CBI MARKET SURVEY

THE FRESH FRUIT AND VEGETABLES MARKET IN ESTONIA

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Introduction
This CBI market survey gives exporters in developing countries information on main developments in the fresh fruit and vegetables market in Estonia. The information is complementary to the information provided in the CBI market survey 'The fresh fruit and vegetables market in the EU' which covers the EU in general. That survey also contains an overview and explanation of the selected products dealt with, some general remarks on the statistics used as well as information on other available documents for this sector. It can be downloaded from http://www.cbi.nl/marketinfo.

1. Market description: consumption and production

Consumption
Estonia has the smallest market for fruits and vegetables of all EU countries and one of the lowest levels of consumption per caput. According to the Statistical Office of Estonia, consumption of fresh fruit in 2005 was 53 thousand tonnes and 39 kg per caput (Statistics Estonia 2006).[1] From 2001 to 2005, fruit consumption declined by 5%.

Consumption of vegetables in 2005 amounted to 77 thousand tonnes and 57 kg per caput. From 2001 to 2005, vegetables consumption decreased by 4%.

Production
Estonia is also the smallest producer of fruit and vegetables in the EU, with 0.1% of EU total. Fruit production in 2005 amounted to 8 thousand tonnes, mainly strawberries, apples and currants (FAO 2006). From 2001 to 2005, fruit production decreased by 70%. In August 2003, parts of Estonia suffered from drought and fruit trees shed their fruits before the maturity stage was reached (Estonian Ministry of Agriculture, 2006).

Vegetables production in 2005 amounted to 53 thousand tonnes, which was a decrease of 87% compared to 2001.

Trends
The disposable income of Estonians is growing, although it is still at one of the lowest levels in the EU. Estonian consumers have an interest in new and imported food products, especially young and urban people. Trends such as health and convenience are not (yet) as strong as in Western European countries.

Opportunities and threats
Estonia has a small market for fruit and vegetables, but production of fruit is far short of demand. Estonia therefore has to import fruit to meet the domestic demand. With increasing income, the demand for off-season products and exotics is likely to pick up.

Useful sources
- Estonian Ministry of Agriculture. http://www.agri.ee/eng
- Statistics Estonia, statistical office of Estonia - http://www.stat.ee
- FAOSTAT, Statistical Database on Agricultural Production - http://faostat.fao.org

[1] These figures may differ from figures in the CBI market survey Fresh fruit and vegetables in the EU. In the CBI market surveys covering individual countries, national sources are preferred for providing the most detailed information, while the general survey uses statistics that are easily comparable between countries.

- USDA, Foreign Agricultural services. http://www.fas.usda.gov

2. Trade: imports and exports

Imports
Estonia is a very small importer of fresh fruit and vegetables compared to other EU countries. In 2005, fruit imports were €33 million and 59 thousand tonnes, 0.2% of total EU import value in 2005 (Eurostat 2006). From 2001 to 2005, import value of fruit increased by 17%. 81% of total value was imported from other EU countries; 16% of the imports came from developing countries.

Fruits with the largest import value in 2005 were bananas, tangerines, grapes, apples and berries. The Netherlands is the main supplier of fruits followed by Spain. Fruit products with the largest imports from developing countries were bananas, grapes and watermelons (Table 2.1).

In 2005, total vegetables imports were €13 million and 22 thousand tonnes, 0.1% of total EU import value). From 2001 to 2005, import value of vegetables increased by only 0.1%. 96% of total import value in 2005 originated from other EU countries; 3.6% came from developing countries.

The vegetables with the largest import values in 2005 were tomatoes, cucumbers and sweet peppers. The Netherlands is the main supplier of vegetables (62% of total import value in 2005). Vegetables with the largest imports from developing countries were tomatoes and cucumbers (Table 2.1).

Table 2.1 Import from developing countries by Estonia and leading suppliers, import value in thousand euro (€)

Total fruit	**16% of total import value 2005**	
Product	**DC imports**	**Leading DC suppliers**
Bananas	4,531	Panama (75%), Costa Rica (16%), Ecuador (8%)
Grapes	414	Chile (50%), Turkey (39%), Moldova (8%)
Watermelons	168	Ukraine (97%), Turkey (3%)
Total vegetables	**3.6% of total import value 2005**	
Product	**DC imports**	**Leading DC suppliers**
Cucumbers	265	Ukraine (100%)
Tomatoes	89	Turkey (80%), Ukraine (20%)

Source: Eurostat 2006

Exports
Exports of fruit amounted to €0.7 million and 0.9 thousand tonnes in 2005, 0.01% of total EU export value of fruit (Eurostat 2006). The main exported fruits were grapes, cranberries and tangerines.

In 2005, exports of vegetables were €2.0 million and 2.2 thousand tonnes, 0.02% of total EU export value of vegetables. The main exported products were cabbage, lettuce and cucumbers.

Opportunities and threats
Estonia is only a small importer of fruits and vegetables. Imports of exotics and off-season fruit (intra EU and extra EU) are also very small as well as vegetables imports. Bananas are the only exotic that is imported directly from developing countries, albeit in small amounts. Exporters of developing countries are advised to also look at those EU counties that supply exotics and off-season products to Estonia (mainly the Netherlands and Spain).

Useful sources
- EU Expanding Exports Helpdesk - http://export-help.cec.eu.int/
- Eurostat – official statistical office of the EU - http://epp.eurostat.cec.eu.int
- Estonian Trade website - http://www.estoniantrade.ee

3. Trade structure

Supermarkets and hypermarkets are the most important sales channel for imported food. The largest multiple retailers in Estonia are:

- ETK (Estonian retail cooperative, http://www.etk.ee)
- Kesko, (Finish K-Group, http://www.kesko.fi)
- Selver (http://www.selver.ee)
- RIMI Eesti (http://www.rimi.ee)
- Prisma (Finish S-Group, http://www.s-kanava.fi)

These retailers have their own import facilities (or buying groups) or buy from wholesalers.

For contact details on importers of fruit and vegetables in Estonia, you may try the Estonian Trade website - http://www.estoniantrade.ee

4. Prices

From 2003 to 2005, the average import price of fruit increased by 16%, to €0.56 per kg. The average price of fruit imported from developing countries increased by 13%, to €0.58. The prices of selected products from developing countries in 2005 were: bananas €0.67; grapes €0.65

Over the same period, the average import price of vegetables increased by 17% to €0.60 per kg. The average price of vegetables imported from developing countries increased by 33% to €0.40. The prices of selected products from developing countries in 2005 were: cucumbers €0.92; tomatoes € 0.71.

For additional price information, please refer to Today Market European markets – http://www.todaymarket.com/eu_pric.htm. Importers and agents can also give up-to-date information on the prices of individual products.

5. Market access requirements

Manufacturers in developing countries should be aware of the market access requirements of their trading partners and the country government. Requirements are demanded through legislation and through labels, codes and management systems. These requirements are based on environmental, consumer health and safety and social concerns. For more information go to 'Search CBI database' at http://www.cbi.nl/marketinfo

For fresh fruit and vegetables, the reduced value-added tax (VAT) rate of 5% is applicable.

6. Business practices

For information on doing business in Estonia, please refer to the Estonian Chamber of Commerce – http://www.koda.ee.

7. References

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