



**Practical market insights into your product**

# Exporting fresh tropical fruits from Colombia, Ecuador and Peru to Europe

Many tropical fruits such as granadilla, pitahaya and guanabana are niche products on the European market where many consumers are still not familiar with these fruits. Trade in such exclusive tropical fruits remains small in terms of volumes which keeps costs of distribution high, resulting in high prices of the products and making them affordable only for affluent consumers. The good news is that this group is growing and that familiarity with exclusive tropical fruits is spreading.

Suppliers of exclusive tropical fruits can stimulate their sales through B2B and consumer promotion and responding to consumer needs. The main target group of affluent consumers appreciates the exclusivity and health benefits of the products and in recent years demand for reduction of plastic use for packaging has become strong. Take advantage of such information and tips in this document to respond to consumer needs and increase your sales.

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## PRODUCT DESCRIPTION

This factsheet provides information on the European market for fresh exclusive tropical fruits from Colombia, Ecuador and Peru. Examples of exclusive tropical fruits from these countries include:

- Passion fruit (granadilla, maracuya, gulupa)
- Pitahaya (yellow and red)
- Guanabana (English: soursop)
- Cherimoya
- Mangosteen
- Tamarillo

Where available, this factsheet provides product specific information.

### CLASSIFICATION CODES OF FRESH EXCLUSIVE TROPICAL FRUITS IN THE HARMONISED SYSTEM (HS):

- 0804.50: guavas, mangoes and mangosteens
- 0810.90.20: Fresh tamarinds, cashew apples, lychees, jackfruit, sapodilla plums, passion fruit, carambola and pitahaya
- 0810.90.20.10: pitahaya
- 0810.90.75.90: other fresh fruits (large rest group including guanabana, cherimoya and tamarillo)

The European statistics agency Eurostat uses above HS codes for registration of imports of fresh tropical fruits.

## WHAT MAKES EUROPE AN INTERESTING MARKET?

In Europe, many tropical fruits such as granadilla, pitahaya and guanabana are still exclusive niche products as many consumers are not familiar with these fruits. Expanding the market requires suppliers to educate consumers about the taste and health benefits of exclusive tropical fruits and how to store, ripen, prepare and eat these fruits. This will require considerable promotion efforts, such as in-store promotion and on-pack communication. The promotion needs to take away any perceived barrier to use the tropical fruit, such as a perception that the fruit is difficult to process or eat.

Trade in many exclusive tropical fruits currently consists of relatively small quantities compared to trade in other fruits considered 'exotic' in Europe, such as mangoes, pineapple and avocados. Whereas importers of the latter exotic fruits mostly purchase container loads, importers of many tropical fruits mostly purchase single or a few pallets per order only. In many cases, these pallets contain several tropical fruits.

### TIP:

- Enable European buyers to place consolidated orders of different tropical fruits. Consider partnerships with other exclusive tropical fruits producers in your country to provide a single platform where buyers can purchase a variety of tropical fruits and possibly other types of fruits from the different partners and arrange logistics accordingly. Ensure that temperature control during transport is adjusted to the different requirements for each tropical fruit.

Demand for exclusive tropical fruits peaks around Christmas and Easter when European consumers look for premium products to prepare luxurious meals in celebration of these holidays. In some of the smaller tropical fruits markets within Europe, this is the only time of the year that wholesalers import exclusive tropical fruits directly from the countries of origin

**IMPORTS OF EXCLUSIVE TROPICAL FRUITS TO EUROPE****TABLE 1: IMPORTS OF FRESH TAMARINDS, CASHEW APPLES, LYCHEES, JACKFRUIT, SAPODILLA PLUMS, PASSION FRUIT, CARAMBOLA AND PITAHAYA (HS 0810.90) TO EUROPE (EU28 + EFTA), IN THOUSAND TONNES**

	2014	2015	2016	2017	2018
<b>The Netherlands</b>	63	53	60	68	75
<b>Germany</b>	56	57	52	52	57
<b>Italy</b>	29	33	35	38	41
<b>France</b>	33	29	38	41	38
<b>Belgium</b>	27	24	27	20	27
<b>United Kingdom</b>	17	22	23	25	25
<b>Total Europe</b>	298	302	330	349	350

Source: ITC TRADEMAP, 2020

**TABLE 2: IMPORTS OF FRESH GUAVAS, MANGOES AND MANGOSTEENS (HS 0804.50) TO EUROPE (EU28 + EFTA), IN THOUSAND TONNES**

	2014	2015	2016	2017	2018
<b>The Netherlands</b>	150	147	166	159	211
<b>Germany</b>	66	73	74	87	102
<b>United Kingdom</b>	60	72	83	85	86
<b>France</b>	46	42	58	62	67
<b>Spain</b>	29	36	38	44	53
<b>Portugal</b>	24	26	28	31	39
<b>Total Europe</b>	464	482	549	585	691

Source: ITC TRADEMAP, 2020

Germany, the United Kingdom and France are the largest consumption markets within Europe for exclusive tropical fruits. These West European countries have large populations with high disposable incomes who are the main consumers of exclusive tropical fruits. The relatively high prices of tropical fruits limits consumption to consumers with high disposable incomes. In Eastern Europe where populations with high disposable incomes are smaller, consumption of tropical fruits is also smaller.

In South European countries such as Spain and Italy, domestic fruit producers are strong competitors for tropical fruit suppliers. Consumers in these countries have a stronger preference for fruits from their countries than North European consumers, which are more open to exclusive fruits from outside Europe.

The Netherlands has a somewhat smaller population with high disposable incomes and is less important as a consumption market. Nonetheless, the Netherlands plays a key role in the import of exclusive tropical fruits. Importers in the Netherlands re-export most of their tropical fruits to other European countries. Similarly, Belgium has a significant role in re-exporting tropical fruits to other European countries. Refer to the section on trade channels for more details.

Strong relationships with Latin American countries are one of the main reasons for the large roles of Spain and Portugal in the European exclusive tropical fruit market. Especially diaspora from Latin American countries account for much of the tropical fruits consumption in Spain and Portugal. The strong relations with the countries of origin has led to wider consumer recognition of tropical fruits in these countries.

East European countries mostly have smaller populations with high disposable incomes, lack strong relations with Colombia, Ecuador and Peru, are not major re-exporters and consequently have less demand for exclusive tropical fruits.

Scandinavian countries have relatively high disposable incomes and consumers are open to fruits from outside Europe. However, their populations are small, they lack strong relations with Colombia, Ecuador and Peru, and they are not major re-exporters. They source their exclusive tropical fruits mostly in the Netherlands and Germany.

**FIGURE 1: MAP SHOWING DIRECT SUPPLIES TO MAIN END-MARKETS AND ROLE OF THE NETHERLANDS AS RE-EXPORTER**



Source: ProFound, 2020

**FLIGHT CONNECTIONS PLAY AN IMPORTANT ROLE IN EXCLUSIVE TROPICAL FRUIT TRADE**

Flight connections are another major factor explaining current trade flows for exclusive tropical fruits. Amsterdam in the Netherlands, London in the United Kingdom, Frankfurt in Germany, Paris in France and Madrid in Spain have some of the best connected airports with frequent flights to Colombia, Ecuador and Peru. Flights to many other European countries require transfers at these main airports, which increase costs and time of air transport.

**GROWING DISPOSABLE INCOMES STIMULATE DEMAND FOR EXCLUSIVE TROPICAL FRUITS****TABLE 3: ADJUSTED GROSS DISPOSABLE INCOME OF HOUSEHOLDS PER CAPITA IN EUROPE, PURCHASING POWER STANDARD**

	2014	2016	2018
<b>Luxembourg</b>	32,368	31,761	33,332
<b>Switzerland</b>	29,270	29,623	n. a.
<b>Germany</b>	26,783	27,914	29,258
<b>Norway</b>	27,911	27,335	n. a.
<b>The Netherlands</b>	24,208	24,449	25,648
<b>EU28</b>	20,862	21,810	22,824

Source: Eurostat, 2020

As demand for exclusive tropical fruits is strongly related to the size of disposable incomes, the growth of disposable incomes implies a growing demand for exclusive tropical fruit. Although consumers in West European countries have the highest disposable incomes, growth of disposable incomes has been particularly high in East European countries such as Romania (+42%), Latvia (+27%), Lithuania (+18%), Slovakia (+18%) and Czech Republic (+15%). These countries are likely to follow consumption trends in West European countries including an increased consumption of exclusive tropical fruits. When disposable incomes continue to rise at these rates, this can result in interesting opportunities for South American suppliers of exclusive tropical fruits.

**JUICES INDUSTRY LEADS THE WAY FOR EXCLUSIVE TROPICAL FRUITS**

Juice manufacturers are often the first market players to introduce new exclusive tropical fruit flavours to the European market. They can use small volumes of preserved tropical fruits, such as concentrates, to create new exciting juice flavours. As they only need to use small amounts of the relatively expensive exclusive tropical fruits in their juices to be able to mention the tropical fruit on the label, they can keep prices of their juices affordable. Alternatively, they can use larger amounts of exclusive tropical fruits to create premium smoothies, which often contain a mix of fruits and sometimes vegetables. After the juice manufacturers, dairy manufacturers are often second in line to use exclusive tropical fruits in their products. They can use IQF tropical fruits or purees in yoghurts for example to develop new products with exciting flavours.

The use of preserved tropical fruits as ingredients paves the way for fresh tropical fruits. Consumers become familiar with the names and tastes of the tropical fruits and are more likely to buy the fresh fruits.

**TIP:**

- Establish sorting and grading to sort out fruits which are more suitable for processing into juices or otherwise preserved fruits. Those fruits generally have a lower value. Then establish cooperation with fruit processors to supply them with your fruits which are most suitable for processing.

**SOCIAL AND ENVIRONMENTAL SUSTAINABILITY OF TROPICAL FRUIT PRODUCTION AND TRADE GAIN IMPORTANCE**

Many consumers in Europe have concerns over the sustainability of the products they consume. They expect that suppliers of these products take responsibility for the social and environmental sustainability of production and trade. Particularly large retailers such as supermarket chains have taken measures to respond to this change in consumer expectations.

Most of these large retailers require their fruit suppliers to provide data on their sustainability through [Sedex/SMETA](#), [BSCI](#) or [GRASP](#) schemes. As exclusive tropical fruits are niche products, retailers are less strict on participation in these sustainability schemes by exclusive tropical fruit suppliers than for mainstream fruit suppliers. For exclusive tropical fruit suppliers, participation in these sustainability schemes is still a way to distinguish themselves from competitors. Early adopters of the sustainability schemes can position themselves as sustainable producers and claim a competitive edge versus other producers. By promoting their achievements in terms of sustainability they can gain interest from the group of leading importers that are raising sustainability standards in the exclusive tropical fruits market. In the coming years, as retailers expand the scope of their strict sustainability requirements to include more niche products, participation in these schemes will become a more common requirement for all exclusive tropical fruit suppliers.

As importers supply buyers who need SMETA, buyers who need BSCI and buyers who need GRASP, importers usually require that their suppliers participate in all of these schemes. Costs of certification by the certification body, excluding costs of implementation measures, are around € 1,000-1,500 for each certificate. Large producers can afford to obtain all certificates. However, small producers have difficulties to make these investments. They can associate with other producers, form cooperatives or involve sector organisations and NGOs to organise group certifications to reduce costs.

The [GLOBALG.A.P.](#) standard covers several environmental aspects of sustainability such as prevention of excessive use of pesticides. Few tropical fruit buyers, mostly in Germany, also require organic certification to position themselves as suppliers of environmentally sustainable products. The organic certification also strengthens their image as suppliers of healthy and premium products. As, organic farming is particularly difficult in tropical climates, the current offer of organic certified exclusive tropical fruits is negligible. Suppliers with an organic certificate do not face much competition in their niche market. Average price premiums for organic exclusive tropical fruits are 15-20%. However, during peak harvesting season when availability is high, price premiums can decrease to zero.

European concerns over carbon footprints of products are growing. However, most retailers and importers are not yet expecting suppliers to take measures.

#### TIPS:

- For many suppliers, compliance with the GLOBALG.A.P. Risk Assessment on Social Practice (GRASP) standard is a relatively easy step to work towards sustainability. GRASP is an additional module for GLOBALG.A.P. certified producers to assess social practices on the farm, addressing specific aspects of workers' health, safety and welfare. However, for some retailers, GRASP is insufficient to comply with their expectations regarding social responsibility. Social certification schemes that are in line with the [Global Social Compliance Programme](#) (GSCP) have a greater chance of being accepted by European supermarkets.
- Only implement an organic production system when you have access to the necessary expertise. Organic production of tropical fruits is more difficult than conventional production. Productivity is generally lower and pests and diseases are often more difficult to control due to limitations set by the EU organic standard.
- Read more about the different sustainability standards on the [ITC Standards Map](#). It contains a benchmark for relevant additional standards.

#### CONSUMERS WANT PRODUCTS WITH LESS PLASTIC PACKAGING

Plastics made from non-renewable resources such as petroleum are increasingly seen as a threat to sustainability. Despite recycling possibilities for certain plastics, consumers are pushing suppliers to use less packaging and particularly less plastic. Many (re-)packers of tropical fruits are switching to paper-based packaging solutions. Until recently, only boxes containing fruits were expected to be made from recyclable cardboard while liners inside these boxes and individual packaging were often made from plastics. In the coming years, these liners and trays for individual products will increasingly consist of paper-based solutions.

Depending on the debate around recyclable, biodegradable and compostable plastics, and potential development of new recyclable, biodegradable and compostable plastic packaging solutions, acceptability of plastics amongst consumers may still change.

**TIPS:**

- Change to paper-based packaging instead of plastic packaging if you have not already done this.
- When you need transparent plastic packaging to keep your products visible, consider using a top seal tray instead of a plastic clamshell to reduce the amount of plastic. A top seal is a paper-thin seal glued to the container.

**FIGURE 2:  
EXAMPLES OF A TOP SEAL  
ON A CARDBOARD CONTAINER  
AND PLASTIC CLAMSHELLS**



Source: FreshPlaza.com




## WHAT REQUIREMENTS MUST YOUR PRODUCT COMPLY WITH?

### REQUIREMENTS YOU MUST MEET

Compliance with legislative requirements is a pre-condition for any successful business. Exclusive tropical fruit exporters must pay special attention to legislation regarding Maximum Residue Levels for pesticides as this is a frequent bottleneck facing many exporters of tropical fruit. Specific MRLs can be found in the [EU pesticides database](#). For example, you can find [MRLs for cherimoyas](#), [guanabanas](#) and [passion fruits](#). European importers regularly check the products upon arrival for pesticides residues and other types of contamination. Products containing more pesticides than allowed will be withdrawn from the EU market and costs of withdrawal will be charged to the supplier. Moreover, the [Rapid Alert System for Food and Feed \(RASFF\)](#) will notify importers and cause reputational damage. When dangerous contamination of supplies from a certain country is frequent, EU authorities can impose additional controls such as testing on imports from that country. This will increase costs and can cause delays for all supplies from that country.

Large retailers often have even more strict MRLs than those specified by EU legislation. Therefore, MRL control is among the most important requirements to meet if you aim to export your produce to large retailers in Europe. This is particularly relevant for exporters to retailers in Germany which, alongside the United Kingdom, applies the strictest MRLs at the retail level in Europe. As a general rule, German retailers apply an MRL which is 3 times stricter than the EU legislation and some German retail chains can set the MRL limit even stricter. In the past few years, other EU countries have followed the example of Germany.

**FIGURE 3: MRL LIMITS OF MAJOR GERMAN RETAILERS COMPARED TO THE LEGAL LIMIT**

	<ul style="list-style-type: none"> <li>&lt;70% of MRL EU per ingredient</li> <li>&lt;80% of the sum or MRL EU</li> <li>&lt;80% of the sum of acute reference dose</li> <li>&lt;5 active ingredients found</li> </ul>
	<ul style="list-style-type: none"> <li>&lt;33% of MRL EU</li> <li>&lt;100% of the sum of acute reference dose</li> </ul>
	<ul style="list-style-type: none"> <li>&lt;70% of MRL EU per active ingredient</li> <li>&lt;70% of acute reference dose per active ingredient</li> <li>Prohibited products (blacklist)</li> </ul>

**TIPS:**

- In order to prevent exceeding the MRLs for pesticides, you can implement measures to reduce the use of pesticides, such as [Integrated Pest Management \(IPM\)](#). IPM consists of a set of measures for agricultural pest control that includes growing practices and chemical management. GLOBALG.A.P. includes IPM and implementation of GLOBALG.A.P. is an important milestone if you need to address MRL issues.
- Refer to the [EU Trade Helpdesk](#) for more information on legal requirements.

Compliance with [phytosanitary requirements](#) to prevent the introduction and spread of organisms harmful to plants and plant products in Europe is generally not a problem. Nonetheless, you must comply with requirements of the [National Plant Protection Organisation](#) in your country if you want to be able to export.

**COMMON REQUIREMENTS**

The requirements listed below are common in Europe. Most of your competitors already comply with these requirements.

Food safety is top priority for all buyers of food products in Europe and compliance with legal requirements of the European Union only is insufficient to gain access to the fresh fruit market. Almost all large retailers require compliance with [GLOBALG.A.P.](#), a pre-farm-gate standard that covers the whole agricultural production process, from before the plant is in the ground to the non-processed product (processing is not covered). This applies to large retailers in both Western and Eastern Europe, as many of these retailers are part of international retail chains, which usually harmonize their buyer requirements for the entire European market. Although retailers were previously only demanding GLOBALG.A.P. certification from producers of commodities, niche products such as tropical fruits are also becoming subject to this requirement.

**TIP:**

- When you decide to obtain a GLOBALG.A.P. certificate, hire an accredited and reputable Certification Body for the certification. You can find a [database with GLOBALG.A.P. approved Certification Bodies](#) on the GLOBALG.A.P. website.

Processors of tropical fruit such as manufacturers of concentrates must comply with additional requirements regarding food safety. Most European buyers require suppliers of processed tropical fruits to have more than a basic [HACCP](#) system in place. They require an advanced food safety management system which is supplementary to GLOBALG.A.P. and recognised by the [Global Food Safety Initiative](#) (GFSI):

- [BRC](#) (British Retail Consortium)
- [IFS](#) (International Food Standard)
- [FSSC22000](#) (Food Safety System Certification)
- [SQF](#) (Safe Quality Food Programme)

Similar to MRLs for pesticides, acceptable levels for microbiological contamination are becoming increasingly strict. Many buyers mention a maximum plate count of 10,000 for yeasts and moulds. However, buyers are increasingly demanding even lower limits of 5,000 or even 1,000.

**NICHE REQUIREMENTS**

In the exclusive tropical fruit market, [Fairtrade](#) certification is rare. Nonetheless, many affluent and highly educated European consumers realise that tropical fruits are coming from developing countries where living standards are low. This particular consumer group constitutes a niche for products which are certified [Fairtrade](#) and to a lesser extent [Fair for Life](#). Fairtrade certification is particularly relevant for suppliers that aim to position themselves as socially responsible suppliers and are interested to use the Premium Funds from Fairtrade sales to the benefit of the producers, such as training or access to healthcare.



**TIP:**

- Examine your company's current social performance, for example by completing a self-assessment on the [BSCI website](#).

**QUALITY REQUIREMENTS**

The Codex Alimentarius of the World Health Organization (WHO) and the Food and Agriculture Organization (FAO) is a collection of internationally adopted food standards including specific [marketing standards for tropical fruits](#):

- Pitahaya
- Passion fruit
- Mangosteen

A very important general quality of tropical fruit is its freshness, which is usually measured in ripeness. In order to secure the freshness of the exotic fruit, air transport is preferred because it is much quicker (1 day) compared to sea transport (2 weeks) particularly among specialised tropical fruit importers. Although advanced climate control for sea containers can theoretically keep products fresh, actual freshness of fruit transported by sea is often inferior. Nevertheless, importers with the need for scale (i.e. mainstream importers) prefer sea transport over air transport.

**Passion fruit**

Maracuya passion fruits should be harvested when they are >75% turning yellow or purple (depending on the variety). Normally the ripening of the fruit occurs on the vine. Fruit harvested earlier have an unripe flavour and taste (i.e. sour) due to low sugar content. The sugar content will not increase after the fruit is picked from the vine. The recommended sugar content is between 13°-15° Brix.

Purple passion fruit are typically 40 to 60 mm long and 40 to 50 mm wide, while yellow maracuya is typically 50 to 120 mm long and 40 to 80 mm wide. Fruit mass on average varies between 65 and 75 g per fruit. The outer skin is about 3 mm thick and is yellow or purple when ripe, depending on the type. The percentage of the fruit pulp should be approximately 65% of total weight.

**Granadillas**

Granadillas for fresh sales should be harvested two or three times per week when they are fully developed. The fruit should be shiny and coloured orange with white spots. Similar to maracuya passion fruits, granadilla fruit which are harvested earlier have an inferior flavour and taste, due to a low sugar content. The sugar content will not increase after the fruit is picked from the vine. The recommended sugar content is between 13°-15° Brix.

Granadillas should be between 60 to 70 mm long and 50 to 60 mm wide. Fruit mass varies between 65 and 80 g per fruit. The outer skin is about 3 mm thick and is orange when ripe.

**Pitahaya**

Yellow pitahaya, which is mostly grown in Colombia, is a round or oval shaped fruit, weighing 120 to 250 g and measuring up to 100 mm. The outer skin is approximately 10 mm. The taste of the yellow variety of pitahaya is considered to be superior over the pink variety in terms of flavour, due to its sweeter taste (approximately 14°-17° Brix). Consumers of the red varieties often use these varieties for decorative purposes instead of consuming them.

### EXAMPLES OF PACKAGING FOR FRESH EXCLUSIVE TROPICAL FRUITS:



### PACKAGING REQUIREMENTS

The purpose of packaging is twofold: the boxes protect the tropical fruits and represent the company's image. Some exporters produce their own boxes. However, the production of boxes is a completely different business to that of growing exotic fruits and their box quality is often insufficient. The collapse of boxes after stacking is a common problem. Exporters are advised to check with the European importer before transport.

Please note that your buyer will mostly require boxes for wholesale instead of consumer product packaging. After arriving in the country of destination, the final product packaging into consumer portions for retail sales is mostly carried out by EU players (e.g. importers and retailers). Re-packing tropical fruits in Europe instead of in the country of origin allows importers to sort out fruits damaged during transport to Europe and pack the products according to the needs of their customers on that particular day. When your buyer will re-pack the fruits, you can usually use your own design for the boxes to make a favourable impression on European distributors. When your buyer will distribute the boxes to their buyers without re-packing, your buyer will often demand that you pack the fruits in boxes with their design.

Nonetheless, the way you pack your products for transport is a major aspect of the post-harvest stage, as is pre-cooling, sorting and clearly marking your products. Important aspects during transport are protection from mechanical damage and rotting:

- Quality should be ensured by climate control during transportation.
- Packaging material for container transport and refrigerated sea transport must be permeable to allow a vertical airflow through the cartons and packaging.
- When shipping fruits by air, pre-cooling must be similar to the temperature inside the plane, which is often between +8.0° and +10.0° C. When the pre-cooling temperature is too low, condensation on the fruit can occur resulting in mould development.
- Packaging materials must be recyclable or biodegradable for sustainability purposes.

The pallet or container for transport must be loaded efficiently, which implies that your stacked boxes match airfreight and EU pallet sizes: <http://en.wikipedia.org/wiki/Pallet#Dimensions>. Boxes for exclusive tropical fruits generally contain 2-3 kg of fruits.

#### TIP:

- Take photos throughout the entire post-harvest process and send them to your buyer. When your buyer claims that there is a quality problem with the product caused by inappropriate handling during the post-harvest process, you can use these photos to show how you handled the product.

### LABELLING REQUIREMENTS

Labelling must comply with the EU legislative requirements and specific requirements of your buyer. General rules on food labelling are set out in [EU Regulation 1169/2011](#).

The label of fresh fruits must include the following items:

- The name of the product if the contents are not visible from the outside
- Information about the producer/packer/dispatcher
- Country of origin of the product
- Commercial specifications: class, size or size code, net weight and optionally the number of units
- Traceability code (and if certified GLOBALG.A.P., add GG number)
- Official control mark (optional)
- Special storage conditions

Specific rules for packaging, marking and labelling for a number of fruit and vegetables are explained in the EU marketing standards described in [Regulation 1308/2013](#).

## WHAT COMPETITION DO YOU FACE?

### MARKET ENTRY

Some exclusive tropical fruits from Colombia, Ecuador and Peru have not been consumed to a significant degree in Europe and require authorisation to be placed on the market as a Novel Food. [Authorisation](#) requires suppliers to successfully finish an application procedure which requires documentation to show that the fruit has traditionally been eaten in the country of origin.

#### TIP:

- Use the [EU Novel Food catalogue](#) to check if your tropical fruit is considered a Novel Food in the EU and if it is authorised to place the fruit on the European market.

Compliance with food safety requirements and certification are major challenges for tropical fruit exporters to enter the European market. The large retail chains, which account for a large part of the tropical fruits market in the European market and especially the northwest European market, have enormous buying power and very strict requirements. The implementation and certification of Good Agricultural Practices and food safety management systems requires considerable resources, which are often not available to small individual producers.

The main obstacle for developing direct trade with small markets within Europe, such as Denmark or Czech Republic is the combination of perishability and high prices of exclusive tropical fruits. As a result of the high prices, demand is low and volumes traded by importers remain very small. This keeps costs of distribution high, which translates to high prices of the products.

Another barrier to direct trade with small markets within Europe is the underdeveloped infrastructure (incl. transport and storage) for direct trade of tropical fruit in those countries. Although most countries have infrastructure for trade in fresh fruit, exclusive tropical fruit trade requires specific logistics and handling. For example, flight connections between Colombia, Ecuador and Peru on the one hand and small European markets on the other hand are not as good as connections with Germany or the Netherlands. It can be very difficult and costly for exporters to obtain freight space on (cargo or passenger) flights to smaller European countries. Therefore, transport is among the most critical issues when exporting tropical fruit directly to small European markets. As a result, many buyers in those countries prefer to source small volumes via specialised importers in Western Europe.

#### TIPS:

- Smaller producers need to partner with other companies to make the investment of resources into compliance with buyer requirements cost effective. They can associate with other producers or form a cooperative to combine resources and benefit from economies of scale, such as hiring one internal auditor for all partners and organising a combined external audit by the certifier.
- In order to partly overcome the problem of small orders and high distribution costs, exporters of exclusive tropical fruits can source from different producers with a range of tropical fruits to offer wide assortments and allow European importers to compile an order of diverse types of tropical fruit for consolidated transport. When you are a producer of tropical fruits and not yet exporting due to above barriers, you can also partner with other tropical fruit producers to consolidate orders, overcome distribution barriers and become an exporter yourself.

## COMPANY AND PRODUCT COMPETITION

The European market for exclusive tropical fruits is a niche market with relatively few players. Nonetheless, Colombia, Ecuador and Peru are not the only suppliers to this market and knowledge of the competition helps to understand how each country can position itself to benefit from its main strengths.

South American exporters have a good reputation in terms of quality. European buyers appreciate both the quality of the fruit and the quality of the packaging. In comparison to other export countries, South American countries are also known as a reliable source. Quality is known to be consistent and there are few problems with (pesticide) residues. Nevertheless, the latter is increasingly receiving attention from buyers. Therefore, a good reputation in this respect can prove a valuable promotion tool. Safeguard this reputation by continuously instructing your growers on how to minimise pesticide use.

The wide assortment of high quality exclusive tropical fruits is another major comparative advantage of South American exporters. European buyers, particularly the specialised tropical fruit importers, appreciate the possibility to shop for several types of fruit at one supplier. This offers them the opportunity to order small quantities and consolidate different types of fruit into one order, which can be transported cost-efficiently to Europe.

South America also has good potential to distinguish itself from the competition by its strong policies which ensure Corporate Social Responsibility. Codes of Conduct for the entire fresh fruit sector could strengthen South America's reputation in terms of CSR. However, many European buyers also require audits or certificates from third parties, such as the [Business Social Compliance Initiative](#) and the [Ethical Trade Initiative](#).

### Passion fruit

Purple passion fruit is the most common fruit in Europe of the products under review. Purple passion fruit is sold through both specialised and mainstream wholesale channels. Colombia and Ecuador are some of the main exporters of this fruit and are able to compete with all other supplying countries in both types of market channels. Brazil, Kenya, Israel and Indonesia are amongst the main competitors.

Production of passion fruit for the European market is particularly challenging with respect to Maximum Residue Limits (MRLs). So far, Colombia and Ecuador have been able to build a good reputation in comparison to, for example, Kenya.

### Pitahaya

The cultivation of pitahaya, also referred to as pitaya or dragon fruit, consists of different varieties: red peel/red flesh, red peel/white flesh and yellow peel/white flesh. The red varieties are most common and cultivated throughout Asia (Vietnam, Thailand, Malaysia), Israel and South and Central America. The less known yellow variety is produced in Colombia and Ecuador. Consumers who prefer sweet fruits appreciate the high brix levels of 18-22 of the yellow variety, compared to brix levels between 12-14 for white dragon fruit.

The main supplier of red pitahaya to the European market is Vietnam, but during the season it changes to Israel (September, October and November) and South America. Israel and Vietnam supply by sea at a lower cost price than other countries including Colombia and Ecuador, which supply by air. Colombia and Ecuador supply small quantities of the yellow variety of pitahaya.

Most European consumers prefer the taste of Colombian and Ecuadorian yellow pitahaya over the taste of Vietnamese red pitahaya. Red pitahaya is often used solely for decoration purposes and by the Asian population. In light of this, Colombian and Ecuadorian pitahaya seems to have more growth potential than Vietnamese Pitahaya.

In 2018, the National Intellectual Rights Service of Ecuador delivered the certificate of denomination of origin to the Amazonian pitahaya of Palora. The denomination of origin provides recognition of the unique properties of this product from this particular region and prevents producers from other regions to sell their pitahaya as an Amazonian pitahaya from Palora.

### Maracuya

Kenya is a relatively low-cost supplier of maracuya. Their proximity to Europe is a major comparative advantage. The lack of a wide assortment of tropical fruits in Kenya implies a focus on large deliveries.

### Granadilla

Granadilla is still very scarce on the European market. Only a very small group of consumers is willing to pay the high price of the product. Therefore, it is traded in small quantities through specialised channels and has an exclusive image. There are very few exporters of the product. Colombia is the main supplier to Europe, followed at a distance by Peru.

#### TIP:

- Identify during which periods of the year availability of tropical fruits from your competitors is less. Those periods provide windows of opportunity to fulfil demand from buyers. During these periods, they are more open to consider buying from new suppliers.

## THROUGH WHAT CHANNELS CAN YOU GET YOUR PRODUCT ON THE MARKET?

### MARKET SEGMENTS

The European exclusive tropical fruits market consists of two segments: retail and foodservice. The retail segment accounts for the largest part of the European market for exclusive tropical fruits.

#### Retail

In Northern Europe, including the United Kingdom, Scandinavian countries, the Netherlands and Belgium, large retailers such as supermarkets dominate the food retail market. In Southern and Eastern Europe, including Spain and Italy, smaller retailers still account for a large part of food retail sales.

For large retailers in the high-end segment, such as [Waitrose](#) in the United Kingdom, [Edeka](#) in Germany and [Globus](#) in Switzerland, exclusive tropical fruits offer an opportunity to strengthen their position as a high-end retailer. Most customers shopping at these supermarkets have relatively high disposable incomes and are interested to purchase exclusive products of a high quality.

Smaller retailers cannot benefit from the economies of scale of large retailers and must offer consumers other benefits than comparatively low prices and wide assortments to remain competitive. As personnel at these small retailers can provide more personal service than personnel at large retailers, they are able to inform customers about the origin of tropical fruits, their taste and uses. This service is their strength and makes an important contribution to widening knowledge about tropical fruits amongst European consumers.

Two types of small retailers are relevant for retailing exclusive tropical fruits: delicatessen shops and ethnic shops. Delicatessen shops specialise in high-quality exclusive foods and sometimes include exclusive tropical fruits. [BienManger](#) provides an example of an online delicatessen shop. Ethnic shops, particularly those targeting people with a background in Colombia, Ecuador and Peru and people from other origins of tropical fruits, are offering tropical fruits as mainstream products. Consumers of the products in these shops generally know where the tropical fruits are from, how they taste and how to use them.

#### Foodservice

The foodservice segment for exclusive tropical fruits mainly consists of restaurants and catering companies. For chefs in restaurants and at catering companies, exclusive tropical fruits provide unique opportunities to prepare exclusive dishes with exciting flavours. In this segment, there is generally less pressure on producers to adhere to MRLs which are stricter than EU legal MRLs or to participate in sustainability schemes than in the retail segment.

## DISTRIBUTION CHANNELS

All types of retailers and foodservice providers, including the large retail chains, source their exclusive tropical fruits from European importers. Currently, most exclusive tropical fruits enter the European market through Northwest European specialised importers, particularly in the Netherlands. Besides distributing a large part of the tropical fruits to large retailers throughout Europe, they also supply other wholesalers throughout Europe. Those wholesalers then distribute the tropical fruits to food service providers (e.g. restaurants and hotels) and small retailers.

There are two main reasons for the large role of the Northwest European specialised importers in exclusive tropical fruits trade.

1. The specialised importers have most experience in exclusive tropical fruit imports. They can use their expertise on the special logistic requirements, such as temperature control, and strong network to sell these niche products throughout Europe. This enables them to achieve relatively good sales results.
2. The specialised importers are able to import relatively large volumes at frequent intervals to keep transport and transaction costs low and offer relatively competitive prices.

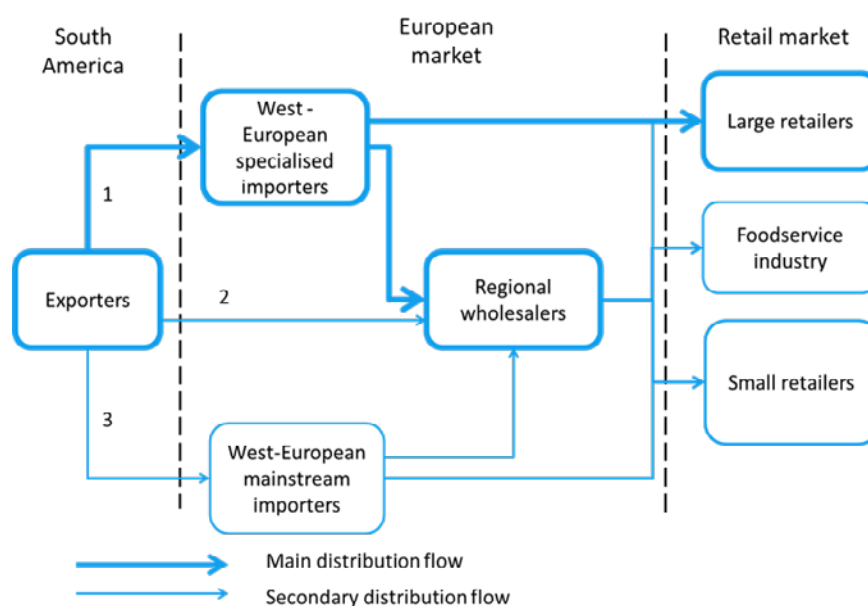
Most mainstream importers are only interested in the import of container loads, while the low volumes and highly perishable character of exclusive tropical fresh fruit demand air freight. This implies that mainstream importers are only interested in mainstream exotic fruit, such as mangoes, avocados, physalis and purple passion fruit.

Regional wholesalers play an indispensable role in the efficient distribution of exclusive tropical fruits to small retailers and foodservice providers. Most of them offer their clients a wide assortment of different products including tropical fruits. They offer a convenient one-stop-shop for their clients. The regional wholesalers mostly need small orders of tropical fruits and cannot import directly from the countries of origin at competitive costs. Only during the Christmas and Easter seasons, when demand for tropical fruits is high, are these regional wholesalers able to import larger quantities directly from countries of origin.

### TIP:

- Try to work with specialised importers of exclusive tropical fruits. They are familiar with different taste preferences and know which varieties fit your destination market.

FIGURE 4: MAJOR MARKET CHANNELS FOR TROPICAL FRUITS



## PROMOTION CHANNELS

### CONSUMER PROMOTION

Turning exclusive tropical fruits from niche products into mainstream products will require education of consumers who are not yet familiar with exclusive tropical fruits. Consumers need information on taste, how to peel the fruit and how to use the fruit in recipes. Featuring exclusive tropical fruits in culinary programmes on tv and online video platforms such as Youtube offers opportunities to provide such information to a large number of consumers. Famous cooks such as Jamie Oliver and Gordon Ramsay are known throughout Europe and have a lot of influence on cooking culture. Jamie Oliver's Youtube channel has nearly 5 million subscribers and Gordon Ramsay's channel has nearly 13 million subscribers. As these culinary programmes receive many requests for featuring ingredients, programmes with less viewers may be more accessible.

Food blogs and magazines, websites and apps for recipes offer similar opportunities as culinary programmes. Some European countries organize awards for food bloggers which are useful to identify relevant blogs. For example, [Food Blog Awards](#) in the Netherlands. In Germany, the magazine '[Mit liebe](#)' of retail chain Edeka is an example of a food magazine where exclusive tropical fruits could feature.

In-store promotions are not very common in Europe. The outreach of such promotions is very limited and the costs of organising and implementing such promotions are relatively high. Hiring a person to prepare the fruit and hand it out to consumers in the store costs an estimated € 250 per day.

On-pack promotion offers opportunities for sales at small retailers. Most large retailers are not interested in on-pack promotion. Scanning a QR-code on the label can send consumers to a website with more information about the product. This enables story-telling, which is relevant for a small, but growing group of consumers with an interest in the background of the products they consume.

### B2B PROMOTION

Trade fairs and other B2B events offer great opportunities to promote products to European importers and wholesalers. The following events are most relevant for the promotion of exclusive tropical fruits in Europe:

- [Fruit Attraction](#)
- [Fruit Logistica](#)
- [Tropical Fruit Congress at MACFRUT](#)

News articles or adverts in magazines and news websites also offer opportunities to bring exclusive tropical fruits to the attention of buyers. Magazines such as [Eurofruit](#) and new websites such as [FreshPlaza](#) are often looking for new content and appreciate corresponding photos with the articles. An advert in a magazine or on a website usually costs around € 500 per month.

## WHAT ARE THE END MARKET PRICES?

Prices of exclusive tropical fruits are volatile and change daily. They depend mostly on availability of supply, which in turn is weather dependent and can change drastically after good or disappointing harvests.

**TABLE 4: PRICES INDICATIONS FOR SELECTED EXCLUSIVE TROPICAL FRUITS**

Type of fruit	Price indication (minimum/maximum per kg)	Conditions (Free On Truck in Europe)
Granadilla (Colombia/Peru)	€ 10	198 boxes of 2 kg
Guanabana (Ecuador)	Min: € 8 Max: € 10	Min: 50 boxes of 7 kg Max: 240 boxes of 1.5-2 kg
Maracuya (Colombia/Ecuador)	€ 9	154-200 boxes of 2 kg 288 boxes of 1.2 kg
Mangosteen	€ 8	200 boxes of 2 kg
Pitahaya (Ecuador, yellow)	Min: € 10 Max: € 14	Min: 180 boxes of 2.2 kg Max: 150 boxes of 2 kg
Pitahaya (Vietnam, red/white)	€ 7	150 boxes of 3 kg
Tamarillo (Colombia)	Min: € 7 Max: € 9	Min: 144 boxes of 2.5 kg Max: 250 boxes of 2 kg
Passionfruit (Colombia)	€ 5	150 boxes of 3 kg

Sources: Price lists specialized importers, February 2020

This survey was compiled for IPD by ProFound – Advisers In Development in collaboration with sector expert Piet Schotel