



Exotic Fruits in the European Market



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Quick read

- Europe is increasing exotic fruit consumption and opportunities are arising from that trend
- With increasingly busier lifestyles, consumers are more often eating away from home or “on the go”. To bring a healthy balance to this lifestyle, consumers are shifting towards healthier fruit-based snacks.
- Fruits are finding place in innovative snacks such as fruit muesli and tropical yogurts.
- From our analysis of market trends, we foresee the rise of companies which innovate sweet snack products, substituting added sugar with healthier sweet fruits.
- Exotic fruit-based snacks should be appealing enough to elicit interest, but tasteful and healthy enough to continue to grow in popularity within European markets and globally.

Introduction

As Europe increases exotic fruit consumption, we explore if that presents opportunities for tropical producers, innovative niche snack manufacturers and hard-discount retailers.

Positive Trends

Globally, consumption of exotic fresh produce is increasing exponentially, even more so for certain products, such as pineapple, mango and avocado. There is an increase in avocado consumption in north and western Europe, while in the rest of Europe consumption of tamarinds, jackfruit and lychee is trending positively.

The chart below shows a growing market for exotic fruits including dates, figs, pineapples, avocados, guavas, mangoes and mangos teens in Europe, fresh or dried. Countries such as France, UK and Spain are experiencing double digit growth rates.

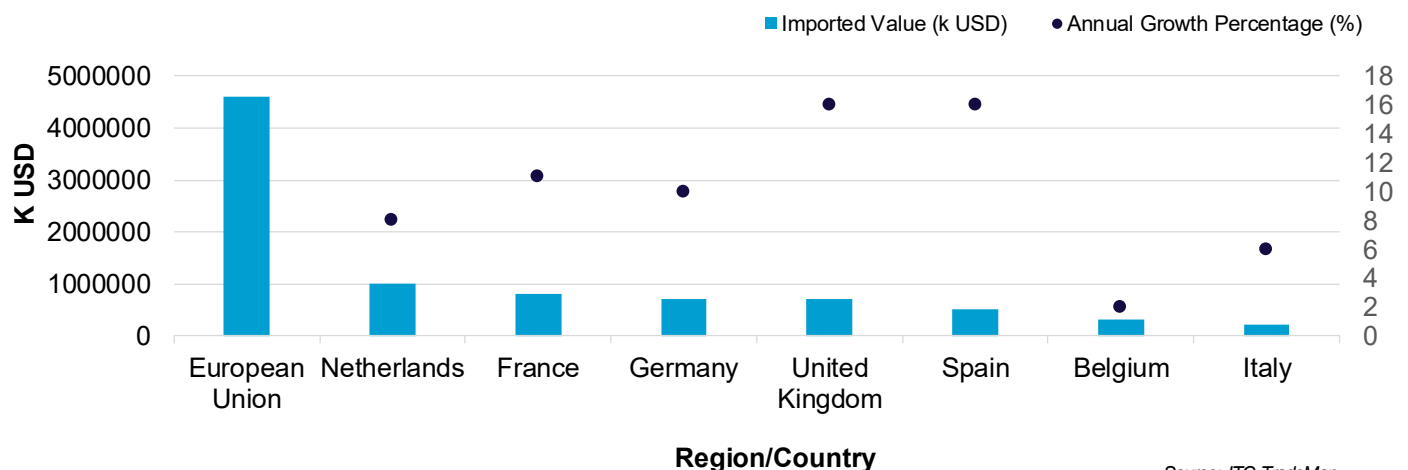
Diverse Market

The demand for fresh fruit and vegetables has traditionally been driven by price, but today’s market has become more diverse. While “hard-discounters” continue to capture increasing market shares, consumers are complementing their price-conscious shopping with more upmarket speciality food products. It is also worth considering if consumers are using savings from “hard-discounters” to make other premium purchases, and if that creates an opportunity for hard-discount retailers that is still untapped?

However, branding and storytelling are necessary key levers to support the marketing of exceptional taste experiences such “Discover More” by Fyffes or “A day in Life of...” campaign of Total Produce.

Fresh produce such as avocados and mangoes have shown robust growth in annual imports of 10% to 20% in recent times in the European market, while staples such as oranges and tomatoes have seen little fluctuation (see chart below).

Import of selected exotic fruits in Europe, 2016



Source: ITC TradeMap



Key Demand Drivers

It is worth considering several important demand drivers in the development of any sales or marketing strategy in this highly specialized and emerging category –

Breaking away from Processed Sugar

Following WHO guidelines about sugar intake, several European countries are considering new regulations to lower citizens' sugar intake levels. Ireland and the United Kingdom are leading the movement with a bold sugar tax proposed to come into effect in 2018. To maintain their revenue, juice companies are launching labels such as “no added sugar”, “sugar free” or “low sugar” with greater proportion of fruit in fruit-based drinks. Juice companies are also trying to create positive health perception about juices by adding naturally sweet fruits and minerals, which is all leading to increased demand for exotic fruits that are sun ripened and full of flavour. In fact, Nestle, wants to reduce sugar consumption to achieve 10% savings by 2018. It plans to substitute sugar with more cocoa powder from cocoa fruit in its flagship Kit-Kat bars.

Organic Opulence

The organic market in Europe continues to grow at a double-digit growth rate. In 2015, it increased by 13% and reached nearly €30 billion. In Germany, the largest European market, the organic market grew by nearly 10% in 2016 to €9.5 billion. Switzerland leads the organic food consumption per capita worldwide with an average of €274 per capita spent on organic produce, followed by Denmark and Sweden. Organic exotic fruit is a niche within a niche, but the combination can be very profitable. There are specialised importers of exotic fruit and organic produce which can be found at organic-bio database. In fact, EU implemented electronic certification in 2017 to better monitor imports of organic products and make the import efficient by simplifying the administrative procedures.

Superfruit Swell

“Superfruits” have no official definition in the USA or Europe, however their advocates claim such fruits to have superior health benefits by being either nutrient dense or containing antioxidants. As the general “superfood” trend grows, producers and retailers are introducing new superfruit products in the market. A

notable trend is the increasing consumption of pomegranate juice. Although South America still produces the largest volume of superfruit (açai, acerola, camu camu, lucuma, maca, amongst others), African and Asian producers are now enjoying growing interest for products such as dried baobab and moringa. We attribute the growing trend of “superfruits” to rising consumer income and more efficient global logistics which can transport even delicate fruits with less spoilage.

Snap Snacks: Fresh Cut and Frozen

Consumers are demanding fresh, healthy, convenient and additive-free snacks which are safe and nutritious. Tropical fresh-cut fruits are particularly attractive to young consumers and ‘baby boomers’ who consume these products as snacks. With recent developments in physical and chemical post-cutting treatments such as edible coatings and natural antimicrobials, we believe this trend will continue to grow in the European market. The market will continue to see more fresh-cut tropical fruits including melons, cantaloupe, watermelon, mangoes, mangos teen, rambutan, jackfruit, pumelo, papaya, durian, grapefruit, pineapples and fruit mixes. Also, we believe frozen technology offers significant opportunities to export tropical fruits to premium markets in Europe.

Conclusion

With increasingly busier lifestyles, consumers are more often eating away from home or “on the go”. To bring a healthy balance to this lifestyle, consumers are shifting towards healthier fruit-based snacks. Fruits are finding place in innovative snacks such as fruit muesli and tropical yogurts. From our analysis of market trends, we foresee the rise of companies which innovate sweet snack products, substituting added sugar with healthier sweet fruits. The exotic fruit-based snacks would be appealing enough to elicit interest, but tasteful and healthy enough to continue to grow in popularity within European markets and globally.



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