

TROPICAL FRUIT CONGRESS

THE FIRST TROPICAL FRUIT SUMMIT IN EUROPE

6 MAY 2022

Apulia a future in fruit

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Avocado who does what in Europe

•
Avocados winning trends on the European market

Together with

MACFRUIT 2022

In cooperation with

ncx
Drahorad
SERVING EARTH

TROPICAL FRUIT CONGRESS

THE FIRST TROPICAL FRUIT SUMMIT IN EUROPE

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Texts edited by myfruit.it, media partner of the Tropical Fruit Congress 2022

ncx Drahorad

SERVING EARTH

NCX Drahorad is an Italian service company for the fresh produce industry, founded in 1982 by Rolando Drahorad. Its services span from trading to communication. NCX Drahorad acts a marketing broker on the international markets with a special focus on Italy as an origin and a market, while its media division provides the industry with worldwide and state-of-the-art communication tools, from specialized press to Internet media and dedicated events.

Editorial

The aim of the Tropical Fruit Congress 2022 is to create a unique meeting place for professionals in the tropical fruit industry to discuss and update on market trends, technical innovations and logistical and commercial best practices.

Avocado in particular is the focus product for the 2022 edition. In the category of tropical fruits, avocados are attracting the greatest attention of professionals and consumers for its superfood qualities and numerous opportunities for consumption. Rich in fibre and monounsaturated fats (the "good" ones), avocado is very popular at breakfast, lunch and dinner, as an ingredient in a rich salad or raw, to give a touch of originality to a tasty hamburger or used instead of butter to give creaminess to vegan preparations.

All major Italian retailers rate the growth potential of the tropical fruit category as very high. The avocado has been defined as the phenomenon of 2020 in the world of superfruits: its sell-out has risen by an impressive +67.4%, driven by strong demand (+51.2%) and, in terms of sales, by both the fruit as such and the sauces in which the avocado is used as an ingredient. (Immagino Observatory)

Consumption of avocados in Italy is around 24,000 tonnes (2020) and is growing at a rate of around 20% per year. And this is part of an overall trend where volume consumption of tropical fruit has grown by 45-50% in the four-year period 2017-2020.

There is therefore great potential; in fact, while consumption of tropical products is growing at up to 30% per year according to retailers, penetration in Italian households is still low: for avocados it is 17%, i.e. only about one in six households has bought avocados in the last 12 months. Growth trends are set to continue in the coming years and, with an increasing focus on quality, household penetration is also expected to increase.

In the Southern regions of Italy, there has been growing interest in investing in production in recent years, particularly in Puglia (where around 500 hectares are in production), Calabria and Sicily. More than six out of 10 Italians (61%) would prefer to buy Italian tropicals, according to a Coldiretti-Ixè survey.

Therefore, the Tropical Fruit Congress is a central moment to collect and analyse these trends, providing all participants with the tools to contribute to the development of avocado consumption through strategies that will focus on quality, sustainability, knowledge of market dynamics and attention to the consumer.

Thomas Drahorad
President NCX Drahorad

Programme

6 MAY 2022

10:00

Renzo Piraccini

Macfrut - Italy

10:05

Thomas Drahorad

NCX Drahorad - Italy

10:15

Daria Lodi

CSO - Centro Servizi Ortofrutticoli - Italy

10:30

Mattia Menni

Spreafico - Italy

10:45

Benjamin Tito

Horticultural Crops Directorate - Kenya

11:00

Paz Garcia

Ziehl-Abegg - Germany

11:15

José Chinjamba

AIPEX - Agency for Private Investment and Promotion of Exports of Angola

11:25

Coffee break sponsored by



11:45

Jorge Restrepo

Corpohass - Colombia

12:05

Andrea Passanisi

Sicilia Avocado - Italy

12:20

Therese Bruwer

Westfalia - South Africa

12:35

Ernst Woltering

Wageningen University & Research - Netherlands

13:00

Business Lunch sponsored by



14:00

Alessandro Pasi

Aweta - Italy

14:30

Aldo Pesce

Amenduni - Italy



Renzo Piraccini

MACFRUT - ITALY

President of MacFrut and expert of fruit and vegetable industry. During the course of his professional career he has held important roles in fruit and vegetable sector.



Therese Bruwer

WESTFALIA - SOUTH AFRICA

Therese Bruwer is a horticultural scientist within the Westfalia Fruit International research team. Based in South Africa, she has been involved in subtropical fruit research for more than 20 years. She holds a Masters degree in Horticultural Science from the University of Pretoria, South Africa. She manages the avocado and mango cultivar breeding and evaluation programme for Westfalia Fruit.



José Chinjamba

AIPEX - AGENCY FOR PRIVATE INVESTMENT AND PROMOTION OF EXPORTS OF ANGOLA

Jurist by profession. Master of Laws, specialized in International Law at Bacu State University. As Member of the board of Directors of AIPEX, is in the Legal Department.

Daria Lodi

CSO - CENTRO SERVIZI ORTOFRUTTICOLI - ITALY

Consumption F&V market analyst, statistical office and observatory of CSO Italy. For over 20 years, I have been working in close contact with the Italian F&V community, the development of which I have followed with great interest. Last but not least, my professional experience in F&V is also enriched by my membership of the Associazione Nazionale Donne dell'Ortofrutta (Italian National Association of Women for F&V).



Mattia Menni

SPREAFICO - ITALY

Marketing Manager with a Degree in Business Administration and a Master in Marketing & Business Communication. After more than 15 years of experience in different sectors with a deep focus on the food world, working in international environments, he heads the Spreafico marketing department.





Alessandro Pasi

AWETA - ITALY

Passionately involved in industrial automation systems for sorting and packing fruits and vegetables for over ten years. Alessandro is proud to be the Sales Manager in a company with a decade-long history of reliability and expertise like Aweta Sistemi, which is present in over 45 countries worldwide.

Andrea Passanisi

SICILIA AVOCADO - ITALY

Andrea Passanisi is a Sicilian entrepreneur with a strong passion for agriculture without borders, a deep bond with his origins and an overwhelming desire to redeem and promote his land. With foresight and enthusiasm Passanisi has been able to transform dreams and desires into concrete and tangible realities, founding "Sicilia Avocado".



Aldo Pesce

AMENDUNI - ITALY

Aldo Pesce, Export Sales Manager at Amenduni, holds a Master's Degree in Business Management of International Markets at Bologna Business School. He joined the company nine years ago. He worked on avocado oil projects all over the world. He is very focussed in make oil extraction operations rational and efficient. He can speak fluently five languages.

Jorge Enrique Restrepo Girón

CORPOHASS - COLOMBIA

Executive Director of Corpohass, the Colombian association of Hass avocados growers and exporters, Restrepo is also Vicechairman of the Colombia Avocado Board, member of the Colombian Agriculture Society and Hass Avocado Committee. He is a Business Administrator Engineer with two masters one in Marketing and one Master in Global Markets Management.





Paz García Roque

ZIEHL-ABEGG - GERMANY

Engineer with a major in agriculture and livestock farming by the Polytechnic University of Madrid; she also holds a Master in Business Administration and a bachelor's degree in Cultural Anthropology by UNED.

After more than 20 years of professional international experience, leading technical and sales teams in different industrial sectors, she heads now ZIEHL-ABEGG's Food Market Segment. From this position, she is personally committed now to disseminating the most innovative ventilation technology, widespread nowadays in other markets such as telecoms or renewable energies, also to agricultural, livestock and food processing applications.

Benjamin Tito

HORTICULTURAL CROPS DIRECTORATE - KENYA

Director Horticultural Crops Directorate. A technically skilled agricultural professional with 17 years working experience in both the private and public sectors of the horticulture industry backed by versatile administrative support skills. He holds a Master of Science degree in Agricultural Production Chains Management from Van Hall Larenstein University of Applied Science, in the Netherlands.



Ernst J. Woltering

WAGENINGEN UNIVERSITY & RESEARCH - NETHERLANDS

Ernst J. Woltering (Ernst.Woltering@WUR.NL) is senior scientist and Expertise leader Postharvest Physiology at Wageningen Food & Biobased Research and Professor at Wageningen University (Chair Physiology and Quality of Fresh Produce). He has life-long experience in postharvest research on fruit, vegetables and ornamentals, in teaching and in the supervision of BSc, MSc and PhD students. He has over 150 papers in scientific journals of good standing and is among the 1% most cited authors world-wide in Plant Biology.

Thomas Drahorad

NCX DRAHORAD - ITALY

Thomas Drahorad is the CEO of NCX Drahorad, a service company founded in 1982 that carries out marketing activities in international markets and communication for the fresh fruit and vegetable industry. With over 30 years' experience, his passion for innovative categories and challenging markets has led him to specialise in the most advanced markets (from the UK to overseas) and in value-added products (with a particular focus on berries and seedless grapes). It is also the publisher of the web magazines Myfruit and Italian Berry.



Avocados: winning trends on the European market

FROM READY-TO-EAT AND SUSTAINABILITY, TO ORGANIC PRODUCE AND BRANDING. WHAT ATTRACTS EU CONSUMERS

The final part of the **study conducted by ICI Business** for the Center for the Promotion of Imports from Developing Countries (CBI) examines **tropical fruit consumption in the European Union**. In particular, the study focuses on avocado consumption, which is boosted by its **reputation as a healthy fruit**, product **promotion** and the innovation in **ready-to-eat** avocados. But, due to increased awareness of the matter, **sustainability** has **also** become an important factor in the avocado trade.

READY-TO-EAT AVOCADOS FUEL CONSUMPTION

Avocado consumption is being supported by new developments such as 'ready-to-eat' fruit. Consumers are indeed willing to pay a premium price for what is a safe and easy choice.

The only cautionary advice to exporters is to **check the fruit maturity** before shipping. This is why experience in fruit ripening is rising quickly, supported by technology. Companies offer fruit ripening as a service, and large fruit and vegetable suppliers are also establishing their own ripening facilities. Examples of specialist ripeners are Nature's Pride and LBP in the Netherlands or Ripenow in the United Kingdom.

In 2018 **Lidl** opened **one of Europe's largest ripening facilities in the Netherlands**. From here the company services its distribution centres in the Netherlands and Belgium for avocados, bananas and mangoes.

In addition, new technologies such as **Avos** by the company Experience Fruit Quality (*a portable and non-destructive solution for testing the quality of avocados, Ed.*) will contribute to the optimal quality of ready-to-eat avocados.

The 'ready to eat' trend is **particularly strong in the United Kingdom and the Netherlands**, but many other European countries are catching up. This trend is projected to continue to develop and help boost avocado consumption. Of course, exporters must always take care to supply the right uniform quality.

As an exporter, you can best capitalise on this trend by focusing on importers with ripening facilities, and by supplying avocados with an acceptable dry matter content.

ICI BUSINESS RECOMMENDATIONS FOR PRODUCERS AND EXPORTERS

Supply avocados with a minimum dry matter content of 23%, especially when destined for ripening. You can find further information on buyer requirements for avocados in the CBI study "**Entering the European market for avocados**".



SUSTAINABILITY AS A PREREQUISITE

Environmental and social issues are becoming increasingly important in the supply of fresh fruit and vegetables. This is also true for avocados: it is essential to work on a **sustainable and responsible production**.

There are increasing concerns about water resources, deforestation and supply chain transparency. These concerns regard a number of countries including **Peru, Chile, Mexico and Brazil**. And since avocados are a popular fruit, any negative attention resonates in the public sphere. Although this has had little impact on the general consumption so far, it could **influence the sourcing preferences and certification demands** of buyers. Avocado traders will have to prove to consumers that their products are produced sustainably: this trend is expected to gather momentum in the long run.

Avocado exporters have taken steps to improve their sustainability. Companies such as the **Chilean Subsole** have implemented a number of different projects tackling environmental issues, including the management of water, soil, energy and waste. Nonetheless, as an exporter you must be able to demonstrate your good practices and to convince importers and retailers in Europe.

A large number of retailers and importers are committing themselves to social standards such as the **Sedex Members Ethical Trade Audit (SMETA)**, or initiatives such as the **Sustainability Initiative Fruit and Vegetables (SIFAV)**. For example, together with SIFAV, the Eosta company has increased transparency in Kenya with “Living wages in practice”. Social and environmental standards and certifications such as GlobalGAP, Grasp, Smeta and Bsci have become an essential prerequisite for the import of fresh tropical fruit like avocados.

ICI BUSINESS RECOMMENDATIONS FOR PRODUCERS AND EXPORTERS

Promote sustainable agriculture and proactively demonstrate the actions taken to reduce water usage. Pay particular attention to this matter in water-scarce regions. Get certified and implement standards. See the SIFAV basket of standards for relevant social and environmental standards, but also try to think creatively and undertake activities to guarantee a sustainable production and sustainable water use.

PAY ATTENTION TO THE HEALTH FACTOR

Avocados have earned a good reputation for their health benefits. In the future, consumers will pay increasing attention to this aspect and, as a result, there will be opportunities to take advantage of the **growing demand for organic avocados**.

Consumers in Europe are becoming more aware of health issues and are paying more attention to their diet. Avocado fits well in this trend thanks to its good fat (unsaturated), fibre, vitamins and minerals. It also caters to specific consumer groups that favour a plant-based diet, such as vegans, vegetarians and flexitarians. All these aspects are leveraged in the promotion of avocados and contribute to the increasing consumption throughout Europe. Health is also the reason why the COVID-19 pandemic delivered a positive boost to the consumption of healthy fruits such as avocados.

Thanks to the increased attention to health and the environment, interest in organically produced avocados is growing. However, the current supply does not fully meet the market demand due to the difficulty of producing organic avocados. Organic avocados present an opportunity for those growers who are able to produce in accordance with the strict European guidelines governing organic production.

ICI BUSINESS RECOMMENDATIONS FOR PRODUCERS AND EXPORTERS

Familiarise yourself with the organic guidelines and with organic farming in Europe before getting into the organic trade.





PROMOTION, INNOVATION AND BRANDING IMPROVE THE CONSUMER EXPERIENCE

The promotion of avocados has reached extreme levels. This explains why avocados have followed a strong upward trend, but it is also a reason for caution, as certain trends don't last forever. As a supplier, the best way to boost the promotional strength of avocados is to provide a **positive background story about the origin and the growers of** your fruit.

Branding and promotions can help improve the consumer experience and their perception of quality. Avocados have great promotional value and are unique in the fresh sector in terms of their level of innovation. While importers create **ready-to-eat or organic avocado brands**, striving to associate their brand with quality, retailers try to steal the limelight with all kinds of variations: avocados for home ripening in Plus supermarkets; fresh guacamole kits by the Dutch retailer Albert Heijn; from supersized to egg-sized avocados, and the gourmet Gem variety available from Tesco; seedless avocados from Marks & Spencer; ecologically labelled avocados thanks to laser technology, available from Marks & Spencer and the Swedish supermarket ICA.

The Western obsession with avocados has become so extreme that nowadays there are even **restaurants dedicated to avocados**: the franchise restaurant The Avocado Show in Amsterdam and Brussels, and the Avobar in London.

ICI BUSINESS RECOMMENDATIONS FOR PRODUCERS AND EXPORTERS

Create and communicate the story of your product (what promise does it deliver?) and be consistent with your supply. Avocados benefit from their promotion, but your contribution as a supplier is limited and your actions must be targeted at your buyer.

These are some of the points that will come under the spotlight at the **Tropical Fruit Congress** taking place on **6th May at Macfrut** in Rimini. **Myfruit.it** is the media partner for the event and in the coming weeks will publish data and trends relating to exotic and tropical fruit, with a particular focus on the European market.

Avocados: explosion of Super shoppers in the US

A STUDY BY THE HASS AVOCADO BOARD HIGHLIGHTS THE GROWING SEGMENT OF SUPER SHOPPERS

Avocados are finding their way onto the tables of more and more **American households**. In fact, a recent Hass Avocado Board study reveals that between 2016 and 2019 purchases of this fruit rose significantly.

The study attributes this increase in particular to the **explosion of avocado “Super shoppers”**. These **heavy shoppers spend at least 26 dollars or more a year** and, from 2016 to 2019, accounted for **94% of the increase in avocado sales**. In 2019, Super shopper households were also responsible for 70% of total avocado purchases.

The Super shopper segment is growing faster than the other three segments analysed in the HAB study and in 2019 accounted for **28% of all American households**, compared with 25% in 2016. Conversely, “light shopper” households made up 22% of the total in 2019, down from 25% in 2016.

“As avocado shoppers move to higher purchase levels, they will find themselves as a member of the Super household segment,” explains **Emiliano Escobedo**, executive director of the Hass Avocado Board. “Understanding and engaging with this shopper group is **key to the future growth** of the avocado category.”

By **Raffaella Quadretti**



#Purchases

#United States

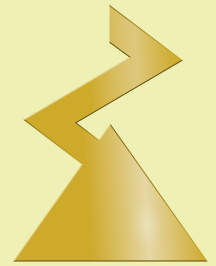
#Avocado

A COUPLE OF RECOMMENDATIONS FOR DRIVING SALES

The study also suggests key **actions and opportunities** to drive avocado sales as the industry looks to the future. The two key recommendations of the study are: **continue to develop marketing activities that bring new shoppers into the category** and **drive more trips to the retailer**; engage and **focus marketing activities with the Super avocado-purchasing household group**.



ZIEHL-ABEGG



Fascination, innovation and always one step ahead of the future - that is the claim of our globally active company in the competence areas of ventilation technology, control technology and drive technology. ZIEHL-ABEGG was founded in 1910 by Emil Ziehl in Berlin. Today, the company has more than 4,300 employees, 16 production plants, 29 companies and 108 sales locations worldwide.

The headquarters is in Künzelsau, Baden-Württemberg (Germany). Our development and competence centre InVent, a source of revolutionary developments and trend-setting technologies, is also located here.

We plan sustainable growth, profitability and the future with a constant sense of proportion and the premise of maintaining an environment worth living in for future generations. All our innovative products, from production to application, are energy-saving and resource-saving.

ZIEHL-ABEGG provides optimised solutions for the different applications and challenges through out the food chain, oriented to improve performance, energy efficiency, sustainability and safety.

Tropical fruits require good homogeneous air quality and concrete environmental conditions during and after their natural development, to optimise their freshness, nutritive value, palatability and at the end of the day, attractiveness for consumers.

Controlled and even ventilation is crucial to meet their temperature, humidity and gaseous exchange needs, as well as contributing to the best management of pests and diseases. ZIEHL-ABEGG offers special dedicated solutions, perfectly adapted to fruits requirements and based on the most advanced technology to achieve their productivity and profitability potentials.

Last but not least, we are committed to meeting the highest health, safety, environmental and sustainability standards, doing our part to build a responsible global value chain.

Avocados, consumption trends in Italy

SOME OF THE TRENDS HIGHLIGHTED BY DARIA LODI (CSO ITALY) IN HER PRESENTATION AT THE TROPICAL FRUIT CONGRESS

In a global context in which exotic fruit production continues to grow, analysing the profiles of consumers of these types of fruit, new or established, is important for operators right along the fruit and vegetable production chain. Crop, processing and marketing prospects are all shaped by the consumer.

For several years now exotic fruit has no longer encompassed just bananas and pineapples but a wide range of different varieties that have made their way onto the shelves of retailers, some more aggressively than others. **Outlets among which the wholesale market is a trailblazer for sales of exotic fruit, currently accounting for 85%* of total national domestic consumption purchases** (*excluding bananas and pineapples). A percentage that falls slightly to 78% for the avocado, the most prominent tropical fruit, which will be analysed on 6 May at MacFrut during the Tropical Fruit Congress.

The avocado is acquiring an increasingly important role, not just among exotic fruits but also in terms of products traditionally purchased by Italian households: excluding the world of processed products and out-of-home consumption, **in 2021 Italian families purchased around 67,000 tonnes of the product, a 35% increase in volume compared with the previous year.** According to the GfK Italia data processed by CSO Italy, different consumption aspects are showing growth, including unit consumption per household and spend per family, which has risen by 55% in five years.

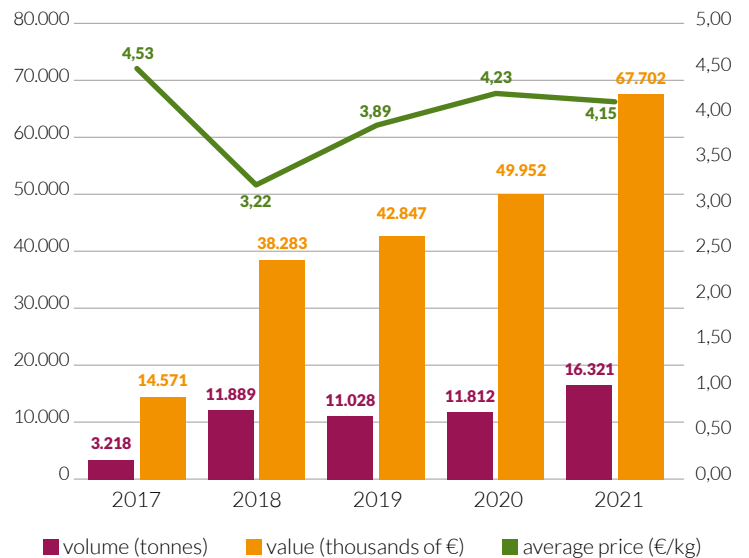
A widely popular fruit, contrary to the general perception, which attracts an adult customer base, with 28% of volumes consumed in 2021 attributable to buyers aged 65 and over. In addition, **23 out of 100 buyers** in this age range put avocado on their shopping list with a prospective penetration index growth rate of several percentage points in the years to come.

A popular fruit across the age ranges, particularly so among more mature consumers, the avocado is also increasing its presence among households that include children (under-15s). This is once again borne out by the penetration data: whereas in 2020 families including an “under-15” that purchased at least one avocado numbered 20 out of 100, in 2021 this number rose to 26. And that’s not all: **in just a year the volume consumed per household rose by around 400 grams which out of a total of 2.5 kg equates to an increase of 18%.**

Faced with the growing demand for avocados, the supply chain will therefore have to adapt, not just in terms of cultivation, processing, logistics and distribution, but also as regards the consumers to whom the fruit will be marketed, a public that is willing to spend money but at the same time demands ripe, tasty avocados which, if possible, are exotic in name only, not origin.

Avocados purchased by Italian families by value, volume and average price

Source: GfK Italia data processed by CSO Italy



By **Daria Lodi**



#tfc22
#consumption
#trends

Avocado: who does what in Europe

WHICH EU COUNTRY HAS THE HIGHEST PER CAPITA CONSUMPTION? WHO PRODUCES AND WHO EXPORTS THE MOST? THE FINDINGS OF A DUTCH STUDY

A recent study conducted by ICI Business for the Center for the Promotion of Imports from Developing Countries (CBI) highlights the latest trends and figures on **the consumption of tropical fruit, and avocado in particular, in the European Union.**

First of all, **France is the leading end market** for avocados, while **Scandinavian countries have the highest per capita consumption levels.**

Although the growth in consumption in some of these leading countries is now slowing, Germany, Italy and Eastern European nations still have good margins for development. It is worth noting that many of these countries are supplied by traders based in the Netherlands or **Spain.** In addition, Spain is increasingly playing the role of **international distributor.**

THE NETHERLANDS AS THE MAIN TRADE HUB FOR AVOCADOS

The Netherlands (see *Holland in the table*) is the main trade hub for avocados in Europe. Numerous importers operate here, where the fruit is also ripened before being distributed to many European destinations.

The Netherlands is **responsible for half of Europe’s avocado imports.** But the country is also the **largest non-producing exporter** of avocados in the world. Huge volumes are re-exported from here to Germany, France, the United Kingdom, Scandinavia and many other countries too. Dutch traders have become specialised in avocado ripening, packing and logistics. Moreover, they’re also used to dealing with the different sustainability requirements of European retail chains.

Precisely because of this leading role in the avocado trade, the Dutch market is well acquainted with the fruit and has high consumption levels: despite a relatively small population of just 17 million people, it is one of the top consuming countries in Europe. Even allowing for possible discrepancies in trade figures (which may have skewed the calculated consumption), estimates confirm the leading role of the **Netherlands as a trade hub** for avocados. However, as other avocado specialists emerge throughout Europe, the Netherlands could lose its commercial primacy, retaining a largely logistical role.

ICI BUSINESS RECOMMENDATIONS FOR PRODUCERS AND EXPORTERS

Meet with potential buyers at the key international trade fairs, but also consider the possibility of using consolidated trade routes and finding an import partner in the Netherlands, the most important transit country for avocados for the European market.

COUNTRY	CONSUMPTION IN TONS	POPULATION (2020)	PER-CAPITA CONSUMPTION	VARIATION 2020 VS 2016	VARIATION 2020 VS 2019
Netherlands	23.243	17.4	1.34-2.41	-	-
Denmark	16.374	5.8	2.81	+22%	-4%
France	144.015	67.3	2.14	+22%	+4%
Germany	104.452	83.2	1.26	+119%	+23%
Italy	26.840	59.6	0.45	+107%	+19%
Poland	18.826	38.0	0.50	+126%	+10%
Spain	114.599	47.3	1.6-2.44	+100%	+11%
Sweden	21.566	10.3	2.09	+13%	+8%
UK	100.913	67.0	2.19	+5%	-2%

FRANCE: THE TOP DESTINATION FOR AVOCADOS

France is the largest destination market for avocados in Europe, especially for high-quality fruit. Consequently, there is a potential for good margins here if you manage to position your product in the major retail chains.

In 2020 France **imported 171,000 tonnes of avocados**, with an estimated demand of **144,000 tonnes**. Although France offers the largest market for avocados in Europe, consumption growth has lagged behind the European average (see table). This may be due to the fact that France is already a mature market, with annual consumption of **over 2 kg per capita**. Regular price increases also slow down the growth in avocado consumption. However, despite their higher prices, **organic avocados** are taking an increasing share of the market.

Meanwhile, in supplying the French market, **Peru** once again overtook **Spain**, with 41,000 tonnes compared to Spain's 39,000 tonnes. **Mexico, Israel and Kenya** round off the top five. Although the market preference is for the local product (from Spain), there is strong year-round demand. And while Spain and Israel are not the cheapest sources for avocados, price is not a problem for a certain type of buyer who focuses more on quality, origin and organic produce.

ICI BUSINESS RECOMMENDATIONS FOR PRODUCERS AND EXPORTERS

Find buyers who supply the major retailers in France and be prepared to meet extra quality requirements. On average, prices and margins are likely to be better when working with retail contracts as opposed to traditional wholesale markets. Check the prices of organic and standard avocados in import, wholesale and retail markets in France on the Market News Network of FranceAgriMer (in French).

GERMANY OFFERS THE HIGHEST GROWTH PROSPECTS

Avocado consumption in Germany is experiencing strong growth, which makes this an exciting country for exporters.

The promotion of health benefits, together with discount offers, are contributing factors in this fast-growing market. Germany is probably the country with the **highest growth prospects, alongside Italy**: it is Europe's most populous country and is still developing its avocado market. Consumption is currently **just over 1.2 kg per capita** but this figure is rising steadily. Avocado is valued for its health benefits and German consumption is expected to catch up with that of other northwest-European markets: Germany could overtake the United Kingdom in terms of demand and become the second-largest consumer market for avocados.

Total imports in 2020 reached 119,000 tonnes, a 22% increase on the previous year. Favourable consumer prices and an increased focus on healthy eating during the COVID-19 pandemic contributed to this growth. Only air-freighted avocados, common in wholesale markets, experienced more difficulties as a result of lockdowns imposed during the pandemic. However, supermarkets more than made up for the wholesale losses.

Germany is the home of discount chains like Lidl and Aldi, which often lead the way in offering customers special promotions on avocados. At the same time, Lidl is known to be one of the strictest retailers when it comes to pesticide residues, which can pose a barrier for avocado exporters. Germany also has the highest sales revenue for organic produce in Europe, making it an exciting market to explore for organic avocados.

ICI BUSINESS RECOMMENDATIONS FOR PRODUCERS AND EXPORTERS

In order to supply the German market, make sure you meet Lidl standards. These are the strictest of all, meaning that the pesticide residue levels of your avocados must be at most a third that of permitted European limits.

In addition, when you present your product, focus on facts, such as the results of laboratory analyses. German buyers are not particularly receptive to emotive sales pitches.

UNITED KINGDOM: AN INTERESTING CONSUMER MARKET, BUT WITH A GROWING ECONOMIC SQUEEZE

The United Kingdom is one of the biggest markets for avocados (*see table*), but with high standards and an increasing squeeze on prices. Suppliers need to be competitive and extremely well organised.

The United Kingdom **imported 122,000 tonnes of avocados in 2020**. This represented a slight increase on the previous year. As in France, consumption in the United Kingdom increased rapidly until 2016. Higher costs and prices triggered by Brexit and the COVID-19 pandemic have slowed recent fruit sales; in addition, there is a growing awareness of various sustainability aspects of avocado plantations, like their water consumption. Nonetheless, avocado consumption will continue to increase and a growing interest in a plant-based diet is expected to keep demand high.

The United Kingdom remains one of the top markets for avocados, but be prepared for a continuing squeeze on prices, while the quality and certification standards remain some of the highest anywhere.

ICI BUSINESS RECOMMENDATIONS FOR PRODUCERS AND EXPORTERS

You will have to be flexible in terms of volume and prices in order to maintain your operations in the United Kingdom. There may be some trade shifts due to increased administrative costs associated with EU imports, which could provide new opportunities for non-EU suppliers, especially if they have a similar supply season as Spain, the main European producer of avocados.

SPAIN: IMPORTS COMPLEMENTING PRODUCTION

When it comes to avocados, Spain is not only a producer and consumer, but also an emerging trade hub. It is an interesting target country for exporters, as they are likely to find a wider market than just Spain itself.

According to Eurostat, in 2020 Spain was the main producer of avocados in Europe with 99,000 tonnes. Other sources report slightly lower figures: 81,000 tonnes for the 2019/20 season and 61,500 in 2020/21. This makes it difficult to estimate Spain's true consumption rate. Either way, Spanish traders are buying more and more avocados from abroad to supplement their own production season and satisfy international supply contracts. This makes Spain the **second-biggest European exporter of avocados after the Netherlands**.



Most of the 157,000 tonnes of avocados imported comes from **Peru and Mexico**. But there is also an increase in imports from **Morocco (17,000 tonnes in 2020)** which overlap with the Spanish growing season. This confirms the Spanish demand for re-export. Most of the avocados traded by Spain end up in France (53,000 tonnes), followed by the **Netherlands and Germany (21,000 and 14,500 tonnes respectively)**.

Over the next few years, Spain is expected to become a larger consumer of avocados, but more importantly, it will also play a greater role in the European avocado supply.

ICI BUSINESS RECOMMENDATIONS FOR PRODUCERS AND EXPORTERS

Use Spanish avocado importers and traders above all to bolster your position in France and southern Europe. Also, visit Fruit Attraction to establish contacts with Spanish avocado companies.

ITALY AS AN EMERGING COUNTRY

The potential associated with a large population and hitherto underdeveloped consumption are excellent reasons for exporters to keep a keen eye on Italy.

Avocado consumption in Italy is, indeed, very low (450 grams per capita), lagging far behind the European average. This may be due to Italian consumers' loyalty to traditional fruit and vegetables, which means that "new products" like avocados take time to become established. Green skins and smaller sizes (12-14) are more popular, but people are gradually becoming accustomed to the Hass variety too.

In any case, despite the traditional consumers, Italian traders are optimistic about avocados. And with good reason! The import volume in 2020 **was just shy of 29,000 tonnes**, representing an **increase of 18%** on the previous year. Most of the avocados imported transit through the Netherlands, France and Spain. According to estimates in 2020, consumption has doubled in the past five years. Although Italy's current import level doesn't earn it a place among the European top five, the opportunity for development in its avocado market means it must be considered one of those **with the greatest potential**.

ICI BUSINESS RECOMMENDATIONS FOR PRODUCERS AND EXPORTERS

Take advantage of the growth potential of avocados in Italy and start building relations with importers. Traditionally, Italian companies are more focused on their internal market. As a result, you'll need to be proactive and go and meet them on their territory. The most popular meeting place for Italian fruit companies is the Macfrut trade fair in Rimini (from 4th to 6th May 2022).

And on 6th May 2022 in Rimini, Macfrut will host the **Tropical Fruit Congress**: a whole day, focusing this year on avocados (including Italian-grown avocados). The event will also include: **thematic exhibition areas**, with **b2b networking** and **technical workshops**.





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Avocados and the European market: excellent development potentials

POTENTIALS AND TRENDS. A LOOK AT THE LATEST DATA, IN THE RUN-UP TO THE TROPICAL FRUIT CONGRESS

European demand for **avocado** is growing steadily. Increased volume in the market will continue to drive consumption and in 2030 avocado will in all probability be the second-best selling tropical fruit in the world, right behind bananas. This is what emerges from the **Agricultural Outlook 2021/30** report by the OECD (Organisation for Economic Co-operation and Development) and the FAO (Food and Agriculture Organization of the United Nations), which states: "Avocado will overtake the export volumes of **pineapple and mango**. Growing global demand and large investments in production form the basis for this expansion".

Even though avocado has the lowest production level among tropical fruits, its growth outperforms that of the other fruits. Production volume is projected to **reach 12 million tonnes**, three times the value of ten years ago. Mexico, the world's largest avocado producer, experienced a drop in volume in 2020 but in the long term Mexican supplies could increase by 5.2% per annum to meet the growing demand from the United States. Countries like **Peru, Colombia and Kenya** are continuing to achieve double-digit growth, with the majority of their exports earmarked for the European market.

The United States and the European Union are expected to remain the key importers. Also according to the OECD/FAO, these areas will account respectively for 40% and 31% of global imports in 2030, in spite of growing trade with other regions, such as China and the Middle East. It will be important for producers and exporters to focus on specific areas where demand has room to grow, but they will also need to diversify their markets.

These are some of the trends set to be scrutinised at the new **Tropical Fruit Congress** taking place on **6th May at Macfrut** in Rimini. **Myfruit.it** is the media partner for the event and in the coming weeks will publish data and trends relating to exotic and tropical fruit, with a particular focus on the European market. We begin with a study conducted by ICI Business for the Center for the Promotion of Imports from Developing Countries (CBI), which is part of the Netherlands Enterprise Agency and is financed by the Ministry of Foreign Affairs of the Netherlands.

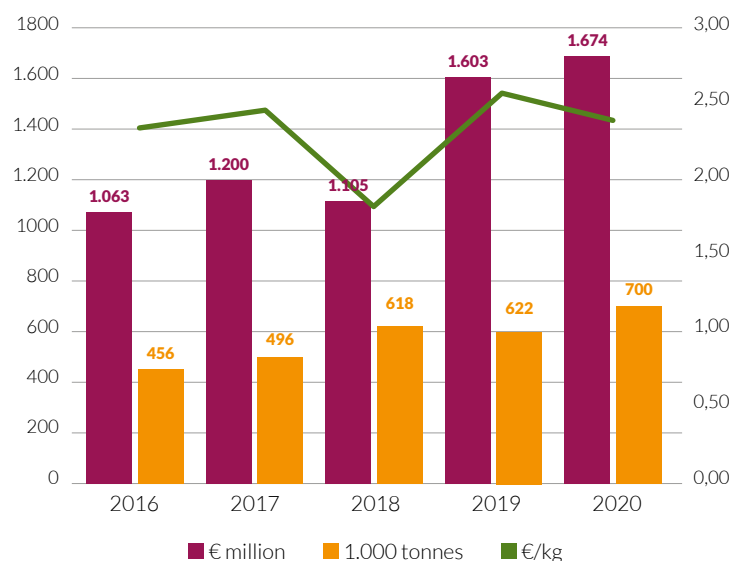


EUROPE CAN ABSORB GROWING IMPORTS OF AVOCADO

Avocado has been the most dynamic fruit in the past few years, thanks to an insatiable demand and, at times, a mismatched supply. For its part, Europe can absorb higher volumes of avocado. This already happened during the production peak in 2018 and, to some extent, in 2020.

After the peak volumes of 2018, the main suppliers (Peru and South Africa) reduced their export potential and, as a result, the overall price for 2019 was higher. In 2020, with the COVID-19 pandemic, there was a sudden increase in demand. This demand was satisfied mainly by the retail sector, given that hospitality was closed. As soon as the Peruvian supply season was underway, strong supply drove prices down again, and they reached the lowest level in five years. Thanks to lower prices, consumption remained high. Overall, imports have increased, reaching a **volume of 700 thousand tonnes and a value of almost 1.7 billion euro** (see figure below).

Source: Eurostat / Market Access Database



The advantage of avocados is that they are programmed, i.e. contractually planned by retailers, and promotions can help sell additional volume. This way, a much larger volume can be pushed into the market, boosting consumption. As already mentioned, this is what happened in 2018 and 2020, when it triggered a **price fluctuation of 30%**. Despite the strong demand for avocado, there is a limit to the Old Continent's capacity to keep up with the rate at which avocados are grown in order to be exported around the world.

Supply volumes have a great influence on European imports. Import volumes are set to increase further in the coming years, but price drops are also to be expected when supply outstrips demand. These drops will be notable above all during the Peruvian season, but other suppliers from Colombia, Mexico and Kenya are also achieving volumes that can flood the market in the latter part of the year. As a result, new markets, both in and outside Europe, will be needed to make this growing supply sustainable. In the long term (more than three years from now), avocados will become a **standard product** for retailers in the majority of European countries, with higher volumes throughout Europe, but also a slower growth rate.

ICI BUSINESS ADVICE

ICI Business gives producers and exporters a number of suggestions, such as: in addition to European exports, develop new non-EU markets, for example in Asia. Diversification will help to spread the commercial risks and will lessen dependency on a single region. In addition, ensure access to new target markets by checking that your country has a phytosanitary agreement in place with the market in question.

Make sure you can offer a sufficient volume with at least weekly shipments of full containers, as importers favour larger producers in order to guarantee certainty of supplies. Nevertheless, do not prioritise quantity over quality. In the end, wholesalers and retailers want good quality products and reliable suppliers.

STILL ROOM FOR GROWTH IN CONSUMPTION

Avocados are popular because they are a unique, healthy fruit (they are rich in oil) with many uses in the kitchen. But compared to other areas, consumption in Europe is still underdeveloped.

Average consumption in Europe is around **1.33 kilos per capita**. In the **United States it is 3.8 kg** and in **Canada 2.5 kg. Mexico**, the world's largest avocado producer, actually consumes **6.5-7 kg per capita**. According to FruiTrop magazine, published by Cirad,

between 2019 and 2020 avocado consumption in Europe increased by 11%. Scandinavia and France have the highest consumption rate per capita, but growth is most notable in those countries where consumption is still relatively low, namely Germany, Italy and Eastern Europe.

The differences in consumption within Europe and the gap with the most developed consumer countries such as the United States and Canada, show that there is still great development potential. However, with current growth rates, market maturity could be achieved within five to eight years, when consumption becomes more stable. According to the **World Avocado Organization (WAO)** avocado consumption in Europe could reach the **same levels as in the United States in the space of eight years**. Next week we will analyse in detail the European countries that offer the greatest opportunities for avocado.



Avocados: the influence of Ultra shoppers

A STUDY BY THE HASS AVOCADO BOARD REVEALS THE SIGNIFICANT EFFECT THAT ULTRA SHOPPERS ARE HAVING ON SALES OF THE FRUIT

Understanding the choices and behaviours of fresh avocado shoppers helps retailers create market strategies, build loyalty and grow sales of the fruit. In fact, in the rapidly evolving retail landscape, market dynamics are heavily influenced by shopper characteristics and behaviour.

A recent avocado shopper segmentation study by the **Hass Avocado Board** (available for free download: hassavocadoboard.com/business-support-tools) highlights how a small subset of US avocado-purchasing households known as **Ultra shoppers** have the **strongest impact** on the category. The study is based on household purchase data from the IRI Consumer Network.

8% OF HOUSEHOLDS ACCOUNT FOR 35% OF TOTAL PURCHASES

Ultra shoppers – who represent **8% of avocado-purchasing households** - were found to be **the biggest spending segment**. And this segment also account for **35% of total annual avocado purchases in the US**. Ultra shoppers exhibit purchase behaviours that far exceed those of other segments and this sees them exert a disproportionate impact on the avocado category.

ULTRA SHOPPERS: 183 TRIPS A YEAR TO THE RETAILER

Ultra shoppers spent **an average of 100 dollars per household annually**, twice that of **Mega shoppers** and **17 times that of Moderate shoppers**. This annual spending was driven by a higher number of purchase trips and a higher spend per trip to the retailer.

Ultra shoppers also visited retailers more often and were more likely to purchase avocados during their trip than any other shopper segment. On average, they made **183 trips per year to the retailer** purchasing avocados **on 14% of their trips**. Conversely, **Moderate shoppers made 153 trips** and purchased avocados **on just 2%** of their trips.

THE IMPACT OF SUPER AND MEGA SHOPPERS

The Ultra segment is not the only high-valued segment in the avocado category. Mega and Super shoppers also have a disproportionately large impact on purchases.

Each segment represents **8% of avocado-purchasing households** but Mega shoppers account for **18% of avocado purchases**, while Super shoppers account for **13%**. Together, Ultra, Mega and Super shoppers represent **25% of all avocado-purchasing households and 66% of avocado purchases (in dollars)**.

#Avocado

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AWETA

Apulia: a future in fruit (including exotic)

500 HECTARES ARE DEDICATED TO AVOCADOS AND MANGOES, AND FARMERS ARE NOW STARTING TO GROW BANANAS

Exotic fruit finds a new home in Apulia. This is thanks to the growing number of farmers who are replacing traditional crops in favour of **avocados** and **mangoes**, but also **Aronia berries**, **Goji berries**, **bananas** and **limes**. The regional branch of **Coldiretti** has provided figures for these new cultivations. It also commented on the data shared during the announcement of the third edition of the **Tropical Fruit Congress**, organised by **myfruit.it**, taking place at **Macfrut 2022: reporting a 45-50% increase** in 2017/20. In 2018 the **Italian Society for Horticultural Science (Società di ortoflorofruitticoltura italiana)** launched a proposal: plant avocados in place of olives affected by *Xylella fastidiosa*. It seems that advice has been heeded.

THE CLIMATE IS CHANGING AND EXOTIC FRUIT PRODUCTION IS BOOMING

Faced with the tropicalisation of the climate in Apulia, farmers are responding with the **tropicalisation of crops**. Confirmation of this trend can be found in the agricultural census of land dedicated to exotic fruit: in the space of a few years, Italy has moved from **a handful of production sites to 500 hectares**. What is most surprising is not the size of cultivations, nonetheless **by no means insignificant**, but the speed at which they have appeared. The rural landscape is changing. Let's take a look at some numbers and concrete examples.

AVOCADOS AND MANGOES ARE VERY POPULAR, BUT THERE ARE EVEN BANANA PLANTATIONS

In **Castellaneta**, in the province of **Taranto**, **32,000 avocado plants** have been planted. In **Salento** there are an estimated **100,000 avocado trees** and **8,000 mango and lime trees**. And these are quite standard figures. In Italy, by which we mean southern regions, of course, exotic fruit has gained ground. What is more unusual is the recent interest in **bananas**, a product that is starting to attract farmers, as is the cultivation of **Goji berries** and **Aronia berries**.

It is all well and good to focus on **typical products**, but if consumers demand exotic produce, local production is the way to go. This is the philosophy of Coldiretti, supported by research on new **consumer trends**: “More than **six out of ten consumers** (61%) would buy Italian bananas, mangoes and avocados rather than imported products if they were available, according to the findings of a **survey by Coldiretti-Ixè**”.

CONSUMERS WILLING TO PAY MORE FOR HOME-GROWN EXOTIC PRODUCE

There is a market and the potential for good margins: “**71% of people would be willing to pay more** for tropical fruit of guaranteed Italian origin. A choice motivated by a **superior level of freshness** but also by the fact that Italy – as Coldiretti points out – is **a world leader in food safety** with the lowest number of agri-food products with **irregular chemical residues** (0.8%), which is 1.6 times lower than the EU average (1.3%) and 7 times lower than non-EU countries (5.5%)”.

EXOTIC CHOICE SYNONYMOUS WITH INNOVATION

Coldiretti has great faith in the tropical choice: “The phenomenon of exotic fruit production in Apulia, driven also by the dedication of **many young farmers**, is an example of **Apulian agricultural enterprises' capacity for innovation** in the fruit and vegetable sector”. We are good, it is just a pity that “too often we are hindered by organisation and infrastructure lagging behind”. This is according to **Savino Muraglia**, Chairman of Coldiretti's Apulia branch, who echoes the accusation made in recent days by **Apulian producers and exporters**.

Peru, war affects avocado exports to Russia

IN FEBRUARY THE CONFLICT BETWEEN RUSSIA AND UKRAINE LED TO A 6% FALL IN VOLUMES AND A 19% FALL IN VALUE

The war is affecting Peruvian avocado exports to Russia. In fact, last month shipments of avocado from Peru fell compared with the same period in 2021 due to the impact of the war in Ukraine on international trade.

Thanks to the efforts of the export companies, the Peruvian avocado season has been extended with shipments now taking place right throughout the year. As such, according to Peruvian consultancy firm Fresh Fruit, in the first two months of 2022 Peru exported 18,355 tonnes of avocado worth \$41 million, a 1% increase in volume and an 11% reduction in value compared with the previous year.

FEBRUARY 2022: FALL IN EXPORT VOLUMES (-49%) AND VALUE (-34%)

In January, exports were up 24% in volume and 14% in value. But in February, the conflict between Russia and Ukraine led to a **6% fall in volumes and a 19% fall in value**. In February of last year **Russia had been the third biggest market** for Peruvian avocados, accounting for 11% of total exports. This year, in the same month, avocado shipments to Russia amounted to **just 989 tonnes worth \$2 million**, a 49% reduction in volume and a 34% downturn in value. This saw Russia fall to **fourth place**, behind China.

The **Spanish and Dutch** markets have also been affected by the conflict. Peruvian exports to Spain came to 1727 tonnes with a value of \$4 million, 28% down in terms of volume and 40% down in value. Meanwhile, 5397 tonnes of avocado worth \$11 million were shipped to the Netherlands, a similar volume to last year (5166 tonnes) but down 17% in terms of value.

#export

#russia

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