

Source: CBI EU Market Survey Fresh fruit and vegetables, 2005

PART B:

EXPORT MARKETING GUIDELINES: ANALYSIS AND STRATEGY

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How do you get involved in the international marketplace? How much time and money will it take? Should you make exporting part of your business plan? These are common concerns of producers who realise the importance of international trade, but are not sure if exporting is for them. That is what Part B is all about: to help you to evaluate whether to get involved in international business, and learn how to go about exporting.

The first Chapters 10, 11 and 12 aim at assisting potential exporters in the **decision-making process** whether or not to export. By matching external opportunities and internal capabilities, the exporter will be able to identify suitable export products, target countries, market segments, and possible trade channels.

Subsequently, Chapter 13 provides sector specific knowledge and sources to enable the exporter to further investigate what to export, to which markets, through which channels, and at what prices. In other words, which **marketing tools** can be used to build a successful business relationship?

Keep in mind that the export marketing process is integrated; each individual part is inter-linked.

The information provided in the previous parts of this survey is an essential ingredient in conducting the analysis and formulating a clearly targeted export strategy. Where applicable, reference will be made to the concerning sections in Parts A and B.

For general information on export marketing and how to conduct market research, please refer to CBI's *'Export Planner'* and CBI's manual on market research *'Your Guide to Market Research'*.

10 EXTERNAL ANALYSIS: MARKET AUDIT

The external analysis or market audit assists the exporter to identify market opportunities, suitable sales channels and much more relevant information on the market and the external environment.

10.1 Market developments and opportunities

As a first step towards the identification of the most suitable export markets, the exporter needs to research the importance of potential markets and understand the ongoing developments that shape the European fresh fruit and vegetable market structure. This should be done by means of systematic market research, involving a preliminary screening of potential markets followed by a more detailed assessment of the targeted markets.

Markets can be researched using primary as well as secondary data sources. Primary market research consists of a company collecting data directly from the foreign marketplace through interviews, surveys, and other direct contact with market participants. In general, European fresh fruit and vegetable importers are quite willing to give information on market developments. Primary research has the advantage of being tailor-made to meet your company's needs and provide answers to specific questions, but this data collection can be very time-consuming and expensive.

For a global scan of the market, most companies make use of secondary data sources such as trade statistics, to focus their marketing efforts. This type of research is a valuable and relatively easy first step for a company to take. Specific market developments as described in Chapters 3, 4, 5, 8 and 9 of this market survey for instance should be used as a starting point for your export market research.

Keep in mind that, already in the early stages of market research, it is important to focus on your product group. For instance, the market for bulk and storable products, like apples, differs completely from the market characteristics of ethnic tropical fruits. There is no use putting effort into the analysis of the European market for all products if you are specialised in a certain product.

Section 3.3 identifies a number of general consumption patterns and trends. It is important to assess the implications and opportunities of important general trends like health food, convenience, and exotics for your products and situation.

Off-season products

An off-season range offers particular opportunities for exporting to the EU. This means that you export certain kinds of fruits and vegetables to the EU during seasons in which they are not (or only in small quantities) available due to the local climate (see box on the next page). There is an all-year round demand for most products which domestic producers can only satisfy in part or not at all.

Results of the research inform the company of the largest markets for its product, niche markets, the fastest growing markets, market trends and outlook, market conditions and practices, and competitive firms and products. Based on all the information, a company must decide which markets are the most promising.

During the market assessment you should not only focus on large markets, but also try to find out whether there are interesting niche markets. Niche markets, like ethnic fruits and vegetables, might present interesting export opportunities, particularly for starting exporters from developing countries.

When are products off-season in the European Union?				
product	March - April	May - July	August - October	November - February
Avocado	x			x
Carambola	x		x	x
Citron	x			x
Guava and mango	x			x
Melon	x			x
Orange			x	
Papaya	x			x
Passion fruits	x			x
Pepino	x		x	x
Pineapple	x	x		x
Pitahaya	x		x	x
Tamarind	x		x	x

Questions that need to be answered:

- Market size: What is the (estimated) market size for your potential export products? Try first to focus on your product group, then on your specific products.
- Market development: How has the total market volume developed during the past 3-5 years? If there is no information on your specific products or varieties, then try to obtain information on the development of markets for related products.
- Imports: How have imports developed during the past 3-5 years? Again, there probably is no information on all specific products available.
- Are importers and potential business partners in the EU interested in new suppliers of your particular products?

Where to find information?

- ① The market information described in **Part A of this market survey** can be very useful as a starting point for your export market research. Where applicable, the sources for this market information are also mentioned in the specific chapters.
 - ① For more general information and a list of the European **national trade statistics bureaus**, you can use the EU statistics bureau **Eurostat**:
<http://europa.eu.int/comm/eurostat>
 - ① In some cases, **trade associations and commodity boards** are able to assist you with more specific information on product trends. For a list of trade associations, please refer to Appendix 3.3.
 - ① **Trade press**
 - ① Useful sources of information on market developments are (international) **trade magazines** which can be relevant for exporters who want to develop a better insight into the EU markets. Some of the most interesting magazines for exporters of fresh fruit and vegetables are:
 - L'Echo (French)
 - Eurofruit (English, sections in other languages)
 - FLD (French)
 - Foodnews (English)
 - Fresh Produce Journal (English)
 - Fruchthandel (German)
 - Fruitrop (French, English)
 - International Fruit World (English)
 - Primeur (Dutch, French)
 - Valencia Fruits (Spanish)
 - Vakblad AGF (Dutch)
- Appendix 3.5 presents a more extensive list of names and addresses of publishers.

Market access requirements

Quality: non-tariff barriers and standards

As Section 9.1 of this survey already showed, the European market sets high demands on quality. In most cases, European retail outlets (supermarkets, specialised shops, weekly markets) sell only first quality products. However, not every sales outlet demands first quality goods. An exception is the processing industry, which also uses second quality fruit for products, such as jams, fruit juices and fruit pulps.

A wide array of non-tariff barriers which could be applicable to exporters of fresh fruit and vegetables were described in that same section. It is important to determine which standards and regulations apply to your particular situation.

Compulsory standards like the regulations on Maximum Residue Levels (MRLs) should of course always be met. In the case of non-compliance, your products will be taken out of the market and in some cases even a fine could be imposed. However, not all standards are compulsory or widely recognised by your potential customers. For instance, there is a lot of talk about EurepGap, which is an initiative of mainly (UK-based) supermarket chains. These standards, however, are not (yet) common practice in all channels.

The so-called shelf ripeness (ripeness at the retail outlet) is a major quality issue for many products. Shelf ripeness is of course primarily influenced by the moment products are picked and by the way they ripen during shipment (product characteristics, duration, climatic conditions). The ideal shelf ripeness can vary per product and per trade channel. While some channels (in many cases supermarkets) prefer fairly raw products, other channels like those supplying ethnic markets prefer riper products. It is important for you, together with your importer, to determine the ideal ripeness.

Keep in mind that regulations and standards are continuously changing. Therefore, we recommend that you check the up-to-date situations with importers or the relevant organisations.

Questions that an exporter should answer are:

- What standards are set on the quality of products (EC Marketing standards, (informal) trade standards)?
- What standards are required on the quality of your company's management and production process (ISO, HACCP, EurepGap)?
- To what degree do phytosanitary regulations and plant protection regulations (EPPO) apply to the products?
- What is the importance of environmentally sound production methods (Organic production and Ecolabelling)?

Where to find information?

- ① Sections 9.1 of this survey gives information on quality standards; trade-related environmental, social and health and safety issues; and packaging, marking and labelling. This section also provides Internet sites like CBI's AccessGuide that can be of assistance to obtaining product specific information.
- ① For information on trade-related environmental issues, please refer to Section 9.1.3.
- ① Other potentially useful information sources are colleague exporters and European importers.

Tariff barriers

Two different parties are involved in the payment of Customs duties: the party that is charged with the duties (i.e. the one that bears the financial burden) and the party which actually makes the payment.

In the EU, importers must bear the financial burden of Customs duties. However, they settle the duties with their supplier, the exporter(s) in the case that the goods were

shipped on consignment conditions. The forwarding agents mostly handle all the import formalities, i.e. they collect the goods from the seaport or the airport, deal with the Customs formalities and pay the respective Customs duties on behalf, and for account of, the importer.

Questions that an exporter should answer are:

- Are there import restrictions which limit sales opportunities?
- Does the entry-price system apply to your products?
- Which import tariffs apply to your export products? Do these tariffs apply all year or only in certain periods of the year?
- Which import tariffs apply to those countries which produce the same products you are planning to export?

Where to find information?

- ① Refer to Section 9.2, for information on applied import tariffs. This section also provides Internet sites that are helpful for finding product specific information.
- ① Another important source of information on the level of import tariffs is your importer or forwarding agent.

10.2 Competitive analysis

Competitors and their pricing will have a direct effect on the potential success of your trade opportunities. It is therefore important to learn more about your competitive environment.

As an initial step towards understanding your competition, you should prepare a list of all the competition and then pinpoint who your main competitors are. To learn more about competition you can do secondary research study by asking customers and suppliers for their opinions. You can also prepare a list of your main competitors' strengths and weaknesses.

The fresh fruit and vegetables industry is open to new entrants and you should expect more competition. Constantly check with customers and suppliers to see if they have heard of any new businesses. These sources may also give you some insight into where and how the competition is selling its products. Which trade channels are used by your competitors, and why?

Useful information can also be found in this survey: Chapter 4 gives you insight into production of fresh fruits and vegetables in the EU; Chapter 5 describes the major suppliers from outside the EU.

Trade shows can of course be helpful for gaining contact with new customers and learning about market developments. It can however also be used to find out more about competition. Take the time to attend industry trade shows to see what your competition is like.

Producers of horticultural products in developing countries benefit from their geographic location, which offers them good climatic conditions or the possibility to supply off-season. These are often the most important factors that positively distinguish your company from competitors in other countries, particularly from competitors in Europe. Other positive factors are for example labour costs, costs of land, etc.

Needless to say, there are also factors that weaken your competitive position. European companies for instance have the advantage of being close to their customers, which in general facilitates marketing of products and communication. Another important difference is the fact that cultivation technology and inputs is readily available to European companies (see Chapter 4 in Part A).

Thanks to the development of new techniques and varieties, the storage capabilities are increasing for many fruits and vegetables. As a result, European growers are able to expand their supply period and are therefore increasingly becoming strong competitors for exporters of off-season products from the Southern Hemisphere.

Important questions to be answered are:

- How many suppliers are currently active in the market?
- Who are your main competitors? What are their strengths and weaknesses compared to your company?
- To what degree is the sector in the target market supported by the local government?

10.3 Sales channel assessment

Having assessed the prospective markets and market segments, it is now important to understand the trade structure and supply chains supplying these market segments. After the assessment of the exporter's capabilities (next chapter), this will enable the exporter to determine the most suitable sales channel. The information provided in Chapter 7 of Part A should be used as a starting point.

To successfully market your products in the EU, detailed knowledge of the various sales channels and the market participants is necessary. In the case of the international fresh fruit and vegetables trade, there are roughly three distinct sales channels through which exporting to the EU market is possible:

Direct exporting	Indirect exporting	
1. European importer	2. Fruit combine	3. Export organisation
Selling directly to a European importer (with or without the assistance of an agent).	Supplying a fruit combine that exports your products to the European market.	Exporting by means of a private or co-operative export organisation (including marketing boards)
<pre> graph TD P[Producer] -- solid --> I[Importer] P -.-> A[Agent] A -.-> I I -.-.-> Out1[] </pre>	<pre> graph TD P[Producer] -- solid --> FC[Fruit combine] FC -- solid --> FCI[Fruit combines' contract importer] FCI -.-> Out2[] </pre>	<pre> graph TD P[Producer] -- solid --> EO[Export organisation] EO -- solid --> A[Agent] EO -- solid --> I[Importer] A -- solid --> I I -.-> Out3[] </pre>

In some countries, different sales channels are more or less specialised in supplying different types of retail outlets. For instance, large fruit combines have their own marketing organisations, making it possible to organise special promotions together with large retail chains.

Each supply chain has its own specific conditions, which should be met by the exporter. For instance, when delivering products to importers who supply the supermarket chain, food safety and, consequently, tracking and tracing have become major issues (see also Sections 3.3 and 10.4).

Nevertheless, it is not always possible to make a clear distinction between importers supplying supermarket chains, specialised shops, or the out-of-home market. Many European importers serve several retail types as their customers.

To give you an understanding of some of the potential business partners in your own country, an overview of their scope of work is given in the table below:

Market parties in the EXPORTING country	
Market party	Scope of work
Private and co-operative export organisations	<ul style="list-style-type: none"> • Goods treatment (washing, sorting, etc.). • Packaging of goods for export, often in customer's packaging (pricing tags, bar coding). • Sales and marketing in their own name or on behalf of their members. • Collective agreements with freight forwarders, making it possible to negotiate better services and prices.
Marketing boards	<ul style="list-style-type: none"> • Goods treatment (washing, sorting, etc.) and packaging. • Marketing goods under their own name. • Sales and distribution of the complete national production. • Responsibility for all marketing activities for the (compulsory) members. • Sale to a restricted number of selected importers (so-called 'panel lists').
Fruit combines (plantations)	<ul style="list-style-type: none"> • Production, in some cases buying from other producers. • Quality control. • Packaging goods for the exporter. • Sale of goods under their own label to contract importers.

It is also important to understand the role of the parties, active in the destination country:

Market parties in the IMPORTING country	
Market party	Scope of work
Agent	<ul style="list-style-type: none"> • Agents establish contacts between producers / export organisations and buyers in the importing country. • Agents actively offer products on behalf of third parties. • Most agents are specialised either in products or sales channels. • Usually take 2-3% commission on sales.
Importer	<ul style="list-style-type: none"> • In contrast to agents, importers buy and sell on their own account. They take the full risk unless it was shipped on consignment terms. • Clearing goods from Customs. • In some cases, treatment of goods or packaging. • Processing for sale. • Quality check. • Distribution of the goods. • Importer's margins are usually somewhere between 5 and 10%.
Fruit combines' contract importers	<ul style="list-style-type: none"> • These companies market the products of fruit combines. • Clearing goods from Customs. • In some cases, treatment of goods or packaging. • Branch offices carry out marketing and advertising for their own goods.

As a rule, exporters in developing countries and EU wholesale grocers, which deliver directly to retail shops, do not deal directly with one another. The main reason is the fact that exporters do not have the necessary infrastructure (sales offices, storage capacity, logistics). Exceptions are, for example, contacts with the retail trade's buying groups (of large supermarket chains).

Long-term contracts or co-operation agreements between importers in Europe and producers or exporters in developing countries are not widespread. However, the importance of standards like EurepGap, traceability and year-round availability of goods is increasing. As a result, it is expected that suppliers of large European retail chains will seek to plan and secure their supply of imported produce in the future.

E-commerce

E-commerce is a relatively new method of transacting business using information technology, which allows physical processes to be replaced by electronic ones. In many cases, it is an open system, usable by all enterprises anywhere, provided an appropriate infrastructure is present, and has low barriers to entry, unlike earlier forms of electronic data interchange. In the coming years, it will therefore also have a significant impact on exporters in developing countries.

With the aim to create a broader marketplace for fresh fruit and vegetables, business-to-business (B2B) companies have proliferated. Although the number and range of e-commerce sites has grown over the last years, E-commerce has not yet become of major importance in the international fruit and vegetable trade. The development of these B2B sites can be explained by three main targets: to cut transaction costs, improve efficiency, and expand the trading horizon. Some of these sites sell any type of fresh food, seafood, meat, dairy, fruit and vegetables, this is the case of sites like <http://www.agribuys.com>, <http://www.foodstrading.com>, and <http://www.foodtrader.com>.

Important questions to be answered are:

- Which potential sales channels exist for your products in the target market?
- Which products do the different sales channels trade? What product assortment does this sales channel demand?
- What are the most important requirements of the identified sales channels? What are the conditions for an exporter to function in a specific supply chain?
 - What quality standards do the sales channels demand?
 - What kind of packaging is used in the various sales channels?
 - What are the requirements concerning production process (environmental, ISO, EurepGap, traceability etc.)?
- What sales support material is necessary for business contact with this sales channel (price lists, quality certificates, campaign folders, sales statistics, sales brochures)?

① Refer to Chapter 7, and Section 7.2 in particular, for information on potential sales channels.

① Section 13.2 of these marketing guidelines gives information on how to identify suitable business partners and how to further develop a business relationship.

10.4 Logistics

When transporting perishable products overseas, the exporter ideally looks for the fastest and most efficient mode(s) of transportation that will deliver the product in perfect condition at the lowest possible costs. The actual selection will be a compromise among these factors.

In the case of exports of fresh fruit and vegetables from developing countries to the EU, two types of transportation methods are used: ocean cargo and air cargo:

- *Ocean cargo*

Ocean transportation takes longer than air freight, but the cost of transportation is usually lower.

Conditions for sea transportation have considerably improved over the last few years. The range of vessels has developed and diversified: there are reefer vessels, refrigerated containers to be found in the hold of these vessels or loaded onto container ships, which are equipped with refrigeration supply points.

The market share of refrigerated containers tends to increase. The main reasons for the growth in the use of refrigerated containers are the developing supply, the improved services, and the decreasing prices. Another advantage of container shipment is the fact that quality is easier to control. In the hold of a boat, products can affect each other's quality, because diseases and smells can spread more easily between products.

Freight rates vary, depending on the product being shipped, its value, level of service provided, destination, weight, and seasonal variations in demand for cargo space.

In some developing countries, the existence of large banana exports enables regular maritime routes to be set up on which other less voluminous or seasonal products can be transported. Usually, these goods need to be transported at a lower temperature than bananas (12-14°C): 8°C for mangoes, pineapples and papayas, 7°C for green beans and 4-7°C for melons.

The costs of a shipment are primarily calculated on the basis of the volume (length x width x height) of the shipment. Calculations on the basis of actual weight or positional weight are only rarely used.

- *Air cargo*

Due to the fast in-transit time, air freight is mostly used for highly perishable and low volume products. However, the costs for moving products by air tend to be higher than the cost of ocean transportation. Examples of products shipped by air are green beans from Kenya and papayas from Brazil.

Products are loaded either onto passenger planes or onto cargo planes on regular routes. These can be planes operated by airline companies as well as charter planes belonging to specialised companies. On scheduled flights, exporters are dependent on the freight space offered to them per stopover.

Freight forwarders

It is a good idea to use a freight forwarder to arrange transportation services on your behalf. They can simplify the shipping process because they are familiar with import and export regulations. It is important to use a forwarder that is experienced in handling fresh fruit and vegetables or other perishables, as well as one who is experienced in the destination country. Freight forwarders can also assist you in handling all the documents.

Freight forwarders are cost effective to use, because they can negotiate the best rates with shipping and airlines. They usually operate on a fee basis paid by the exporter, and these are part of the cost price.

Cold chain

In handling perishable products, maintaining a cold chain is a major logistical issue. It determines for a large part the quality of the product as it arrives at the European retail shop. The saying is "one hour lost in departure to being refrigerated will be one day less for the sale in the destination". Check whether you and your freight forwarders are able to manage the cold chain. Make use of temperature recorders to check whether your products travel in optimal climatic conditions during their entire voyage.

Removal of field heat by the process of pre-cooling to a recommended storage temperature and relative humidity is absolutely necessary in order to maintain the quality of fruits and vegetables. The quality of most products will deteriorate rapidly if field heat is not removed before loading into the means of transport. The rate of respiration and ripening increases two to three times for every 10°C above the recommended storage temperature.

Tracking & tracing

Consumer safety has become one of the most critical, priority issues for the fresh fruit and vegetables supply chain. Current food safety requirements have made the tracing of goods increasingly important in case of product recalls along the supply chain, but also in case of product liability aspects.

'Tracking' is about the location of products, and 'tracing' is about where the products come from. Traceability systems are used for accurate and timely identification of products, their origin, location within the supply chain and efficient recall. Furthermore, they help determine the origin of a food safety problem, comply with legal requirements and meet consumers' expectations for the safety and quality of purchased products.

Traceability is becoming a major issue for exporters when supplying European importers serving (UK-based) supermarket chains as their clients (see also EurepGap, Section 9.1.1). As a consequence, growers and exporters in developing countries delivering to this type of customers, have to participate in their controlled supply chain. This means that the grower/exporter has to put extra effort into communicating information for example on product specifications with the rest of the supply chain. Furthermore, when developing a traceability system, it is important to meet internationally accepted business standards, as this is the key to designing cost-effective and efficient traceability systems. This way, different customers and legal requirements can be satisfied. Nevertheless, in practice, the exporter should always discuss this with his importer.

Packaging

Special transport packaging is necessary to ensure that the produce travels safely from the producer to the consumer. Packaging is used to protect against mechanical damage and to create a more favourable microclimate. It is an essential factor in determining the product's quality. However, according to the way in which packaging sometimes is applied in developing countries, it can also be a risk to quality, due to bruising and less than optimum conditions of temperature and humidity.

The packaging has to satisfy conditions in the field of handling. The transportation volume must be as efficient as possible and a high level of uniformity of packaging is desirable. In order to optimise transportation, EU growers and traders generally use boxes of which the measurements are in accordance with pallet sizes.

Packaging design should take the following into account:

- ⇒ Proper storage and transport;
- ⇒ Standard packaging sizes;
- ⇒ Recyclable materials or two-way systems; and
- ⇒ Attractive and sales-promoting design.

Where the sizes of the packaging are concerned, the general standards, which are common in practice, should be taken into account. One should adapt to the generally accepted sizes:

- Boxes: 600 x 400 mm (ISO module), or 300 x 400 mm (half ISO module)
- Pallets: 1,000 x 1,200 mm (industrial pallets), or 800 x 1,200 mm (Europallets)

The exporter should always discuss the preferred type of packaging with their customer.

Important questions to be answered are:

- How often does the sales channel require delivery? What cycles of delivery does this channel require?
- What lot sizes does this sales channel demand?
- What formalities does the sales channel require the exporter to perform?
- What packaging methods are required?

① Freight forwarders and carriers are the best sources for obtaining freight rates. There are also companies that specialise in publishing (notably air) cargo tariffs. These publishing companies charge a fee for their services.

① International Federation of Freight Forwarders Association (FIATA): <http://www.fiata.com>

① Directory of Freight Forwarding Services: <http://www.forwarders.com>

① International Air Transport Association (IATA): <http://www.iata.org>

① Holland International Distribution Council (information on various aspects of using The Netherlands as a distribution centre for Europe; setting up a representative office, warehouse facilities and transport facilities, etc.): <http://www.hidc.nl>

① Extensive lists of freight forwarders can be found at: <http://www.cargoweb.nl> and <http://www.shipguide.com>

① For more information, refer to the Internet site of Euro Retailer Produce Working Group (EUREP): <http://www.eurep.org>

This Internet site gives information on the "Fresh Produce Traceability Guidelines" (FPT Guidelines). The guidelines provide fresh produce supply chain actors with a global traceability system. They provide a guide for fresh produce growers, packers, logistic providers, exporters/importers, and distributors as well as their customers and suppliers, seeking to introduce EAN-UCC standards to efficiently implement an internationally agreed upon traceability system.

10.5 Value chain

The value chain covers the full range of activities required to bring a product from its conception to its end use and beyond, such as research and development, raw material supply and all activities of production, marketing and sales to international buyers, and beyond that to disposal and recycling. Activities that comprise a value chain can be contained within a single company or divided over different companies, and can cover a single geographical location or be spread over wider areas.

The value-chain approach is a systematic approach for designing strategy with respect to buyer requirements and market conditions (market access regulations, standards and consumer preferences) with which a company has to conform in order to gain access to a market and be competitive.

The value-chain approach builds upon sustainable supply chain management, by providing a framework to:

- Improve efficiencies within the existing supply chain (thereby enhancing sector competitiveness);
- Capture and retain a higher proportion of the product's final market value within the existing value chain;
- Increase the sector's added value by establishing new value chains within the sector;
- Improve the sector's contribution to development objectives.

From a company perspective, the value-chain approach offers more than a theoretical concept. It is a very practical tool for analysing linkages in the supply chain and assessing potential for capturing, retaining and adding value to the company's product, keeping in mind its final user.

Guiding value chain analysis at company level

- a. Try to note all the steps required to get from raw materials to end-users.
- b. Make this list as detailed as possible, since one of the objectives of value chain analysis is to understand where, when and how to simplify or adjust the chain.
- c. Determine the value each step adds to the final product from the point of view of the end user.
- d. Once this chain is clear, you can explore avenues to increase your profitability as well as increase the benefits to the end user; for example:
 - Identify which steps can be combined to add value more efficiently;
 - Determine which steps are not adding any value but just adding costs;
 - Determine better communication flows in both directions to assist rapid adjustment to market factors;
 - Determine your own "value niche" along this chain.

It is important to understand where you, as a producer of fresh fruit and/or vegetables, fit into the supply chain, so as to ensure that the value you add continues to be important for your direct customers, as well as your customers' customers. The value chain can be a useful tool to help in this process.

As an example of a value chain analysis, Figure 10.1 shows the cost structure of African exports to the United Kingdom of two types of bean. One type of bean (mangetout) is exported from Zimbabwe, and the other from Kenya.

Figure 10.1 Value chain/cost structure African fresh vegetable exports to the United Kingdom

Stage	One tonne export lot of mangetout from Zimbabwe		Export of fresh vegetables from Kenya
	Price per tonne (£)	% of final price	% of final price
Producer	630	11.9	14.1
Exporter	291	5.5	
Packaging	274	5.2	13.1
Air freight and handling ^(a)	1036	19.6	21.2
TOTAL CIF from Africa	2230	42.2	48.4
Importer charges and commission	624 ^(b)	11.8	6.1
Supermarket			
Stockout ^(c)	714	13.5	
Other costs	285	5.4	45.5
Mark-up	1427	27.0	
Total price	5281	100.0	100

Notes:

- (a) While the air freight charges might appear high, they match those for the Gambia in the early 1990s calculated by Little and Dolan (1993). In this case, air freight costs came to 45% of total CIF exports' cost.
- (b) Includes airport handling, transport and storage in UK, as well as importer's (i.e. category manager) commission. In the Kenyan example, the UK airport costs may be included in the 'air freight and handling' category.
- (c) Includes losses from unsold produce, etc.

Source: Dolan, Humphrey and Harris-Pascal (1999)

Critical factors for building a competitive advantage

The presentation of success stories by entrepreneurs in developing countries highlighted the following as **critical factors** for building a competitive advantage:

- Increasing the range of products and identifying market demands.
- Cost and price calculation based on a business plan.
- Putting the emphasis on the quality of the product, and exercising strong control on the tracking and tracing of products.
- Introducing the use of new technologies.
- Promoting involvement and loyalty of staff, as well as integration into the life of the local community.
- Co-operating with buyers, in order to obtain necessary pre-financing, technologies or packaging.
- Reducing the number of middlemen.

☞ Factors that contribute to **success** are: niche products for niche markets, moving up the value chain through R&D and processing, responding to the ever-rising demand from consumers for higher quality standards, or shortening the distribution chain to capture a greater market share.

Please also refer to Chapter 8 and Section 13.3 for information on developments of prices and price setting.

10.6 Product profiles

In this section, we give two examples of product profiles: mangoes and asparagus. These stand model for the product profiles the exporter should develop for his own (prospective) export products. By constructing an overview of their most important products, exporters are better able to determine which products to export to the EU.

PRODUCT PROFILE: MANGO	
1. Product information:	<p>mango (<i>Mangifera indica</i> L., of the Anacardiaceae family)</p> <p>CN/HS number: 0804 50 00</p> <p><u>Main varieties:</u></p> <ul style="list-style-type: none"> • Varieties important to mango trade in the world are Haden, Tommy Atkins, Kent and Keitt. • Asian varieties: Alphonso, Kesar, Sindhri, Langra, Toyapuri, Chausa, Desmeri, Caraball, Pico, Arumani • African varieties: Amelie, N'gowe, Apple, Ruby, Heidi, Boribo • Caribbean varieties: Julie, Gaham, Palwie • Other: Mabrouka, Bocado, Rosa, Ataulfa
2. Market requirements:	<p><u>European quality standards:</u> Non-existing, except for the general minimum criteria for imported fruit and vegetables into the EU (EC 2200/96).</p> <p><u>International standards:</u> There are two references for mango: <ul style="list-style-type: none"> • World standard of Codex Alimentarius (Stan 184-1993) • UN/ECE standard FFV-45 The OECD (1993) has published explanatory leaflets facilitating the common interpretation of standards from UN/ECE. The mainstream trade requires fruits weighing 350 to 500 grams, brightly coloured (yellow/red/orange), with a good flesh/wastage ratio, fibreless, without turpentine smell, but juicy and aromatic. The ethnic markets, especially in UK, prefer smaller fruits, highly coloured, often with superior taste and flavour.</p> <p><u>Packaging:</u> Mangoes are packaged in a single layer in fruit crates and cartons. Due to their great sensitivity to pressure, the fruit are sometimes wrapped in paper or padded with wood wool, bast, straw or hay.</p> <p>No real packaging standard exists, although a 4 kg net box (30 x 40 x 10 cm) is common. Cartons are telescopic or single piece folding. Some African suppliers use 5kg boxes.</p> <p><u>Minimum labelling:</u></p> <ul style="list-style-type: none"> - Identification (name and address) of the exporter, packer and/or dispatcher - Nature of the produce if the contents are not visible from outside - Name of variety - Origin of produce - Class - Size expressed as the minimum and maximum weight - Number of fruit <p><u>Documentation required:</u></p> <ul style="list-style-type: none"> - Air-way Bill or Bill of Loading - Phytosanitary certificate from the country of origin - EUR 1 for ACP countries for Customs tax exemption, Form A for the other countries - Commercial invoice in case of fixed price terms
3. Market development:	<p>Mango is one of the tropical fruits which have experienced a tremendous development in recent years. One of the main reasons is the shift from air to sea freight with bulk deliveries at competitive prices.</p> <p>The mainstream demand is for fruits of count 8 and 10 or smaller size (12) per 4 kg carton. Coloured mangoes (floridian types) are preferred to the green varieties (Amelie type). Other varieties from India, Caribbean or Kenya are more in demand by the ethnic markets in the UK and in other European countries (e.g. Netherlands).</p> <p><u>Consumption calendar:</u> Mangoes are supplied all year round. During the late summer (August/September) and in February, supplies are smaller than during the</p>

	<p>winter season (November/December) and May. The heaviest supply period is from May to June.</p> <p>The main importing European countries are: The Netherlands, the United Kingdom, Belgium, Germany, Portugal and Spain. Portugal is one of the biggest consumer markets for mangoes in Europe. On the other hand the leading import country, The Netherlands, re-exports most of the imports to other European countries (Germany or Scandinavia).</p>
<p>4. Main suppliers:</p>	<p><u>Local production:</u> Orchards exist in Spain covering about 800 ha with an estimated production of 1,000 to 1,500 tonnes a year. Main varieties: Sensation (main export), Keitt, Tommy Atkins and Manzanilla.</p> <p>Europe: Spain Africa: South Africa, Côte d'Ivoire, United Arab Emirates, Kenya, Gambia Asia: India, Pakistan, China America: USA, Mexico, Brazil, Cuba, Venezuela</p>
<p>5. Quality improvement:</p>	<p>Mangoes are harvested when unripe (at the pre-climacteric); they must still be green and firm-fleshed. Harvesting is done by hand or using special fruit picking poles. The greatest possible care must be taken with harvesting as even the smallest of cracks results in rapid spoilage by rotting. The stalk-cutting operation also has to be done carefully. The sap must not touch the fruit because sap-stain develops easily.</p> <p>At the time of harvest, the mangoes must be capable of post-ripening, as they will otherwise not reach optimum quality. Post-ripening may be accelerated by temperatures of 25 - 30°C and treatment with ethylene.</p> <p>Once harvested, any exuding latex is cleaned off and the mango is treated with hot water and fungicides in order to extend the relatively short storage life.</p> <p>Where Anthracnose disease is likely to be a problem, a well-managed pre-harvest fungal spray programme is necessary and a post-harvest hot-water fungal dip may also be desirable. Fruit fly infestation can be controlled by an integrated pest control programme and a hot water bath at harvest.</p> <p>It is important for exporters to note that chemicals used post harvest should comply with EU Maximum Residue Level (MRL) regulation.</p> <p>Recommended storage temperature is between +10 and +12°C with a relative humidity of 90% to 95%. The temperature during the transport must be between +8 and +10°C.</p>

PRODUCT PROFILE: ASPARAGUS	
1. Product information:	<p>asparagus (<i>Asparagus officinalis</i>)</p> <p><u>Other varieties:</u> Mac Lean, Tai So</p> <p>Differing cultivation and harvesting methods result in the following three colour variants:</p> <ul style="list-style-type: none"> • Blanched or white asparagus: Blanched asparagus is grown in raised mounds. As soon as the tip peeks through the soil of the mound, the asparagus is harvested (cut). Immediate harvesting prevents the asparagus from changing colour. • Purple asparagus: If asparagus is not cut immediately after its tip emerges from the soil, the part of the plant above ground turns purple to blue, as the pigment anthocyanin is formed by exposure to sunlight. • Green asparagus: Green asparagus is grown in level beds where it is exposed to sunlight. Firstly, the pigment anthocyanin forms, resulting in purple colouring and then the asparagus turns green due to chlorophyll formation.
2. Market requirements:	<p><u>European quality standards:</u> non-existing, except for the general minimum criteria for imported fruit and vegetables into the EU (EC 2200/96).</p> <p><u>Quality requirements:</u> Shoots must be whole, fresh in appearance and fresh smelling, sound, free from damage by rodents or insects, practically unbruised, clean (practically free from each soil or any other dirt), free from any undue external moisture (adequately 'dried' if they have been washed), and free from foreign smell or taste.</p> <p><u>Minimum labelling:</u></p> <ul style="list-style-type: none"> - Identification of the exporter and/or packer - Nature of the produce (asparagus followed by the indication white, green etc. and where appropriate, the indication short) - Origin - Class: Shoots in 'class I' must be well formed, they may be slightly curved. With regard to the normal characteristics of the group to which they belong, their tips must be compact. For the 'white' asparagus group, the tips may be slightly coloured before cutting and a faint pink tint appearing on the shoot after cutting is allowed, provided these colorations disappear after cooking. No woody shoots are allowed in the white asparagus group. - Size: Shoots are sized by length and diameter. By length: above 17 cm for long asparagus, between 12 and 17 cm for short asparagus, under 12 cm for asparagus tips By diameter: the diameter of shoots shall be measured at the mid-point of their length. The minimum diameter and the sizing of class I shoots (in one bundle) shall be: White asparagus: length 22 cm max. diameter 10-16 mm, > 16 mm (+10 mm) e.g. 16-26 mm, or 17-27 mm. Green asparagus: length 27 cm max., diameter 6-12 cm, > 12 cm (+8 cm) e.g. 12-20 mm, or 13-21 mm. - Packaging: In bundles (firmly bound) of 500 g, 1 kg or 2 kg. Shoots on the outside of each bundle must correspond in appearance and size with the average of the whole bundle. Shoots must be of uniform length, each bundle may be protected by paper.
2. Market development:	<p>Asparagus is becoming a year-round product. Increasing popularity amongst consumers (retailers) and restaurants. Germany is the main market for asparagus in the EU.</p>
3. Main suppliers:	<p><u>Supply calendar:</u></p> <p>Jan-April: imports from outside Europe i.e. Peru, Mexico May-July: European production Nov-Dec: imports from outside Europe i.e. Peru, Mexico</p>

	<p>The main European suppliers are Germany, France, Netherlands, Belgium, Spain, Hungary, Greece, Poland. The leading supplying countries outside Europe are Peru, Thailand and Mexico.</p>
<p>4. Quality:</p>	<p>The quality of asparagus cannot be determined from its colour, as this mainly depends on the cultivation and harvesting methods adopted. Signs of perfect quality are an undamaged, tight head (it must not be open) and straight growth. In addition, asparagus must not be woody or exhibit any shrivelled or discoloured cut ends.</p> <p><u>Harvesting:</u> Asparagus should be harvested before the shoots can emerge, using a special asparagus knife. This approach yields shoots at least 25 cm long. Care must be taken not to injure other, still buried shoots. In order to harvest asparagus shoots with a compact tip and white or slightly purple in colour, they should be cut twice a day. If cutting is only performed once a day, some tips of the remaining shoots may open and change colour very quickly. Green asparagus is cut before the scale-like leaves of the tips separate, since a closed -non-flowering- tip is regarded as a sign of high quality. After harvesting, asparagus should be immediately deposited at collection sites in the shade, and as soon as possible placed in cold, clean water.</p> <p><u>Post-harvesting handling:</u> Washing and treatment with cold water. Hydro-cooling should be employed.</p> <ul style="list-style-type: none"> • Packaging: Asparagus is packaged loose or in bundles in cartons, fruit crates, crates, trays and baskets made of wood or plastic. The content varies, depending on the type of packaging, from 500 g (trays, bundles) to 10 kg (boxes, fruit crates). During transport, the product should be covered with perforated film, to prevent drying-out and quality impairment. The possible deposition of moisture on the inside of the film does not impair quality, but rather assists in keeping the product fresh. • Storage: It is essential to keep the asparagus cool at all logistic stages. There should also be a high relative humidity in the cooling-room (95% or above). The asparagus should be protected by covering it with moist cloths or bags of perforated plastic sheets to keep it from drying out. The storage temperature should be kept between 0° and 2° C. Temperatures below 0°C should be avoided. Asparagus already begins to freeze at -0.8°C. • Transport: Air transport is preferred. Transport to the airport in refrigerated trucks. The interruption of cooling will cause irreversible damage. In the case of sea transport, the use of refrigerated containers with controlled atmosphere is essential.

11 INTERNAL ANALYSIS: COMPANY AUDIT

The internal analysis or company audit is a review of the company's strength and weaknesses in terms of all company resources such as export marketing capabilities, finance, personnel, internal organisation, management, infrastructure, etc. As a result of this internal analysis, you will be able to assess to which extent your company is able to take advantage of the opportunities identified in the former chapter. Furthermore, with a thorough understanding of your company's unique capabilities, you will be able to invest in opportunities that exploit your strengths.

11.1 Product range

By reviewing the company's product range and product characteristics, the exporter will be able to match market opportunities with the company's products on offer. A product range can consist of several product groups (range width), each with several different products (range depth). Again, one product can consist of several varieties (see example).

A supplier can only select a suitable business partner when supplied with correct information about the range that he or she is able to offer. A careful review of the product range, therefore, aims at matching products offered with market opportunities. Keep in mind that varieties are sometimes known under different trade names overseas.

Example of a company's product range		
Product range (range width)	Products (range depth)	Varieties
tropical products	kiwi fruits	<ul style="list-style-type: none"> 'Hayward' 'Abbot'
subtropical products	melons	<ul style="list-style-type: none"> Honey Dew 'Gold Rind' Honey Dew 'Green Flesh' Honey Dew 'Orange Flesh'
etc.		

The next step is to review product characteristics of the products and varieties on offer.

Example of product characteristics					
Product	Variety	Size	Supply period	Packaging	Availability
kiwi fruits	'Hayward'	extra large	all year	300x400 mm one-way cardboard box (single layers with plastic inserts)	500 kg weekly
melons	Honey Dew 'Gold Rind'	2 kg	November to February	600x400 mm two-way plastic box	5 tonnes per season
etc.					

Questions an exporter needs to answer:

- Which products are you currently producing? How comprehensive is your product range?
- Which products do you consider to be the main products you are specialised in?
- What new products would you be able to produce?

11.2 Product standards, quality, and production capacity

USP

In understanding your own company, it could be very helpful to develop a *Unique Selling Proposition*, or USP. Your USP is what differentiates your product or service from your competitors. Your chances in the market may greatly increase when you have a USP.

There are two major benefits in developing the USP. Firstly, it clearly differentiates your business in the eyes of your current and potential customers or clients. Secondly, it focuses your staff on delivering the promise of the USP, thus helping to improve your internal performance.

What a USP could look like:

- One sentence.
- Clearly written, so that anyone can understand it.
- It should be believable.
- Composed of one benefit that is unique solely to your company or product.

How to develop your USP? Sit down with a notebook and:

- Brainstorm.
- List all the benefits your company or product can offer.
- Prioritise those benefits in order of what is the strongest, and most unique to your business.
- Write one sentence that conveys the first benefit on the list.

☞ Thinking about what happens with your export product, after the importer has received it, can help you bring to new ideas.

A USP usually does not refer to one single subject, but is a mix of different subjects to set the exporter apart from his competitors. Examples of USPs for the fresh fruit and vegetable sector could be based on the following aspects:

- ⇒ Good price-quality ratio
- ⇒ Product specifications exceeding the requirements of trade partners
- ⇒ Consistent and high quality of products guaranteed by the exporter
- ⇒ Providing good service, for example
 - Replying within 24 hours to any question or request
 - Open communication
 - On-time delivery
 - Honouring agreements to the letter, even when they have financial implications.

Quality

Together with your prices, quality is probably the main competitive factor on which you will compete in the fresh fruit and vegetables trade. It is important to consider to which extent your company is able to deliver the quality that is required in the identified markets and sales channels.

Note that quality not only means product quality. Management quality is just as important. Delivery reliability and the ability to learn and adapt are important selection criteria for European companies looking for new (long-term) suppliers. Furthermore, keeping to the agreed quality is indispensable for building up a long-term business relationship.

Check your current quality standards with the voluntary and compulsory standards described in Chapter 9. Also refer to Chapters 8, 9 and 10 for information on the importance of the various quality standards for your product-market combinations.

Questions an exporter needs to answer:

- What management quality standards does your company fulfil (ISO)?
- What is the general level of your product quality compared to other products in the identified market? Does your product have any official quality standards?
- In case environmental labelling could significantly improve the competitiveness of your export product, which one is the most interesting for your product-markets combination?

Production capacity

Although some foreign buyers are looking for a 'spot' purchase, most importers are searching for suppliers that produce a quality product at a fair price with continued availability. If you are merely looking to market your sporadic surplus capacity, then entry into the European market will probably be a disappointment.

On the other hand, if the company is willing to devote even 10 percent of its production capacity to foreign markets and the servicing of these accounts, then it can reasonably expect to build substantial and permanent trade in those markets suited to its products. However, keep in mind that, the volume of the product marketed is often not as important as the consistent and reliable supply of the product.

Questions that need to be answered:

- What quantities do you produce?
- How is the present capacity being used?
- Will new export activity hurt domestic sales?
- What will be the cost of setting up additional production capacity and is that possible at all?
- What cycles of production apply to your products? Is there a seasonal emphasis and how does this match up to the demand in the target market?
- Are there fluctuations in the annual workload for staff at the farm, packaging station or the management? When? Why?

11.3 Logistics

Availability of low-cost and high-quality freight services between your country and the destination country is a major criterion for a successful export business. Depending on your product's characteristics and trade channel's requirements, you will have to decide whether air freight or sea freight is the best way of moving your goods to the European market.

For example, in the case of papayas, the ripening process is very hard to predict and control. For that reason, it is problematical to ship papayas by ship. Usually, airfreight is used to get the papayas in the required ripeness stage at their destination.

On the other hand, (bulk) products with good storage capability are typically transported by ship, as this is more cost efficient.

Clustering

In many developing countries, exporters of fresh produce can organise themselves in exporter's associations or shipping boards to be able to negotiate time and volume rates with ocean carriers. In Côte d'Ivoire, for example, OCAB, an organisation of exporters of fresh fruit and vegetables, has been chartering boats on spot prices since 2000. It could be interesting for you to determine whether your company could hook up with other exporters in your country. Port authorities and trade publications of origin and destination countries are the best sources of current information on services provided by competing air and ocean carriers.

Questions that need to be answered:

- How often are you able to deliver?
- What lot sizes do you generally produce or are you able to produce?
- What is the preferred transportation method for your products?
- Are there cold room facilities at your production base? Are you able to maintain a cold chain during the transportation of the products (air-conditioned domestic transport, cold room facilities at the (air)port)?
- What are the typical costs of logistics? (Check with freight forwarders)
- Does your company have experience with tracking and tracing?

Points of interest when choosing the right packaging:

Have your importers ever complained about the quality of your products? Have they ever received rotten, spoiled or blemished products?

Look for possible causes:

- Unsuitable packaging material
- Insufficient ventilation during transport
- Wrong climatic conditions during transport
- Problems with the products itself (diseases for examples)
- other causes

Do you use different packaging methods for different products?

- Different products require different climatic conditions (temperature, ventilation) during transport.
- Some products need more space than others (bruising, ventilation).

In case of marine transport, different kinds of products shipped together in one container should be compatible:

- Temperature needs
- Ethylene sensitivity
- Relative humidity needs
- Airflow characteristics

Does your importer use special transport packaging?

- Perhaps you could use this special transport packaging as well? Using the wrong packaging size can have a negative effect on your business.
- Maybe you could make use of the importer's packaging know-how.
- Are the cardboard boxes including the products directly forwarded to the wholesalers?

Fully recyclable packages must be used when trading with certain business partners.

- In the case of one-way systems, use cardboard and avoid plastic foil if possible.
- Colouring materials, used for printing, should not be harmful to the environment.
- Use glue that does not harm the environment or no glue at all.
- Do not use metal clips for the cartons.
- Avoid waxed boxes or any composite packaging materials

Useful information on packaging for marine container transport can be found at:

① (MNS)

11.4 Marketing and sales

How do you sell to current export markets? What works in one European market is likely to work in another, subject to refinement based on market intelligence and knowledge about specific trade channel requirements.

What existing contacts does the company have in the target markets - relatives, friends, suppliers, etc? It is an advantage to have some local presence in the target market that can gather information, monitor progress and follow up leads.

A serious export marketing campaign requires substantial management time to undertake it properly. Therefore, the company needs to be realistic as to how much time can be devoted to export marketing.

More information on how to make use of your marketing tools to foster your export activities will be described in Chapter 13.

Questions that need to be answered:

- Does your company have people specifically assigned to marketing and sales activities?
- Which persons do you know in the target markets?
- What sales support material is available?

11.5 Financing

Export marketing is expensive. If financial resources are limited, then marketing plans will have to be modest. It is not sound developing five new markets if the company only has the money to develop one.

Local banking systems in developing countries are sometimes insufficient to handle exporting. It is therefore recommended to use an international bank, which is also located in the importing country. Moreover, this will also simplify the payments between you and your business partner. Each country has a list of their local banks with their corresponding banks in other countries or special relationships with financial institutes outside their country. Choosing the right bank can facilitate and speed up money transfers considerably.

Questions that need to be answered:

- What amount of money can be allocated to setting up new export activities?
- What level of export operating costs can be supported?
- How are the initial expenses of export effort to be allocated?
- What other new development plans are in the works that may compete with export plans?
- Is outside capital necessary to support efforts?

☞ A proper marketing strategy for fresh fruit and vegetables takes into account current issues in the trade such as EurepGap and organic production.

☞ Although it helps to look at the European market, developing country exporters should draw up a marketing strategy aiming at markets at national, regional, and international level. While adopting this approach, developing country exporters will not be solely dependent on one market sector. In this way, fluctuations in the international market can be buffered by demand in the national and regional market.

11.6 Capabilities

Apart from the subjects mentioned-above, the following capabilities should be assessed as part of the internal analysis

Commitment to export

It is important to consider whether the company has people who are able to sell and develop an international business. The company should be able to generate the physical and administrative infrastructure to deal with increased activities from exporting - not only in dealing with orders but also with processing Customs and shipping documentation. If this type of infrastructure is limited, then it is a weakness in developing sustained export activities.

Questions that should be answered are:

- What kind of commitment is the top-level management willing to make to an export effort? How much senior management time should be allocated? How much could be allocated?
- What organisational structure is required to ensure that export sales are adequately serviced? Who will be responsible for the export activities (export department's organisation and staff)?
- What are the management's expectations of the effort?

Export experiences

It is important to learn from past experiences. If the company has tried and failed to penetrate and export market previously, this can be analysed to determine where things went wrong.

Questions that should be answered are:

- In which countries has business already been conducted and what were your experiences?
- From which countries have inquiries already been received and what did you do with them?
- What general and specific lessons have been learned from past export experiences?

Language skills

When dealing with European trade partners in the fresh fruit and vegetables business, English is the most frequently used language. Although most European trade partners will not be native speakers themselves, the vast majority speaks English fluently. In almost all cases, foreign language skills, particularly English, are essential when entering the European market. When dealing with France, knowledge of the French language is a distinct advantage. If you can communicate in Spanish, you have a competitive advantage if you target the Spanish market.

On the few occasions when correspondence and documents in English will not suffice, exporters can usually find sources of translation capabilities for the more widely-used European languages. Language capability can be advantageous since it facilitates cultural and social relationships.

Questions that should be answered are:

- Which language skills are necessary when dealing in your selected markets?
- Which language capabilities are available within the export company?

12 DECISION MAKING

12.1 SWOT and situation analysis

Answers to the questions mentioned in Chapters 10 and 11 can help an exporter not only to decide whether or not to export but also determine what methods of exporting should be initially used.

A SWOT analysis can be used as a tool to analyse the identified opportunities and threats and the company's identified relative strengths and weaknesses. Carrying out an analysis using the SWOT framework helps an exporter to focus his activities into areas where he is strong and where the greatest opportunities lie. A SWOT analysis is just one of many good techniques that can help an exporter to build a strong competitive position for his organisation.

Questions that should be answered:

Strengths:

- What are your advantages?
 - What do you do well?
 - What relevant resources do you have?
 - What do other people see as your strengths?
- ☞ Consider this from your own point of view and from the point of view of the people you deal with. Do not be modest, but be realistic. If you are having any difficulty with this, try writing down a list of your characteristics. Some of these will hopefully be strengths.
- ☞ In looking at your strengths, think about them in relation to your competitors. For example, if all your competitors provide high quality products, then a high quality production process is not a strength in the market, it is a necessity.

Weaknesses:

- What could you improve?
 - What do you do poorly?
 - What should you avoid?
- ☞ Again, consider this from an internal and external basis: do other people seem to perceive weaknesses that you do not see? Are your competitors doing any better than you? It is best to be realistic now, and face any unpleasant truths as soon as possible.

Opportunities:

- Where are the good opportunities awaiting you?
 - What are the interesting trends you are aware of?
 - Useful opportunities can come from such things as: changes in technology and markets on both a broad and narrow scale, changes in government policy related to your field, changes in social patterns, population profiles, lifestyle changes, etc.
- ☞ A useful approach to looking at opportunities is to look at your strengths and ask yourself whether these open up any opportunities. Alternatively, look at your weaknesses and ask yourself whether you could open up opportunities by eliminating the weaknesses.

Threats:

- What obstacles do you face?
- What is your competition doing?
- Are the required specifications for your job, products or services changing?

- Is changing technology threatening your position?
 - Do you have bad debt or cash-flow problems?
 - Could any of your weaknesses seriously threaten your business?
- ☞ Carrying out this analysis will often be illuminating - both in terms of pointing out what needs to be done, and in putting problems into perspective.
- ☞ You can also apply SWOT analysis to your competitors. This may produce some interesting insights.

- ☞ **Simple rules for successful SWOT analysis**
- Be realistic about the strengths and weaknesses of your organisation.
 - Analysis should distinguish between where your organisation is today, and where it could be in the futures.
 - Be specific. Avoid grey areas.
 - Always analyse in context to your competition i.e. better then or worse than your competition.
 - Keep your SWOT short and simple.

An example of a SWOT analysis for an exporter of fresh fruit and vegetables in developing country is provided Table 12.1. It should be noted that this matrix should be treated as an example and that it should be adapted to the exporter's own situation.

Table 12.1 Example of a SWOT analysis for exporters of fresh fruit and vegetables in developing countries

INTERNAL FACTORS	
<i>Strengths</i>	<i>Weaknesses</i>
<ul style="list-style-type: none"> • <i>Access to natural resources</i> • <i>Low raw material prices</i> • <i>Low labour costs</i> • <i>Tropical climate and tropical products</i> • <i>Low or zero import duty in target markets</i> • <i>Diverse agricultural base</i> • <i>Human resources</i> • <i>Important contribution to the supply of national and regional consumer products</i> 	<ul style="list-style-type: none"> • <i>Entrepreneurial capacity</i> • <i>Negotiation skills</i> • <i>Language and communication</i> • <i>Certification</i> • <i>Lack of marketing knowledge</i> • <i>Lack of knowledge of supply</i> • <i>Inadequate hygiene conditions in processing plants</i> • <i>Difficult export distribution channels</i> • <i>Lack of information on regulations, prices etc</i> • <i>Low level of organisation in the industry</i> • <i>Access to finance / banking systems</i>

EXTERNAL FACTORS	
<i>Opportunities</i>	<i>Threats</i>
<ul style="list-style-type: none"> • <i>Growing demand on the EU market for convenience and health food</i> • <i>Increasing familiarity with exotic and tropical fruits</i> • <i>Enlargement of EU</i> • <i>Organic production and certification</i> • <i>Growing demand for value-added products</i> 	<ul style="list-style-type: none"> • <i>The EU Market for fresh fruit and vegetables is saturated</i> • <i>Entrance of East European countries to the EU</i> • <i>Tariff barriers</i> • <i>Technical trade barriers, especially for agricultural products into the EU</i> • <i>Concentration and consolidation of buying power</i> • <i>High investments in required</i> • <i>Sustainable use of the raw materials (biodiversity).</i>

Within the SWOT figure, a distinction can be made in the SWOT figure between internal factors (strengths and weaknesses) and external factors (opportunities and threats). Nevertheless, factors of sectoral and of company level are both found under the internal factors in this figure. For example, "lack of marketing knowledge" and "low level of organisation of the industry" are both internal factors, although the first is at company level and the latter at sectoral level.

Such an analysis should be adapted to your personal circumstances since the factors differ for each exporter in the world. While for one exporter of fresh produce 'negotiation skills' are a weakness, for another exporter this problem may not even be an issue.

Please note that also within a company a threat or weakness can change into an opportunity or strength. A good example concerning this matter is 'technical trade barriers and new regulations imposed by the EU.' The regulations can be a threshold for exporting to the EU. However, when an exporter has adapted the export product to EU standards, he will have access to the EU market. In this way, the factor of technical trade barriers can be seen as an opportunity instead of a threat.

Be aware that success in export is by no means guaranteed by taking into account all the factors mentioned so far. Your environment consists of other critical conditions and success factors, that are often more difficult to influence as an individual company, than changing for example internal factors. Some of the critical conditions such as low level of organisation in the industry and financing have already been included in the figure above. However, other factors (sector-specific) should also be included in the SWOT analysis, such as:

- Sector policies;
- Availability of sector/branch organisations;
- Clustering/co-operation within the sector, organisation of supply and production, value chain management (please also refer to Section 10.5);
- Know-how and technical assistance;
- Foreign trade assistance;
- Financing.

☞ Inquiring of local business support organisations or colleague exporters can be a good starting point in being aware of other critical conditions for successful exporting.

12.2 Strategic options and objectives

By conducting the external analysis (market audit) and internal analysis (company audit) (Chapters 10 and 11), you will be able to come to a decision whether or not to export.

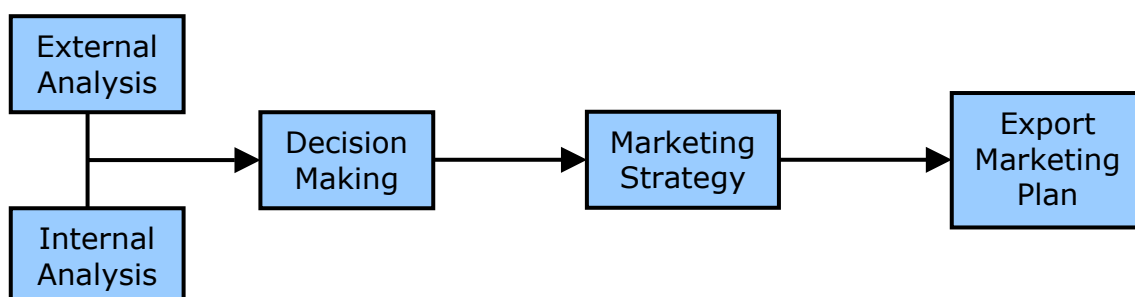
- ☑ You have identified products suitable for export development. Also, you know what modifications, if any, must be made to adapt them to overseas markets.
- ☑ You know what countries and market segments you are going to target for sales development and/or co-operation agreements.
- ☑ You have identified the best sales channel (direct exporting or co-operation agreements).
- ☑ You know what special challenges pertain to the selected markets (competition, import controls etc.) and what strategies you will use to address them.

Once a company has determined that it has exportable products, it must still consider whether the development of an export business adheres to the company objectives. In order to arrive at this conclusion, the management should ask itself the following questions:

- What does the company want to gain from exporting?
- Is the goal of exporting consistent with other company goals?
- Are the benefits worth the costs or would company resources be better spent developing new domestic business?

☞ Advantages and disadvantages of exporting	
Advantages:	Disadvantages
<ul style="list-style-type: none"> • enhance domestic competitiveness • increase sales and profits • gain global market share • reduce dependence on existing markets • exploit corporate technology and know-how • extend the sales potential of existing products • stabilise seasonal market fluctuations • enhance potential for corporate expansion • sell excess production capacity • gain information on foreign competition 	<ul style="list-style-type: none"> • develop new promotional material • subordinate short-term profits to long-term gains • incur added administrative costs • allocate personnel for travel • wait longer for payments • modify your product or packaging • apply for additional financing • obtain special export licenses

Companies can waste a lot of time and money attempting to enter markets which do not have potential or for which their product is not suitable. The market for fresh fruit and vegetables is diverse: each market segment requires different product standards and a different approach. To be successful in export marketing, exporters need to focus on specific products and markets and be prepared to deal with all foreseeable situations. Therefore, several possible strategies have to be considered.



The above figure could be summarised in the following strategic steps:

- External analysis (market audit, Chapter 10) and internal analysis (company audit, Chapter 11)
- SWOT (Chapter 12)
- Decision making and formulation objectives (Chapter 12)
- Elements, which can be used as inputs for the Market Entry Strategy and Export Marketing Plan (Chapter 13).

An international business plan should define your company's:

- Readiness to export
- Export pricing strategy
- Reason for exporting
- Potential export markets and customers
- Methods of foreign market entry
- Exporting costs and projected revenues
- Export financing alternatives
- Legal requirements
- Transportation method
- Overseas partnership and foreign investment capabilities
- Corporate commitment to the exporting process

If you have come to the decision to export, the next phase of the export marketing process is to draw up an Export Marketing Plan (EMP), which defines a marketing strategy stating how the company is going to penetrate the identified market. The marketing strategy is designed around the information collected in the internal and external analysis and the marketing tools will be described in the following chapter.

Formulating an export marketing strategy based upon sound information and its proper assessment increases the chances that the best options will be selected, resources will be utilised effectively, and efforts will consequently be carried through to completion.

For assistance in writing an EMP and formulate answer on the questions asked in this chapter, please refer to CBI's "*Export Planner*" or the interactive tool on the CBI website "*Export Marketing Plan*." For general information on conducting market research, please refer CBI's "*Your Guide to Market Research*."

13 EXPORT MARKETING

Which marketing tools can you use to successfully build your export business? This chapter will provide you with insight and give tips on how to make use of your marketing tools to promote the sales of your products and to build a favourable trade relationship.

13.1 Matching products and the product range

In the company audit (see Section 11.1), the exporter already has reviewed the company's product range and product characteristics. The aim of this review was to enable the exporter to match market opportunities with the company's products on offer. This review is also the starting point for considering possibilities to improve the exporter's product range.

In some cases, exporters may find out that the current product range does not match the identified market segment and sales channel's demand. A possible cause of this mismatch can be that there is no demand in the European market for such varieties, even if the products are successfully sold in your own country or other export markets.

Grading your export products

Importers and consumers of fruits and vegetables demand high quality fresh products in return for the high prices they pay. Growers and shippers should use the buyer's specifications for grading to monitor quality, condition, size, and maturity. While not all products have official grading standards, common sense techniques can be used to ensure the packing and transportation of only high quality items.

Sort and package produce by size and level of maturity:

- Use voluntary grading standards or buyer's specifications.
- Place only uniform sizes or amounts in each shipping container.
- Place only products with a uniform level of maturity in each container.
- Clearly mark the grade, size, weight, or count on the container.

13.2 Building up a relationship with a suitable trade partner

One of the most ominous obstacles for exporters can be to search, attract and secure a good importer or trade partner. Many avenues are available for locating trade partners. You should employ any and all, which seem appropriate for your sales channel.

How to find a potential trading partner

The best ways for exporters in developing countries to approach potential trading partners in the European fresh fruit and vegetable market are:

- Direct mail: You can write a letter, e-mail or fax directly to a European company. Most companies will probably respond that they are not interested or that they already carry a competitive line. However, only a few positive replies are needed to continue your search and evaluation and narrowing down of prospective distributors.
- Personal visits: Once you have received a number of "interested" replies, plan a trip to that market. Additionally while travelling, stop in other potential markets to assess the situation as well as attempt to make contacts. Many times a personal visit will pay for itself in terms of the benefits gained.
- Invite EU importers or potential business partners to visit your company.
- Build a network in order to extend your contacts.
- Visit international trade fairs.

How to identify the most suitable trade partner?

Evaluate the potential trade partners about which you have obtained information by using the following criteria:

- Is the information complete (full address, telephone / fax number, e-mail address, contact person)?
- Is the importer active in the country you selected?
- Could the importer be interested in your products?
- What kind of trade relation is the potential trade partner interested in (arms-length, co-operative agreement, contract basis)? Does this correspond to your preferred type of relationship?
- What is the position of the potential trade partner in the market?
- What is the financial status and credibility of the company?

Using these criteria, draw up a priority list of the contact addresses you have received.

You must use the priority list to identify the trade partners that match best your own company profile, product range and export strategy. Particularly in the case of future long-term close co-operation, it is important to get a clear picture of the company you are dealing with and understand their business activities.

For more information on how to build a business relationship, please also refer to the recently published CBI manual "*Your image builder*".

13.3 Drawing up an offer

There are two different kinds of offers:

1. general offer or company introduction; and
2. specific offers.

(a) Drawing a general offer

- The purpose of a general offer is to make the first contact with potential trading partners not yet personally known to the supplier.
- A general offer consists of sending a short profile of your own company and a summary of your product range.
- In a personal letter, briefly introduce your company and what you have to offer.

(b) Drawing up a specific offer

A specific offer is legally binding for a certain period of time. You must therefore be capable of fulfilling the terms of contract. You should make up a specific offer only when you know the business partner personally or after you have made the initial contact.

When sending a specific offer, it should include:

- Name of the person responsible in your company;
- Exact description of the products offered;
- Price of the products offered in accordance with the Incoterms 2000 (if applicable, split up by delivery quantities or quality); and
- Possible delivery date.

In case a sample of the product is required:

- Product samples must correspond to the goods available for delivery (if they do not, this can have a lasting negative effect on business relations).
- State the treatment methods used. If possible, provide quality certificates from an internationally recognised inspection company.

Some more tips to increase the effectiveness of your offer:

- A telephone call to ask whether the offer (and the samples, if applicable) has arrived.
- An invitation to visit your company.
- Possibly propose a visit to the country of destination.

In that case:

- If necessary, hire an interpreter.
- Ask your own consulate, business support organisation, or other intermediary for assistance in planning your visit.
- First-time exporters should start with small samples, rather than large high-value commercial shipments. An exporter should be testing whether his products meet the phytosanitary requirements, transportation routing, handling and packing methods.

Price setting

To establish an overseas price, you need to consider many of the same factors involved in pricing for the domestic market. These factors include competition; costs such as production, packaging, transportation and handling, promotion and selling expenses; and most important in the fruit and vegetable market: the demand for your product and the maximum price which the market is willing to pay.

In most cases, an exporter will have to follow market prices. However, in case of some products, like speciality products, you will be able to set your own export price. There are two common methods of calculating your price for exports:

- Domestic Pricing is a common but not necessarily accurate method of pricing exports. This type of pricing uses the domestic price of the product as a base and adds export costs, such as packaging, shipping and insurance. Because the domestic price already includes an allocation of domestic marketing costs, prices determined using the method might be too high to be competitive.
- Incremental Cost Pricing determines a basic unit cost that takes into account the costs of producing and selling products for export, and then adds a mark-up to arrive at the desired profit margin. To determine a price using this method, first, establish the 'export-base cost' by stripping away profit mark-up and the cost of domestic selling. In addition to the base cost, include genuine export expenses (export overheads, special packing, shipping, port charges, insurance, overseas commissions, and allowance for sales promotion and advertising) and the unit price necessary to yield the desired profit margin.

How you price your product is worth considerable thought and effort since it directly affects your ability to make a profit. Take some time to research the following management questions:

Questions to ask when setting your price

How much does it cost to grow your product?

- Production costs not only include costs for growing, but also for packaging, distribution and promoting your products.
- The costs of unsold products should also be included.

How will you market your product?

- Do you sell your products directly to customers in Europe?
- Are you producing on a contract basis for a European buyer?

What price do competitors charge?

- Take an industry focus on your pricing when researching what competitors are pricing.
- By walking through the steps indicated in Section 10.2 you will know the prices competitors charge. Use the competitive analysis to develop the upper limit of your

- price range. Be sure you compare your products to competitors.
- Competition is intense In the fruit and vegetable trade. You should therefore try to price at the lower end of the price range unless you can distinguish your product through quality or a unique selling feature.

What is the customer demand for my product?

- How unique is your product or assortment?
- To price according to demand, you have to know more about the size and nature of your customer base and their feelings about pricing.
- You will need to keep an eye on general market trends. See also Chapter 3.

Understanding how to price your product is an essential step in developing your business. You must continually monitor your price including your costs of production, your competition and your customers and be prepared to make adjustments. In competitive businesses like the fresh fruit and vegetables trade, the successful company is the one that can adapt and continue to operate profitably.

Below, you find an overview of the way you can calculate the price of your export product (for information on Incoterms see the next Section).

Export price calculation
Total costs per unit
+ Profit
+ Commissions
+ Domestic banking fees
+ Palletisation / export packing
+ Freight forwarding and documentation fees
+ USDA inspection and phytosanitary certificate fees
+ Other direct expenses related to special shipping requirements such as temperature recorder charges
= EXW price (Ex Works)
+ Inland transportation
= FAS price (Free Alongside Ship)
+ Terminal handling charges
= FOB price (Free On Board)
+ Ocean freight charges
+ Ancillary charges
= CFR price (Cost & Freight)
+ Insurance
= CIF price (Cost, Insurance, Freight)

13.4 Handling the contract

In the fresh fruit and vegetables trade, the use of written contracts is not a widespread practice. Most importers prefer to work on a trust base without written contracts. They argue that it is not efficient to put a contract together each time a deal is made. An exporter should keep in mind, however, that in case of a conflict with your importer, communication via e-mail, fax or even by a telephone, also functions as a contract, although an e-mail and a phone call is not legal tender.

In the case contracts are used, the following terms should be considered:

(a) Contract terms:

- Conclude the delivery conditions according to Incoterms 2000.
- When delivering for the first time, it is common to deliver the goods free on commission and freight-paid.

(b) Contract fulfilment:

- Procure the delivery documents in good time.
- If there is a supply agreement, comply strictly with all parts.
- If you cannot comply with any part of the agreement (e.g. delivery delays or quality problems), inform the customer clearly and in good time.
- Co-operate on a partnership basis and seek a common solution if conflicts arise.
- Fulfilling the contract should have a high priority, particularly when delivering for the first time.

Trade relations between exporter and importer are based on trust and can only be built up by meeting the high expectations of the importer. If an importer finds that the product does not meet his expectations, this will immediately backfire on the business relationship with the exporter.

Consignment basis

Arrangements on consignment basis or 'at risk' are often used in the trade of fresh fruit and vegetables. In actual fact, consignment arrangements are not sales at all, in that title to the goods never passes to the importer. Goods are consigned to the importer until sold to a third party, whereupon title is transferred.

Under consignment sale, the exporter bears the risk that prices may turn out to be less than expected, possibly resulting in a loss after transport costs are paid. Alternatively, prices and, hence, profits might be higher than expected.

Terms of payment

The determination of payment conditions for a regular export transaction is part of the package of negotiations between seller and buyer, who actually have more or less opposing interests. The seller wants to have the least possible payment guarantee. The buyer wants to be sure about quantity and quality of the goods he is buying, before he pays the agreed price.

A Letter of Credit (LC) is seldom used. It is often considered cumbersome and prevents the option of retaining the money if the consignment does not prove to be as good as expected. When relations are established, Cash Against Documents (CAD) is also a method used. However, open account is most commonly used in the fresh fruit and vegetables sector. Importers or agents generally transfer payment within 30 days.

The importer determines the import duty with the Customs, and pays a deposit. Another possibility for the importer is to pay the current levy at Customs' clearance.

• **Open account**

The process is fast and reliable, depending on the credit worthiness of the importer. The bank carries out the transactions through swift electronic data system and the transfer costs are not very high.

• **Cash Against Documents (CAD)**

Also known as Documents against Payment (D/P). The buyer takes possession of the goods only after payment. Although this method is not often used, it is very safe and the costs amount to one pro mille.

- **Letter of Credit (LC)**

In other sectors, the irrevocable LC is very often used in the beginning of a business relationship when the importer and exporter do not know each other very well yet. The LC is irrevocable and will always be paid. The costs are higher when compared to the D/P method.

Terms of sale

Export terms of sale determine which costs are covered in the price of the cargo. They also indicate at what point ownership transfers to the buyer and at what point responsibility for the cargo is transferred. International commercial terms (Incoterms 2000) provide "the international rules for the interpretation of trade terms."

The most commonly used trade terms are:

- **CIF (Cost, Insurance, Freight)**

Under this condition, for shipments to designated overseas port of import, the seller quotes a price for the goods, including insurance costs and all transportation charges, to the point of debarkation from the vessel or aircraft. The seller pays for the cost of unloading cargo at the port of destination, to the extent that this is included in the freight charges. If the charges are separate, they fall to the account of the buyer.

- **FOB (Free on Board)**

Under this term, the seller quotes a price for goods that includes the cost of loading at the port of departure. The buyer arranges for transportation and insurance.

Other trade terms less frequently encountered are:

- **CFR (Cost and Freight)**

For shipments to designated overseas port of import, the seller quotes a price for the goods that includes the cost of transportation to the named point of debarkation. The buyer is responsible for the cost of insurance. This is referred to as C&F in the old Incoterms. The seller pays for the cost of unloading cargo at the port of destination, to the extent that it is included in the freight charges. If the charges are separate, they fall to the account of the buyer.

It is recommended that quotations to new European customers should be made on a CIF basis. However, supplier and importer are free to negotiate any other condition.

13.5 Sales promotion

One of the major critical success factors for exporters of fresh fruit and vegetables to the European Union is attention to customer requirements and the ability to maintain good relationships with their European business partners. Sales promotion revolves around developing and expanding these customer relations and thereby maintaining and increasing sales volume.

Some tips in developing customer relations:

- Take good care of existing contacts. This includes for example expressions of thanks to business partners, regular information on the company developments like product range, quality improvements, etc.
- Always reply to a letter of inquiry. If you cannot supply this contact, say so, explaining that you will get in touch with him for the next campaign.

Communication

It is advisable to commence with communication measures, which only require a small amount of planning and co-ordinating, such as revising the company's standard printed matter:

- Standardise all printed paper used outside the company (letterheads, visiting cards, fax form, etc.)

- A brochure of your company (including photos of production sites and produce) can be useful for promoting new contacts and sales.

Constant, prompt and reliable communication is a vital prerequisite for maintaining a long-term business relationship with your customers. Smaller firms should also be reachable by (mobile) phone, fax and e-mail at office hours.

Sales organisation

The term 'sales organisation' refers to the organisational system that carries out the sales of the company's products. A sales organisation usually consists of a back office and sales force, even if the sales force consists of one person.

As most sales are conducted by telephone, fax or e-mail, well-functioning sales people are an absolute precondition for successful market participation. This also applies to smaller companies where one person has to fulfil different (sales) functions.

An essential tool used in sales is a detailed and up-to-date customer database. This database can vary from a simple collection of customer data sheets to an advanced customer relation management system. However, the customer database should at least contain the following information:

- Basic information on the customer: name, address, telephone numbers, etc.
- Changing data on the customer: data resulting from business activities with the customer, such as telephone calls, offers, sales information, etc.

The customer database should give the sales person a quick review of the most important customer information when making or answering a telephone call or planning a visit.

If possible, the database should be computerised, because this simplifies changes, updating, sorting and selection procedures, etc. If computerisation is not possible, the customer database should be on file cards (see example).

Example customer data sheet	
General information	
Company name: Postal address: Street address	Customer no.:
Country: Telephone: Fax: E-mail: Contact name:	First contact date: -- / -- / ---- Customer class*: <input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D Customer type: (<i>importer, agent, retailer</i>)
Other info:	
Sales information	
Sales realised: (<i>last year</i>) Sales planned: (<i>this year</i>) etc.	
Contact record	
No. 1	Contact date: -- / -- / -- Contact type: (<i>telephone, visit, fax, etc.</i>) Information:
No. 2	Contact date: -- / -- / -- Contact type: (<i>telephone, visit, fax, etc.</i>) Information:
No. 3	Contact date: -- / -- / -- Contact type: (<i>telephone, visit, fax, etc.</i>) Information:

* Classify your customers by importance to your company (sales, quality of relation, etc.)

Internet

As a means of communication, Internet is generally considered to have many opportunities for companies in developing countries. The main advantages of the Internet are:

- Low cost of communication;
- Fast delivery of information;
- Independence of distance and timeline;
- Hardly any limits in size; and
- Multimedia possibilities.

Besides one-to-one communication, Internet offers opportunities for presentation, (market) research, distribution, sales and logistical improvements. If your target group consists of importers/growers in overseas countries, you can advertise for (new) customers on your Internet site, showing your company, product range and indicating the production circumstances.

More information on this subject can be found in CBI's Export Manual '*Your Image Builder*'.

Trade fairs

Visiting and participating in a trade fair abroad can be an efficient tool for communicating with prospective customers. It provides more facilities for bringing across the message than any other trade promotional tool. It can also be an important source of information on market development, production techniques and interesting varieties.

Important motives for companies visiting European trade fairs are:

- Establishing contacts with potential customers;
- Orientation on the European market;
- Gathering information on specific subjects;

Although significant costs are involved, actually participating in a trade fair could be an interesting way to give export activities an extra boost. One of the major advantages of participating in a trade fair is the ability to present your company and products in a more extensive way (3-D presentation, company video, and product displays). Furthermore you will meet people, whom you otherwise would not have met.

Fruit and vegetables trade fairs are organised in many European Union countries. The most relevant fairs for exporters in developing countries are listed in the box below. The contact addresses of these and other trade fairs are listed in Appendix 3.4.

Main European trade fairs			
Trade fair	Where?	When?	What?
ANUGA	Cologne, Germany	biennial, 8-12 October 2005	One of the leading trade fairs for the food and beverage industry world-wide
Fruit Logistica	Berlin, Germany	annual, 2-4 February 2006	Show for international fruit trade; exotics are a special target groups
Salon International de L'Alimentation (SIAL)	Paris, France	biennial, 22-26 October 2006	Trade exhibition for the food industry
AGF-Totaal	Rotterdam, The Netherlands	biennial 12-14 September 2005	Platform for international trade in fruit and vegetables
Alimentaria	Barcelona, Spain	6-10 March, 2006	International food and beverages exhibition
IFE	London, United Kingdom	biennial, 18-21 March 2007	International food and drink exhibition

For additional information on trade fair participation, please refer to CBI's Handbook *"Your show master - a guide for selection, preparation and participation in trade fairs."* and the recently published CBI manual *"Your image builder"*.

Assistance with market entry

Local business support organisations

Before approaching organisations abroad, an exporter should first contact local business support organisations (trade promotion organisations, Chambers of Commerce, etc.) and foreign representatives in his or her country in order to find out what support can be obtained locally.

Import Promotion Organisations

In most EU countries, there are organisations that promote imports from developing countries through specific export promotion programmes:

- Supplying information on: statistics and other information on national markets, regular news bulletins, importer databases, and market opportunities;
- Individual assistance: management training, testing products by display and adaptation services; and
- Establishing contacts: collective trade fair participation and selling missions.

Source: CBI EU Market Survey Fresh fruit and vegetables, 2005

Branch organisations

In most European countries, producers, wholesalers and often also retailers are organised in so-called branch organisations. These organisations can be of use to new exporters to the EU. An example is the Fresh Produce Consortium (UK), which can give you information on the UK wholesale markets.

Information how to reach these organisations can be found in Appendix 3.3.