

CBI MARKET SURVEY

THE FRESH FRUIT AND VEGETABLES MARKET IN HUNGARY

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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 Hungary. 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**

Hungarian fruit consumption was 52 kg per head in 2005, below the EU average (Hungarian Central Statistical Office 2005).¹ With a population of 10.1 million people in 2005, the total market size was 525 thousand tonnes. From 2001 to 2003, fruit consumption decreased by 9% from 2001 to 2003.

Domestic consumption of vegetables (fresh and processed) in 2003 was 46 kg per head. The Total market for vegetables in 2003 was 465 thousand tonnes. Between 2003 and 2005, consumption of vegetables increased by 3%.

Production

Hungary is the seventh largest producer of fruit in the EU. Production amounted to 2.2 million tonnes in 2005, 3% of total EU fruit production. From 2001 to 2005, fruit production increased by 16%. Grapes were the major fruit produced in Hungary, accounting for 38% of total production. Apples accounted for 33% of total, followed by watermelons (12%), sour cherries (4%), peaches and nectarines (3%).

In 2005, Hungary produced 1.8 million tonnes of vegetables, 3% of total EU production. Since 2001, vegetables production has increased by 4%. Hungary is, together with France, the only producer of sweet corn in the EU. In 2005, the country produced 500 thousand tonnes of sweet corn, 28% of total vegetable production. Tomatoes accounted for 16% of production, followed by cabbages (10%), sweet peppers (6%) and onions (6%).

Trends

Hungary is a low-income country compared to other EU countries. The GDP per caput in 2004 was 60% of the EU average, but it is expected to increase. Hungarians with relatively high incomes tend to adopt a western lifestyle and consumption pattern, consuming more exotic and off-season fruits. In general, however, Hungarian consumers are price-conscious shoppers, sensitive to changes in price of fruit and vegetables. Sales of exotics and off-season fruits have grown strong over the last years and this is expected to continue (USDA 2005).

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

Hungary is a net exporter of fruit and vegetables but does not produce exotics nor is it able to supply fruit and vegetables year round. There is clearly a growing demand for exotics and off-season products.

Useful sources

- Hungarian Central Statistical Office – <http://portal.ksh.hu>
- Ministry of Agriculture and Rural Development – <http://www.fvm.hu>
- USDA, Foreign Agricultural Services. <http://www.fas.usda.gov>
- FAOSTAT, Statistical Database on Agricultural Production – <http://faostat.fao.org>

2. Trade: imports and exports

Imports

In 2005, Hungarian fruit imports were €135 million and 234 tonnes, 0.8% of total EU import value (Eurostat 2006). From 2001 to 2005, import value of fruit increased by 217%. In 2005, 73% of total value was imported from other EU countries; 26% from developing countries.

Fruits with the largest import value in 2005 were bananas, oranges and tangerines. Spain is the main supplier of fruits to Hungary, followed by Italy and Turkey. Fruits with the largest imports from developing countries were bananas, lemons and limes, cherries, grapefruits and grapes (Table 2.1). Turkey was the main supplier of these fruits except for bananas. 40% of the bananas were imported directly from developing countries; the rest was supplied by other EU countries (Germany, Belgium and France).

In 2005, total vegetables imports were €70 million and 89 thousand tonnes, 0.7% of total EU import value. From 2001 to 2005, import value of vegetables increased by 550%. In 2005, 55% of total import value came from other EU countries; 23% was from developing countries.

Vegetables with the largest import values in 2005 were tomatoes, sweet peppers and mushrooms. Spain, Turkey and Romania are the main suppliers. Vegetables with the largest imports from developing countries were sweet peppers, tomatoes and cucumbers. For all these vegetables, Turkey was the main supplier.

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

Total fruit		26% of total import value 2005	
Product	DC imports	Leading DC suppliers	
Bananas	15,133	Colombia (35%), Ecuador (24%), Ivory Coast (18%), Costa Rica (18%)	
Lemons and limes	6,344	Turkey (99%), Egypt (1%)	
Cherries	3,102	Turkey (100%)	
Grapefruits	2,126	Turkey (100%)	
Grapes	1,921	Turkey (100%), FJR Macedonia (1%)	
Total vegetables		23% of total import value 2005	
Product	DC imports	Leading DC suppliers	
Sweet peppers	7,397	Turkey (65%), Morocco (24%), FJR Macedonia (7%), Jordan (4.3%)	
Tomatoes	5,758	Turkey (95%), Jordan (4.0%)	
Cucumbers	1,373	Turkey (91%), FJR Macedonia (7%), Morocco (1%)	

Source: Eurostat 2006

Exports

Hungarian fruit amounted to €44 million and 161 thousand tonnes in 2005, 0.4% of total EU export value (Eurostat 2006). From 2001 to 2005, exports of fruit decreased by 19%. The exported fruit products were watermelons, cherries and apples.

Exports of vegetables were €79 million and 79 thousand tonnes in 2005, 0.9% of total EU export value. From 2001 to 2005, exports of vegetables decreased by 4%. Sweet pepper and mushrooms were the main exported vegetables.

Opportunities and threats

Hungary is a small importer of fruits and vegetables from developing countries. Being a land-locked country, direct imports from developing countries are received by air, or by land via other countries registering the goods as transit trade. Nevertheless, direct imports of exotics, off-season fruit and vegetables are growing strongly. Exporters from developing countries are advised to look for trading partners both in Hungary itself and in those EU countries supplying Hungary with products from developing countries, in particular Germany, Belgium and Italy.

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>
- Hungarian Central Statistical Office, data on external trade – <http://portal.ksh.hu>

3. Trade structure

The share of hypermarkets, supermarket and discount store in food sales is increasing. Traditional outlets, however, account for a substantial share of the sales of fresh fruit and vegetables in Hungary. 30% of the Hungarians buy their fruit and vegetables at greengrocers (Fruchthandel 2005). The largest multiple retailers in Hungary are foreign owned, except for CBA. These multiple retailers are:

- CBA (<http://www.cba.hu>);
- Coop (<http://www.coop.hu>);
- Tesco (<http://www.tesco.hu>);
- Metro Group (<http://www.metro.co.hu>).

Most of the multiple retailers have their own import facilities or are part of a buying group. Some of these buying groups are Metspa (<http://www.metspa.hu>) and Provera (<http://www.provera.hu>).

The largest wholesale market is located in Budapest – <http://www.nagybani.hu/en>.

The website of the wholesale market Budapest provides a list of FFV wholesalers – <http://www.nagybani.hu/en/vallalkozasok.php>.

4. Prices

From 2003 to 2005, the average import price of fruit increased by 24%, to €0.58 per kg. The average price of fruit imported from developing countries increased by 30%, to €0.59. The price levels and developments of selected products from developing countries were: bananas +22%, €0.51; lemons and limes +12%, €0.58; cherries +253%, €2.27; grapefruit +19%, €0.58; grapes -47%, €0.72.

Over the same period, the average import price of vegetables increased by 97% to €0.78 per kg. The average price of vegetables imported from developing countries increased by 112% to €0.83. The price levels and developments of selected products from developing countries were: sweet peppers +41%, €0.96; tomatoes +62%, €0.88; cucumbers +9%, €0.55.

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 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 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, a value-added tax (VAT) rate of 20% is applicable as of September 1, 2006.

6. Business practices

For information on doing business in Hungary, please refer to the following sources:

- Budapest Chamber of Commerce and Industry - <http://www.bkik.hu/bkikeng>.
- Omek, the most interesting trade fair for fruit and vegetables held in Hungary - <http://www.omek-2005.hu>).

7. References

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