GHANA EXPORT PROMOTION COUNCIL

MARKET BRIEF ON DRIED FRUITS

MARKET BRIEF ON PRESERVED FRUIT AND VEGETABLES (FOCUS ON DRIED FRUITS)

Audience and Purpose

The GEPC series of market briefs have been prepared primarily for the small business new to exporting or looking to develop export potential. This market brief on Dried Fruits will serve as useful source of information for the following categories of export operators and related stakeholders:

- Manufacturers, exporters, packers, shippers and marketing agents of dried fruits from Ghana
- Trade Associations
    - Association of Ghana Industries
    - Ghana National Chamber of Commerce and Industry
    - Federation of Associations of Ghanaian Exporters
- Ghana Trade Missions abroad
- Commercial Representatives abroad
- Export Services providers in Ghana
    - Ghana Institute of Freight Fowarders
    - Ghana Shippers Council
    - Institute of Packaging Ghana
    - Ghana Standards Board

- Research Institutions and Academia
    - Business schools and Marketing faculties and departments of Universities, Polytechnics and other tertiary institutions
    - Centre For Scientific and Industrial Research; Faculties of Agriculture, Food Science and Food technology of tertiary institutions
    - Institute of Statistical Social and Economic Analysis
    - Centre for Economic Policy Analysis

Insurance and Financial Establishments
- Banks
- Non Bank finance Institutions
- Credit Guarantee Institutions
- Transport Insurance providers

Government Ministries, Departments and Agencies

Ministry of Trade and Industry
Ministry of Food and Agriculture
Ministry for Private Sector Development
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The Product

:**Dried fruit**

Fruit, consisting of more than 80 percent of water, are dried in order to stop the multiplication of micro-organisms. These organisms obtain the water and nutrients they need for growth from the fruit or vegetable in which they grow. By drying or dehydrating fruit, the water is removed from the food and from the bacterial cell, thus ending the multiplication. The dried fruit described in this survey are whole, cut, sliced, broken or powdered, but not further prepared.

Dried fruit can be divided into vine fruit and tree fruit. The best-known vine fruit species are raisins, sultanas and currants, whereas apples, apricots, bananas, dates, figs, papayas, peaches, pears and prunes are the most important tree fruits.

Fruits that can be dried from Ghana include pineapples, mango, papaya, coconut and banana

Dried fruit is used in consumer or food service packing, mainly consumed as a snack and as an ingredient for breakfast cereals, healthy ready-to-eat snacks and desserts. Bakeries and breakfast cereal mixes are one of the largest end users of dried fruit

HS CODES

Dried Coconut   08011100

Dried Papaya   08134050

Dried Banana   08030090

The elements (tangible and intangible) constituting dried fruit include:

Dimensions: 5mm to 1cm thickness

Weight: variable depending on shape of slice

Form: Pieces of fruit cut into slices, disks, cubes

Color: Golden brown usually, but variable depending on type of fruit

Packaging: variable retail packs including: transparent PET boxes, printed aluminium foil pouches. Transport packaging usually carton boxes.

Moisture content: 8-12 %

Alterability of product elements

These elements however are flexible and can be altered to suit the specific requirements of target markets. Manufacturers from Ghana are encouraged to embark on continuous product development to arrive at a suitable mix of these elements of design, shape, colour, package for the specific markets targeted. For the small business new to exporting, however, careful planning to fix the choice of packaging design and materials for the dried produce is recommended. This is because of implication of cost of capital equipment which will not allow much room for multiple lines of different packaging types. Within this limitation however, manufacturers can still differentiate the product from the competition by using effectively graphic design and branding on the packaging and varying shape and size of the core product dried fruit.

Foreign Market Scanning:

TOP 20 importers of dried fruit in 2003 (Sorted by value) are illustrated in the table below. The United States was the world's largest importer for that year followed by United Kingdom, Germany and China.

WORLD IMPORTERS OF DRIED FRUIT RANKED BY VALUE 2003				
Ranking	**Country**	**Volume metric tons**	**Value US$'000**	**Unit value US$/TON**
1	**United States of America**	21542	92859	4311
2	**United Kingdom**	10672	58329	5466
3	**Germany**	23095	49595	2147
4	**China**	44844	24090	537
5	**Canada**	5492	23847	4342
6	**France**	3623	16294	4497
7	**Japan**	5364	16049	2992
8	**Netherlands**	4429	11706	2643
9	**Russian Federation**	43719	10787	247
10	**Mexico**	1767	8146	4610
11	**Australia**	2281	7444	3263
12	**Italy**	5136	7270	1415
13	**Rep of Korea**	5378	5617	1044
14	**United Arab Emirates**	7941	5594	704
15	**Austria**	1101	5505	5000
16	**Belgium**	1204	5048	4193
17	**Malaysia**	16090	4648	289
18	**Switzerland**	967	4523	4677
19	**Pakistan**	22592	4477	198
20	**Sweden**	1326	4388	3309

European Union

The market brief focuses on the European Union market which has traditionally been Ghana's largest export destination. Dried fruit forms part of the larger category of preserved fruits and vegetables. The discussion below on the EU market covers preserved fruit and vegetables as a whole.

In 2002, 14.1 million tonnes of preserved fruit and vegetables were imported into the EU, representing a value of € 13 billion of which 26 percent came from developing countries. Germany is the major import market for preserved fruit and vegetables, accounting for 24 percent of total imports by EU member countries (in terms of value) in 2002, followed by France (15%), the United Kingdom (14%) and The Netherlands (13%). The new EU countries imported € 547 million of preserved fruit and vegetables during 2002 representing 660 thousand tonnes. Poland was the largest importer in terms of value (28%), followed by Czech Republic (21%) and Hungary (13%).

Germany imported 130,000 tons of preserved pineapples (HS 200820) worth $93,111 in 2003. This product's market in Germany however grew by less than 1 % in the period 1999 to 2003. Germany also imported 42,000 tons of preserved fruits and vegetables (HS 200892) worth $54,585 in 2003.

It is important to mention that preserved fruit and vegetables are often imported as a raw material from countries outside the EU, processed and packed in EU countries and re-exported to other EU countries. Therefore extreme care should be given in interpretation of the figures mentioned in the report because of the occurrence of re exports.
The values of all imported products increased by 4 percent and the import volume increased by 14 percent in 2002 compared to 2001.This implies that in most product groups, due to large supplies, import prices were under pressure.

Imports of Dried Fruit into the EU, 2000 – 2002, € 1,000 / tonne

Dried fruit	2000 value	2000 Volume	Value	Volume	value	volume
Total	870,067	547,389	827,530	551,902	861,319	563,722
Extra-EU	650,032	416,927	588,568	427,099	617,062	442,690
Developing countries	461,796	326,548	403,972	335,044	442,622	354,467

** Value in $, Volume in tons (source CBI market survey 2003)

Fruit juice and concentrate was, by far, the leading imported product group, accounting for 32 percent of the imports by EU member countries in 2002. Other leading product groups were canned vegetables (19%), frozen vegetables (13%), canned fruit (12%), dried fruit (7%) and frozen fruit (7%). Less important groups were dried vegetables (4%), preserved mushrooms (2%), Jam 4 % and provisionally preserved fruit & vegetables (2%).

Dried fruit was the fifth largest product imported into the EU in 2002, both in value (7%) and in volume (4%). Both the value and volume of imports increased by 4 and 2 percent in 2002 compared to 2001.
The share of developing countries in imports by EU member countries of preserved fruit and vegetables amounted to 26 percent in 2002. Leading developing country suppliers are Brazil (fruit juice/concentrate), Turkey (canned vegetables, dried fruit and vegetables), China (frozen vegetables, dried vegetables, canned vegetables, preserved mushrooms, provisionally preserved fruit & vegetables) and Thailand (fruit juice/concentrate and canned fruit).

The leading suppliers of dried fruit to the EU from developing countries (share of total

2002 imports in terms of value) was as follows:
Turkey (31%), Tunisia (6%), Chile (4%), South Africa (2%), Iran (2%), Algeria (2%), China (1%)

The import share of dried fruit from developing countries showed the following figures:

Year	2000	2001	2002
Import share in value	53 %	49 %	51 %
Import share in volume	60 %	61 %	63 %

Between 2001 and 2002, imports of preserved fruit and vegetables from developing countries increased on a value basis from € 3.2 billion in 2001 to € 3.4 billion in 2002.

Volume, however, increased from 3.3 million tonnes in 2001 to 3.4 million tonnes in 2002. The import share of developing countries in total EU imports of preserved fruits and vegetables remained rather stable as the following picture shows:

Year	2000	2001	2002
Import share in value	27 %	25 %	26 %
Import share in volume	25 %	24 %	24 %

The Netherlands remained the leading importer of preserved fruit and vegetables from developing countries during 2002 with an import value share of 27 percent, followed by Germany (20%), France (12%), Belgium (11%) the United Kingdom (10%), Spain (7%) and Italy (7%). Together these seven EU countries accounted for 94 percent of value imports from developing countries.

EXPORTS OF DRIED FRUITS

The world's largest exporter of dried fruit in 2003 was Germany (mostly re-exports) followed by Thailand, United States and China. The top 20 exporters in 2003 ranked by value is illustrated in the table below. The only African country in this group was South Africa. Ghana exported only 5 tons of preserved pineapples worth $30,000 and 98 tons of preserved fruit and vegetables worth $77,000 in 2003 to the rest of the world

Ranking	**Country**	**Volume metric tons**	**Value $'000**	**Unit Value $'000**
1	Germany	9424	74265	7880
2	Thailand	125857	70988	564

3	United States of America	31094	67525	2172
4	China	33807	44401	1313
5	Italy	5759	24286	4217
6	France	1946	23901	12282
7	Chile	6171	18207	2950
8	Spain	16183	16962	1048
9	Netherlands	4287	11604	2707
10	Poland	2028	8763	4321
11	Pakistan	2479	8347	3367
12	Viet Nam	11062	7201	651
13	Argentina	3069	6420	2092
14	Turkey	4474	6211	1388
15	Tajikistan	31912	5609	176
16	United Kingdom	3314	5177	1562
17	Slovakia	1564	5155	3296
18	South Africa	1918	3820	1992
19	Canada	747	3283	4395
20	India	8711	3049	350

Source: FAO statistics 2003

Africa

On the African continent South Africa remains one of the largest producers and exporters of preserved fruit, particularly fruit juices and dried fruits. South Africa also imports substantial quantities of preserved fruit, particularly those that do not grow well in the sub temperate South African climate.

The Ghanaian market for preserved fruits has been growing significantly over the past 3 years. Ghana imported 2,814 tons of blended fruit juice mixtures worth $1, 768,000 in 2003. The growing popularity of the fruit juice mixtures is shown in the recorded average annual growth rate of 44 % during the period 1999 to 2003. Apple juice is the next most popular single fruit juice on the Ghanaian market, for which Ghana imported 702 tons worth $446,000 in 2003 and recorded an average annual growth rate of 60 % from 1999 to 2003. Citrus juice imports to Ghana recorded an average annual growth rate of 39 % during the period 1999 to 2003. Ghana imported 37 tons of citrus juice worth $49,000 in 2003. Import of pineapple juice however experienced a decline on the Ghanaian market of -6 % per annum in the period 1999 to 2003. One reason for this is the increasing level of local production of pineapple juice. Ghana imported only 22 tons of pineapple juice worth $11,000 in 2003.

On the other hand, Ghana exported 264 tons of pineapple juice (HS 200940) worth $574,000 and 148 tons of fruit and vegetable juice (HS 200980) worth $160,000 in

2003. Pineapple juice exports exhibited 90 % growth in period 1999 to 2003 whilst fruit and vegetable juice exports exhibited 181 % growth in period 1999 to 2003.

Imports and exports of dried fruit to and from Ghana are in small volumes as the industry is only now beginning to be established.

Within the Ecowas, Nigeria remains the most attractive market on account of its large population of over 100 million. Nigeria imported 7 tons of preserved fruit mixtures (HS 200812) worth $ 31,000 from the rest of the world in 2003. In that same year Nigeria also imported 19 tons of preserved fruit and vegetables other than juice (HS 200899) worth $21,000 from the rest of the world. Ghanaian exports of these products to Nigeria are currently negligible thus representing a niche opportunity for Ghanaian exporters to explore.

Main requirements within the target markets

The following represent the main requirements for preserved fruit imports into the European Union. These requirements will also become opportunities for Ghanaian Exporters to gain competitive edge over others once they are met.

Extensive product documentation

A general trend in the food ingredients sector is that importers and food processors in the EU require extensive product documentation in order to guarantee food safety. This means that a product should be accompanied by complete product specifications, instructions on how to store and to process, documentation on tracking and tracing, information on quality assurance (e.g. HACCP), or even ISO certification. An exporter capable of meeting these requirements will have an improved competitive position in the EU market for dried fruit.

Organic products

Healthy, natural and organic products are occupying an increasingly stronger position in the EU. Organic production is a particularly attractive opportunity for growers in developing countries such as Ghana since much of their food production is already organic or can easily be changed to organic.

Adopt HACCP

HACCP certification will become a requirement for processed products from non-EU countries in 2005. Exporters whose processing is certified have a better competitive position to export to EU customers.

Packaging, marking and labelling

The general trend in Europe is towards facilitating *re-use* and *recycling* of packaging through incentives and disincentives, such as levies and taxes, and through mandatory or voluntary restraints. In order to harmonise the different forms of legislation, the EU has issued a directive for packaging and packaging materials (Directive 94/62/EC) in which minimum standards are regulated. Many EU countries (but not all) now have legislation requiring that packaging for consumer products (such as cans, glass jars, cartons and plastic bottles) is taken back and collected by retailers and producers. If that is not possible (i.e. for one-way packaging) a contribution has to be paid for each package to a central co-ordinating organisation that has taken over the responsibility of collecting and re-processing. Ghanaian Exporters should take steps to stay abreast with these regulations and take appropriate measures, in order to become and remain well-matched trading partners for European businesses. The most recent addition to the directive is the requirement for wooden pallets from non E.U countries to be certified as fumigated against insect borers. The enforcement start up for the pallet regulation has been postponed for one year from February 2005 to 1st Feb 2006

Market segmentation

The E.U market for preserved fruit and vegetables can be divided into three segments:

Ingredient sector

The food processing industry is the largest segment for preserved fruit and vegetables. As the trade in these products takes place on a business-to-business basis, there is not much information available on market sizes and trends. In this sector, preserved fruit and vegetables are used as ingredients in a wide range of food products. Food processors use these ingredients to produce end products in consumer packing for the retail sector and in catering packing for the food service sector.
The major food processors, using preserved fruit and vegetables, operate in the following sectors:

- ***beverage** industry*. The beverage industry is the largest end-user of fruit juice concentrate. Fruit juice concentrate is reprocessed, by blenders and mixers, into fruit juice or nectar. The most important fruit juices in the EU are orange juice and apple juice, followed by pineapple juice and grapefruit juice.
- ***ready-meals industry*.** The ready-meals industry is a significant end-user of frozen vegetables, preserved mushrooms and dried vegetables (mainly for pizzas and pasta dishes).
- ***soup industry***. The soup industry is the largest end-user of dried vegetables. Preserved mushrooms
- are also used by this industry. The main products are packet soups (dried) including soup bases,
- instant soups (dried), canned soups and, to some extent, frozen soups.
- ***breakfast cereal industry***. The breakfast cereal industry uses substantial amounts of dried fruit in
- its production of cereals, muesli and cereals bars.
- ***jam industry***. The jam industry uses considerable amounts of frozen fruit to produce jam products
- and marmalade. This industry hardly uses fresh fruit anymore.
- **other food sectors**, like pet food (dried vegetables), confectionery, baby and infant food.

Consumer sector

Preserved fruit and vegetables like canned fruit and vegetables, frozen vegetables, dried fruits, fruit juice and jam are processed and packed in consumer units and sold through retail outlets to consumers. The consumer sector of preserved fruit and vegetables market consists mainly of branded products and private labels. Supermarkets in the EU dominate retail sales at the expense of specialized shops, such as greengrocers, bakeries, butcheries and delicatessen shops.

Food service sector

The food service sector has been growing during recent years. Out-of-home consumption increased as consumers saw their incomes rising, especially two-person households where both partners are working. Fast food outlets showed an increasing expansion in most EU countries.

The food service sector also includes company canteens and institutional outlets like hospitals, prisons, convalescent homes, schools and universities.

The market for preserved fruit and vegetables for industrial use can also be segmented according to whether the products are grown by organic farming or by conventional farming. This is particularly important since the demand for organic food is growing in several EU member countries and can offer interesting market opportunities for developing countries' exporters. Organic products still account for a small share of the total food consumption in most of the EU markets, although the differences are quite large. In Denmark and Austria, organic products account for about 10 percent of the total food market, while in countries like Spain and France the share is between 0.5 and 1 percent.

Although growth of organic foods reached double digit figures in 2000 and 2001, since 2002 the markets have tended to grow much more slowly (3-4 percent). In some sectors like organic coffee, there is an oversupply, causing prices to drop.

Because of its nature, organic production is highly suitable for small and medium-sized farmers working in areas which may not be suitable for large-scale food production.

Dried fruits like apricots, bananas and pineapple are important organic products within the segment preserved fruit and vegetables for industrial use.

Patterns and trends in industrial demand

The population in the EU is still growing and will continue to grow until about 20 years from now. It is estimated that, thereafter, the EU will start to show a declining population size. However, already now the composition of the population is changing. It shows a rapidly growing number of elderly people combined with a decreasing number of young people. We also see a family 'dilution'; family households are getting smaller because people are having fewer children. Moreover, the number of single households in Western Europe is substantial and still increasing, making these people a highly significant consumer group for food suppliers.

Prosperity in the EU has increased over recent years, and eating behaviour is related to income and life style. Despite this increase in prosperity, the food market in the EU is highly competitive, since consumers are not going to eat more, but will only, at the very most, switch to other products. Recent research into E U consumer behaviour shows that today's consumer has the following preferences concerning food and nutrition:

Safe food

Food products should be safe and eating them should not result in any danger or risk to health. A European Food Safety Survey conducted in 2002 showed that consumers find food safety the 4th largest health concern. For example, producers are encouraged to adopt an approved HACCP (Hazard Analysis and Critical Control Points) system, to show their commitment to the quality and safety requirements of the EU food industry.

Health food

Health food refers to food products, which are low in fat and have limited sugar and salt content; this includes functional foods, which have specific health promoting properties and food products with added vitamins and minerals or bacteria, which support the intestinal function.

Organic food

Since European consumers have recently experienced several food scares, many people are concerned about the safety of food and the effects of intensive farming on the countryside as well as on the environment in general. These factors, combined with the increasing awareness of the importance of diet and nutrition, have intensified interest in organic foods, which are grown according to principles laid down in Directive EC 2092/91, in short: without artificial fertilizers and pesticide.

Fruit and vegetables

There is a growing interest in the consumption of fruit and vegetables in the EU food market. This is caused by the fact that fruit and vegetables contain vitamins and natural antioxidants, which are supposed to have properties, which help to prevent heart diseases and cancer.

Environment-consciousness

Food production, especially primary growing, should be environment-friendly (organic, see above). Waste, including packaging waste, should be avoided or at least reduced. In the scope of the increasing environment-consciousness in the EU, a group of leading European food retailers launched the EurepGap Protocol in 1999. The objective of EurepGap (Euro-Retailer Produce Working Group for Good Agricultural Practice) is to raise standards for the production of fresh fruit and vegetables by promoting food safety, sustainable use of natural resources and more environment-friendly production.

Convenience

European people (including women) are working more and more in jobs outside their home and have busy social lives. Moreover, the number of single households increases. As a result, less time is left for the preparation of a full meal. Therefore, West European consumers have a growing need for convenience meals, spurring the demand for peeled potatoes, canned soup, preserved vegetables, pre fried fries, fish sticks, pizza, frozen pastry, ready meals (frozen, chilled or shelf-stable). The catering sector now also uses semi-processed fruit and vegetables including dried fruits and vegetables.

Market developments are closely linked to innovation and many new products have entered the market in recent years. Sales of meals packed in bags, the contents of which can be split up into individual portions, have increased considerably as a result of Individually Quick Frozen technology (IQF). This technology prevents the product from freezing into one large block, so it is easier to separate. Advertising for frozen food is increasing in most of the selected European markets.

Grazing

The modern consumer does not confine himself to the traditional three meals a day (breakfast, lunch and dinner), but is eating smaller bites at more frequent intervals: ready-to-eat products or products requiring very little ultimate preparation: take-out foods, hamburgers, mini-pizzas, instant soups, filled croissants, candy bars, cheese sticks and fruit yoghurts.

Tracking and tracing

As a result of several food scares (BSE, dioxine) consumers increasingly pose questions on the production process and demand open, honest, and informative labelling. This has resulted in a discussion in the fruit and vegetable processing industry about "tracking and tracing". With the help of good supply chain management and control within the chain, end-product processors are able to supervise handling of all kinds of aspects of fresh fruit and vegetables and products derived from them, such as plant material, growth, harvest, storage, distribution and processing. The fruit and vegetable processing industry is increasingly paying attention to supply chain management and labelling systems, through which products can be traced back to the producer.

Tracking and tracing is becoming even more important in production (i.e. growing and processing) of organic products, where fully documented traceability is required from the raw material to the final product, to ensure the organic character of the product. Since beginning of 2005, EU food legislation requires full traceability for all food products (EU regulation (EC) 178/2002).

Internationalisation

As the world is increasingly turning into a global village, culinary traditions from other continents tend to be more widely accepted by European consumers, increasing the demand for ethnic and exotic ingredients. This development is also stimulated by the steady population growth of ethnic minority groups, which have significantly increased their purchasing power over recent years. Many products containing exotic fruits (like fruit juice drinks, breakfast cereals, jams, ice cream) are manufactured by European food industries from ingredients that are imported as semi-manufactured products (fruit juice concentrate, raw dried fruits etc).

The food processing industry responds to the demands of consumers for safe, healthy and tasteful food by tightening their requirements and by placing increasing responsibility for the quality of the food in the hands of their suppliers (importers/exporters).

Moreover, for exporters of preserved fruit and vegetables, one trend in the food industry is very important**:** over the years, the relationship between the ingredients supplier and the food manufacturer has been changing. In the past, the food manufacturer simply ordered ingredients and additives from his suppliers, carrying out his own programmes of evaluation and formulation to manufacture his end products. This scene has changed in so far that the food manufacturer is increasingly calling on and depending on the ingredients suppliers to carry out this development on his behalf. The food manufacturer not only buys additives and ingredients, but also expertise and experience. The influence of those ingredients suppliers who can offer experience will increase.

For starting exporters from Ghana, it is recommendable to contact traders and the food ingredients industry in Europe (already maintaining their relation to the food industry) rather than going directly to the food manufacturers.

A further change has been the minimisation of ingredient stocks held by manufacturers, thus requiring short-term call-off from their suppliers. Just-in-time delivery is becoming increasingly important in the European food market.

Market Positioning Opportunities for Ghanaian Exporters

Due to the characteristics of the preserved fruit and vegetable sector in the EU market, the opportunities for Ghanaian Exporters lie in the following positions in the supply chain:

- Suppliers of preserved fruit and vegetables ingredients to the food processing industry in the EU

- Suppliers of preserved fruit and vegetables in bulk to packers in the EU, who pack in consumer and food service units

- Subcontractors for the food processing industry and retail organisations. These subcontractors process fruit and vegetables and pack them in consumer and food service units according to strict specifications and under their customers' labels in the EU. For example, beans and peas are harvested in other African countries such as Kenya, sorted and washed immediately after harvest, processed and packed in consumer packing under the label of a UK retailer, then shipped to the distribution centre of the retailer in the United Kingdom and from there directly to the retail outlets.

Based on the trends as mentioned above increasing demand for convenience products spurs demand for ingredients used in ready-to-eat meals. Internationalisation of taste increases demand for exotic ingredients. Coupled to the need for safe and traceable food ingredients, this provides the typical Ghanaian exporter with opportunities to catch on to these trends.

Distribution channels for developing country exporters of dried fruit.

Importers represent an important distribution channel for Ghanaian exporters of dried fruit. Importers not only have experience and knowledge of the international market, they also have strong relationships with suppliers and buyers all over the world. They are particularly positioned to understand the peculiarities of developing country exporters

Over the past 2 decades there has been a tremendous amount of concentration of the trade within the hands of a few hypermarkets who also have their own independent agents and packers responsible for importing. Exporters from developing countries such as

Ghana will be faced with the strict requirements of these hypermarkets in terms of both quality and volumes.

Some, mostly smaller food manufacturers, are also served by ***intermediaries,*** who may or may not repack or reprocess (cleaning, grading, and reducing the humidity content and bacteria count for dried products) the products. Often they pack the fruit and vegetables under their manufacturer's brand or a private label. Mostly, they function as ***importer***, wholesaler and exporter at the same time.

It is recommended for dried fruit exporters from Ghana to seek partnerships and joint ventures with these intermediaries as a means of entering the mainstream export markets These intermediaries have long established links with their customers and are in a better position (than foreign processors) to know the requirements of the local market and of individual end users. They supply the food processing industry and supermarkets chains and are financially able to support exclusive contracts and advertising campaigns, as well as to service special requirements.

The following major business partners can be distinguished for exporters of most preserved fruit and vegetables into EU.

Agents

Agents are intermediaries executing the buying and selling orders of a customer against a commission (between 2 and 5 percent of the purchasing price). The agents never actually take possession of a shipment. Moreover, the products do not pass physically through the agents' hands and often not even through their countries of operation.

Two types of agents can be distinguished: buying agents and selling agents. The former represents the buyers, such as the food processing industry, compound houses or re-exporters. The latter represents the sellers, mainly exporters. Agents are usually well informed about the current market trends, prices and users and are usually more favourably inclined towards dealing with new entrants into the market from developing countries. KASDAR will seek suitable agents to work with for initial export market entry.

Importers

Importers buy and sell preserved fruit and vegetables on their own account, mainly to the food processing industry and for re-export. Importers take 'long' or 'short' positions in the market depending on their expectations of future price trends. If an importer sells 'short', he is contracting to sell products, which he does not yet possess, while taking a 'long' position means that he has unsold products in his trading account.

Ghanaian Exporters should deal with importers who have the capacity and flexibility to absorb shocks and be in control of affairs irrespective of the market situation.

Processing industry (processing importer)

Processing manufacturers/processing importers buy raw materials and semi-finished products to process them further, with the goal of selling these to the end-product manufacturers. For example, in the case of dried fruit the processing importers clean, grade, reduce the humidity content and bacteria count before selling to the food industry.

The processing manufacturers purchase preserved fruit and vegetables either directly or from importers or through the services of an agent. Specialised fruit processing industries supply semi-manufactured products to the bakery, dairy and ice-cream industry. Cargill and the compound houses (see chart below) are examples of leading processing importers in The Netherlands. The compound houses supply their compounds in the first place to the beverage industry, the dairy industry and the ice cream industry.

End-product manufacturers

Some end-product manufacturers who need large quantities (on a regular basis) of ingredients purchase their ingredients directly from producers abroad, such as the beverage industry in the case of fruit juice and fruit juice concentrate. Another example is the jam industry, which buys substantial amounts of fruit pulp and frozen fruit directly from producers abroad. Leading importing manufacturers in EU countries are Unilever, Cadbury Schweppes, Parmalat and Danone. Many end-product manufacturers use processing importers or agents, as these offer a reference point situated within their own country. As explained earlier this category, though attractive is unlikely to work directly with a new developing country exporter and Ghanaian enterprises will strive to reach them through intermediaries such as agents and importers

Retail and food service organisations

Retailers carry out the final stage of selling preserved fruit and vegetables to consumers, accounting for a very large share of the total sales. The retail sectors hardly ever import directly, but buy from wholesalers or importers. In the case of jam and canned vegetables, retailers have a strong negotiating position due to the many sourcing possibilities between pro ducts and suppliers, as well as the practice of private labelling. In the EU, large supermarket buying groups are Ahold (The Netherlands), Carrefour (France), Metro (Germany), Tesco (United Kingdom) and Aldi (Germany). Direct dealings with the retail sector may be possible after a period of sustained performance of consistent high quality competitively priced delivery.

Because of their much smaller size, the food service sectors do not usually import directly from source. Ghanaian exporters will initially be able to reach this category through intermediary partners described above

Packers

These organisations pack goods in standard packs for the European market. The (re) packers keep the goods on stock in their warehouse, at their own risk, and sometimes under their own brand or the private label of a customer. These packers sometimes function as importers as well and could represent a niche market entry channel for Ghanaian exporters.

Price considerations

Price developments are strongly dependent on a number of factors:

- harvest output in the supplying countries in relationship to demand;

- the quality of fresh fruit aimed at the consumer markets. When quality is not up to standard the products will be diverted to the industry for processing, thus putting pressure on prices.

Prices vary widely according to individual countries, mode of presentation and the level of entry into market. Branded retail packed fruits will averagely sell higher than unbranded bulk packed fruits at FOB level. Retail prices for retail packed trays of dried fruit range from $14 to $36 for a 1kg pack. New entrants to the E .U market from Ghana should adopt a pricing policy that will ensure her price competitiveness whilst at the same time ensuring adequate revenues and profits. The difficulty of direct entry to the retail market in the EU has been elaborated on in the previous section on distribution channels.

Promotion

The E.U market is very competitive and players spend annually large sums of money on promotion and product communication in order to establish and maintain corporate and brand presence in the market. Promotion trends vary but the use of the mass media including the internet, store promotions and trade fairs and exhibitions continue to be some of the main means of promotion in recent years. A more recent dimension is the use of sponsored links on major search engines on the internet

The **Anuga trade fair** in Germany and the **Food and Drink fair** in UK are two important events that Ghanaian Exporters can participate in to promote their products in the European Union, in addition to developing and maintaining a website. The exporters should also produce printed promotional materials including posters and brochures. Export margins anticipated by the typical small business will not be able to support elaborate overseas promotion, hence as far as possible such companies should rely on their overseas partners to do the international promotion. One prominent advertisement in a major international produce magazine for instance could cost $5,000

Useful Addresses and Links

Names, Addresses, Websites of Importers of Dried Foods

J. O. SIMS LTD.
Website: http:/www.josims.com/contact_info.shtml
Tel: +44(0) 1775842100
Fax: +44(0) 1775842101
Email: enquiries@josims.com

SASS FOODS INC.
Web: www.sassfoods.com/
Tel: (416) 360-6611
Fax: (416)360-6640

Mr. Yang Yea
Lianyungang Unionrun Foreign Trade Co.
Tel: 00865185015897
Fax: 00865185015891

KESTREL FOOD LTD

Website: www.forstfeast.com
Tel: 0283 8350934
Email: kestrelfoods@aol.com

BEDEMCO INC. WORLDWIDE
Tel: (914) 683-1119
Fax: (914) 683-1482
Email: bedemco@bedemco.com
marketing@bedemco.com

J. F. BRAUN & SONS INC.
Website : http/www.jfbny.com/about/html
Tel : (516) 997-2200
Fax : (516) 997-2478
Email : steve@jfbny.com

Importers and buyers of dried fruits
Website: http://www.indiamart.com/rainbow exports
Tel: +(91)-(79)-26870451
Fax: +(91)-(79)-26870437

NIRMAL AGRO FOODS, DELHI
Tel: (91)-(11)-55655616
Fax: (91)-(11)-26866948

MARICO INDUSTRIES LTD., MUMBAI
Tel: +(91)-(22)-26311976
Fax: +(91)-(22)-26311975

FRUSOL INT.INC.
Website: http://www.frusol.com/
Tel: 1(416) 492-7797
Fax: 1(416) 492-7080
Email: info@frusol.com

GO! GLOBAL ORGANICS LTD
Website: http://www.global-organics.com
Tel: (781) 648-8844
Fax: (781)648-0774
Email: info@global-organics.com

KOMAS
Website: http://www.komas.com.tr/
Tel: ++90324 2357410
Fax: ++90324 2357766 & 2357419

THE STAR-K ONLINE
Website: http://www.star-k.com/contact.htm
Tel: 410-484-4110
Fax: 410-453-9294
Email: star-k@star-k.org.

CHETAN MALHOTRA
Website: http://www.exporterindia.com
Tel : 95-22-28550412
Fax : 95-22-28550412

ANGEL INTERNATIONAL, INDORE
Importers of dried food
Tel: +(91)-(731)-5009179
Fax: +(91)-(731)-5009179

INDIANA HELLAS
Buyers of dried fruits, spices and sesame seeds
Tel: (91)-(22)26429937

JOHN MORLEY IMPORTERS LTD.
Tel: 01260-299911
Fax: 01260-270105

OVERSEAS BUYERS.COM
Website:http://www.overseasbuyers.com/details.php?code=A

FURTHER INFORMATION on market requirements, market description, opportunities, trends and potential for dried fruits can be obtained from the full text of the market surveys available at the websites of the following organisations:

Centre for Promotion of Imports from Developing countries (CBI)
www.cbi.nl

Danish Import Promotion Organisation (DIPO)
www.dipo.dk

Association of Swedish Chambers of Commerce
www.cci.se

International Trade Centre (ITC)
www.intracen.org