

CBI MARKET SURVEY**THE FRESH FRUIT AND VEGETABLES MARKET IN PORTUGAL****Publication date: October 2006****Introduction**

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

Consumption per caput of fruit and vegetables in Portugal is well above the EU average. In 2005, fruit consumption was 2.3 million tonnes, an increase of 4% compared to 2001. The most popular fruits are apples, bananas, citrus fruit and pears (DAFNE Network 2005).

Vegetables consumption amounted to 2.4 million tonnes in 2005, a decrease of 1% compared to 2001. The most popular vegetables are cabbages, onions, carrots, tomatoes and lettuce.

Production

Production of fruit in 2005 was 1.9 million tonnes, 3% of total EU fruit production (FAO 2006). From 2001 to 2005, the total production of fruit increased by 9%. Grapes were by far the largest product, accounting for 52% of total fruit production. Portugal is a significant producer of (fortified) wines, for which the largest part of the grapes is used. Other fruits produced were oranges (13%), apples (13%), pears (7%) and tangerines (3%). Citrus fruit and grapes experienced the largest growth. Portugal is the only country in the EU that produces pineapples, but production volumes are very small. In 2005, pineapple production amounted to 2 thousand tonnes.

The production of vegetables in 2005 was 2.9 million tonnes, 4% of total EU vegetables production. A wide variety of vegetables is produced; tomatoes account for 49% of total vegetables production. Carrots, cabbages, onions and lettuce are the next main products.

Trends

The Portuguese eat a wide variety of fruits including exotics such as bananas, pineapples and mangos. As in other EU countries, awareness of the effect of food on health is growing in Portugal. Portuguese people are changing to more health lifestyles and fruits and vegetables are seen as important ingredients of a healthy meal.

Opportunities and threats

Portugal produces many fruits, including exotics such as pineapples and small amounts of bananas. Imports are necessary to meet demand for exotics and off-season products. Thanks to the climate, Portugal is able to produce a wide variety of vegetables through a large part of the year. Portugal will probably remain a net exporter of vegetables. Consumption of vegetables is almost completely met by domestic production (see also Chapter 2).

Useful sources

- Ministry of Agriculture, Rural Development and Fisheries - <http://www.min-agricultura.pt>.
- USDA, Foreign Agricultural Services. <http://www.fas.usda.gov>
- FAOSTAT, Statistical Database on Agricultural Production - <http://faostat.fao.org>
- DAFNE Data Food Networking - <http://www.nut.uoa.gr>

2. Trade: imports and exports

Imports

In 2005, fruit imports were €348 million and 514 thousand tonnes, 1.9% of total EU import value (Eurostat 2006). From 2001 to 2005, import value of fruit decreased by 5%. In 2005, 52% of total value was imported from other EU countries; 48% from developing countries.

In 2005, the main imported fruits were, by value, bananas, apples, pineapples and grapes. Spain was the largest supplier of the EU countries. The main fruits imported from developing countries were bananas, pineapples, apples, mangoes, guavas and mangosteens, and grapes (Table 2.1).

In 2005, total vegetables imports were €90 million and 149 thousand tonnes, 0.9% of total EU import value. From 2001 to 2005, import value of vegetables increased by 16%. In 2005, more than 99% of total import value in 2005 came from other EU countries; less than 1% from developing countries.

The main imported vegetables in 2005 were tomatoes, carrots and beans. Spain accounted for 75% of vegetables supply to Portugal, followed by Germany (15%). Imports from developing countries were limited to small quantities of sweet peppers, beans and garlic (Table 2.1).

Table 2.1 Portuguese imports from developing countries and leading supplying countries, by value in thousand euro (€)

Total fruit	48% of total import value 2005	
Product	DC imports	Leading DC suppliers
Bananas	73,231	Ecuador (42%), Colombia (29%), Panama (18%), Costa Rica (10%)
Pineapples	20,706	Costa Rica (94%), Ecuador (4.5%), Brazil (1.5%), Colombia (0.5%)
Apples	17,094	Argentina (44%), Chile (32%), Brazil (16%), China (6%)
Mangoes, guavas, mangosteens	14,093	Brazil (89%), Venezuela (7%), Costa Rica (3.5%)
Grapes	9,259	South Africa (56%), Chile (36%), Argentina (6%), Peru (1.2%)
Total vegetables	<1% of total import value 2005	
Product	DC imports	Leading DC suppliers
Sweet peppers	48	Brazil (45%), India (32%), Guinea Bissau (15%), Morocco (4.3%), Senegal (3.6%)
Beans	24	Morocco (97%), China (2.3%), Brazil (0.6%)
Garlic	23	China (73%), El Salvador (27%)

Source: Eurostat 2006

Exports

Exports of fruit amounted to €101 million and 152 thousand tonnes in 2005, 0.8% of total EU export value (Eurostat 2006). From 2001 to 2005, exports of fruit increased by 35%. The main exported fruits were bananas, pears and quinces, and pineapples. Most exports are directed to Spain.

In 2005, exports of vegetables were €0.8 million and 0.7 thousand tonnes, 0.5% of total EU export value. From 2001 to 2005, exports of vegetables increased by 54%. The main exported products were lettuce, tomatoes and cabbages.

Opportunities and threats

Although imports of fruit decreased from 2001 to 2005, the imports from developing countries increased. Portugal is interesting for exporters of exotics such as bananas, pineapples and mangoes. Portugal is a re-exporter of these products.

Imports of vegetables from developing countries are limited to small quantities of beans, sweet pepper and garlic. Vegetables imports come almost entirely from other EU countries, especially 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>
- Portuguese Ministry of Economy and Innovation – <http://www.min-economia.pt>
- Portugal In Business, website with information

3. Trade structure

The food retail sector in Portugal is dynamic and very competitive. Supermarkets and hypermarket account for 60% of the total food sales in Portugal. Local fresh markets (street and public markets) and greengrocers are still important outlet channels for fresh fruit and vegetables but are losing market share.

Multiple retailers often have own import facilities. Wholesalers (often cash & carry) are the main suppliers to the traditional markets, but also supply the multiple retailers. The most important multiple retail companies in Portugal are (USDA 2004):

- Modelo Continente – <http://www.modelocontinente.pt;>
- Jerónimo Martins - <http://www.jeronimomartins.pt;>
- Auchan - <http://www.auchan.pt;>
- Intermarche - <http://www.intermarche.be;>
- Carrefour - <http://www.carrefour.pt.>

Portugal has several wholesale markets for fresh fruit and vegetables. SIMAB, the association of wholesale markets in Portugal provides a list of these at: <http://www.simab.pt.>

For contact information of importers and agents, you may refer to the Portuguese Chamber of Commerce and Industry (<http://www.port-chambers.com>).

4. Prices

From 2003 to 2005, the average import price of fruit decreased by 3%, to €0.68 per kg. The average price of fruit imported from developing countries increased by 3%, to €0.69. Price levels and developments of selected products from developing countries were: bananas +21%, €0.60; pineapples -26%, €0.79; apples -7%, €0.63; mangos, guavas and mangosteens +27%, €1.14; grapes +12%, €1.24.

Over the same period, the average import price of vegetables increased by 15% to €0.61 per kg. The average price of vegetables imported from developing countries decreased by 39% to €0.85. Price levels and developments of selected products from developing countries were: sweet peppers (including chillies) +15%, €2.21; beans €0.84; garlic +10%, €0.89.

For price information, please refer to Today Market European markets - http://www.todaymarket.com/eu_pric.htm. Alternatively, 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, 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 Portugal, try the following source:

- Lisbon Trade Association - <http://www.port-chambers.com>.

7. References

DAFNE Network. 2005. DAFNE Data Food Networking, initiative of DG Health and Consumer Affairs, Health Monitoring Program, coordinated by National and Kapodistrian University of Athens, School of Medicine, Athens, Greece. Website <http://www.nut.uoa.gr>.

Eurostat. 2006. Statistical Office of the European Communities, COMEXT database on external trade, available at <http://fd.comext.eurostat.ec.eu.int/xtweb/>.

FAO. 2006. FAOSTAT, Statistical Database on Agricultural Production. Available at <http://faostat.fao.org>.

USDA 2004. Portugal – Retail Food Sector Annual 2004. Gain Report Number PO4025. USDA Foreign Agricultural Services.

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