

Small exotic fruits

Toward a wider-reaching supply?

Exotics are gaining ground on the shelves. With imports more than doubling in 15 years (400 000 tonnes in 2015 as opposed to 150 000 tonnes in 2000) and a bigger presence in all distribution points, especially the conventional supermarket sector, small exotic fruits are bit by bit becoming incorporated into our consumption habits, and seemingly reaching all sections of the population.



© Guy Bréhinier

Measuring Up



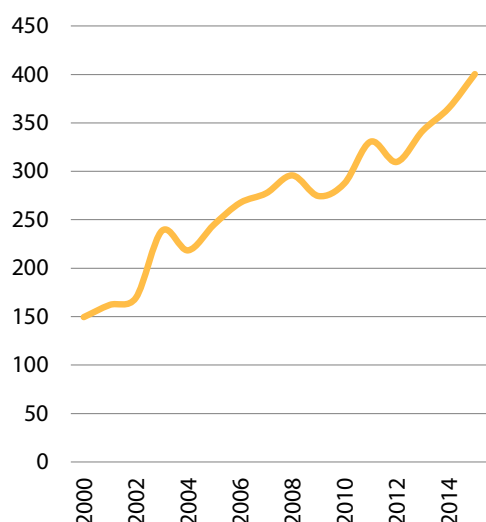
100% Quality and Reliability

The strength of our products is based on our requirements as producers. That is why our avocados are at the top of the podium, whether they are carefully harvested from the trees in the south of Spain or imported from our partners.



Small exotic fruits - EU**Evolution of imports**

(000 tonnes / Source: Eurostat)

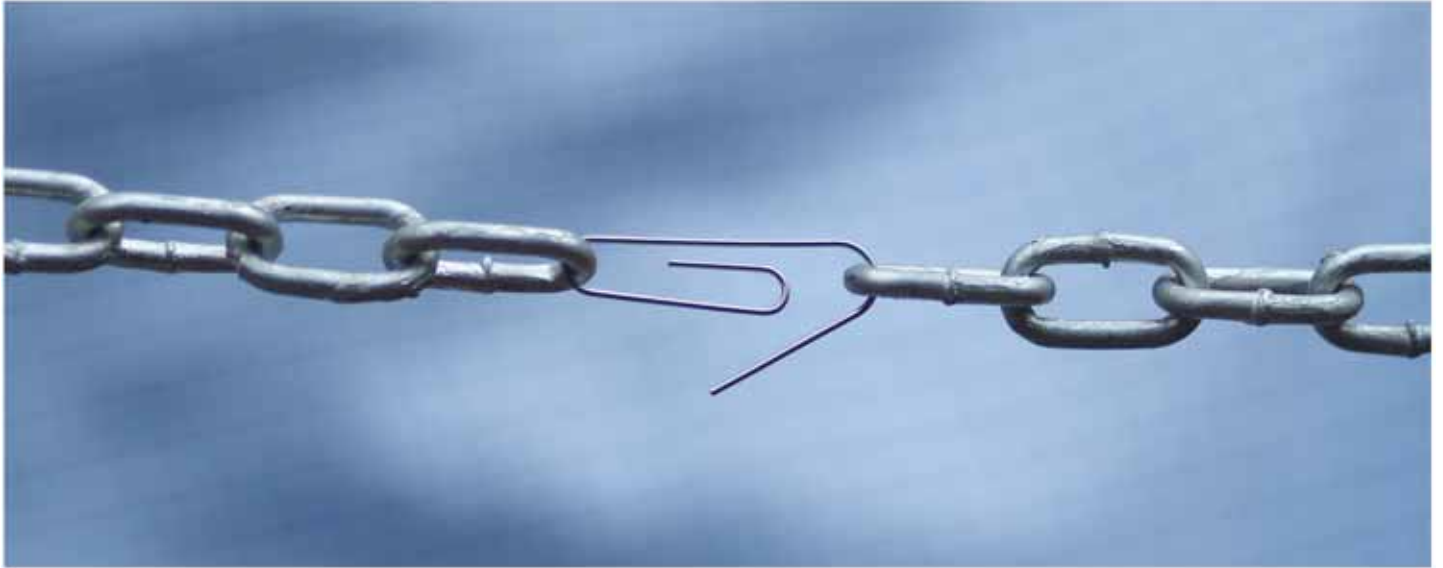


The term "exotics" conventionally evokes the banana or pineapple, the massive volumes of which imported by the European Union exceeded 5 million tonnes in 2015 for the banana, far ahead of the 800 000 tonnes of pineapple, and with a relatively low retail price (less than 1 euro/kg). Yet this term also evokes the avocado and mango, imported in smaller quantities (between 300 000 and 350 000 t in 2015) and with a higher wholesale price (2 to 3 euros/kg). However, many other exotic fruits are imported into the EU, though in distinctly smaller volumes (less than 150 000 t per fruit in 2015). They are the small exotic fruits, among which we can mention the papaya, guava, passion fruit, litchi, mango-steen, lime, coconut, durian and Sugarloaf pineapple, and many others besides.

The catering sector (foreign cuisine restaurants, bars, pastry and ice-cream makers), travel, the media (cooking programmes, written press), as well as the processing sector (juice), are all signs and means of incorporation of these fruits. Yet is this increasingly widespread distribution really synonymous with a wider-reaching supply, for certain fruits at least? Or is it not rather an illustration of increased segmentation? Under the cover of a desire to develop the market, is the supermarket sector actually seeking to secure a certain image by offering a wide range of small exotic fruits, while the supply remains limited and specific from most specialists?

Although the supply is expanding in the conventional supermarket sector, and is practically as diversified as in ethnic stores, there are persistent differences in terms of products, quality and price.

Information... your weak link?



Reefer Trends is an independent news and information provider, financed exclusively by revenue from subscriptions.

First published in 2003, it provides a number of services for users along the reefer logistics chain: the Reefer Trends weekly charter market brief is *the* benchmark publication for the specialist reefer business – it tracks the charter market for reefer vessels, as well as fruit and banana production and market trends that influence charter market movement.

The weekly publication has close to 200 paying subscriber companies from 34 countries worldwide. The list of subscribers includes all the major reefer shipping companies and reefer box operators, the major charterers, reefer brokers, banana multi-nationals, the major banana exporters in Ecuador, Costa Rica, Panama and Colombia, terminal operators in the US and Europe, the world's leading shipping banks and broking houses

as well as trade associations, cargo interests and fruit importers on all continents. It is also circulated within the European Commission and the World Trade Organisation.

As well as the weekly Reefer Trends report it provides a separate online daily news service, covering developments in the global fruit, banana and logistics industries. The daily news is e-mailed direct to the desktops of several thousand subscribers worldwide.

Reefer Trends' consultancy clients include shipbuilding yards, banana majors, banks, brokers and equities analysts. Reefer Trends provides sector reports and forecasts for brokers and charterers. It has also acted as an expert witness in a chartering dispute.

For more information on subscriptions, please contact:
info@reefer trends.com or visit www.reefer trends.com

reefer trends



Plantain bananas

A limited supply from the small traders

Against all expectations, it is not the fruit specialists – small traders – who offer the most small exotic fruits. They offer a limited supply in the top-end segment, with customers primarily seeking local and/or high-quality produce. According to our study, the supply is generally limited to the Sugarloaf pineapple (100 % presence), lime (67 %) and a few other fruits (papaya, yellow passion fruit, fraysinette banana in 33 % of cases). These fruits are expensive and the air-freight route is employed to preserve their freshness.

A diversified but highly specific supply in ethnic stores

Ethnic stores (Indian, Afro-Caribbean, Chinese and South-East Asian) are in second place in terms of presence of small exotic fruits. Although these stores encompass a great variety of products, their supply is very finalised and reserved for knowledgeable consumers. However, it is not uniform. Indeed, the same products are not sold by the Chinese and South-East Asian stores, as by the Indian or Afro-Caribbean stores.

The former stores are those offering the widest range. In addition to the conventional exotic fruits, some of their fruits are especially dedicated to consumers of Chinese and South-East Asian origin: durian, jackfruit, soursop, sugar apple, cherimoya, longan, tamarind, mangosteen, rambutan, dragon fruit, etc. Others are expanding the range of exotics through segmentation: purple passion fruit and plantain banana for Africans, avocado for the Japanese, longan for people who have spent time in Thailand, etc.). In addition, these stores take greater care with their fruits: they are often vacuum-packed and the source is clearly indicated.



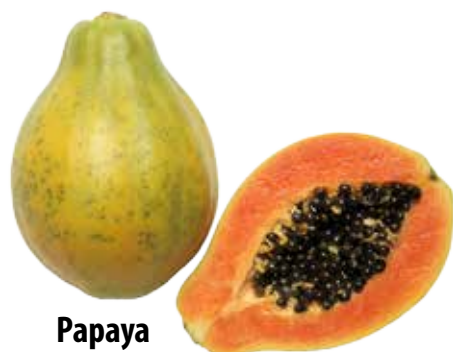
Guava



Mangosteen



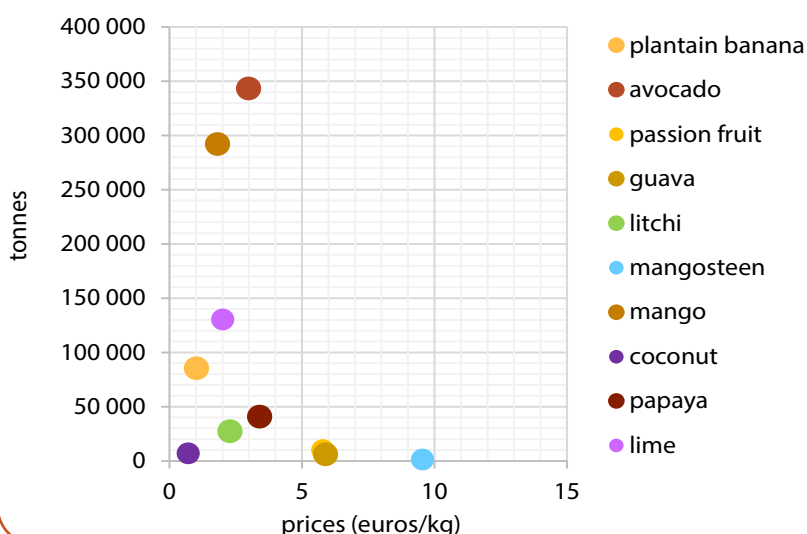
Coconut

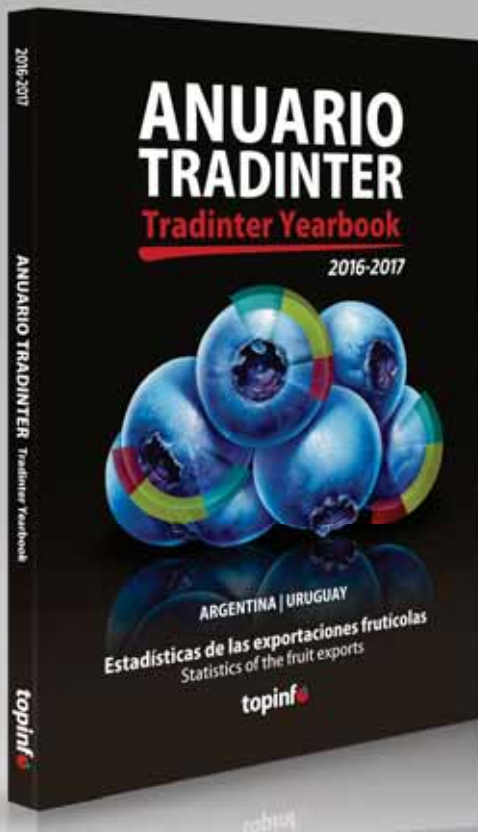


Papaya

Small exotic fruits - EU - Volumes and wholesale prices in 2015

(Sources: Eurostat, RNM)





Tradinter Yearbook

Statistics of all fresh fruit exports
Companies' profiles
Argentina & Uruguay



Tradinter Report®

Weekly market reports

Specialists in Argentina's fresh produce business •

Production areas, crop progress and condition, forecasts •

**Market comprehension
(studies, analysis, weekly shipments) •**

Argentine independent consultants
reliable and unbiased fresh fruit market information

www.top-info.com.ar

Top Info Marketing S.A.
Vélez Sarsfield 259 - (1640) Martínez
Buenos Aires - Argentina
Tel./Fax +54 (011) 4798-1755/4792-6419
marketing@top-info.com.ar

topinfo



Indian and Afro-Caribbean stores have far fewer fruits on their shelves. The lime and green banana are present as a matter of course. Yet it is the different varieties of mango which occupy the most space among the fruits. The bread fruit is sold in both types of store, though less frequently. In terms of specificities, Indian stores sell some tropical avocados, ripe bananas and some coconut. For their part, stores run by Afro-Caribbean populations offer plantain banana, yellow passion fruit, chayote and coconut. Note that products tend to be sold loose, and the sources are not always indicated (especially in Indian stores).

So in ethnic stores, the supply seems to be primarily aimed at knowledgeable customers, who regularly consume these fruits. Only the Chinese and South-East Asian stores segment their range to target other customers and offers visually attractive products. So they are among the distribution points which could encourage a wider reach for certain fruits, especially since they are present both in city centres and suburban shopping centres.



Photos © Léa Benoit

An expanding range in the supermarket sector: wider-reaching supply, or commercial strategy?

The conventional supermarket sector (Carrefour, Auchan, Leclerc, etc.) is vying with the ethnic stores in terms of diversification of supply, even outside of the festive periods (Christmas, New Year's Day, Easter, etc.). Hence the banana, pineapple, avocado and mango have a 100% presence. The lime too has a high presence rate, as does the pomegranate (88 %), purple passion fruit and coconut (81 %). Whereas the former two are part of the temperate fruit shelves, the latter two are part of a separate section, specifically dedicated to small exotic fruits. They represent the essentials of the exotic range in the conventional supermarket sector. The section is regularly expanded by the physalis (50 %), Victoria pineapple, fraise de la forêt banana, plantain and kumquat (44 %), chayote and papaya (38 %), carambola (31 %), dragon fruit and mangosteen (19 %) and guava (13 %). More occasionally, these supermarkets also offer tropical avocado, pink banana, kaffir lime, barbary fig, yellow pitahaya, rambutan, tamarillo and tamarind.

This expansion of the range in the most popular consumer outlets could be likened to a wider reach of these fruits on the European market. True, small exotic fruits are tending to increase their presence in the conventional supermarket sector, and even have a specifically dedicated space in the festive period. However, they are often poorly cared for (overripe, damaged), seldom promoted (except during the festive period) and above all much more expensive than in other distribution points. Overall, nothing is done to encourage the consumer to buy them. These points raise a question as to the real intentions of the supermarket sector. Does it really want to reach as many consumers as possible? Is it not rather a mere commercial strategy, restricting small exotic fruits to the status of image products, which in addition help generate margins? If this is the case, this is not a distribution mode that will help small exotic fruits achieve a wider reach.

Only certain fruits also present in the discount supermarkets (Victoria pineapple, lime, coconut) and organic stores (lime, coconut) can lay a claim to widening the reach.

“Grand Frais” chain: a higher-quality economic alternative

Conversely, Grand Frais – still a big supermarket, though specialised in fresh produce – has a supply that is not only more diverse, but also less expensive and higher-quality than the conventional supermarket sector. Indeed the presence of small exotic fruits there is greater than at other distribution points, while prices are among the lowest on the market. So Grand Frais has made itself an economic alternative, and can thus expect to reach a bigger number of customers.

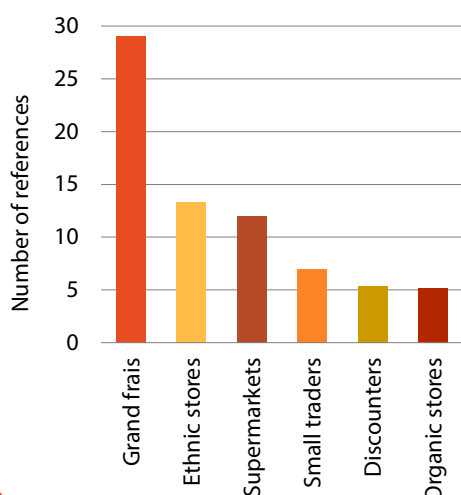
On top of the fruits available from the conventional sector are those sold by the ethnic stores. However, certain fruits practically absent from these distribution points are present in Grand Frais. These are often products originating from Central and South America (sweet granadilla, physalis, tamarillo), little consumed by the target populations of ethnic stores and rarely found in the conventional supermarket sector. As for quality, air-freight sources are favoured, unlike in the conventional supermarket sector. In addition, communication is aimed at consumers, by means of informative brochures near the shelves. Finally, the Grand Frais stores are easily accessible to all consumers by virtue of being based in suburban shopping centres, across much of France.

So all the factors seem to be there for this distribution point to enable a wider reach: high-quality produce at competitive prices, plus communication. On this basis, one fruit seems just right to illustrate segmentation of the small exotic fruits supply: the passion fruit. Thanks to a multitude of varieties and sources, it is present across the board and appears as an image product, and sometimes as an ethnic or top-end product, etc.



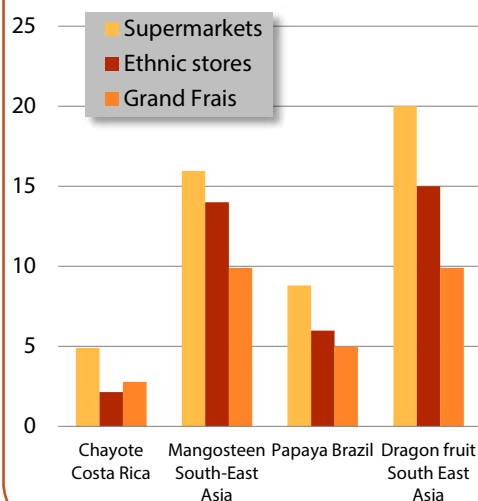
**Small exotic fruits - France
Presence rate by distribution
point in 2016**

(Source: Léa Benoit's survey)



**Small exotic fruits - France
Retail prices comparison in 2016**

(euros/kg / Source: Léa Benoit's survey)



Photos © Léa Benoit

The passion fruit, segmented supply in the distribution sector

Classified as a “small exotic fruit”, the passion fruit is nonetheless well represented at the distribution points. Hence practically all supermarkets, many ethnic stores, small traders and discount stores have it on sale. Yet this single name conceals a host of varieties, as well as differences in terms of quality, price and objectives.

Purple passion fruit and hybrids

Half of supermarkets offer purple passion fruits from Colombia, and sometimes South Africa and Vietnam. Colombian fruits are the only ones to arrive by sea-freight, which makes for a cheap supply but one which is very ordinary in terms of quality (low cutting point to withstand transport, limited shelf life, etc.). The other passion fruits

are mainly hybrids, larger and less acidic than the conventional purple. They are sold mainly by small traders and Grand Frais. Among the ethnic stores, Chinese and South-East Asian stores are practically the only ones where it is available, more to expand their exotic range by catering to the tastes of African customers (just as for the plantain), than for their Asian consumers.

As for price, the Colombian purple passion fruit is of course less expensive at the wholesale stage than the other purple and hybrid fruits (two-fold difference between Colombia and Reunion). It is for this reason that it can be found in the conventional supermarket sector. However, this difference is much less, or even non-existent, at the retail stage. So the supermarket sector offers a standard product, enabling it to generate margins, though without a view to developing the market, as it does not have the optimal quality to ensure full consumer satisfaction. Finally, the fruits found at small traders and ethnic stores are expensive, though often of better quality.

What does the future hold for the purple passion fruit? Opinion is divided. According to some, it has an exponen-



© Guy Brehm

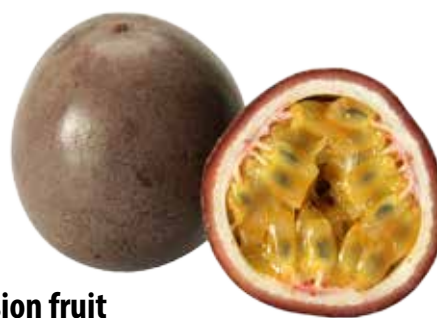
tial consumption trend, and could see further growth over the coming years, provided that sales focus on air-freight fruits, especially from Reunion, which are more highly rated for their taste quality. According to others, the passion fruit, whether purple or hybrid, is an expensive product, visually unattractive and with little sustenance (compared to a pineapple which can easily be shared), and so should remain a niche product.

Yellow passion fruit and sweet granadilla

Two other varieties of passion fruit are also imported, though in much smaller quantities: yellow passion fruit and sweet granadilla. The former, more acidic than the purple passion fruit, is aimed more at catering and processing (ice-cream makers especially, who seek some acidity for their customers, but also for juices), whereas the latter owes its small volumes to its fragility and limited production zone (Andean). They are both heavily consumed locally, but are rare in Europe, which makes them more expensive. The yellow fruit is absent from the big supermarkets. It can be found at Grand Frais and in some ethnic stores (mainly Afro-Caribbean). The granadilla is present in some big supermarkets, Grand Frais and more rarely ethnic stores.

So these two passion fruits are for the moment primarily aimed at specific and knowledgeable consumers, but could gain in popularity due to their presence at Grand Frais ■

Léa Benoit



Purple passion fruit



Hybrid passion fruit



Sweet granadilla

Study conducted based on distribution point surveys. The surveys of 42 distribution points (16 conventional supermarkets, 11 ethnic stores, 5 discount supermarkets, 5 organic supermarkets, 3 small traders, 2 Grand Frais stores) in Montpellier, Paris and Bordeaux, were conducted between May and June 2016. The first stage, conducted in Montpellier, helped identify which distribution points offered such and such a fruit, and the origins. The second, conducted in Paris, served to back up the survey, especially by inquiries in ethnic stores (Asian, African diasporas, etc.) situated in the 13th and 18th arrondissements. The third, again in Montpellier, this time compared retail prices between three types of distributor (supermarket sector, Grand Frais and ethnic stores). Finally, the last stage of the survey, in Bordeaux, was aimed at providing data from a conurbation other than Montpellier.



Photos © Guy Brithinier