

CBI MARKET SURVEY

THE FRESH FRUIT AND VEGETABLES MARKET IN FINLAND

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Introduction

This CBI market survey gives exporters in developing countries information on some main developments in the fresh fruit and vegetables market in Finland. 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**

Finland has a small market for fruits and vegetables compared to other EU countries. In 2002, consumption of fruit was 58 kg per caput. With a population of 5.2 million people in 2002, this amounted to 302 thousand tonnes. Citrus fruits were the most popular, accounting for 23% of total fruit consumption, followed by apples with 19%.

Consumption of vegetables in 2002 was 270 thousand tonnes (52 kg per caput). Tomatoes were most popular with 10.4 kg per caput (20% of total vegetables consumption, followed by carrots (16%), cucumbers (15%) and onions (10%) (FreshFel Europe 2004).¹

Production

Total fruit production in 2005 was 15 thousand tonnes (0.02% of total EU production). Between 2001 and 2005, production of fruit decreased by 25% (FAO 2006). More than 50% of production consisted of strawberries. Other fruits produced in Finland are apples and several species of berries and currants.

Total production of vegetables amounted to 229 thousand tonnes in 2005. Since 2001 production of vegetables has increased by 3%. Carrots accounted for 26% of total production, cucumbers 19%, tomatoes 15% and cabbages 12%.

Trends

Due to the growing awareness of the effect of food on health, nutrition habits are changing gradually from protein-rich and high-fat diets to more low-fat diets with more vegetables and fruits (National Public Health Institute undated).

Finland has a high percentage of out-of-home consumption. Finnish people eat at least one meal a day outside of home, often a warm lunch. Food services are therefore an important channel for fruit and vegetables (National Public Health Institute undated).

Less time is available for cooking at home and the demand for convenience food is growing.

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.

Opportunities and threats

Climatic conditions in Finland (cold winters, temperate summers and low solar radiation levels) limit the growing season and thus production in open field. Most of the fruit for domestic consumption and part of the vegetables have to be imported.

Consumption levels of exotics are low but have the potential to grow like in other Scandinavian countries.

Useful sources

- Ministry of Agriculture and Forestry - <http://www.mmm.fi>
- National Public Health Institute - <http://www.ktl.fi>
- Finnish Food Marketing Association - <http://www.ptv.fi>
- FAOSTAT, Statistical Database on Agricultural Production - <http://faostat.fao.org>
- FreshFel, forum for the European fresh fruits and vegetables chain- <http://www.freshfel.org>

2. Trade: imports and exports

Imports

In 2005, fruit imports were €211 million and 234 thousand tonnes (1.2% of total EU import value in 2005) (Eurostat 2006). From 2001 to 2005, fruit import value increased by 6%. 86% of total value was imported from other EU countries; 10% of the imports came from developing countries.

Fruits products with the largest import value in 2005 were bananas, apples, tangerines and grapes. The Netherlands was the main supplier of fruits followed by Sweden and Germany. Fruit products with the largest imports from developing countries were bananas, apples, oranges, tangerines, and pears and quinces (Table 2.1).

In 2005, total vegetables imports were €100 million and 79 thousand tonnes (1% of total EU import value). From 2001 to 2005, import value of vegetables increased by 15%. 99.4% of total import value in 2005 originated from other EU countries; 0.5% came from developing countries.

Vegetables with the largest import values in 2005 were tomatoes, sweet peppers, cabbages and lettuces. Spain and the Netherlands were the main suppliers. The imports from developing countries consisted of small quantities of alliaceous vegetables and minor products.

Table 2.1 Import from developing countries by Finland and leading supplying countries with their market shares, values in thousand euro (€)

Total fruit	10% of total import value 2005	
Product	DC imports	Leading DC suppliers
Bananas	11,067	Costa Rica (74%), Ecuador (13%), Colombia (6%), Panama (6%)
Apples	4,671	Brazil (76%), Argentina (15%), Chile (7%)
Oranges	2,361	Egypt (54%), South Africa (28%), Morocco (18%)
Tangerines	1,774	Morocco (77%), Peru (23%)
Pears and quinces	227	Argentina (100%)
Total vegetables	0.5% of total import value 2005	
Product	DC imports	Leading DC suppliers
Leeks and other alliaceous	335	China (98%), Thailand (1.6%)

Source: Eurostat 2006

Exports

Finland's exports of fruit and vegetables are very small: €0.8 million and 700 tonnes in 2005 (0.01% of total EU export value of fruit) (Eurostat 2006). The main fruits exported were cranberries, grapes and strawberries.

In 2005, exports of vegetables were €2.6 million and 1.7 thousand tonnes (0.03% of total EU export value of vegetables). Mushrooms were the main exported vegetable.

Opportunities and threats

Finland is not an important importer of fruits and vegetables from developing countries. Most exotics and off-season fruit and vegetables are imported from other EU countries; only bananas are partly imported directly from developing countries. Exporters wishing to enter the Finnish market should therefore also look at those EU countries that supply Finland with exotics and off-season products (mainly the Netherlands, Germany and Belgium).

Useful resources

- EU Expanding Exports Helpdesk - <http://export-help.cec.eu.int/>
- Eurostat – official statistical office of the EU - <http://epp.eurostat.cec.eu.int>
- Enterprise Finland, information on trade with Finland - <http://www.enterprisefinland.fi>

3. Trade structure

The market share of hypermarkets, large supermarkets and discount stores in total food sales has increased considerably over the years. They are the most important retail outlet for fresh fruit and vegetables (USDA 2003). The best way of entering the Finnish market is through an agent or importer specialised in tropical products.

The largest food retail companies in Finland are:

- K-Group (<http://www.kesko.fi>)
- S-Group (<http://www.s-kanava.fi>)
- Tradeka/Wihuri (<http://www.tradeka.fi>)

The three largest importers/wholesalers in Finland are

- Kesko Food Ltd. (part of K-Group, <http://www.kesko.fi>);
- Inex Partners Oy (for S-Group, Tradeka/Wihuri, <http://www.s-kanava.fi>);
- Tuko Logistics (<http://www.tuko.fi>).

The largest wholesale market is located in Helsinki - <http://www.helsingintukkutori.com>

For information on more importers, please contact the Finnish Foreign Trade Agents' Federation – <http://www.agenttiliitto.fi>.

4. Prices

From 2003 to 2005, the average import price of fruit decreased by 1%, to €0.90 per kg. The average price of fruit imported from developing countries increased by 2% to €0.70. 2005 price levels and their development since 2001 of selected products from developing countries were: bananas +21%, €0.74 per kg; apples -20%, €0.65 per kg; oranges -13%, €0.55 per kg; tangerines -16%, €0.78 per kg; pears and quinces +29%, €1.30 per kg.

Over the same period, the average import price of vegetables decreased by 5% to €1.26 per kg. The average price of vegetables imported from developing countries increased by 4% to €2.4 per kg in 2005.

The Market New Service 'Fresh Tropical and Off-Season Fruit and Vegetables' of the International Trade Centre provides regular and detailed information about prices of fruit and vegetables - www.p-maps.org/mns.

Importers and agents can also give up-to-date information on the price levels 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 defined through legislation and private labels, codes and management systems. These requirements are based on environmental, consumer health and safety and social concerns. More information is available from the CBI website at: <http://www.cbi.nl/marketinfo>.

For fresh fruit and vegetables, the reduced value-added tax (VAT) rate of 17% is applicable.

6. Business practices

Quality standards for fruit and vegetables are high and the delivery of produce must be strictly according to agreement. Punctuality of delivery is important.

For more information on doing business in Finland, please contact

- The Central Chamber of Commerce of Finland - <http://www.keskuskauppakamari.fi>.
- Enterprise Finland, information on trade with Finland - <http://www.enterprisefinland.fi>

7. References

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