The German and European Market of Fruit & Vegetable: Potential for Exports, Standards & Regulations

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THE OBJECTIVE
+ The sustainable and well-structured import promotion
+ Establish sustainable business relations between German importers and exporters from selected developing and emerging markets

TARGET GROUPS

COMPANIES (Micro-Level)
- Exporters in selected developing and emerging countries
- German Importers

BUSINESS SUPPORT ORGANISATIONS (Meso-Level)
in Germany and partner countries
- Chambers of Commerce
- Branch Associations
- Export Promotion Agencies
IPD Partners and network – Pooling know-how
IPD Sectors

Fresh Fruits and Vegetables

Natural Ingredients for food, pharmaceuticals and cosmetics

Cut Flowers

Technical Wood
IPD Partner Countries

- Columbia
- Peru
- Tunisia
- Egypt
- Ethiopia
- Kyrgyzstan
- Nepal
- Indonesia
## IPD in the International Network

<table>
<thead>
<tr>
<th>CBI</th>
<th>SIPPO</th>
<th>GIZ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Import promotion agency of the Dutch Ministry of Foreign Affairs. Provision of sector-relevant information.</td>
<td>Promoting market access of small and medium-sized enterprises in selected program countries through trade fairs and Buyer Missions.</td>
<td>Support of the Federal Government in achieving its goals in the international cooperation for sustainable development.</td>
</tr>
</tbody>
</table>

**CBI**
- Ministry of Foreign Affairs of the Netherlands

**SIPPO**
- Swiss Import Promotion Programme

**GIZ**
- Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

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**Supported by**: BMZ (Federal Ministry for Economic Cooperation and Development)

**Implemented by**: BGA (Federal Association of German Foreign Trade and Services)
Ethiopian Pavilion at Fruit Logistica, February 2016, Berlin
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General Agenda

1. The European F & V market at a glance
2. Potential for Exports for Fruit & Vegetable
3. Standards of agricultural goods, Global GAP
4. Regulations to enter German / EU market

1 scope

Improve your knowledge on F&V market in Europe and consolidate or start the process of GlobalGAP certification as an important instrument for market entry to the EU with F&V from Ethiopia.
1. Market overview

Total population of Europe / EU: total, density, households

- EU: 28 states, non-EU Europe: 23 states
- In 2015 total population EU and non-EU amounts approx. 745 Mio (only for Russia count 146 Mio)
- in 8 EU-countries live 397 Mio = 78 %
- Population density is high in the center, in Italy and in the north (except Scandinavia)
- In the European cities 2/3 of the households contain 1 or max. 2 persons
1. Market overview

F & V consumption patterns in Europe

The North of Europe:
People like convenience food, ready to eat, delivered at home

The South:
More time is spent shopping and preparing the fruits and vegetables
1. Market overview

Production of Fruit & Vegetables in EU

- Italy, France and Spain produce a big part of the EU F&V demand
- These 3 countries cover aprox.
  - 70% of the internal European fruit demand
  - 55% of the internal European vegetable demand
1. Market overview

Imports of fresh fruit and vegetables into the EU

- Mainly the Scandinavian countries, Germany and UK do have a big demand for import of FF&V.
- Countries with a big production like Italy, France, Spain do not have a big demand for import (unless for processing)
- The Netherlands import a lot F&V from all over the world: big part of it is re-exported
2. Potential for Exports for F & V

Imports of fresh fruit into the EU (year 2013, tonnes)

Source: consumption monitor 2014, Freshfel Europe
2. Potential for Exports for F & V

Exports of fruit (HS-code 08) from ET (year 2015, value)

<table>
<thead>
<tr>
<th>rank</th>
<th>country</th>
<th>Share in Ethiopia exports (value in USD)</th>
<th>exported growth in value % p.a. (2011-2015)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Djibouti</td>
<td>43.3%</td>
<td>3</td>
</tr>
<tr>
<td>2</td>
<td>Somalia</td>
<td>37.2%</td>
<td>142</td>
</tr>
<tr>
<td>3</td>
<td>Saudi Arabia</td>
<td>6.3%</td>
<td>78</td>
</tr>
<tr>
<td>4</td>
<td>UAE</td>
<td>5.6%</td>
<td>1</td>
</tr>
<tr>
<td>5</td>
<td>Nigeria</td>
<td>2.1%</td>
<td>160</td>
</tr>
<tr>
<td>6</td>
<td>Qatar</td>
<td>1.9%</td>
<td>53</td>
</tr>
<tr>
<td>7</td>
<td>Angola</td>
<td>1.3%</td>
<td>?</td>
</tr>
<tr>
<td>8</td>
<td>Netherlands</td>
<td>1%</td>
<td>-6</td>
</tr>
<tr>
<td>9</td>
<td>Russian Federation</td>
<td>0.2%</td>
<td>-11</td>
</tr>
<tr>
<td>10</td>
<td>South Africa</td>
<td>0.2%</td>
<td>?</td>
</tr>
</tbody>
</table>

Source: trademap.org, July 2016
### 2. Potential for Exports for F & V

Exports of vegetable (HS-code 07) from ET (year 2015, value)

<table>
<thead>
<tr>
<th>rank</th>
<th>country / region</th>
<th>share in Ethiopias exports (%), value in USD</th>
<th>exported growth in value % p.a., (2011-2015)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Somalia</td>
<td>56.8</td>
<td>34</td>
</tr>
<tr>
<td>2</td>
<td>Djibouti</td>
<td>14.3</td>
<td>29</td>
</tr>
<tr>
<td>3</td>
<td>Soudan (North &amp; South)</td>
<td>5.3</td>
<td>14</td>
</tr>
<tr>
<td>4</td>
<td>Pakistan</td>
<td>4.9</td>
<td>26</td>
</tr>
<tr>
<td>5</td>
<td>India</td>
<td>4.8</td>
<td>44</td>
</tr>
<tr>
<td>6</td>
<td>Indonesia</td>
<td>2.1</td>
<td>30</td>
</tr>
<tr>
<td>7</td>
<td>Kenya</td>
<td>2</td>
<td>11</td>
</tr>
<tr>
<td>8</td>
<td>Russian Federation</td>
<td>1</td>
<td>88</td>
</tr>
<tr>
<td>9</td>
<td>Yemen</td>
<td>0.9</td>
<td>13</td>
</tr>
<tr>
<td>10</td>
<td>UAE</td>
<td>0.8</td>
<td>-17</td>
</tr>
</tbody>
</table>

Source: Trademap.org, July 2016
2. Potential for Exports for F & V

Information on F & V into the EU: find recent publications & figures

Overall fact: Volumes are constant, values increase

Get Information on trends, requirements, “thinking of european FF&V buyer’s” from our network partner CBI:

[www.cbi.eu/market-information/fresh-fruit-vegetables](http://www.cbi.eu/market-information/fresh-fruit-vegetables)

Get information on trade: import/export, volumes/values, regions, specific countries

[www.trademap.org](http://www.trademap.org)

[www.faostat.org](http://www.faostat.org)

3. Standards of agricultural goods

Exchange of agricultural goods worldwide: opportunities and alienation
3. Standards of agricultural goods

Standards in Agriculture: Why ? What ?

- **Why do GAP codes, standards and regulations exist?**
  - Worldwide concerns on food safety and quality

- **What are GAP codes, standards and regulations ?**
  - Guidelines for producers, processors aiming to codify agricultural practices

- **Raising requirement:**
  - In the international market, farmers and food producers will be increasingly required to be certified against a food safety standard.........and Corportae Social Responsibility, CSR, standards (coming up strongly)
3. Standards of agricultural goods

Which standard for my business?

- Agriculture / Production
- Processing
- Social / labor issues
- Organic
- Fairtrade
Thanks of its vitality to internalize constantly new challenges in the environmental & social field as well as in matters of quality assurance and the chain of custody GlobalGAP shows a very high level of sustainability benfitting producers, traders and consumers.
Process to get the GlobalGAP certification

- First of all: Make a self-assessment using check-list available online
- Take decision in the management
- Further on: ensure correct cost calculation and financial back ups of certification
- Allocate necessary, skilled HR in charge of implementation
Process to get the GlobalGAP certification

- Elaborate realistic time frame along with the specific situation of the farm / product
- Keep in touch with assessment from outside or online help
- Harvest all types of benefits
GlobalGAP producer/supplier members
GlobalGAP’s pledge

• Global GAP approves- or benchmarks – national standards

• Feb 2015: EPHEAS Silver level in Flower Production benchmarked with GlobalGAP IFA Version 4

• Options for organized small and medium farmers
4. Regulations to enter German / EU market

What are the regulations for F & V imports to EU?

- 1 single, harmonized framework regulation in order to assure
- Traceability
- Hygiene requirements
- Microbiological criteria (e.g., E.coli, salmonella,...; seldom tested in fresh, unprocessed F&V)
- Safe and effective use of pesticides
- Pesticides banned/approved
- MRL (Max. Residue Level)
- Chemical contaminants (lead, cadmium, nitrate)
- Phytosanitary measures (avoid introduction of plant diseases)
- Wood packaging
- Special restrictions (aflatoxines,...)
4. Regulations to enter German / EU market

Regulations for imports of F & V to EU: Import procedures

- Certificate of Origin (CO), with mention of consigner, consignee, country of origin, item numbers, description of packages, products, quantities,....

- Maybe subject to the presentation of an import certificate for surveillance measures (endangered species, contaminants,...) /quotas (apples, garlic, .....)

- Payment of tariff duties

- Random samplings programs
4. Regulations to enter German / EU market

Regulation for imports of F & V to EU: Import procedures

- As a sort of roof: Codex Alimentarius created by FAO and WHO; it is voluntary reference standard.
- The EU measures are stricter.
- The EU regulations are not extra-territorial.
- The EU regulation is the legal minima.
- Larger retailers, food platforms will ask for independently verifiable private standards (GlobalGAP, BRC,...)
- It is the responsibility of the importer to ensure compliance with the relevant requirements and regulations.
4. Regulations to enter German / EU market

Imports of F & V to EU: The control bodies and alert systems

- European Food Safety Authority, EFSA
- Designated Points of Entry to EU
- Rapid Alert System of Food and Feed, RASSF (national food control authorities, members EFSA, others), created in 1979 (alerts, border rejections, information (for attention, follow up).
- In 2014 RASSF has emitted over 3’000 notifications of which 1’358 were border rejections.
Imports of F & V to EU: Quintessence of being Global GAP certified

• Global GAP approves- or benchmarks – national standards

• GlobalGAP goes beyond EU regulations, consolidates your business and gives confidence to your customers

• Global GAP is your identity: complying with the standards you know exactly where you are in the production process with your products/plants, your labor force, the environment
Thank you!

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01. & 02.08.2015  
Bahir Dar and Mekele, Ethiopia