organic food market in the EU, please refer to the CBI Market Survey ‘Organic Food Products’.

Trends

The overall trend in new fruit products is "added value", thus providing increased convenience to the consumer by offering a much greater variety of ready prepared fruit products, for example by individual components.

Dried tropical fruits such as mangoes, papayas, and bananas are becoming a more common item in European health food stores and supermarkets, where they are sold pre-packed in cellophane bags as well as in bulk (by weight). Usually, these products are sold with sugar added for taste and sulphur added for colour retention, although an “all natural” product is preferred by the health food stores.

- *Dried fruit as a healthy snack;*
- *Organic dried fruit or otherwise sustainably produced fruit;*
- *Dried fruit sold as a convenience product;*
- *Internationalisation and the introduction of ‘new’ exotic dried fruit;*
- *Offering a concept: "How to use these dried fruit…".*

European consumers have a strongly increased interest in a healthy life-style and, consequently, in the consumption of health food. Health food refers to food products, which are low in fat and have limited sugar and salt content; this includes functional foods, which have specific health-promoting properties and food products with added vitamins and minerals or bacteria supporting the intestinal function. Dried fruit are low in fat, contain natural sugars, vitamins and natural antioxidants, which are supposed to have properties preventive to heart diseases and cancer.

Since European consumers have recently experienced several food scares, many people are concerned about the safety of food, as well as the effects of intensive farming on the countryside and on the environment in general. These factors, combined with the increasing awareness of the importance of diet and nutrition, have intensified interest in organic foods. There is a growing demand for organically certified product that is also low in sugar (natural levels). Organic products can reportedly sell for several times the price of a regular product.

European importers seem to be less interested in sun-dried products. They are often afraid that the product will contain too many foreign items such as insect fragments, defects, spoilage, microbiological problems and bacteria and, thus, will not pass food safety regulations. Some would be willing to look at the sun dried product and see whether it meets speCIFications. However, importers stressed that the market is well supplied and that new entrants must have some comparative advantage in terms of price or presentation.

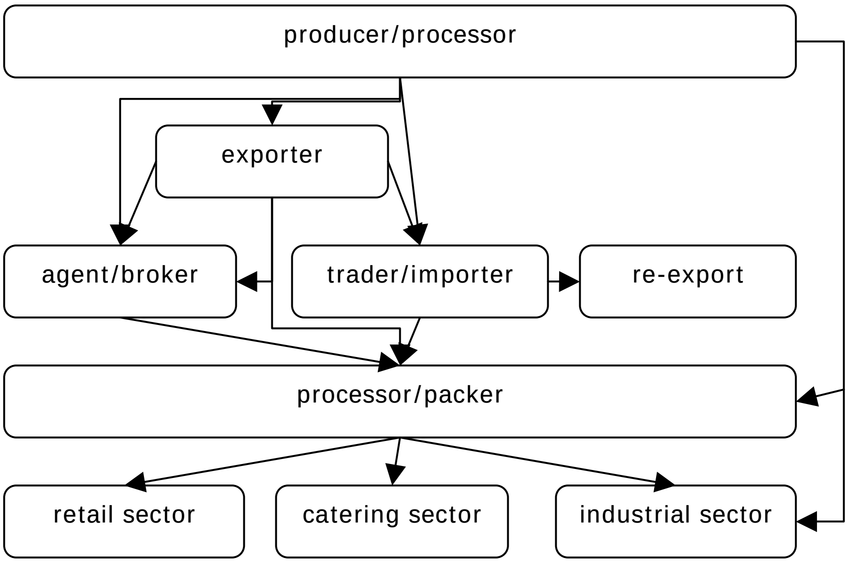
3 Distribution channels

Figure 3.1 provides an overview of the most common distribution channels for dried fruit. The bulk of product entering the EU will be imported by specialised *brokers/agents* and *importers/traders*, who import on their own account and sell to packers/processors. They buy mainly in bulk. In most countries, importers or agents act as intermediaries, although some of the packers and food processors also import directly. Since importers/traders not only have experience and knowledge of the international market, but also have strong relationships with suppliers and buyers all over the world, it is the most interesting distribution channel. Particularly in the case of speciality and off-season[2] products, co-operation with an European importer is advised. His role towards the industry and supermarket will be more specialised as quality controller, also as logistics service provider. Moreover, the importer/trader serves as the risk-taking party for the industry/supermarkets. Besides, importers not only focus on the demand of the home market. Because of their favourable, geographical location, many EU importers export imported products to other European countries. A European importer sometimes contacts a local agent in the country of origin for a neutral indication of supply and price setting.

A *processor/packer* in the case of dried fruit may carry out some limited processing and conditioning of product, but is involved mainly in re-packing product into smaller packs for the retail, catering and industrial sectors. The size and branding of these products depends on the marketing strategy of the processor/packer. Some will have their own brand, whilst others will pack according to their customers' speCIFications, e.g. for supermarkets and catering companies. Larger packers/processors are increasingly buying directly from processors/exporters in the countries of origin. Limited quantities of dried fruit, e.g. dates, are packed into consumer packs in the country of origin.

[2] Dried fruit are regularly used as an off-season substitute for fresh fruit.

Figure 3.1 Most common distribution channels for dried fruit



Source: PACKIt, ITC 2002

The *industrial market* is probably the largest end user. Slow expansion in sales of imported dried fruit reflects the growth in demand of convenience foods and especially those products perceived to have "healthy" ingredients. The *catering sector* is a relatively unimportant buyer of dried fruit, with usage mainly confined to ingredients for food preparation. *Retail sector* sales are dominated by the supermarket sector, believed to market over 80% of all the dried fruit sold directly to consumers. Supermarkets buy prepacked consumer packs, or sometimes contract packers to pack a branded consumer product on their behalf. In the retail sector, "loose" dried/dehydrated fruit is hardly sold anymore, and is found only in health food shops, specialist dried fruit and nut shops, and in stalls at street markets. The imported product is mainly repacked in Europe.

Agents and importers in London, Hamburg, Rotterdam and Marseilles largely control the trade in dried fruit. The trade in dates is particularly focused in Marseilles. Rotterdam is strategically located to serve continental EU countries. From here, distribution takes place by vessel, inland barge or truck to storage facilities and customers.

An importer will often function as a packer, a refiner of the product, a wholesale distributor, a processor and a re-exporter. As already mentioned, the larger packer/processors are increasingly buying products direct from producers and exporters in the country of origin. A selection of EU companies involved in the dried fruit business is:

- Catz International (http://www.catz.nl)
- Ludwig (http://www.trumpf-schokoladefabrik.de)
- Borges (http://www.borges.es)
- Nestlé (http://www.nestle.com)
- Danone (http://www.danone.com)
- Doens B.V. (organic) (http://www.doensfood.com)
- Van Eeghen International B.V. (http://www.vaneeghen.com)
- Freeze-Dry Foods GmbH (http://www.freeze-dry-foods.de)
- Rhumveld, Winter & Konijn B.V. (http://www.rhumveld.com)
- Other German traders through the national association for foreign and wholesale trade with canned fruits, vegetables, juices and fish, delicatessen, juice concentrates, frozen fruits, vegetables and fish, dried fruits, nuts, dried vegetables, spices, honey and related products, Waren-Verein der Hamburger Börse e.V. (http://www.waren-verein.com).

4 Prices and margins

4.1 Price developments

Domestic and import/export prices of dried fruit vary according to a number of factors:

- Harvest output in the supplying countries in relationship to demand;
- Negotiations between the different chain partners;
- The quality of fresh fruit and vegetables aimed at the consumer markets. When quality is not up to standard, the products will be diverted to the industry for processing, thus putting pressure on prices. Diced and heavily sugared pineapple and papaya are also wholesaled for a lower price.

Because of the wide variations in availability caused by changeable harvests, weather conditions or disasters, changes in supply have a much larger effect on price levels than changes in demand. Other factors which have a significant effect on prices are the exchange rate of the dollar, quality, grade, presentation (whole, shelled, pitted, broken etc.) and the method of drying/processing which has been used prior to export.

The boxes below presents recent market and price developments for some major dried fruit.

Plums
In 2005, Calofornia, the largest growing area for dried plums, had a bad harvest for the second time, so the worldwide supply is no longer guaranteed. The prices have doubled and a shortfall of 20 percent is expected for 2006. Other countries of origin such as France, Chile and Argentina cannot compensate for this extremely unsuccessful harvest. Despite the welcome increase of dried plums consumption of the last years, a drop is expected again.

Figs
The growing areas in Greece and Turkey will provide good qualities this year. The prices are stable compared to the previous year. Quality improvements have led to encouraging increases in consumption. As a result of the health trend among consumers, figs , once bought at Christmas only, have advanced to being an article sold all year round.

Apricots
The growing area in Turkey reports a record harvest. However, damage caused by hail means that many fruits have to be discarded before the apricots can be sold in the EU. Turkey is increasingly following the EU trend and introducing integrated production, sometimes even organic.

Raisins/sultanas
Producers in the main growing countries Australia, Greece, California and Turkey are at present looking for ways to increase profits. More and more grapes are not dried, but turned into wine for which the producers can achieve higher prices. The production of grapes for drying is being cut back. Supplies will still be guaranteed in the following year, but consumption will drop after that.

Source: The Clipper 4/2005

The major origin country for a particular product often determines the basic reference price for that product worldwide. For example, the USA is the reference for raisins and Turkey for apricots. Prices of some of the main traded dried fruit at a fixed moment are given in Table 4.1.

Table 4.1 Highest and lowest prices for dried fruit, up to 21 February 2005, US$ / £ per metric tonnes

	2005 high	2005 low		2005 high	2005 low
Sultanas			**Currants**		
o Australian 5 Crown CIF UK	1012.5	1010	o Greek Vostizza CIF UK 2004 crop	990	990
o Turkish specially cleaned standard No 9 CIF UK	670.00	562.50	o Greek Provincial 2004 crop CIF UK	830	790
o Greek type No 2 CIF UK	590	565			
o Iran natural Sultanas (Gouchan) 2003 crop CIF UK ($)	1025	1025			
Raisins			**Apricots**		
o Californian Thompson seedless Raisins CIF UK 2003 crop	895	895	o Turkish whole pitted No. 4 CIF UK 2005 crop ($)	2175	1650
o S. African Thompson seedless Raisins CIF UK 2004 crop	3050	1637.5	o Turkish whole pitted No. 2 CIF UK 200 crop ($)	2850	1950
o Australia Lexia Raisins CIF UK (Aus/$)	1500	1500	o Turkey industrial Apricots Size 8 CIF UK	2950	1125
Dates			**Figs**		
o Iranian pitted Sayer dates CIF UK	560	470	o Turkey Lerida figs, CIF UK	1175.0	1602.5

CIF: *Cost, Insurance & Freight.* This means that the exporter pays for the freight and the insurance.
Source: The Public Ledger (October 2005)

The *margins* charged by different intermediaries in the dried fruit trade are influenced by many different factors. These include the type of dried fruit, the current and expected future harvest situation, the availability or number of sources for the particular product, the level of demand and the trend in prices. All these factors make it extremely difficult to provide information on typical margins in the trade. The following represents very rough guidelines on the mark-up added to the buying price by each type of trader:

- <u>Agent/broker</u>: 1-3 percent
- <u>Importer/trader</u>: 5-10 percent
- <u>Processor/packer</u>: 15-25 percent, which includes packing but may be much higher depending on the costs of marketing (e.g. for a consumer retail brand)
- <u>Retailer</u>: 30-40 percent (excl. VAT).

4.2 Sources of price information

In general, importers and agents in EU countries are the best sources for price information. They are in constant touch with their customers and suppliers and have up-to-date information regarding the current process and pricing trends.

Moreover, it is essential that the exporter obtains regular information on prices and market trends. An on-line computer connection to all countries, through the Internet, makes it possible to follow the latest news and find the best offers on a daily basis.

The best up-to-date price information on dried fruit can be obtained from the weekly *Public Ledger,* however, this only concerns the regular dried fruit such as sultanas, currants and apricots. Also, major brokers and traders publish regular market reports to advise their customers about supply, demand and price developments.

The Market News Service of the ITC (International Trade Centre, Geneva) is in direct contact with one central reception point in all supplying countries and publishes up-to-date price information in a regular bulletin, called "*Fresh Fruits and Vegetables*" in which some dried fruits (raisins, bananas, apricots) are also covered. The MNS, also located in Geneva, collects the information by telephone, fax and e-mail. The information is gathered, analysed, and then transmitted immediately to all participating developing countries. Exporters who wish to subscribe to this service should contact the ITC. In order to obtain information on the MNS locally, exporters can contact either their export/trade promotion organisation or their exporters' association.

Source of price information	**Internet site**
The Public Ledger	http://www.public-ledger.com
Foodnews magazine	http://www.agra-net.com/
ITC Market News Service	http://www.intracen.org
Agribusiness online (only fresh)	http://www.agribusinessonline.com/prices/
StatPub	http://www.statpub.com/

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.

ⓘ *For more information, please refer to http://www.cbi.nl/accessguide.*

Legislative requirements

When exporting dried fruit to the European Union, the following legislative requirements are relevant:

1) General Food Law
2) Marketing standards
3) Maximum Residue Levels/MRLs

Please note that in contrast to the issues described in the following sections, these regulations are mandatory and an exporter must comply with them 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 Survey 'Food Ingredients for Industrial Use.

General Food Law

In 2002, regulation EC 178/2002 was 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 took 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

Marketing standards

The marketing standards for quality and labelling of fresh produce are laid down in basic regulation EC 2200/96 (of 28 October 1996), in the framework of the Common Agricultural Policy (CAP). Products that do not comply with these standards are barred from the market. Dried fruit products, which are subject to the quality standards as laid down in the above-mentioned regulation, are dried grapes, dried figs and dried plums.
For more information please refer to:
http://europa.eu.int/eur-lex/lex/Result.do?direct=yes&lang=en&xsl=celex-som,celex-txt&PgSize=128&where=CC:0360*

Furthermore, the Economic Commission for Europe of the United Nations (UN/ECE) has established standards for the marketing and quality control of a number of dried fruit including dried apples, dried apricots, dates, dried figs, dried grapes, dried pears and prunes. These standards are in line with the demands of EU countries and can be downloaded from http://www.unece.org/trade/agr/welcome.htm (go to "Info by group" and "Dry and dried produce").

Table 5.1 Permitted additives and the maximum concentration thereof

Dried fruit	Additive	Max. concentration
Apricots, peaches, grapes, plums, figs	Sulphur dioxide	2000 mg/kg
Bananas	Sulphur dioxide	1000 mg/kg
Others	Sulphur dioxide	500 mg/kg

Source: EU Directive 95/2/EC on food additives

Moreover, as from April 5, 2002, an EU-wide maximum level of 10 µg/kg applies for ochratoxin A in dried vine fruits (currants, raisins and sultanas). The maximum level is listed in the Commission Regulation 472 (16 March 2002). Sampling methods for ochratoxin A in foodstuffs, applied from February 28, 2003 onwards, were added in Commission Directive 2002/26/EC.

MRLs

Imports of dried fruit to the EU have to comply with the legislation for Maximum Residue Limits Levels (MRLs) of a large number of pesticides. The maximum levels for pesticide residues in and on certain products of plant origin, including (dried) fruit, are laid down in Directive 90/642/EEC. For a comprehensive overview of the approved levels of pesticides, please refer to http://europa.eu.int/comm/food/plant/protection/pesticides/index_en.htm (only pesticide levels for bananas, dates, figs and mangoes are presented).

Useful Internet sites	
International Portal on Food Safety, Animal & Plant Health	http://www.ipfsaph.org/En/default.jsp
CBI's AccessGuide	http://www.cbi.nl/accessguide
Expanding Exports helpdesk	http://export-help.cec.eu.int
Frucom	http://www.frucom.org/index1.htm
EU pesticide residues legislation	http://europa.eu.int/comm/food/plant/protection/pesticides/index_en.htm

Other market requirements

Environmental, social, health and safety issues are becoming increasingly important on the EU market. These issues are also important for the product group of dried fruit, especially regarding the environmental circumstances in which the dried fruit is grown and processed and the labour conditions of the workers on the farmyard and the plant.

Below a brief overview of the different standards is presented:

Standard	What's about?	More information
ILO	Basic labour rights	http://www.ilo.org
SA8000	Social accountability	http://www.sa-intl.org/
ISO 14001	Environmental management system	http://www.iso.org
ISO 9000	Quality management	http://www.iso.org

Organic production

By using alternative and sustainable production methods such as organic production, a producer can show that he is committed to environmentally sound production. Moreover, in general, organic dried fruit stands for high quality fruit. EU standards for organic *food* production and labelling are laid down in regulation EEC 2092/91, which establishes 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.controlunion.com/certification/default.htm

HACCP

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, including dried fruit. 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 make HACCP obligatory also for developing country exporters dealing with EU member states.

Other quality-related market requirements

Individual buyers' own speCIFications vary according to the kinds of dried fruit traded, the country and the way the fruit will be used. The PackIt publication of The International Trade Centre (ITC) on Dried Fruit and Vegetables provides more information on the quality and packaging of dried fruit. Regarding quality of dried mango, it mentions the following:

"There are two types of dehydrated mango: diced mango, which has been soaked in sugar syrup to increase its sugar content, and natural dried mango, which has had no sugar added. Dried mangoes are supplied as 12mm cubes. Rectangles are typically 3x3x6mm. Mango is also supplied as strips or slices 3-4mmor 4-5mm thick. Sugar-free product is often supplied as larger sized slices of whole fruit (e.g. slices approximately 3mm thick and 16x16x3mm). Exact speCIFications should be taken from the buyer, particularly when the product is destined for the processing sector for inclusion in prepared cereal or bakery products. The colour should normally be yellowish-orange. Buyers' own speCIFications generally include moisture content (e.g. 7-10% for sugared mango and 12-18% for the natural product), sulphite levels (e.g. maximum 500 ppm) and a maximum level of rice flour (which is added to improve flowability of the product) of 5%."

Quality requirements for dried dates and apricots are also described in this publication. For more information, refer to:
ⓘhttp://www.intracen.org/ep/welcome2.htm?http&&&www.intracen.org/ep/packit/dried.htm

Please refer also to the CBI AccessGuide and the following CBI EU market surveys for more extensive information on these issues:
- Exporting to the EU, Your guide to trade-related information, 2003
- CBI EU Market Survey Food Ingredients for Industrial Use
- CBI EU Market Survey Preserved Fruit and Vegetables
- CBI EU Market Survey Organic Food Products

Packaging, marking & labelling

Packaging

Packaging must protect the product during transport, maintain the correct moisture content of the product, inform the recipient of the contents, and conform to environmental, health and hygiene standards. In general, dehydrated fruits should be kept in a cool, clean and dry place. Exposure to sunlight should be avoided as this results in sweating. The product is very attractive to insect and rodent infestation and therefore, should be kept away from them. The packaging has been standardised regarding bulk products. The prime requirement is that the product remains dry and clean. When a product is packed directly for the consumer, the exporter will have to follow the importer’s exact and detailed speCIFications.

The general regulatory trend in Europe is towards facilitating the re-use and recycling of packaging though incentives and disincentives, such as levies and taxes, and through mandatory or voluntary restraints. Exporters in developing countries who are targeting the European market have to be aware of these regulations and take appropriate measures in order to become or remain well-matched trade partners for European businesses. Most of the time, the packaging policy does not affect "foreign" manufacturers because importers will be held responsible for the packaging. However, sensible marketing requires taking the obligations of the importer into consideration.

The exporter must observe the following general rules regarding packaging:

- Packaging material must be strong enough to protect the product during transportation;
- Packaging should ensure that no contamination, mould growth, etc. can take place;
- Excessive packaging must be avoided (this increases cost and is less environmentally friendly);
- The exporter must investigate thoroughly and use materials that are as environmentally friendly as possible;
- The exporter must try to reduce the use of PVC, Chlorine, Cadmium and CFCs (the maximum permissible concentrations of lead, cadmium, mercury and chromium in packaging are 100ppm as of 30 June 2001);
- The use of staples and nails should be avoided;
- If different sorts of packaging materials are unavoidable, these must be separable;
- Information must be given on the nature and quantity of packaging materials;
- Vacuum packaging and/or nitrogen flushing are sometimes requested for the bulk export packaging. The effectiveness of the packaging in preserving good product quality depends on very clean packaging conditions, an absolute minimum of delay between shelling and packaging, and the complete air tightness of the package seals.

BULK PACKING:	**RETAIL PACKING**:
Packaging Materials Used - Polythelene bags inside corrugated cartons (cartons size - 13" x 17.5" x 10") Weight per Carton - 20 kilograms (4 x 5-kgs.) Load per 20-ftr. Van - 850 cartons or 17,000 kilograms Load per 10-ftr. Van - 400 cartons or 8,000 kilograms	Packaging Materials Used - Plastic pouches of 100g or 200g inside corrugated cartons (10.5" x 15" x 8") Weight per Carton - 100g pouch = 5 kgs (50 pouches/carton) 200g pouch = 6 kgs (30 pouches/carton) Load per 20-ftr. Van - 1,300 cartons Load per 10-ftr. Van - 650 cartons

Wood packaging material
In the case that dried fruit is packaged in wood material, the requirement on wood packaging material will be applicable. The EU has set new phytosanitary measures for all wooden packaging material used for the import of goods into the EU from third countries.

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

Labelling
Labels on the packaging of consumer and catering packs should include the following information:

- Date of manufacture, best-before date and - where necessary - storage conditions;
- A list of ingredients, including colourings and additives;
- Net weight;

- Usage instructions, in the case of products which cannot be consumed or prepared properly without these instructions;
- Name and address (code) of the packer/exporter;
- An indication of the batch number, which may be speCIFied in code;
- Country of origin;
- Name of the product, variety and type;
- The ingredients must be stated on the label in the language of the importing country.

Graphic designs on labels and packaging have little relevance to any product destined for the *food*-processing sector. Labels are either printed on the packaging or glued on.

For more information, refer to:
ⓘhttp://www.intracen.org/ep/welcome2.htm?http&&&www.intracen.org/ep/packit/dried.htm

Tariffs and quota
In general, all goods entering the EU are subject to import duties. The level of tariffs depends on the country of origin and the product. In order to support exports from developing countries, the EU operates the Generalised System of Preferences (GSP). Under the GSP scheme, imports from a number of developing countries are admitted at a reduced tariff and imports from a group of least developed countries are admitted at a zero tariff.

The table below presents an overview of conventional and DC import tariffs for dried fruit products. Please note that the import tariffs change frequently and depend on trade agreements between the EU and developing countries and the sensitivity of the product for EU producers. An up-to-date list of import tariffs can be downloaded at http://export-help.cec.eu.int

HS code	Product	Conventional	Tariff for DC's [3]
0803 00 90	dried bananas, incl. plantains	16%	0%
0804 10 00	dates (fresh and dried)	7.7%	0%
0804 20 90	figs	8%	0%
0806 20 12/92	sultanas	2.4%	0%
0806 20 18/98	other dried grapes	2.4%	0%
0813 10 00	dried apricots	5.6%	0%
0813 20 00	dried prunes	9.6%	0%
0813 30 00	dried apples	3.2%	0%
0813 40 10	dried peaches, including nectarines	5.6%	0%
0813 40 30	dried pears	6.4%	0%
0813 40 50	dried papayas	2%	0%
0813 40 60	dried tamarind fruit	0%	0%
0813 40 70/95	other dried fruit	2.4%	0%
0813 50 12/ 15/19/91/99	mixtures of dried fruit	4-9.6%	0%

Source: http://export-help.cec.eu.int (November, 2005)

6 International business practices and sales promotion

International business practices
The *customary methods of payment* and conditions within the sector for dried fruit are comparable to other products in the *food* ingredients sector. The most commonly used

[3] Developing Countries: GSP and SAP countries excluding Myanmar.

terms in the *food* ingredients are documents against payments (D/P) and payments in advance. Most export shipments are partly pre-paid before the ingredients are shipped. Because collections from customers overseas are more difficult, it is recommended to obtain a minimum of 50 percent in advance. Once on-going business and trust is established, exporters should grant their foreign customers standard payment terms. Although complicated and costly for the importer, the use of Letters of Credit is not uncommon. 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.

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. The most commonly used trade term is FOB (Free on Board). Under this term, the seller quotes a price for goods that includes the cost of loading at the port of departure. The buyer arranges for transportation and insurance. Other trade terms used are CFR (Cost and Freight), DDP (Delivered Duty Paid) and CIF (Cost, Insurance, Freight).

Because dried fruits are usually transported as bulked goods, the recommended *mode of transport* is by ocean cargo. Dried fruits are most often transported on pallets in shipping containers. Pallets are of standard size. Boxes or multiple bags are stacked on the pallet in layers on top of each other to make a firm unit load. Transport is usually in 20' or 40' containers and, whilst temperature-controlled containers are not necessarily required, only containers used for foodstuffs are employed. Prior to loading, the container should be inspected for cleanliness, signs of pests and general soundness. Most typically the container is lined with cardboard at the top and around the sides of the stow. The function of the cardboard is to absorb excessive moisture and to prevent the cartons from shifting during transport. When originating in tropical locations, containers are frequently fumigated after stuffing, using a pesticide such as Phostoxin, in order to control any infestation by insects.

Sales promotion
Trade fairs serve as an important promotional tool for targeting importers and producers. Relevant international trade fairs for producers/exporters of dried fruit are:

Trade fairs	What?	Where?	When?	More information
FI Europe	Food products, product development and quality	Paris, France	biennial, 29 Nov-1 Dec 2005	http://www.fi-events.com
ISM	Sweets and biscuits fair	Cologne, Germany	annual, 29 Jan – 1 Feb 2006	http://www.ism-cologne.com/
BioFach	Organic and natural products	Nuremberg, Germany	annual, 16-19 February 2006	http://www.biofach.de
Alimentaria	International food and beverages exhibition	Barcelona, Spain	biennial, 6-10 March, 2006	http://www.alimentaria.com
Natural Products Europe	Natural products	London, UK	annual, 9-10 April 2006	http://www.naturalproducts.co.uk/
SIAL	Trade exhibition for the food industry	Paris, France	biennial, 22-26 October 2006	http://www.sial.fr
IFE	International food and drink exhibition	London, UK	biennial, 2007	http://www.ife.co.uk
AGF Totaal	Worldwide trade fair for fruit and vegetables	The Netherlands, Rotterdam	biennial, 10-12 September 2007	http://www.agftotaal.nl/
Anuga	Leading trade fair for world-wide food and beverage	Cologne, Germany	biennial, 13-17 October 2007	http://www.koelnmesse.de

Other interesting events can be found at:
- UC Fruit & Nut Calendar: http://rics.ucdavis.edu/fnric2/calendar.shtml

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

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

Magazine	More information
International Food Ingredients	http://www.ifi-online.com/
Foodnews	http://www.agra-net.com/
Food Engineering & Ingredients	http://www.rbi-nl.com/feionline/index.asp
The Clipper, Nuts and Sweets	http://www.agropress.com
Market News Service	http://www.intracen.org

☞ 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 ‘Food Ingredients for Industrial Use’.

7 Interesting organisations and Internet sites

For more interesting links, please also refer to the CBI EU Market Surveys ‘Preserved Fruit and Vegetables’, ‘Food Ingredients for Industrial Use’ and ‘Organic Food Products’ and to Linkplaza on CBI’s website at http://www.cbi.nl

Product-specific information	Internet site
International Tropical Fruits Network	http://www.itfnet.org/default.fm
Transport Information Service	http://www.tis-gdv.de/tis_e/ware/inhaltx.htm
European Project FRUIT & VEG	http://www.fruitveg.com/uk
Transport Information Service	http://www.tis-gdv.de/tis_e/ware/inhaltx.htm
Infoagro.com – dried fruit information	http://www.infoagro.com/frutas/eng.asp

Organisations related to the *food ingredients* sector in general	Internet site
CIAA: Confederation of the Food and Drink Industries of the EU	http://www.ciaa.be
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
IFOAM - International Federation of Organic Agriculture Movements	http://www.ifoam.org
UNCTAD - Commodities Market Information	http://www.unctad.org/infocomm/anglais/indexen.htm

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