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TECHNICAL ASSISTANCE TO THE VITAMINKA FACTORY

Volume II - Part 1

Marketing Report
(Draft)

PP C 150

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C O N T E N T S

Page

1 THE MARKET FOR BABY FOOD

1. GENERAL

In this report we are specifically concerned with the market for strained and junior foods. These are semi-liquid ready-prepared foods based on fruit, vegetables and meat, which are suitable for children between the ages of three months and three years. These products are usually packed in cans or glass jars.

2. UNITED KINGDOM

2.1 Size of baby food Market

The baby food market is currently valued at approximately 150m/year at retail selling prices. The main categories in the market are milk products, rusks and cereals, strained foods, 'instant' foods and syrups.

The following table gives a breakdown of the value of the market in 1973.

TABLE I

Value of the Market (retail)

	£m
Milk products	12
Rusks	4
Cereals	1
Strained/junior foods	19
Instant	1.5
Syrups	3

(Source: Trade estimates)

For the purposes of this study we are considering the markets for:

- strained and junior foods
- instant foods

Value of the Market

In 1973 the market for these products was estimated to be worth approximately £19m at r.s.p. and is therefore the largest section of the baby food market. It is estimated that in 1975 this market will be worth about £25m at r.s.p. as a result of manufacturers introducing more sophisticated and expensive products, and as a consequence of inflation. Nevertheless, most manufacturers express the view that in real terms this is a declining market because of the decreasing birth rate:

United Kingdom Birth Rate

(births per 1,000 population)

1969	16.7
1970	16.3
1971	16.2
1972	14.9
1973	13.9

Production of strained, junior (& toddler) food in cans and glass jars in 1972

	(million units)
glass jars	127
cans	317
TOTAL	444

('000 tons)

70,000 - 75,000

The most popular fruit purees (these contain 70-80% fruit) in order of popularity are as follows:

- apples
- pears
- pears and pineapple
- peaches
- apples and other fruits.

Gerber have recently launched a new range of 'Special Desserts' which are a mixture of fruit and cream.

Packaging

The United Kingdom is unusual in that Heinz, the leading manufacturer, mainly uses cans whereas the markets in most other European countries are dominated by glass. The most commonly used container sizes are as follows:

cans	-	4½ oz
	-	7½ oz
glass jars	-	4½ oz
	-	7½ oz

6 oz jars and cans are used to a lesser extent.

There is a great deal of competition in the United Kingdom between Heinz, who have traditionally packed their products in cans, and Gerber, who exclusively use glass jars. In theory a majority of mothers seem to prefer glass because of beliefs about glass being more hygienic and because the contents can be seen. In practice, however, because of price, distribution and other factors, the cans still have much the larger sales. It is interesting to note, however, that as a result of the pressures of competition, Heinz have introduced a range of baby foods in glass jars.

Variations in Consumption

Prepared baby foods are purchased by mothers of all classes in every region of the United Kingdom. As one might expect, per capita consumption is higher in large towns. This can be explained by the fact that a greater percentage of women work in urban areas.

2.3 Imports

All the ready-prepared strained and junior baby foods sold in the UK are manufactured locally, and there are no imports whatsoever.

2.4 Exports

Strained and junior baby food in cans and glass jars is only exported from the United Kingdom in small quantities, mainly to UK colonies such as Gibraltar, and to former parts of the British Empire such as Malta, Cyprus and various countries in the West Indies. A considerable amount of dried baby food is exported to non-European countries, including countries in the Middle and Far East and Africa.

2.5 Tariffs Quotas and Regulations

These have not been officially formulated since trade in baby food is virtually non-existent. Strained and junior products therefore come under the ordinary regulations for canned and bottled food products.

2.6 Local Manufacturers

The leading manufacturers of strained and junior food are Heinz, CPC (Gerber brand) and Unigate (Cow and Gate brand). These manufacturers are all well established with histories going back over many years.

The following table shows the brand shares of the leading manufacturers:

TABLE

Brand Shares - Strained & Junior Foods

	Heinz %	Gerber %	Others %
1968	82	9	9
1969	86	7	7
1970	84	9	8
1971	81	11	8
1972	78	13	9
1973	77	15	8
1974	-	-	-
1975	63	22	15

H.J. Heinz Co. Ltd

Heinz first introduced their baby food products into Britain in 1937, and, after the war, expanded their range and sales at a rapid rate, having over 90% of the market in 1964. Heinz's share of the market has dropped to its current level of 63% mainly due to growing competition from Gerber. Their products are divided into strained foods, suitable for babies in the 3-8 month age group, and junior foods for the 8-18 month olds. The 'toddler' range is suitable for children of up to three years. The total number of Heinz varieties is now approaching the 100 mark, most of the products being packaged in cans (4½ oz, 6 oz, 7½ oz), although Heinz also have a range in glass jars (4½ oz, 6 oz).

Prices of Heinz baby Foods*

Products	Trade (per case of two dozen)	Retail (each)
Strained Breakfasts - 4½ oz cans:		
Egg and bacon breakfast		
Fruit		
Cereal and honey breakfast		
Orange and cereal breakfast	£1.55½	8p
Strained Main Meals - 4½ oz cans:		
Beef and bone broth with vegetables		
Beef and carrot casserole		
Beef and oxtail dinner		
Braised lamb dinner		
Braised steak and kidney dinner		
Chicken casserole with vegetables		
Country lamb and carrot puree		
Golden chicken dinner		
Haddock in cheese sauce		
Turkey dinner		
Scrambled egg and tomato		
Egg and ham savoury		
Scrambled egg and cheese	£1.847	9½p

*June 1975 Grocer Index

Products	Trade (per case of two dozen)	Retail (each)
Strained Desserts - 4½ oz cans:		
Apple dessert with vitamin C		
Apple and prune custard		
Apples with vitamin C		
Apricot custard		
Apricot dessert		
Banana dessert		
Chocolate pudding		
Creamed rice milk pudding		
Egg custard with rice		
Fruit dessert with vitamin C		
Pineapple dessert	£1.55½	8p
Strained Suppers - 4½ oz cans:		
Beef and liver supper		
Carrots		
Mixed vegetable puree		
Tomato and beef supper	£1.55½	8p
Junior Breakfasts - 4½ oz cans:		
Creamed porridge		
Egg and bacon breakfast		
Egg		
Tomato and potato breakfast		
Fruit		
Cereal and honey breakfast	£1.55½	8p

Products	Trade (per case of two dozen)	Retail (each)
Junior Main Meals - 4½ oz cans:		
Beef and bone hotpot		
Braised lamb and liver dinner		
Braised steak dinner		
Chicken and ham dinner		
Chicken supreme dinner		
Haddock cheese and macaroni dinner		
Lamb casserole with vegetables		
Liver and bacon dinner		
Savoury pork dinner		
Steak and kidney dinner		
Scrambled egg and sausage	£1.847	9½p
Junior Desserts - 4½ oz cans:		
Apricot dessert with rice		
Banana		
Rice and rose hip dessert		
Chocolate pudding with tapioca		
Egg custard with tapioca		
Fruit dessert with tapioca		
Orange and apricot dessert with tapioca		
Orange dessert with rice		

Products	Trade (per case of two dozen)	Retail (each)
Pineapple and orange dessert with tapioca		
Pineapple dessert with rice		
Rice pudding with cream		
Tapioca pudding with cream	£1.55½	8p
Junior Suppers - 4½ oz cans:		
Cheese		
Ham and egg supper		
Cheese savoury supper		
Macaroni and beef supper		
Spaghetti and beef supper		
Vegetable and egg supper	£1.55½	8p
Toddler Foods - 7½ oz cans:		
Macaroni and beef in tomato sauce		
Thick chicken broth with vegetables and rice		
Vegetable broth with steak and kidney		
Vegetable and lamb stew		
Vegetables with beef	£2.333	12p

Products	Trade (per case of two dozen)	Retail (each)
Strained Foods - 4½ oz jars:		
Apple dessert		
Banana dessert		
Beef and egg noodles in tomato sauce		
Bone and vegetable broth		
Chicken noodle broth		
Chicken soup		
Chocolate pudding		
Egg custard with rice		
Fruit dessert		
Orange and rice dessert		
Tomato soup and beef		
Vegetable and beef broth	£2.041	10½p
Junior Foods - 6 oz jars:		
Apricot and rice dessert		
Banana		
Rice and Rose Hip Jessert		
Beef and egg noodles in tomato sauce		
Bone and vegetable broth		

Products	Trade (per case of two dozen)	Retail (each)
Chicken noodle broth		
Chicken soup with rice		
Chocolate pudding with tapioca		
Egg and bacon breakfast		
Fruit dessert with tapioca		
Lamb broth with vegetables		
Macaroni and beef in tomato sauce		
Pineapple and orange dessert with tapioca		
Vegetables with beef		
Vegetables with chicken broth		
Vegetables and egg noodles in turkey broth	£2.43	12½p

Gerber Division C.P.C. (United Kingdom) Ltd

The Gerber brand was launched on the U.K. baby food market in 1964 when Brown and Polson, the British subsidiary of the U.S. firm Corn Products Corporation, introduced a range of strained and junior foods in glass jars to the U.K. market, made under licence from Gerber. This technique of packaging was started in the United States and was brought about by the shortage of tin plate during the war. The idea appealed to mothers who felt the standard of purity might be higher and by the end of the war Gerber had overtaken Heinz in sales of strained foods in the United States, their share being 63% against their competitor's 15%.

Poor distribution and trouble with the lids of the jars almost defeated the launch in the UK, but with massive advertising and promotional activities and increased numbers of improved varieties - each jar of junior savoury meals now contains enough protein, calcium and iron to meet one-third of a one-year-old baby's requirements for one day - Gerber now claims a steadily increasing share of the marked in strained and junior baby foods, in spite of the higher price of glass jars compared with cans. Gerber currently hold 22% of the market compared with 9% in 1968. Projections made by glass manufacturers suggest that tin plate prices will increase more rapidly than glass so that ultimately containers will be the same price or cheaper than cans. This would seem to indicate that, even in the U.K. where cans have always been dominant, the trend will continue to be towards glass containers. Gerber produce a similar range of products to Heinz but all products are in 4½ oz, 6 oz and 7½ oz glass jars.

Prices of Gerber Baby Foods

Product	Trade Price (per doz.)	Retail Price (each)
Strained 4½ oz glass jars		
Strained Breakfasts		
Egg and bacon		
Beans and ham		
Creamed porridge	94½p	9½p

Product	Trade Price	Retail Price
	(per doz.)	(each)
Strained Dinners		
Vegetable and lamb		
Vegetable and beef		
Vegetable and chicken		
Beef and egg noodles with vegetables		
Chicken noodles		
Beef broth		
Chicken broth		
Vegetable/cereal		
Vegetable and beef broth		
Bone and vegetable broth		
Vegetable and liver with bacon	94½p	9½p
Strained Tea Time:		
Macaroni		
Tomato		
Beef and bacon		
Cheese savoury		
Bacon and cheese		
Cheese and macaroni		
Veal and tomato with noodles	94½p	9½p

Products	Trade Price (per doz.)	Retail Price (each)
Strained Desserts:		
Fruit dessert with tapioca		
Chocolate pudding		
Orange pudding		
Banana & pineapple		
Egg custard with rice		
Apricot & orange		
Banana dessert		
Apricot custard		
Apple dessert		
Creamed rice		
Milk pudding		
Pineapple & rice	94½p	9½p
Junior 7½ oz glass jars		
Junior Breakfasts:		
Egg and bacon		
Creamed porridge		
Beans and ham	£1.29	13p

Products	Trade Price (per doz.)	Retail Price (each)
Junior Dinners:		
Vegetable and beef		
Vegetable and chicken		
Vegetable and turkey		
Vegetable and lamb		
Beef/Egg noodles with vegetable		
Chicken noodle	£1.29	13
Junior Tea Time:		
Spaghetti		
Tomato Sauce and beef		
Cheese and macaroni		
Bacon and cheese with noodles		
Cheese and celery with macaroni		
Veal and tomato with noodles		
Tomatoes and ham		
Tomatoes and egg	£1.29	13

Products	Trade Price (per doz.)	Retail Price (each)
Fruit Desserts 6 oz:		
Pears		
Pears and pineapple		
Apples		
Apple and apricot		
Apple and orange		
Apple and banana		
Apple and blackcurrant	£1.29	13
Fruit Juice 6 oz glass bottle:		
Orange		
Apple		
Pineapple and orange	£3.36	20½
Blackcurrant	£5.02	30

Cow and Gate Baby Foods

Trufood was one of several companies merged 11 years ago to form Unigate. Now renamed Cow and Gate baby foods, they claim 7% of the market.

Cow and Gate produce a full range of strained, junior and toddler products packed in glass jars, similar to the Heinz and Gerber ranges.

Distribution

Distribution of strained and junior foods is largely in the hands of grocers, though, in recent years the Boots chain of chemists' shops have made a very successful effort to increase their share of the trade - gaining sales both from grocers and from other chemists.

The following table shows the percentages of purchase of strained and junior foods made at different categories of shop.

	Grocers	Boots	Other chemists	Others
	%	%	%	%
1968	70	8	17	5
1969	69	11	18	2
1970	66	15	17	2
1971	67	15	16	2
1972	66	17	15	2
1973	-	-	-	-
1974	-	-	-	-
1975	62	27	11	11

2.7 Importers

There are no significant imports of baby food into the United Kingdom.

2.8 Advertising and Promotion

Heinz

It is estimated that Heinz spent £1 million in 1974 on television, press and direct advertising of baby foods. This was the biggest ever campaign launched by a baby foods manufacturer and it is being extended at a similar level during 1975.

Heinz back their baby food products with continuous advertising. Their strategy is to influence the market with television and press advertising that stimulates sales, building and retaining the loyalty of users. The theme of Heinz's major television and press campaign in 1974 was "Heinz, the taste babies love".

In addition, press advertising on a major scale includes colourful, factual advertisements in women's magazines and specialist mothercraft journals throughout the year. Heinz provide an extensive range of point-of-sale material for in-store displays. These aids range from improved meal segment identification cards for shelves to multiple dump-bin header boards for in-store "spectaculars".

In addition to distributing 750,000 free colour-printed promotional booklets each year, offering mothers a comprehensive guide to feeding a baby during its first 18 months, the Heinz baby food advisory service is available to answer any problems. Heinz baby club offers a wide range of baby products, and toys at reduced prices.

Baby food tumblers have been on sale for 10 years. Last year Heinz sold 730,000 against a total of 743,000 live births - virtually one for every baby born.

An in-store promotional programme is normally agreed as an essential part of the baby foods retailing plan and major store operators usually stage special price promotions three or four times a year.

Gerber

Gerber advertise exclusively in the specialist press. Initially they were severely restricted by production capacity and then hindered in sales because of a giant advertising campaign by their competitors, but in 1973 with an estimated £100,000 spent on advertising and promotion and great attention paid to improvement in varieties, particularly their glass jar packaging, they now aim to become a bigger force in the market. A large percentage of Gerber's promotional expenditure is allocated to the Baby Council, a full-time working team of nutritionists who deal with enquiries from the public about infant welfare and who also call on hospitals and maternity homes.

Cow and Gate

Cow and Gate spend about £250,000 a year on TV advertising plus press advertising in 'mother' type magazines. Their sales force calls not only on retailers but also on hospitals and the medical profession. In line with their competitors Cow and Gate provide an advice service which deals with enquiries from the public. Two recent promotion schemes which proved very successful were the personalised - i.e. baby's name and date of birth - pottery mug, bowl and plate for baby which was obtained by the mother collecting 25 labels from Cow and Gate baby food jars, and the initialled silver-plated spoon for which 15 labels were required.

Advertising Expenditure

The following table summarises the expenditure on television and national press advertising for strained, junior, toddler and dried baby foods. (It does not cover total expenditure as these figures are confidential to manufacturers.)

	1972	1973	1974
Cow and Gate	50,100	166,500	149,900
Gerber	22,100	not recorded	3,700
Heinz	309,700	693,700	344,400
Robinsons (Colmans)	76,700	129,000	19,600
Other brands (including milk and cereals)	510,100	417,400	761,800
TOTAL Baby Food	968,700	1,416,600	1,279,400

The fact that figures for Gerber's expenditure are low is probably accounted for by the fact that Gerber advertise almost exclusively in publications not included in the above summary. It should be pointed out that point-of-sale promotion and other "below-the-line" promotional activitity probably involves budgets larger than those for advertising, but no data on this is available.

2.9 Instant (Dehydrated) Baby Foods

Description of Product

Dehydrated baby foods are made by a roller drying process and the finished product is in a flake form.

There are two types of instant food:

1. A very fine, smooth dehydrated food which is very bland and suitable for babies aged 3-4 months.

2. For babies aged 6-7 months a mixture of different flakes containing actual lumps of food.

These foods are mixed with milk and/or water before being eaten. They tend to be most suitable for very young babies and often act as a forerunner to Heinz and Gerber strained and junior foods.

It is claimed that the chief advantages of 'dry' foods over 'wet' foods are:

1. Portion control - the mother can mix as much or as little as the baby requires without wastage.

2. Consistency choice - some babies need a thicker feed.

Market Value

The value of the market for dried non-milk baby foods is shown in the following table:

	£m
1972	1.4
1973	1.6
1974	1.7

Compared with the value of the strained and junior market the 'instant' section of the market is relatively unimportant.

Production

The following table shows production of dried baby food (in millions of packs).

	(in millions of packs)
1972	376.9
1973	388.4
1974	356.8

It should be noted that the drop in volume in 1974 was unusual and entirely due to production problems.

Consumption

In line with the rest of the baby food market this section is declining along with the declining birthrate.

Consumer Preferences

These are very similar to the preferences described earlier with regard to strained and junior foods.

Packaging

Instant baby foods are sold in 1½ and 2 oz. packets.

Local Manufacturers

There are only two producers of instant baby foods in the U.K.

1. Colman Foods
2. Boots

Their brand shares can be seen in the following table:

	Colman Foods	Boots
	%	%
1972	75	25
1973	77	23
1974	77	23

Colman Foods

Colmans are the leading manufacturers of instant baby foods and claim 77% of the £1.5m market for instant baby foods. Their brand name is Robinsons.

Boots

Boots currently claim 23% of the market for instant baby foods. They manufacture own-label goods which are only sold through Boots outlets.

Prices

The varieties of products in this section of the market are similar to those outlined in the strained and junior section. Prices are as follows:

Instant Baby Foods	Trade per doz.	Retail (each)
1st course (savoury) packets 1½ oz packets	£1.15	12½p
2nd course (sweet) packets 2 oz packets	£1.15	12½p
Stage II Baby Foods		
1st course (savoury) packets 1½ oz packets	£1.23½	13½p
2nd course (sweet) packets 2 oz packets	£1.23½	13½p

Distribution

Boots instant baby food is distributed through Boots own outlets. The distribution of Colmans baby foods in 1974 was as follows:

	%
Chemists	34
Grocers	30
Boots	36

Importers

There are no importers of instant baby food in the United Kingdom.

Advertising and Promotion

In 1973 Colmans spent £130,000 on an advertising campaign, advertising in specialist mother magazines and amongst nurses and health visitors.

They run a health visitor service and a mother's advice service. Consumer promotions include offers on toys which are very popular and free booklets the most recent of which deals with the problems of taking babies on holiday.

2.10 The Potential for Vitaminka Products

The U.K. baby food market is adequately supplied by local manufacturers. This together with the declining birthrate make it clear that there are no export opportunities for Vitaminka products in the U.K. market.

Names and Addresses of Manufacturers:

H.J. Heinz Co. Ltd,
Hayes Park,
Hayes,
MIDDLESEX.

Gerber Division C.P.C. (United Kingdom) Ltd,
Claygate House,
Esher,
SURREY.

Cow and Gate Baby Foods,
Guildford,
SURREY.

Colman Foods (Robinsons),
Carrow,
NORWICH.

Boots Company Ltd,
NOTTINGHAM.

3. FRANCE

3.1 Size of market

In 1973 the market for baby food in jars was estimated to be worth 350 million francs. The total market for dehydrated baby food was thought to be worth 108 million francs. Strained and junior food in jars accounts for 51 per cent of total consumption compared to dried baby food which only accounts for 17 per cent.

3.2 Consumption

In 1973 33,000 tons of baby food were consumed. This figure rose to 34,000 tons in 1974.

Babies of up to 18 months consume 75 per cent of baby food. The remaining 25 per cent is consumed by children in the 18 months to 3 year old age group.

Consumer Peferences

An approximate breakdown of the types of baby food consumed is as follows:

	%
fruit based	50
vegetable based	15-20
meat based	5
meat or fish & vegetables	10-15
junior	20-25

Carrots are said to be the most popular vegetable, while the most popular fruit varieties are apple, raspberry, peach, apricot and fruit mixtures.

Variations in consumption

According to the manufacturers, the consumption of baby foods in France does not show any signficant regional variations with the one exception of Paris where consumption is slightly higher than in the more rural areas of France. Baby foods are purchased to a greater extent by middle and upper class housewives.

Packaging

Unlike the United Kingdom, strained and junior food in France is packed exclusively in jars ranging in size from 70g. to 220g. As can be seen from the following figures, 130g - 150g jars are the most widely used:

Breakdown by size of jar

Jar	%
100g	35
130 - 150g	45
190 - 220g	25

Consumption trends

In 1974 34,000 tons of baby food were sold in France, compared to just over 1,000 tons in 1960. Consumption of baby foods is developing very fast and the growth rate, which has fallen from its high of 60 per cent a year in the sixties was still 20 - 25 per cent until 1973. The reason for this considerable increase in consumption is that the French were late in getting used to modern baby food, prefering to rely on more traditional powdered milk and other mixes. In spite of this growth rate the French baby eats on average only 150 jars of baby food per year compared to 400 jars for a German baby and 700 jars for an American baby. French baby food manufacturers regard the market as a developing one. Only 30 per cent of French babies are regular consumers (more than one jar per week) 20 per cent are occasional consumers and 50 per cent are not consumers. Thus there is considerable potential still to be exploited.

Although the long term trend in France would seem to be towards increased consumption, 1974 showed a drop in consumption. This is thought to be due to the decrease in the birth rate and the decrease in purchasing power due to the current economic crisis. The declining birth rate is not thought to be a handicap to the potential growth of the market because fewer babies in the future will mean that a greater amount of money will be available to be spent on each child.

3.3. Imports

French consumption requirements are met entirely by local manufacturers. We have not found any evidence of imported brands.

3.4 Exports

Export figures are not available as they are confidential to manufacturers and are not recorded separately in the official statistics. Although trade in baby food is relatively unimportant some quantities of French baby food is exported to other European countries, mainly to Belgium and Switzerland.

3.5 Tariffs, quotas and regulations

There are no separate regulations for baby food, which therefore come under the rules for bottled fruit and vegetable products.

3.6 Local manufacturers of baby food

The brand shares of the leading manufacturers are indicated below:

Manufacturer	Brand Name	Brand Share %
Diepal	Bledine	40
CPC	Gerber	22
Diepal	Fali	12
Nestle	Guigoz	12
Diepal	Gallia	7
Nestle	Ptipo	7
		100

Diepal-Jacquemaire

This company, controlled by Gervais Danone, produces and distributes baby foods and diabetic foods. It has three brand names which between them claim 59 per cent of the market:

	Brand Shares %
Bledine	40
Fali	12
Gallia	7
	59

Goods are distributed direct to grocery shops and via wholesalers to chemists. Fali is sold exclusively in chemists.

Sopad-Nestle

This company is controlled by the Nestle organisation in Switzerland. In 1973 it had an annual turnover of 1,709,300 ff. and employed a staff of 6,262.

Its activities include the production, distribution and export of instant coffee, instant chocolate, soups, instant mashed potatoes, desserts, jams, ready-to-eat dishes, chocolate, canned meat, sauces, concentrated milk, powdered milk and baby foods. Nestle's two brands of baby food claim 19 per cent of the market between them

Brand Shares

	%
Guigoz	12
Ptipo	7
	19

Nestle normally make direct deliveries to chemists and grocers. Guigoz is sold exclusively in chemists.

Societe des Produits du Mais

CPC (Corn Products) USA control this company which produces and distributes baby foods, soups, instant desserts, instant mashed potatoes and sauces. Production is carried out in five factories. Annual turnover is 430 million ff. and there are currently 2,200 employees. Babyfood is manufactured under the brand name of Gerber and has a 22 per cent share of the market. This company carries out its own distribution to retail food outlets.

Prices

Wholesale and retail margins are as follows:

	%
Wholesaler to chemists	10
General food wholesaler	8 - 12
Chemists	15 - 25
Retailers	20 - 30

Since 15th July 1975, retail and wholesale margins for baby foods have been blocked under the official price control regulations.

Retail prices and product ranges of some of the leading brands are given below. These details were obtained from Euromarche, a leading chain of hypermarkets.

Brand	Varieties	Pack size in gramms	Retail price per unit F.fr
Gerber	Junior-meals		
	mutton, mixed vegetables	200g	2.15
	fish, vegetables	"	"
	beef, pasta, cheese	"	"
	duck, vegetables	"	"
	veal, vegetables, potatoes	"	"
	chicken, rice	"	"
	ham, carrots	"	"
	beef, carrots	"	"
	beef, vegetables, pototoes	"	"
	chicken, green vegetables	"	"
	mutton, vegetables, rice	"	"

Brand	Varieties	Pack Size in gramme	Retail price per unit F.fr
Gerber	**Baby-meals**		
	ham, carrots	130g	1.40
	veal, vegetables	"	"
	chicken, vegetables	"	"
	fish, vegetables	"	"
	haddock, potatoes	"	"
	ham, "fenouille"	"	"
	Vegetables		
	carrots	100g	1.30
	green beans	"	"
	artichokes	"	"
	mixed vegetables	"	"
	Fruit and Desserts		
	apricots, semoulina	130g	1.35
	raspberries, semoulina	"	"
	bananas, semoulina	"	"
	apple/prune, semoulina	"	"
	apple/raspberry	"	"
	apple/prune	"	"
	apple/honey	"	"
	apple	"	1.00
	peaches	"	"
	6 fruits	200g	1.75
	apricots, "fromage blanc"	130g	1.35
	pineapple, "	"	"
	banana, "	"	"

Brand	Varieties	Pack Size in gramms	Retail price per unit F.fr
Blédina	**Meals, Baby and Junior**		
	beef, vegetables	130g	1.30
	ham, carrots	"	"
	mutton, green vegetables	"	"
	meat, vegetables	"	"
	chicken, vegetables	"	"
	sole, vegetables	"	"
	chicken, mixed vegetables	"	"
	meat, eggs, vegetables	200g	2.15
	beef, mixed vegetables	"	"
	ham, egg, cereals	"	"
	ham, egg, vegetables	"	"
	brains, vegetables	"	"
	mutton, pasta	"	"
	meat, spinach	"	"
	chicken, vegetables	"	"
	chicken, rice	"	"
	meat, vegetables, rice	"	"
	fish, rice	"	"
	chicken, vegetables	"	"
	fish, mashed potatoes	"	"
	Vegetables		
	mixed vegetables	130g	1.30
	green beans	100g	1.90
	spinach	"	1.00
	carrots	"	"
	artichokes	"	"

Brand	Varieties	Pack Size in gramms	Retail price per unit F.fr
Blédina	**Fruits**		
	apricots, apples	100g	1.00
	pineapple, peach, honey	130g	1.30
	pear, orange, honey	"	"
	pear, banana	"	"
	prunes, apple	"	1.00
	pear, raspberry	"	1.30
	peach	"	"
	apples, honey	"	"
	pear, honey	"	"
	apples, orange, lemons	"	1.00
	apples, banana, raspberry	"	"
	peach, raspberry	"	1.30
	apples, prunes	"	"
Fali	**Meals, Baby and Junior**		
	veal, mixed vegetables	100g	1.45
	beef, vegetables	"	"
	carrots, ham	"	"
	sole, vegetables	"	"
	chicken, vegetables	"	"
	liver, veal, vegetables	200g	2.15
	beef, vegetables	"	"
	chicken, vegetables	"	"
	ham, veal, carrots	"	"
	chicken, green beans	"	"
	ham, mashed potatoes	"	"

Brand	Varieties	Pack Size in gramms	Retail price per unit F.fr
Fali	**Vegetables**		
	carrots	100g	1.00
	green beans	"	"
	Fruit and Desserts		
	apple, apricots	100g	1.00
	apple, pineapple	"	"
	apple, raspberry	"	"
	apple, prunes	"	"
	peach, pear, apricots	"	"
	raspberries	"	"
	apple, orange, banana	"	"
	peach, semoulina	130g	1.45
	peach, pear	"	"
	peach, prune	"	"
	"biscuiterie à l'orange	"	"

Distribution

Overall distribution of baby food is as follows:

	%
Chemists	20
Food section of department stores	80
Supermarkets	
Independent grocers	

Prepared baby foods are sold in about 70 per cent of all retail grocery outlets.

3.7 Importers

Since consumption requirements are met entirely by French manufacturers, there are no importers of baby food.

3.8 Promotion and Advertising

Promotions

Since the beginning of 1975 most baby food manufacturers have concentrated on in-store promotions instead of on traditional media advertising. The most frequently used promotional aids are display stands, special offers and price reductions if more than one purchase is made. All of the leading manufacturers spend considerable amounts of money on promotional activity.

Advertising

All manufacturers have greatly reduced their advertising budgets. The total amount spent on baby food advertising in 1972/1973 was 6 million francs. This dropped to 2.5 million francs in 1974/75.

3.9 Instant (dehydrated) baby food

The market in France for dehydrated baby foods based on fruit and vegetables is very small. The average annual growth of this market is thought to be about 15 per cent. The most popular varieties are fruit compotes, mashed potatoes and soups. Leading brands are Jacquemaire, Fali and Gerber.

3.10 Potential for Vitaminka Products

Consumption of baby food in France is likely to increase as French mothers overcome psychological barriers which have in the past led them to believe that home-made baby food is a sign of greater maternal devotion. Increased demand, however, is almost certain to be met by French manufacturers. We therefore consider that there is unlikely to be any possibility for Vitaminka to export baby food to France within the foreseeable future.

Names and addresses of manufacturers

Diepal-Jacquemaire
BPSA - 69654 Villefranche
S/Saone
France

Sopad-Nestle
17-19 Quai Pt. Paul Doumer
92401 - Courbevoie
France

Societie des Produits du Mais
Avenue du General de Gaulle
92140 Clamart
France

4. Belgium

4.1 Size of market

The market for baby food in Belgium is small and although it is growing, the potential is limited. The production of prepared strained and junior baby foods is non-existant, and all the products available on the Belgian market being imported from neighbouring countries such as the Netherlands, France and Germany.

The total value of the market in 1973 was as follows:

	£m
Powdered and liquid milks	2
Compound cereals and biscuits	1.3
Strained and junior foods	1.2
Total	4.5

The output of Belgian milk powders for children is estimated at over 1,400 tons. Competition from Dutch suppliers is intense and Belgian manufacturers export a high proportion of their output. With regard to compound cereals, Cerelac, one of Nestle's brands, would seem to be the only product manufactured locally. Strained and junior foods are all imported.

4.2 Consumption

Consumption of baby food is thought to be declining as a result of the decreasing birth rate.

Birth rate in Belgium

(live births per 1,000 population)

Year	
(1973 population in millions	9.8)
1955	16.8
1960	16.9
1966	15.9
1967	15.3
1968	14.8
1969	14.7
1970	14.7
1971	14.6
1972	14.0
1973	13.3

Consumer preferences

In Belgium babies usually start on compound cereals or biscuits at six to eight weeks old. This section of the market has decreased slightly in importance as a result of competition from strained and junior foods which are gradually becoming much more widely used. The cereals section of the market is only growing at a rate of 2 per cent per annum as compared with 5-6 per cent seven years ago, whilst the market for strained and junior foods is growing rapidly at an annual rate of 10-15 per cent. This rate of increase is likely to continue for a while since the per capita consumption of baby food is still low compared with other countries. According to importers interviewed, some 60 per cent of Belgian babies are not fed with strained and junior food, 25 per cent of babies are occasional consumers, and only 15 per cent are regular consumers. It is estimated that the potential market totals 32 million jars annually. At present the market totals 8.5 million jars, which is equivalent to approximately 1,530 tons so clearly there is considerable potential.

The most popular brands of strained and junior food are Nutricia (Dutch) and Bledina (French). In the cereal section of the market Nestle (French) and Nutricia are the brand leaders.

As in other countries the pattern of baby food reflects adult food habits, with savouries and main means accounting for a greater proportion of sales than desserts.

Variations in consumption

Vegetables and meat are the leading varieties in all regions of the country. The most popular vegetables are spinach and carrots. Fish varieties are mainly bought in the coastal regions where adult consumption of fish is highest.

Packaging

Strained and junior food is packed in glass jars ranging from 100g. to 250g. in size.

Consumption trends

Any future growth in the milk and cereals sectors is considered to be limited due to the virtual saturation of the market and the fall in the birth rate. There has been considerable growth in the strained and junior market but as in other more advanced countries this will probably reach a peak and then decline slightly.

4.3 Imports

Strained and junior foods are all imported with the bulk of imports coming from France, the Netherlands and West Germany, as the table on the next page indicates.

Belgian imports of baby food (1974)

Country of origin	Volume (100 kg)	Value (100 F.)
France	6.176	31.189
Netherlands	12.940	50.196
West Germany	2.467	11.018
United Kingdom	321	1.089
Sweden	30	146
Switzerland	29	178
USA	133	439
Total Imports	22.096	94.255

4.4 Exports

Exports are minimal and consist entirely of cereals, biscuits and milk products. There are no exports of strained and junior food.

Belgian exports of baby food (1974)

Country of destination	Volume (100 kg)	Value (100 F.)
Norway	-	2
Sweden	4	26
Portugal	2	16
Malta	2	8
Guinea	1	18
Zaire	14	85
Rwanda	1	10
Burundi	-	4
USA	-	3
Canada	2	8
French Guyana	3	9
Total Exports	1.729	5.527

4.5 Tariffs quotas and regulations

Baby food is not classified separately and is therefore subject to the standard tariffs and regulations for processed food.

4.6 Brands available in Belgium

There are four brands of strained and junior food available in Belgium all of which are imported. Nutricia (Dutch) and Bledina (French) are the leading brands, followed by Heinz which is imported from the Heinz factory at Elst in Holland, and Gerber which is sold under franchise in Belgium by the Corn Products Corporation.

The total baby food market in terms of volume is estimated as follows:

	tons
Baby milks	1,400
Baby flours	1,500
Strained and junior foods	1,530
Baby biscuits	1,000
	5,430

(Baby juices 1,000 tons)

Prices

Retail prices of selected varieties of baby food are as follows:

Brand	Container size	Price
Fali		
Meat and vegetables	100g.	23 BF
Nestle		
Powdered potato	25g.	12 BF
Powdered compot	25g.	15 BF
Nutricia		
'Nutrix' meals		
Meat	150g.	14 BF
Vegetables	200g.	21 BF

(July 1975)

Distribution

Strained and junior food is sold in chemists, supermarkets and other grocery outlets. Before the appearance of strained and junior food, distribution was mainly confined to chemists but since the market for strained and junior foods has increased it is estimated that 70 per cent of sales go through retail food outlets and 30 per cent through chemists.

4.7 Importers

Baby food is imported by the manufacturers mentioned in section 4.6.

4.8 Advertising and promotion

Advertising is carried out for all brands of baby food, with adverts appearing mainly in the specialist press read by mothers.

Promotional activities include free samples which are sent to young mothers and also distributed in medical circles.

4.9 Instant (dehydrated) baby food

Fruit and vegetable based cereals are a comparatively new product and so have as yet only a small share of the cereal market. Since the growth rate of the cereal market as a whole has decreased it is unlikely that fruit and vegetable based cereals will ever provide any serious competition for strained and junior food.

The leading manufacturers of cereals are Nutricia (20%), Nestle (25%), and S.B.N. (22%). Better Foods is the leading manufacturer of biscuits.

4.10 Potential for Vitaminka products

The Belgian market for baby food is a relatively small one and that potential growth is therefore limited. Although all products are imported, the existing brands are well-established and we do not consider that this market will offer any worthwhile opportunity for Vitaminka exports within the foreseeable future.

Names and addresses of manufacturers/importers

Strained and junior

Nutricia
Rijksweg 64, 2680 Bornem

Gerber CPC Europe
Brussels

Other baby foods

Nestle
Rue de Birmingham 221
1070 Brussels

Mead Johnson Benelux
Chaussee de la Hulpe 185
1170 Brussels

Better Food
Kapellenstwg 753
2070 Ekeren

Inza
Wasserijstr 5
2120 Schoten

5. Holland

5.1 Market size

Production of strained and junior baby food in Holland is estimated at approximately 2400 tons in 1975. Domestic production meets 95 per cent of total consumption requirements. The remaining 5 per cent is supplied by imported brands such as Heinz and Gerber.

5.2 Consumption

Per capita consumption

Per capita consumption amounts to 225 units of 150g per year on the basis of 190,000 babies being born per year.

Consumer preferences

Two thirds of the market is accounted for by food suitable for babies of up to 18 months:

Age of baby	%
Up to 18 months	66
18 months - 3 years	33

The greatest demand is for savoury products:

	%
Meat or fish and vegetables	60
Vegetables	30
Fruit	10

Variations in consumption

Major regional and class variations apparently do not exist in the consumption of baby food for the simple reason that as a rule doctors prescribe the use of babyfoods. This same procedure occurs in all regions and among all classes.

Packaging

Strained and junior food is packed exclusively in glass jars. Sizes range from 100g - 250g. Standard sizes are 100 - 150g jars for babies of up to 18 months and 200 - 250g jars for babies aged between 18 months and 3 years.

Consumption trends

Until recently the baby food market had been growing at a rate of 10 per cent per year. However, since 1974 this market has been static. This can be explained by 3 factors:

1. As can be seen from the following figures, the birth rate has been decreasing:

	No. of births
1970	238.912
1971	227.180
1972	214.133
1973	195.188
1974	186.293

2. Consumer purchasing power has been reduced due to the current economic crisis.

3. The percentage of babies eating baby foods is already very high so potential growth is limited.

5.3 Imports

Only five per cent of all baby food consumed is imported. Heinz and Gerber are the only imported brands.

5.4 Exports

Small quantities only are exported, mainly to Belgium and to Greece.

5.5 Tariffs, quotas and regulations

Baby food is not classified as a separate category and is therefore subject to standard food tariffs, quotas and regulations.

5.6 Local manufacturers

Manufacturers and their brand shares are as follows:

Manufacturer	Brand name	%
Nutricia	Olvarit	95
Imported brands:		
Heinz)		
Gerber)		5

Nutricia, the leading manufacturer, is a public company which produces, exports and distributes baby foods, dietetic foods, chocolate drinks, sweet products, sauces, canned foods, margarine, edible oils and fat. Baby foods and dietetic foods account for 19 per cent of Nutricia's turnover. Turnover in 1974 was 395,4 million DK and net profit was 7.8 million DK. Nutricia's brand name for baby food is Olvarit and it claims 95 per cent of the market. Distribution of Olvarit is mainly through food wholesalers to retail food outlets.

Prices

Prices of the Olvarit range of baby foods are given below:

Olvarit	Meals - babies	grams	Retail price
	Liver & Vegetables	150	0.88
	Beef & mixed vegetables	"	"
	Meat & carrots & potatoes	"	"
	Veal & vegetables	"	"
	Veal, green beans & potatoes	"	"
	Meat, cauliflower and potatoes	"	"
	Beef, spinach & potatoes	"	"
	Vegetables - babies		
	Carrots & potatoes	150	0.79
	Carrots	"	"
	Endives	"	"
	Green beans	"	"
	Brown beans & apples	"	"
	Meals - juniors 8 months		
	Cheese, macaroni & tomatoes	200	1.09
	Turkey, champignous and tomatoes	"	"
	Liver, carrots & tomatoes	"	"
	Ham, potatoes, carrots, tomato	"	"
	Bacon, endives, potatoes	"	"
	Beef, spinach, potatoes	"	"
	Beef, green beans, potatoes	"	"
	Ham, bacon, potatoes, carrots	250	1.55
	Chicken, rice, vegetables	"	"

cont...

Olvarit	Meals - juniors 8 months	grams	Retail price
	Beef, green beans, potatoes	250	1.55
	Fruit		
	Mixed fruit	150	0.90
	Orange, banàna, currant	"	"

The above prices were collected in an Albert Heijn supermarket in July 1975.

Margins

Retail margins are approximately 20 per cent.

Wholesale margins are approximately 10 per cent.

Distribution

Baby foods are distributed mainly through general food wholesalers. There are no wholesalers who specialise in the distribution of baby food.

Most baby food is sold through grocery outlets, mainly multiples and voluntary chains. Chemists only play a minor role.

5.7 Importers

The only two imported brands of baby food available in the Netherlands are Heinz and Gerber. Heinz have a factory at Elst in the Netherlands and Gerber baby food is imported from France or Germany and distributed by a firm called Zwaardemaker.

5.8 Advertising and promotion

Nutricia is the only manufacturer spending any money on radio and television advertising and in 1974 their expenditure decreased to a considerable extent.

In store promotions of baby foods are very rare as they are considered to be of little value.

5.9 Instant (dehydrated) baby food

Dried baby foods based on fruit and vegetables are not marketed in the Netherlands.

5.10 Potential for Vitaminka products

The Dutch market for baby food is dominated by Nutricia and is at present fairly static. We therefore consider it unlikely that there is a market for Vitaminka products in the Netherlands.

Names and addresses of manufacturers

N.V. Nutricia,
Stationsstraat 186,
Postbus 1,
Zoetermeer,
Netherlands.

H.J. Heinz N.V.,
Stationsstraat,
Elst,
Netherlands.

6 West Germany

6.1 Size of market

Consumption requirements are met entirely by local production. Production figures are not available.

The baby food market in Germany is at an advanced stage with consumption at a high level. The total value of the market exceeds that of any country in Europe.

Value of baby food market in 1973

	£m
Strained and Junior (jars)	55
Cereal based food	20

The jar market is growing at 5 per cent per annum whilst the cereal sector is declining at 7 per cent per annum.

6.2 Consumption

It is estimated that 90 per cent of German babies are given ready-prepared and junior foods to eat. About 40 per cent of mothers are regular purchasers, 50 per cent are occasional purchasers and only 10 per cent do not buy this type of baby food at all. It is thought that with regular promotion every second mother could become a regular purchaser of baby food.

The market for strained and junior food grew rapidly between 1965 and 1971, but has slowed down since then. This decrease in the rate of growth is partly due to the declining birth rate. However, the market potential has not yet been fully exploited, so, in spite of the birth recession German manufacturers are not too alarmed. The birth recession has slowed down slightly since 1973 and is now only 1.7 per cent per annum. Manufacturers are fairly confident that the worst is over, and that the market will increase in the next few years. In fact, the downward trend is not as great as it might have been because the wives of immigrant workers tend to have several children to the extent that every tenth child born is from an immigrant family.

Birth rate in Germany

(per 1000 population)

1966	17.8
1967	17.0
1968	16.1
1969	14.8
1970	13.4
1971	12.7
1972	11.4
1973	10.2
1973 population in millions	62.0

Annual per capita consumption of jars of baby food is high and reached a level of 400 in 1972. This is still not as high as Sweden where per capita consumption is 550, nor the United States.

Estimated annual consumption of jars per baby

	jars
1963	122
1965	175
1967	225
1969	325
1970	360
1971	380
1972	400
1973	400

Manufacturers estimate that 1.5 jars will be consumed per head per day until 1980.

It is interesting to note that one of the reasons for the rapid increase in consumption is the fact that a great many old people in Germany find it very convenient to eat baby food. It is not easily feasible to find out what proportion of baby food is eaten by old people because they tend to be embarassed by questions on the subject.

Research carried out recently by Glucksklee, a leading manufacturer has shown that more mothers are buying strained and junior food regularly. Glucksklee have also found that their new range of toddler food is proving to be very popular and their sales have doubled in this section.

6.3 Imports

Germany does not import baby food.

6.4 Exports

Baby food is exported to other European countries including Switzerland and Austria.

6.5 Tariffs, quotas and regulations

Baby food is not classified as a separate product and is therefore subject to the standard regulations for processed food.

Light meals (contd)

Chocolate semolina
Semolina
Semolina and fruit
Apple and semolina
Milk and honey
Marzipan
Banana and semolina
Apple, pear and muesli
French toast and orange

Vegetables

Carrots and butter
Carrots and egg
Vegetables
Spinach
Green vegetables
Cauliflower

Desserts

Apple, apricots and bananas
Peach, apple and pineapple
Mixed fruit
Apricots, pears and honey
Banana, mandarins and pears
Pears and apple
Raspberry, pears and apple
Apples and nuts

6.8 Advertising and Promotion

The four leading manufacturers advertise on radio, television and in the press. In recent years Alete has been carrying out an extensive advertising campaign.

Manufacturers are keen to encourage long-term relationships with retailers and try to encourage them to sell baby food by providing expensive brochures, wall stands, display units and sometimes facilities for setting up a baby food "shop within a shop".

At consumer level constant promotions are carried out by all manufacturers. Attempts are made to win over young mothers as early as possible by sending them free brochures and food samples immediately after the birth of their child. An advice service for young mothers is available at all times to give information on feeding, baby care, hygene, exercises for young mothers and generally to answer any individual queries.

In view of the fact that every tenth child in Germany is born into an immigrant family, every effort is made to ensure that immigrants are kept well-informed and they are provided with information sheets in their own languages.

6.9 Instant (dehydrated) baby food

The cereal market is declining at an annual rate of 7 per cent. This is due to the fact that strained and junior food is much more widely consumed. It seems likely that this decline will continue. Manufacturers in this section of the market and their brand shares are as follows:

	Brand share %
Milupa	29
Kolln	26
Alete	15
Aurora	12

Prices

Retail prices are as follows:

Manufacturer	Pack Size	Price
Alete	190 g.	DM1.28
	220 g.	1.48
	250 g.	1.68
Hipp	190 g.	1.25
	220 g.	1.48
	250 g.	1.58
Gerber	Set of 3 jars (190 g.)	3.22
	" " " " (220 g.)	3.62
	" " " " (250 g.)	4.22

Since the beginning of 1975 some manufacturers have been using different colour lids to indicate prices instead of price tickets. This has proved to be very popular with retailers

Distribution

Strained and junior food is sold in chemists and retail food shops with a greater proportion being sold through the latter type of outlet.

Distribution of baby food

	1971 %	1972 %
Chemists	38	40
Grocers	40	38
Consumer markets	10	10
Other	12	12

Deliveries are either made direct by manufacturers to retailers or supplies are obtained via wholesalers.

6.10 Potential for Vitaminka Products

It seems likely that West German producers will continue to meet local consumption requirements. We consider that there is no potential for Vitaminka products in West Germany.

Names and addresses of leading manufacturers

Gluckskle Milchgesellschaft mbH
Mittelweg 36
2 Hovebury 13

Allguer Alpenmilch AG
Prinzregentenstrasse 155
Postfach 126
8000 Munchen 80

Maizena Markenartikel GmbH
Heilbronn

George Hipp
Munchen

7. Austria

7.1 Size of market

The Austrian market for baby food is estimated to amount to approximatly 6,200 tons a year. The market is thought to be growing at a rate of about 8 per cent annually. It is supplied by local manufacturers or by imports, mainly from Germany and Switzerland.

Production

Total production of baby food is estimated as follows:

	(tons)
1972	4,506
1973	5,563
1974	4,483

7.2 Consumption

Consumption is thought to be static and as can be seen from the following table the birth rate is decreasing.

Birth rate

(per 1,000 population)

1969	16.5
1970	15.2
1971	14.6
1972	13.9
1973	12.9

7.3 Imports

A substantial amount of baby food is imported from Germany. In some cases German manufacturers have production facilities in Austria.

7.4 Exports

Austria does not export baby food.

7.5 Tariffs, quotas and regulations

Baby food is not classified separately and is therefore subject to the standard regulations for processed food.

7.6 Austrian manufacturers and importers

The leading maufacturers and importers of baby food are as follows:

Company	Brand Name(s)
Nestle Ges. mbH	Alete, (German), Kathreiner
Felix Austria Ges. mbH	Felix
Knorr Ges. mbH	Knorr
Milupa	Milupa, (German), Miluvit
Samalon	Hipp, (German)

7.9 Potential for Vitaminka products

The Austrian market is relatively unimportant and appears to be dominated by German brands. We therefore consider that there is no potential for Vitaminka products in Austria.

Names and addresses of manufacturers/importers

Nestle Ges. mbH
1051 Wien
Margaretengurtel 142
Postfach 50

Felix Austria Ges. mbH
7210 Mattersburg
Postfach 109

Knorr Ges. mbH
4600 Wels
Linzer Gasse 62
Postfach 168

Nestle Ges. mbH
4021 Linz
Postfach 302
Franckstrasse 2

Milupa
Heinrich Koch
5412 Puch bei Hallein 6

Samalon
George Hipp
Salzburg, Grodig O.H.G.
Dr Richard Hartmann Strasse 6
5081 Grodig

8. Sweden

8.1 Size of market

The Swedish baby food market is dominated by two local manufacturers, Findus and Semper, who have equal market shares. Total production of all baby food is estimated at 18,200 tons for 1973 of which about 7,500 tons was strained and junior food.

8.2 Consumption

Per baby consumption of strained and junior foods in Sweden has reached the high level of 550 units per year. Only in the United States where per capita consumption is 660 units per year, have higher levels been reached.

Strained and junior food claims 41 per cent of the total market with production for 1973 at a level of 7,500 tons. (Since there are no imported brands, we can assume that the figure for consumption is slightly below that for production taking into account the fact that Sweden exports baby food to Denmark). The level of consumption of baby juices is quite high at 1,619 tons.

Packaging

As in the rest of Europe, with the exception of the United Kingdom, strained and junior food is packed in glass jars. These range in sise from 135g - 200g.

Consumption trends

The consumption of baby food has been rising in Sweden over the last ten years but it dropped for the first time in 1974 and is continuing to decrease in 1975. This is thought to be due to increased prices and the fact that there has recently been publicity in the mass media against ready-made baby food. In addition, the birth rate in Sweden, as in the rest of Europe has been declining as can be seen from the following figures:

Birth rate in Sweden

(rate per 1,000 population)

Year	
(1973 population in millions)	8.1
1955	14.8
1960	13.7
1965	15.9
1966	15.8
1967	15.4
1968	14.3
1969	13.5
1970	13.7
1971	14.1
1972	13.8
1973	13.5

Manufacturers estimate that in future there will be a slight growth in consumption of 2 - 3 per cent per year.

8.3 Imports

Sweden does not import baby food. The two manufacturers mentioned have become household names and it is felt that it would be very difficult to persuade mothers to change their buying habits.

8.4 Exports

Sweden exports baby juices to Norway and strained and junior food to Denmark. Semper have formed a new company to produce and market baby food in Denmark.

This Company is called Semper Food A/S and it is jointly owned by Swedish Semper and Mejeriselskabet. Agreement has been reached with Hong/Buko, which is partly owned by Mejeriselskabet, for them to sell Semper's products in Denmark.

8.5 Tariffs quotas and regulations

This does not apply as Sweden does not import any baby food.

8.6 Local manufacturers

The market is dominated by two Swedish firms, Findus and Semper, each of whom have 50 per cent of the market. Both firms produce a full range of baby foods, including gruel, porridge powders, strained and junior foods. Findus has recently introduced a range of meat based baby foods for children over one year old in order to widen the potential market.

8.4 **Exports**

Sweden exports baby juices to Norway and strained and junior food to Denmark. Semper have recently formed a new company to produce and market baby food in Denmark.

This conpany is called Semper Food A/S and it is jointly owned by Swedish Semper and Mejeriselskabet. Agreement has been reached with Hong/Buko, which is partly owned by Mejeriselskabet, for them to sell Semper's products in Denmark.

8.5 Tariffs quotas and regulations

Sweden does not import any baby food, but the ordinary regulations for processed fruit and vegetables in jars would apply.

.6 Local manufacturers

The market is dominated by two Swedish firms, Findus and Semper, each of whom have 50 per cent of the market. Both firms produce a full range of baby foods, including gruel, porridge powders, strained and junior foods. Findus has recently introduced a range of meat-based baby foods for children over one year old in order to widen the potential market.

8.7 Importers and wholesalers

There are no Swedish importers of baby food.

8.8 Advertising and promotion

A lot of activities are compulsory such as special price offers in campaign periods and weekly participation in retailers advertising. These activities normally take up to 50 per cent of the promotion budget. Demonstrations and store displays also play an essential part in the promotion of baby food.

Expenditure on television and press advertising of baby food in 1974 was 874,000 Skr. A certain amount of direct mail advertising is also carried out.

8.9 Potential for Vitaminka products

The baby food market in Sweden is completely dominated by Findus and Semper. We therefore consider that there is no potential market for Vitaminka products in Sweden.

Name and addresses of manufacturers

Findus (Nestle)
Fack
267 00 Bjur

Semper
Fack
104 35 Stockholm

9. Switzerland

9.1 Size of market

The market for baby food in Switzerland is relatively small. Official production figures are not available as these are confidential to manufacturers but the following estimate of the volume of the market have been made:

	tons	%
Strained and junior (jars)	1,300	33

Consumption requirements are, for the most part, met by Swiss manufacturers. However, there are some imports from France and Germany.

9.2 Consumption

Consumption of baby food in Switzerland has increased during the last ten years. As in most European countries the birthrate is declining and the feeling in Switzerland is that this will result in a decline in consumption. The following figures show the decrease in the Swiss birth rate in recent years:

The Swiss birth rate

(live births per 1000 population)

Year	
1969	16.5
1970	15.8
1971	15.2
1972	14.3
1973	13.6

Manufacturers take the view that consumption will not necessary decline in tune with fall in the number of births, as fewer children should mean more money is available to spend on each child.

Consumer preferences

Within the strained and junior section of the market, the greatest demand is for products based on meat and vegetables such as those produced by Galactina.

Variations in consumption

There do not appear to be any significant regional or class variations in consumption.

Packaging

Strained and junior foods are packed in glass jars with screw top lids. Standard sizes range from 150g to 250g, with main meals mostly packed in 250g jar.

9.3 Imports

Consumption requirements are almost entirely met by local manufacturers.

There are some imported brands on the market, however. Mogros, the most important food chain in Switzerland, sells the French products Bledina (glass container) and Bebedor (powder).

9.4 **Exports**

Switzerland does not export baby food.

9.5 **Tariffs, quotas and regulations**

Baby food is not classified separately and is therefore subject to standard processed food regulations.

9.6 **Local manufacturers**

Brand shares in the strained and junior section of the market are as follows:

Brand	Market share %
Galactina	65
Hipp	15
Guigoz	10
Migros	

Galactina is the leading ready prepared brand and is produced by Galactina and Biomalt AG. Their range of main meals includes such varieties as spaghetti, ragout and vegetables, chicken and rice and is packed in 250g glass jars. These products have an excellent reputation and are slightly more expensive than other brands. Distribution of Galactina products is mainly through supermarkets and chemists.

Hipp strained and junior foods are manufactured by Samalon. Hipp is actually a German brand so it is probably reasonable to assume that Samalon have a franchise to manufacture Hipp products in Switzerland. This brand is the second most popular on the market and is sold in glass jars ranging from 190g to 250g in size. Hipp products have a reasonably good reputation. Prices are lower than those for Galactina products. Distribution of Hipp products is through supermarkets and chemists.

Guigoz - This company is controlled by Nestlé and produces a full range of strained and junior foods which is distributed mainly through chemists.

Blédine is the only other brand of any significance. This is imported from France by Migros Genossenschafts-Bund which is the most important food chain in the country and claims a 35 per cent share of the total food market. Blédine is packed in jars ranging in size from 150g to 250g. Migros also sell their own brand of baby food.

Prices

Prices and pack sizes of some of the leading brands are given below:

Baby food	Variety	Pack size	Price	Container
Bebedor (Migros)	carrot, 6 veg. apple/pears/ banana meat/veg. etc.	190g	1.25 (all the same price)	glass
	7 veg, meat/ noodles/veg.	215g each	1.35 1.45	glass glass
	chicken/noodle vegetable	215g	1.25	glass
Galactina	spaghetti	250g	2.40	glass
	ragout/veg.	250g	2.40	glass
	chicken/rice	250g	2.40	glass
Ceral	vegetable	500g	5.10	glass
	carrot/leavre	190g	1.90	glass
	fruits/rice	250g	3.30	glass
Hipp	meat/noodle	190g	1.60	glass
	meat/veg.	190g	1.60	glass
	chicken/rice	250g	2.10	glass
	meat/spaghetti	250g	2.10	glass
	meat/noodle and tomato	250g	2.10	glass
	carrot/fruits	200g	1.60	glass

Distribution

Baby food is sold in both supermarkets and chemists. As the following figures show, there is probably a greater amount of baby food sold through supermarkets:

	Estimated penetration of baby food
Migros supermarkets	100%
Other supermarkets	100%
Independent grocers	90%
Drugstores	100%
Pharmacies	80%

9.8 Advertising and promotion

Galactina and Hipp are the only brands that are widely promoted. Advertising is carried out in medical circles in the hope that this will indirectly influence consumers. Consumer promotions include free gifts to new mothers when they return from hospital and in-store price reductions.

9.9 Instant (dehydrated) baby food

Dried baby food, other than milk, accounts for 18 per cent of the total market. Products are in a flake form and are based on fruit, milk, cereals and meat. Milk or water is added before consumption. The leading manufacturers of dried baby food are as follows:

Nestlé
Dr Wander AG
Lindt and Sprungli AG
Nolle AG
Milupa SA.

Until 1965 when strained and junior food was introduced in Switzerland, babies were traditionally fed with dried ('instant') food. Although strained and junior food has been a great success and now has a 33 per cent share of the total baby food market, its sales growth continues to be hindered by the traditional use of dried food which is cheaper.

9.10 Potential for Vitaminka products

Switzerland is a small country and is adequately supplied with baby food. We therefore consider that there is no potential for the export of Vitaminka products to Switzerland.

Names and addresses of manufacturers/importers

Galactina + Biomalt AG,
3223 Belp/BE,
Switzerland. (Tel: 031/81 11 11)

Samalon AG,
6072 Sachseln/OW,
Switzerland. (Tel: 041/66 45 25)

Migros-Genossenschaftsbund,
Limmatplatz,
8005, Zurich,
Switzerland.

Nestle, Vevey

Dr Wander AG, Bern Monbijoustri 45,
Lindt & Sprungli AG,
Kilchberg/ZH
Holle AG, ARlesheim/BL,
Milupa SA, Domdidier

10. <u>Summary</u>

II THE MARKET FOR FRUIT JUICE

1. General

2. United Kingdom

The soft drinks market is divided up into the following categories:

Squash

Squashes and cordials are prepared by the extraction method, whereby the fruit is thoroughly squeezed and the juice used to make the final product. Crushes and whole fruit drinks are prepared by the newer, more expensive, but more economical comminution method which involves the reduction of the whole fruit, by grinding, to a liquid that can be used as a base for the drinks. Apart from the fruit base, both types of concentrated soft drink contain water, colouring, preservative, additional flavour and sweetening. Thickening and suspending agents are also used. The principal legal requirements are that concentrates produced by the extraction method must contain a minimum of 25 per cent fruit juice by volume and those produced by the comminution method a minimum of 10 per cent fruit base by volume. This means that the average glass of squash contains about 5 per cent fruit juice and the average glass of crush about 2 per cent fruit juice.

Single strength fruit juices

These are whole fruit juices, including some pulp which do not need to be diluted before consumption. Sometimes sugar is added, in which case this is indicated on the container.

Apple juice is probably the only fruit juice which is wholly produced in the United Kingdom for retail sale in any significant quantity. It is invariably a clear juice which has been lightly carbonated and which may contain added sulphur dioxide and vitamin C from the extraction process. Packaging is in glass bottles which are subject to in-pack pasteurisation.

Some cloudy non-carbonated apple juice is imported in cans. Bottled lemon juice, either clear or cloudy, preserved with sulphur dioxide, is available; it is also sold sweetened with saccharin as a dietetic product. Orange, grapefruit, pineapple and tomato juices are available in cans and bottles, both types of packs being hot-filled almost always without preservatives. It is estimated that between one quarter and one half of all single strength citrus juices sold in the United Kingdom are manufactured from concentrate. Recent years have seen an influx from the Continent of grape, apple and soft fruit juices, mainly packed with preservatives in bottles. Small cans of tropical fruit juices are also imported for specialist retail outlets. Ready to drink tomato products (juice and juice cocktail) are frequently made in whole or in part from concentrate.

Concentrated fruit juices

The concentrate is frozen and water is added before consumption. There are usually four parts water to one part concentrate. Frozen orange and grapefruit concentrates are the only significant products of commercial importance at retail level in the United Kingdom. These are all imported from the U.S.A. or the Mediterranean area.

Nectars

In addition to these major categories there are also nectars which are usually made from the following fruits:

- peaches
- apricots
- mangos
- passion fruits

Nectars are virtually unknown to consumers in this country although following entry into the E.E.C. they could well become more widely available. Nectars are ready to drink products consisting essentially of fruit juice and/or fruit puree with added sugars and a restricted amount of water. These are low grade products and are less than a single strength juice.

In this report we shall be looking at the market for non-citrus fruit juices, more specifically, single strength juices and fruit juice concentrates.

2.1 Size of market

The total soft drinks market is worth £240m. Squash accounts for £60 m and fruit juice for £15m although there is a certain amount of confusion over market size because there is a considerable overlap between concentrated squashes and pure fruit juices. Most of the £15 m fruit juice market is accounted for by citrus juices with non-citrus juices claiming a very small share.

The non-citrus juices on the U.K. market are as follows:

Apple juice

Apple juice is a market on its own within the whole fruit juice market and will therefore be looked at separately.

Apple juice is the most popular non-citrus fruit juice. Consumption has been rising steadily although recently increased prices of raw commodities have resulted in higher retail prices. This has slightly stunted the growth of the market and the current annual rate of increase is about 3% which is considerably lower than the recent level of 10% during the growth period. However, this is thought to be only a temporary setback and the apple juice market has considerable long-term growth potential.

Market value

The value of the apple juice market is estimated at between £1½ and £2m r.s.p. The market is divided as follows:

		% (volume)
Beechams shloer	-	60%
Bulmers apple juice	-	30%
Own label) Imported brands)	-	10%

Consumption trends

There are definite regional and class variations in the consumption of apple juice. Consumption is very much higher in London and the South East of the country. This has probably happened because apple juice is a sophisticated up-market product which appeals to the more cosmopolitan consumer. Consequently manufacturers have biased their distribution towards an area which is most densely populated by this type of consumer.

Consumer preferences

Clear, fresh, fruity-tasting apple juice seems to be most popular with consumers. In more technical terms, this type of product usually contains apple juice, vitamin B and carbon dioxide. The fruit is squeezed and the juice is then filtered and flash pasteurised to give a juice which is clear and brownish in colour.

Packaging

Both Bulmers and Beechams pack their apple juice in large glass screw top bottles. Bulmers use a brown 25 fluid ounce bottle and Beechams pack Shloer in a green wine bottle.

Prices

June 1975

Brand	**Price**
Bulmers) Beechams)	25 - 30p
Own label	25 - 27p
Copella (and other health drinks)	33 - 40p

Distribution

Bulmers

Bulmers are primarily manufacturers of cider and have only been producing apple juice for four to five years. Historically, they have distributed cider through licensed outlets such as off licences and licensed grocers. Distribution of their apple juice follows the same pattern.

Beechams

Beechams Shloer has a wider distribution and is available in supermarkets and chain stores as well as licensed outlets. Advertising and promotion will be dealt with in section 2.8.

Other non-citrus juices include

- cherry
- blackcurrant
- apricot
- grape
- peach
- orange-apricot mix
- prune
- redcurrant

With the exception of blackcurrant juice, most of the abovementioned juices are imported brands.

Blackcurrant juice

Blackcurrant juice is generally drunk as a health drink and should therefore be considered as a part of the health drink sector of the market. The grocery market for health drinks is worth over £8m. Blackcurrant juice accounts for over £5m. Ribena, made by Beechams is the only brand of any importance.

		Brand share
Ribena	-	60%
Own label	-	33%
Other brands	-	7%

United Kingdom Production of fruit juice

U.K. production of fruit juice for 1972 - 1974 is shown on the following table:

	(million gallons)
1972	7.1
1973	8.4
1974	8.7

A product breakdown of these figures is not available.

Juice extraction is restricted to a few indigenous fruits, mainly apples, pears and blackcurrants, together with small quantities of strawberries and raspberries. Apple juice accounts for two thirds of total United Kingdom annual production of juice from these home grown fruits.

2.2 Consumption

Home consumption of fruit juices is increasing and there is no reason to suppose that the trend will not be maintained in future years. The figures on the following table have been extracted from the National Food Survey and apply to England, Scotland and Wales only. The figures for Northern Ireland are probably much the same.

Household consumption of fruit juice	Annual per capita consumption (oz per person per year)	
1972	48	(1.4 kg)
1973	68	(2 kg)
1974 (figures not available)		

The value of sales for consumption in restaurants, licensed premises and other such places are not included but are estimated to be much the same as consumption in the home.

Consumer preferences

As mentioned before the U.K. fruit juice market is almost entirely dominated by citrus juice, most of which is consumed at breakfast. Products in the apple juice section of the market are more expensive and tend to be drunk as a substitute for wine, although this image is changing and a new health drink image is being promoted.

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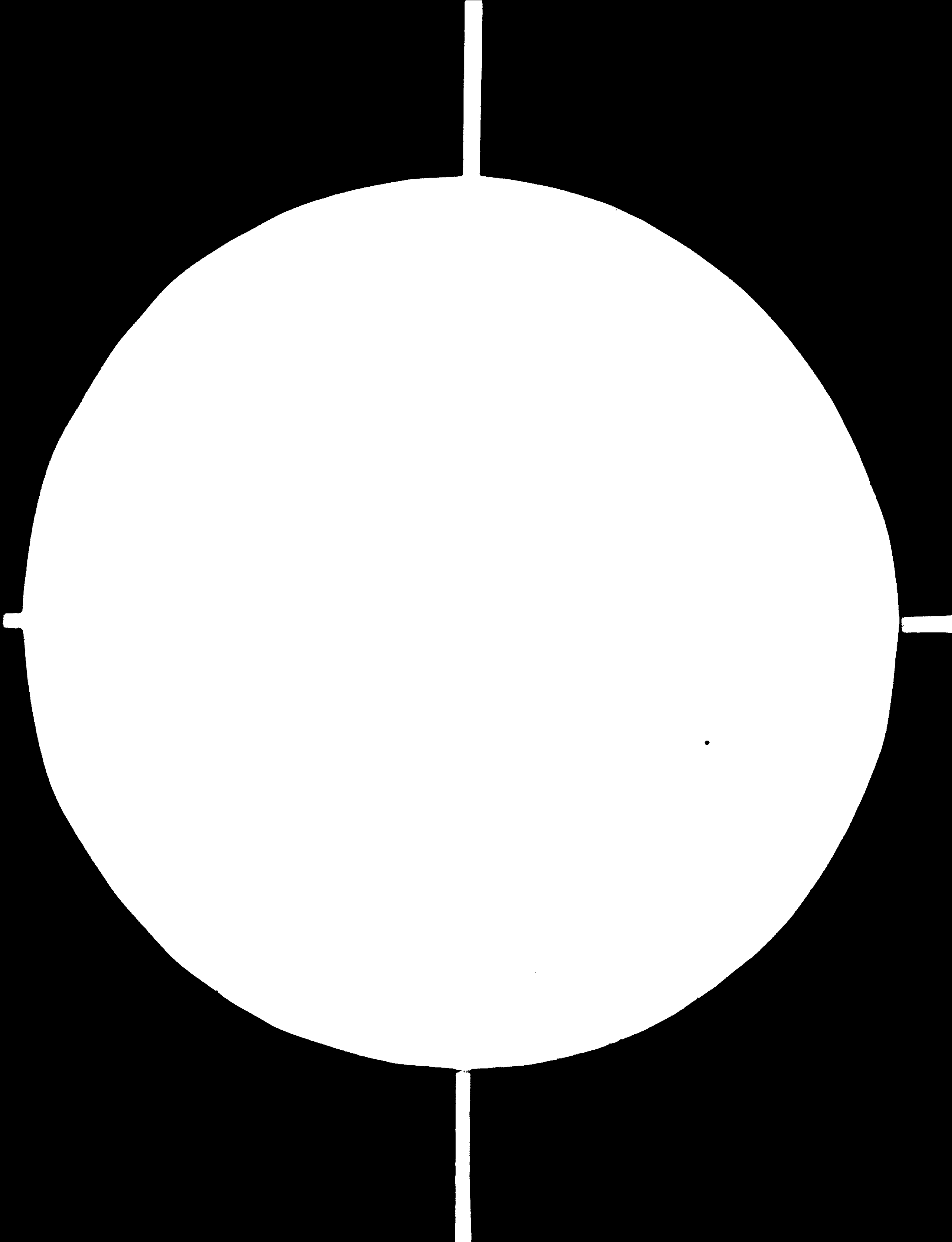

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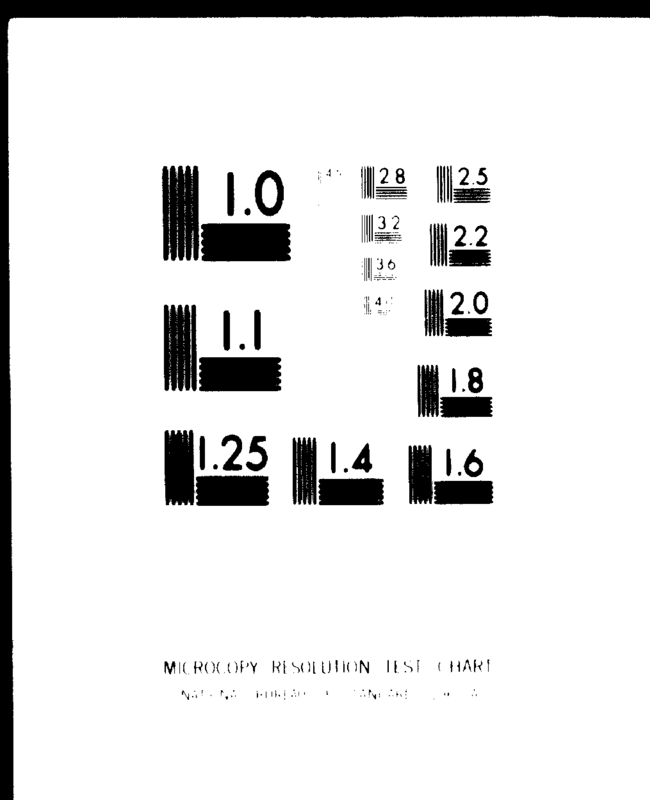

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The demand for non-citrus fruit juices is increasing as consumers are being made more aware of their existence, and sales are likely to expand with increased promotion from manufacturers and importers. After apple juice, the most popular non-citrus juice is apricot. Cherry juice is also very popular but is considered rather expensive. Tomato juice has always been a favourite and in 1973 imports reached a peak level of 22,400 tons.

Packaging

Cans were the traditional form of packaging and still remain dominant in the fruit juice market as a whole. Standard can sizes are 4½ oz, 10½ oz, 15 oz, and 19 oz. However, most of the recent expansion has taken place in glass packaging. The newer non-citrus juices, many of which are imported brands, tend to be in vacuum sealed glass bottles with screw top lids. Standard bottle sizes are 1 litre, ½ litre and ¼ litre. Among U.K. manufacturers, Libby's, who have always been associated with cans, have been prominent in the development of bottles for their juice.

Variations in consumption

Although, apart from apple juice, there do not seem to be any significant regional variations in consumption of fruit juice generally, the following table indicates that young, rich housewives buy the most fruit juice.

Housewives Buying Fruit Juice in a given Month

	%
Total	45
ABC 1	55
C2	48
DE	34
16 - 34	55
35 - 54	49
55+	36

Consumption trends

Consumption of all categories of fruit juice has been increasing rapidly although it has recently levelled off and annual growth is currently at a level of 6 - 7%. Consumption of non-citrus juices is definitely increasing although no separate figures are available.

2.3 Imports

Citrus juices accounted for 77% of United Kingdom fruit juice imports in 1972, and there is a major market for pineapple juice. Grape juice is a relatively very small sector of the market, along with apple, pear and currant juices.

The principal sources of non-citrus fruit juices for the United Kingdom are as follows:

	Country of Origin
Grape	Italy, Spain, Greece
Apple	United Kingdom, France, Australia
Blackcurrant	(United Kingdom, Eire, (Eastern Europe.

The following tables show annual imports of non-citrus fruit juice to the United Kingdom in 1973 and 1974. Figures for 1972 are not given because in that year categories changed to such an extent that import figures ceased to be usefully comparable. Figures for 1974 seem rather low. This could possibly be due to a further change in categories.

Tomato juice

The United Kingdom market for tomato juice dominates European trade. Other vegetable juices are of little significance as yet on the U.K. market. Little growth in imports of tomato juice was experienced during the 1960's but a peak level of 22,400 tons was reached in 1973. We do not however anticipate further expansion beyond this level in the near future and probably only limited growth to around 25,000 tons/year by 1980. Israel is the major United Kingdom supplier, followed by Italy, Greece and Spain. Scope for a new exporter to this market is limited by the dominance of established suppliers.

2.4 Exports

The United Kingdom is not a significant exporter of fruit juice. Details of exports are given on the following table:

2.5 Tariffs, Quotas and Regulations

This information is included in Appendix I.

2.6 Local manufacturers

The leading U.K. manufacturers of fruit juice are:

- Libbys
- Heinz
- Britvic
- Schweppes.

However, these companies are mainly concerned with citrus juices.

The leading U.K. manufacturers of apple juice are Bulmers with their pure apple juice and Beechams with Shloer. Information on these two brands has been given in section 2.1.

As mentioned earlier, a large proportion of the non-citrus juices on the U.K. market are imported brands. These will be dealt with in the section on importers.

Distribution

Distribution can be summarised for fruit juice as a whole as 70% through grocers and 30% through pubs, catering, off-licence etc. There are variations on this pattern and non-citrus fruit juices are a rule unto themselves. When they first appeared on the market they were regarded as a specialist product and tended to be sold in high-class food stores and delicatessens. These non-citrus juices are gradually appearing in most grocers. Many imported brands find their way to the grocers shelves via Cash and Carry organisations such as Spa Vivo.

Granini

	Prices: June 1975 (retail, each)
Orange, Grapefruit, Peach, Apricot, Apricot & Orange mix (24 fl. ozs)	33p
Cherry (24 fl. ozs)	45p
Orange Love (35 fl. ozs)	33p
Vegetable Juice and Tomato Juice ($17\frac{1}{2}$ fl. ozs)	29p

Further additions to the pure fruit juice market have very recently been made by Leisure Drinks of Derby (U.K.). This Company has just introduced four new twist-off-top jars from Germany. These 1 litre (35 fl. oz) jars offer apple, red and white grape juices and pure orange juice. Packs hold six jars shrink-wrapped on white trays with 80 trays per pallet.

Importers of Fruit Juice to the United Kingdom

Some of the leading importers of fruit juice listed in the British Directory of Importers are given below:

	Import from:	Trade names:
C.R. Braybrooke & Co. Ltd, 38 - 40 Featherstone St., LONDON EC1Y 8RN. (Tel: 01-253 0571)	Hungary	Globus, Golden Pheasant.
Clayton & Jowett Ltd, 46 Wood Street, LIVERPOOL L1 4AH. (Tel: 051-709 8607)	Italy, Sicily, Israel, Spain, U.S.A.	Riviera, Carnival, Gold Seal, Blue Seal.

	Import from:	Trade names:
J.L.P. Denny Ltd, 39 - 41 High Street, Brentwood, ESSEX. (Tel: Brentwood 214799)	U.S.A., South Africa, Belgium, Formosa, Italy, Canada, France, Japan, Spain.	Bon Ton, Bellbird, Excello, Johnny Quickly.
Dietetic Products (U.K.) Ltd, 55 Park Street, BRISTOL, BS1 5NT (Tel: 0272 20714)	Germany	Stute Continental
Fro-Lon Fine Foods Ltd, Astronaut House, Hounslow Road, Feltham, MIDDLESEX, TW14 9AN.	South Africa, Israel, Italy, Canada, Taiwan, Malaya, Sicily, Ivory Coast.	Fro-Lon
William Graham & Co. (London) Ltd, Justin Manor, 341 London Road, Mitcham, SURREY, CR4 4SA. (Tel: 01-648 0331)	Canada, Holland, Hungary, Italy, Portugal, Spain, Singapore/ Malaysia, U.S.A. Israel.	Lych-Gate, Regatta Agents for: Florio, Fit Superia, Pratt-Low, Tocan.
Guthrie Foods Ltd, 52 - 54 Southwark Street, LONDON SE1 1UR. (Tel: 01-407 4499)	S. Africa, U.S.A., Japan, Australia, Malaysia, Spain, Italy, Cyprus.	Peacock juices Treesweet juices
Libby, McNeill & Libby Ltd, 396 Kenton Road, Harrow, MIDDLESEX, HA3 9DT. (Tel: 01-204 0981)	S. Africa, S. America, Japan, Israel, Italy, N. America, Canada.	Libby

	Import from:	Trade names:
V. Mane Fils Ltd, Vale Road, Morely Road, Tonbridge, KENT. (Tel: 073-22 62338)	France	
Petty Wood & Co. Ltd, 12 Eastcheap, LONDON EC3. (Tel: 01-626 5421)	S. Africa, Canada, Australia, U.S.A., Belgium, Israel, France, Spain, Portugal, China, Italy, Greece.	Epicure
Pollshon Produce Co. Ltd, Pollshon House, 96 Wardour Street, LONDON W1V 4BB. (Tel: 01-437 0543)	Hungary, Romania, Formosa, U.S.A., Norway, Israel, W. Germany.	

Importing Methods

Fruit juices are imported in several different ways for bottling or blending in this country.

Information about import procedures are not readily available for non-citrus fruit. However, single strength citrus juices are commonly shipped in cans of various sizes up to 5 kilos. Concentrated juices are available not only in cans but also in bulk packs (45 or 55 gallon barrels or drums) either frozen or hot packed with a chemical preservative. These concentrates need the addition of water to make reconstituted single strength juice.

So far as U.K. bottlers of juices are concerned, many experts believe that the best results are obtained from the frozen concentrates. This does not apply to tomato juice, however, which is usually shipped into this country as single strength juice in cans.

2.8 Advertising and Promotion

Apple juice advertising has been at a very low level although it is definitely increasing. Beechams have been the most active manufacturers in this field and spend about £80,000 - £90,000 a year promoting Shloer. Most of their adverts appear in women's magazines, national press and newspaper colour supplements. During the past three years Shloer sales have grown resulting in an increase in its volume share of the apple juice market from 50% to over 60%. Shloer entered the grape juice market in July 1971 and the rate of sales growth for grape juice has ever exceeded that of apple, with rapid gains being made in distribution. Beecham's view advertising represents a radical change, and the whole evolution of their advertising is now towards wide 'family usage' and this stresses its increasing relevance to the grocery trade. In previous advertising, the product was positioned as being very 'up' market and shown almost as a luxurious alternative to wine.

A number of specific consumer promotions have been undertaken by Beecham for Shloer over the past two years including glasses, recipe books, and most recently free herb seeds with a miniature herb garden.

Bulmers have not advertised their apple juice to any great extent in the past, although they have just launched a new campaign on television.

Other non-citrus juices

German fruit juices are promoted in this country by the C.M.A., based in London at the German Food Centre. Heavy promotional activity has been carried out in the last few years with the aim of communicating the merits of pure German fruit juices to British consumers and obtaining wider shop dis ribution for German brands and in particular, the "lead line" flavours of Apple Juice, Red Grape Juice and White Grape Juice.

The theme of the campaign, projected via a wide range of advertising, point-of-sale, promotional and educational activities has been "It's only Natural.....Pure Fruit Goodness".

The primary objective of the consumer campaign has been to obtain wider sampling of the "lead line" flavours which have already proved popular with British palates - Apple and Grape Juices. In-store promotions have included an ingenious "self-sampling kit" from which customers help themselves to a German fruit juice drink. Offers of free samples to consumers at public exhibitions, such as the Ideal Home Exhibition and Agricultural Shows, have proved particularly successful.

The Germans consider that Apple Juice, in particular, is establishing itself as a serious rival to the more traditional citrus flavours and intend to take full advantage of this situation by continuing their concerted attack on the British market.

The following table summarises expenditure on fruit juice advertising on television and in the press:

*Expenditure on Television and Press Advertising

	1972	1973	1974
Health Drinks	-	-	-
Ribena	£375,700	£322,300	£357,600
Total Health Drinks	£ 916,600	£1,193,800	£1,228,100

*This does not cover total advertising expenditure but is the only published information concerning advertising expenditure.

*Expenditure on Television and Press Advertising

Fruit Juices (Citrus & Non Citrus)

	1972	1973	1974
	£	£	£
Armour fruit juice	-	-	4,800
Adams orange juice	-	-	14,200
Birds Eye Florida	139,200	85,400	93,400
Britvic fruit juices	44,200	50,300	37,400
De L'ora fruit juice	-	-	11,100
Campbell V-8 Veg-juice	15,700	5,100	-
Farriers wife orange juice	-	-	52,600
German fruit juice	18,200	-	-
Fruit tang juices	-	-	12,500
Idris splashdown	3,000	28,200	10,800
Granini fruit juice	18,300	-	-
Rawlings fruit juice	-	-	6,400
Jaffra national fruit juice	8,400	-	-
Shloer apple juice	19,700	47,500	52,800
Kellogg rise and shine	236,300	197,600	315,800
Libby's fruit juices	6,200	106,900	69,100
Libby's orange C	87,200	32,900	-
Libby's grapefruit C	62,200	-	-
Libby's tomato juice	17,400	-	-
Southern gold fruit juice	-	16,000	-
West John orange juice	2,400	-	-
Spartan fruit juice	-	11,500	13,900

cont..

*Expenditure on Television and Press Advertising

Fruit Juices (Citrus & Non Citrus)

	1972	1973	1974
Trout Hall fruit juice	-	4,500	6,300
Tate & Lyle break drink	-	-	6,400
Other brands	1,300	2,000	3,600
TOTAL fruit juices	£660,000	£540,300	£711,100

*This does not cover total advertising expenditure but is the only published information concerning advertising expenditure.

2.9 Potential for Vitaminka Products

It would seem that apple juice is the most rapidly expanding section of the non-citrus fruit juice market - we therefore consider that Vitaminka might be able to export a high quality apple juice which has undergone the aroma stripping process.

Names and addresses of manufacturers

McNeill & Libby Ltd,
Libby House,
396 Kenton Road,
Kenton, Harrow,
MIDDLESEX.

(Tel: 01-204 0981)

Heinz (H.J.) Co. Ltd,
Hayes Park,
Hayes,
MIDDLESEX.

(Tel: 01-573 7757)

Schweppes Ltd,
1/10 Connaught Place,
LONDON W2 2EX.

(Tel: 01-262 1212)

Britvic Ltd,
West House,
Broomfield Road,
Chelmsford,
ESSEX, CM1 1TU.

(Tel: 0245-61871)

Beecham Foods,
Beecham House,
Gt West Road,
Brentford,
MIDDLESEX.

(Tel: 01-560 5151)

Names and addresses of manufacturers (cont.)

Bulmer (H.P.) Ltd,
Cider Makers,
Ryeland Street,
HEREFORD HR4 OLE.

(Tel: H 6411)

Granini (U.K.) Ltd,
Greatham Road,
Bushey, Watford,
HERTFORDSHIRE, WD2 2JY.

(Tel: Watford 35182)

Stute Continental,
Dietetic Products (U.K.),
BRISTOL.

3. France

French product definitions and classifications

According to French regulations fruit juice is extracted by squeezing and must not be allowed to ferment. Fruit juice standards cover the following points:

- Reconstitution of fruit juices
- Preservation
- Quality

Reconstitution of fruit juices

The reconstitution of fruit juice from concentrates has only been allowed in France since 1972. Reconstituted juices must indicate on the label that the product is made from concentrates.

Preservation

The law states that the following have to be added:

- preservative - sulphur dioxide (100 mg. per litre)
- anti-oxidizer - vitamin C

Quality

Fruit juices are grouped according to the following criteria:

- relative density
- assayable acidity
- proportion of different constituents, such as sulphur dioxide
- preservation, colour and taste of the product

Classification of Products

The fruit juice market in France can be segmented according to the following criteria:

- method of manufacturing
- origin of product
- type of packaging material

Method of manufacturing

There are two types of fruit juice:

- 100% fruit juice
- reconstituted fruit juice

100% fruit juice

The processes involved in making 100% fruit juices are:

- squeezing of the fruit
- pulverisation
- pasteurisation or flash pasteurisation

Flash pasteurisation is a process whereby the product is brought to a temperature of 100°C for a few seconds.

The intermediate stages in the manufacturing process are:

- clarifying
- filtration
- addition of;
  - sugar for acid types of fruit
  - salt, especially for tomatoe juice
  - deaeration of apple juice
  - preheating of apricot juice

Certain fruit juice imported in bulk is pasteurised for a second time in France before being bottled.

Reconstituted fruit juices

Reconstituted fruit juice undergoes the following processes:

- dehydration
- boiling at 60°C in order to preserve the quality of the juice
- freezing of the concentrate
- addition of water, reincorporation of aromas.

Reconstituted juices are only pasteurised once.

In fact the reconstitution process is essentially concerned with exotic fruit juices:

- pineapple
- orange
- grapefruit

Origin of Products

Fruit juice in France is divided into two main categories:

Exotic juices	- orange
	- grapefruit
	- pineapple
National juices	- apple
	- grape
	- tomato
	- apricot

Packaging Materials

The main materials used are:

- glass
- metal
- carton

Glass is the dominant packaging material.

3.1 Size of Market

Production

Production figures are given in the following table.

Fruit Juice	1972	1973	1974
		(hectolitres)	
Apricot	16,200	11,780	6.173
Pineapple	-	94,425	87.190
Orange	-	150,553	166,481
Grapefruit	-	84,448	75,453
Apple/Pear	362,700	322,443	290,395
Grape	451,300	306,439	235,236
Tomato	64,900	74,598	76,392
Cocktails	-	23,242	26.921
Blackcurrant	8,600	-	-
Strawberry	4,000	-	-
Others	18,300	11.152	8,602
TOTAL	928,00	1,079,080	972,843

Fruit Nectars			
Apricot	49,600	47,665	48,114
Blackcurrant	2,200	2,214	1,467
Pear	-	16,948	12,045
Plum	5,400	9,950	5.998
Others	12,500	1,274	1,981
	69,700	78,051	69,605

3.2 Consumption

Total consumption of fruit juice can be estimated at 9,00,000 hl. in 1974. Consumption of non-citrus fruit juices is thought to be about 650,000 hl. and therefore accounts for over two thirds of total consumption.

As can be seen from the following table consumption of fruit juices appears to be decreasing slightly whilst consumption of nectars has shown a slight increase.

	Fruit Juice		Nectars	
	Consumption ('000 hectolitres)	Per Capita (litres)	Consumption ('000 hectolitres)	Per Capita (litres)
1969	1,041,40	2.05	39.80	0.070
1970	1,155,50	2.30	58.29	0.110
1971	1,171,80	2.34	68.90	0.140
1972	1,085,15	2.091	69.70	0.133
1973	928,9	1.78	77.80	0.148

Consumer Preferences

Apple and pear juice are the most widely consumed fruit juices:

	% of total consumption
apple and pear juice	40
grape juice	33
pineapple juice	12
tomato juice	10

Place of Consumption

Most fruit juice is consumed at home. In 1973 80 per cent of all fruit juice was consumed at home compared with 20 per cent in catering establishments. Consumption of apple and grape juice has an even greater bias towards home consumption with 90 per cent being consumed at home and only ten per cent in catering establishments.

Seasonal Variations in Consumption

There do not appear to be any significant seasonal variations in the consumption of fruit juice except that it is slightly higher in June, July and August.

Packaging

Materials used for containers are glass bottles, cans and cartons. Cans and cartons are decreasing in importance. Glass is the dominant material with 88 per cent of fruit juice being sold in glass containers.

The fruit juice market can be divided into sections according to the size of container. Small containers contain up to 40 cl. and large containers 40 cl. and over.

The types of container are shown in the following table:

Container	Size
Small Containers	
Glass Flask	12 cl
Can	13 cl
Large Containers	
Can	53 cl
Can	125 cl
Glass bottle	100 cl
Glass bottle	95 cl
Glass bottle	190 cl
Carton	72 cl
Carton	100 cl

Over 70 per cent of fruit juice is packed in large containers:

Glass	1972 %	1973 %
Less than 40 cl	17-18	23
40 cl - 5L	70	64-65
Total	87-88	87-88
Metal		
Less than 40 cl	3-3.5	4
40 cl - 5L	9	8-8.5
Total	12-13	12-13
Overall Total	100	100

Fruit juice in large containers is largely consumed at home (80%) whereas small containers tend to be sold in bars and restaurants. Large containers are available in most retail outlets whereas small containers are not. When small containers are sold in retail outlets they are normally grouped in packs of three or six.

Consumption Trends

The consumption of fruit juice is growing slightly at an annual rate of five per cent. The consumption of citrus and pineapple juice is growing at a slightly faster rate than other juice at around 17 - 25% per annum, probably because these products are relatively new to the French consumer and have been widely advertised in recent years. This is especially true in the case of the Tropicana brand.

The slow rate of increase in fruit juice consumption largely results from the fact that they are in direct competition with fruit drinks which have always been considerably cheaper. According to manufacturers, even the widespread introduction of reconstituted juices will not reduce the price gap enough to make fruit juice a more competitive product. In addition to this, consumers are more concerned with fruit drink brands than fruit juice brands with the result that manufacturers do not bother to spend much money on fruit juice advertising. It is interesting to note that the leading producers of fruit juice are also the leading producers of fruit drinks.

3.3 Imports

French imports are difficult to calculate in terms of volume. The introduction in 1966 of heavy short-necked wide-mouthed bottles led to an underestimation of quantities imported. It is therefore generally considered that imports in terms of value are more meaningful. The value of French imports of fruit juice increased by 49 per cent from 61 million francs in 1970, to 91 million francs in 1974. The majority of imports are of citrus juice. Orange juice accounts for 48 per cent of all juice imports. The main suppliers are Morocco, who supply orange juice amounting to a value of 14 million francs, the United States and Spain. The second most important imported juice is grapefruit and this is mainly supplied by Israel and Morocco. The demand for non-citrus juices is almost entirely met by home production.

Details of imports of non-citrus juices are given in the following tables:

3.4 Exports

French exports have been stagnant through the 1960's, although increased production has supplied an expanding home market. Concentrated juices are the major export products and much of trade is confined to the EEC, in particular West Germany, although particular attention is paid to the North American market for concentrates.

Exports of main products in 1970/1972 and our forecasts for 1975 and 1980 are as follows:

(unit '000 tons)

	1970	1972	1975	1980
Grape	43.5	33.4	37.0	42.5
Apple/Pear	20.0	18.7	22.7	28.8
Citrus	4.2	10.2	13.5	16.5
Pineapple	0.2	0.2	0.2	0.3

Apple and Pear Juice

Production of apple juice tends to fluctuate with changes in local apple production. Exports under this heading are principally of concentrated apple juice destined for the West German and United States market. It is estimated that over 80 per cent of unconcentrated apple and pear juice exports are to West Germany.

Grape Juice

French grape juice exports remained static throughout the 1960's and exports have in fact tended to decline with increases in home consumption.

The bulk of exports of unconcentrated juice go to the West German market, while concentrated juice shipments go to a range of destinations, including non-European countries.

Further details of exports of non-citrus juices are given in the following tables:

3.5 Tariffs, quotas and regulations

This information is included in Appendix I.

3.6 Local Manfacturers

The brand shares of the leading manufacturers in 1973 were as follows:

Manufacturer	Brand Share %
Pampryl	17.5
Jaker	9.6
Eva	8
Cidou	5.2
Pam Pam	4.8
REA	3.5
Tropicana	2.6
Fruidam	1
Others	47.8

Pampryl SA

Pernod is the major shareholder of this company which has factories at:

- Nuits Saint Georges (Côte d'Or)
- Vernon (Eure)
- Joigny (Yonne)
- Bedarrides (Vaucluse)

Pampryl fruit juice claims 17.5 per cent of the fruit juice market whilst Banga, the company's fruit drink brand, holds 20 per cent of the market for fizzy drinks. Distribution is carried out mainly through wholesalers.

Jocker SA

Ets. Malvoisin have a major share in this company which produces and distributes fruit juice. The Jocker brand currently claims ten per cent of the fruit juice market. The company also produces fruit drinks and has factories at Mâcon, Ivry, Villefranche and Sorgues. Their products are mainly distributed through wholesalers.

Eva (SEUVFE)

B.S.N. Evian have a major share in this company. Eva fruit juice claims 8 per cent of the market whilst the company's fruit drinks under the Fruité brand name dominate the fruit drinks market. Distribution is mainly carried out through wholesalers.

Prices

Distribution margins in hypermarkets and supermarkets are 10 - 15% and in independent grocers they are 20%.

Prices of some of the leading brands of fruit juice at a Euromarché supermarket in June 1975 were as follows:

Brand	Type	Contents (litres)	Price (F.F.)
Joker	grape juice	1	2.25
	grape cocktail	4 x 0,12	4.40
	tomato	"	4.40
	pineapple	"	4.40
	nectar apricots	"	4.40
Pampryl	nectar apricots	3 x 0,13	2.70
	grape juice red	"	"
	pineapple	"	"
	tomato	"	"
	grape juice	0,95	3.80
	tomato	"	"
	nectar apricot	"	"
Pam Pam	tomato	3 x 0,12	3.45
Torrid	grape juice	1.00	2.95
	apple	1.00	2.25

Distriubtion

The wholesale trade, and in particular the drink wholesalers, play an important part in the distribution of fruit juices; this is especially true in the catering sector. As a rule the multiples are supplied directly by the manufacturers. It is estimated that 80 per cent of fruit juices are sold through retail food and drink outlets, of which 60 per cent goes through multiples and 40 per cent through independent grocers. Only about 20 per cent is sold in catering establishments.

3.7 Importers

Imported Brands

In 1974 Granini-France was formed. This is the second subsidiary of the German Melitta group - Granini have recently launched a new range of products on the French market which include:

- fruit juices (orange, pineapple and grapefruit) marketed in 100 cl bottles under the brand-name 'Morelli' based on pure fruit concentrates
- an orange-juice 'Orange Love" in Hypack 100 cl containers which does not oxidise after opening
- a vegetable juice range (cocktail in ten varieties) and a tomato juice marketed in 50 cl bottles under the brand name "Granini".
- a range of fruit 'veloutes' (orange, grapefruit, pear, peach, apricot and cherry) consisting of a mixture of fruit juice and pulp, marketed in 70 cl bottles under the "Granini" brand name.

Granini is basing its operations in France on the fact that the fruit juice market has not been over-exploited as yet and offers considerable expansion possibilities as young people are tending to move away from alcoholic drinks, primarily wine.

Importers

Fruit juice importers do not in general specialise in fruit but deal with a wide range of food products. All the leading manufacturers import semi-finished fruit juices to a certain extent.

The names and addresses of the leading French importers and wholesalers are included at the end of section 3.9.

3.8 Advertising and Promotion

Expenditure on fruit juice advertising is generally fairly low although more recently citrus juices have been fairly heavily promoted. In 1972 total expenditure for television, radio and press advertising was 1.5 million francs.

The reason for this low expenditure is that French consumers do not differentiate particuarly between different brands of fruit juice. They tend to be more aware of the packaging of the product than the quality of the juice. Recently leading manufacturers have been promoting the "100% fruit juice" label on television.

Promotions at shop level are considered to be of greater importance. Promotions at trade level take the form of special gondola stands which are given to the shopkeeper free of charge and also special price reductions. Promotions at consumer level take the form of coupons giving price reduction, competitions and free gifts.

3.9 Potential for Vitaminka Products

4. Belgium

Note: Official fruit juice production and consumption statistics have not been published since 1971. This is due to the fact that the members of the Belgian association of fruit juice producers have refused to allow figures to be published.

4.1 Size of Market

Production

Production of fruit juices was estimated at 119,000 hectolitres in 1971. This is somewhat lower than the figure published by the Institut National de Statistique, due to the fact that some manufacturers include imports in their returns to the INS, Although official statistics have not been published since 1971, it is reported that the growth in this segment has been more rapid than that recorded for soft drinks. According to trade estimates, fruit juice made from Belgian fruit accounts for only 30 per cent of total production; of this, 24 per cent is believed to be apple juice and most of the remaining 6 per cent grape juice. The fruit juice sector is not thought to account for more than 5 per cent of the total value of non-alcoholic beverage production.

4.2 Consumption

Apparent consumption of non-alcoholic beverages is estimated to have reached BF 5,577 million, at manufacturer's selling prices, and BF 9,644 million at retail prices, in 1971. The bulk of this total was constituted by sales of soft drinks. Fruit juices accounted for only fractionally more than 7 per cent of total consumer expenditure on non-alcoholic beverages in 1971, although the growth rate in this segment is reported to have accelerated over the past three years. According to INS and trade estimates, consumer expenditure on fruit juices grew, between 1970 and 1972, by 52 and 66 per cent at constant and current prices respectively, although per capita consumption of fruit juices in Belgium is apparently still low by European standards.

As one might expect, consumption of fruit juice is highly seasonal, with a summer peak accounting for 50 to 65 per cent of total annual sales

Apparent Consumption of Fruit Juice in Belgium

	Volume ('000 hl.)			Value (BF mn)*		
	1971	1972	1973	1971	1972	1973
Fruit juices	377.2	n.a.	n.a.	543	n.a.	n.a.

*at manufacturers' selling prices

Value of Consumption of Fruit Juice, 1970 - 1972

	1970		1971		1972		Per Cent change
At Constant (1970) Prices	BF mn	Index	BF mn	Index	BF mn	Index	1971/72
Fruit juices	491	100	692	141	747	152	+7.9
At Current (1974) Prices							
Fruit juices	491	100	715	146	814	166	+13.8

Consumer Preferences

The most popular varieties of fruit juice for home consumption are, apple, apricot and blackcurrant juice. In recent years, the Belgian consumer has become much more interested in natural health foods, particularly the more unusual types of fruit juices, such as plum juice, and it thought that this section ot the market is likely to increase.

Packaging

The most widely used type of container is a glass bottle with a screw top.

Consumption Trends

Although the influence of climatic factors on the consumption of soft drinks and fruit juices precludes an accurate forecast of future trends on an annual basis, the trade estimates indicate that consumption will expand by an average of some 7 per cent per year between now and 1980.

4.3 Imports

The value of fruit juice imports was approximately 25 per cent higher than exports in 1973, while by volume exports exceeded imports by over 10 per cent. This is a reflection of the fact that a considerable proportion of imports is represented by concentrates destined for processing in Belgium. The bulk of imports consists of citrus juices, and leading foreign suppliers of fruit juice are West Germany, Israel, the Netherlands, The United States and France. Imports accounted for approximately 69 per cent of the total value of apparent consumption in 1966, and for over 83 per cent in 1971.

Volume of Foreign Trade in Fruit Juice, 1971 - 1973

(tons)

	Imports				Exports			
	1971	1972	1973	Per cent change 1972/73	1971	1972	1973	Per cent change 1972/73
Fruit juices	25,674	28,519	33,858	+18.7	7,847	22,192	37,705	+69.9
- Citrus	14,501	17,337	18,225	+ 5.1	2,889	17,235	31,543	+83.0
- Grape	3,320	3,005	3,335	+11.0	881	553	568	+ 2.7
- Tomato	1,614	1,801	1,273	-29.3	326	612	2,258	+269.0
- Others	6,239	6,376	11,025	+72.9	3,751	3,792	3,336	-12.0

Value of Foreign Trade in Fruit Juice, 1971 - 1973

(BF mn)

	Imports				Exports			
	1971	1972	1973	Per cent change 1972/73	1971	1972	1973	Per cent change 1972/73
Fruit juices	452.0	502.8	583.6	+16.1	122.1	293.1	462.1	+57.7
- Citrus	296.0	340.2	326.5	- 4.0	61.4	215.6	364.3	+69.0
- Grape	31.5	32.7	39.0	+19.3	9.2	5.3	6.4	+20.8
- Tomato	21.0	23.0	12.8	-44.3	6.8	14.4	23.5	+63.2
- Others	103.5	106.9	205.3	+92.6	44.7	57.8	67.9	+17.5

Further details of Belgian imports of non-citrus juices are given in the following tables:

4.4 Exports

An increasing quantity of fruit juices manufactured in Belgium for export is, in fact, merely processed from imported fruit juice concentrates. Largely as a result of the development of these activities, the share of Belgian fruit juice destined for export, recorded as 37 per cent in 1971, is now probably well over 50 per cent. Citrus juices account for the bulk of these exports, with orange juice the most important of these.

Belgian exports of non-citrus fruit juice can be seen on the following tables:

4.5 Tariffs, quotas and regulations

This information is contained in Appendix I.

4.6 Local Manufacturers

The leading Belgian manufacturers of fruit juice are:

- Hero Drinks
- Looza
- Reino

The most important imported brands of fruit juice are Granini, De Betuwe and Libby's.

Distribution

Fruit juice is either delivered direct to retailers by manufacturers or it reaches them via importers and wholesalers.

4.7 Importers/Wholesalers

The names and addresses of the leading importers and wholesalers are listed below:

Europe Juice
Avenue du Manoir 54
1460 Waterloo

Chaudfontaine Monopole
Rue du Cristal 6
9430 Chaudfontaine

Haelterman
Rue Ed Tollenaere 56
1020 Brussels

Delby's
Uredebaan 74
2510 Mortsel

Cavenor s.a.
Rue St. Denis 260 - 268
1190 Brussels

Colruyt s.a.
Stwg op Bergen 93 - 97
1500 Halle-Brabant

4.8 Advertising and Promotion

The value of press advertising of non-alcoholic beverages was BF 82 million in 1973. Figures relating specifically to fruit juice are not available but since fruit juice accounts for 5 per cent of the total value of production it could be estimated that the value of press advertising of fruit juice in 1973 was BF 4.1 million. As advertising on audio-visual media is not permitted in Belgium, the principal items of advertising expenditure are the press, billborad displays, and point of sales promotional material. Print media and billboard campaigns aim principally at encouraging home consumption.

Press Advertising on Non-Alcoholic Beverages, 1971 - 1973

		(Estimate for fruit juice)
1971	BF 74 million	(BF 3.7 million)
1972	BF 69 million	(BF 3.5 million)
1973	BF 82 million	(BF 4.1 million)

4.9 Potential for Vitaminka Products

Since the bulk of imports are of citrus juice it seems unlikely that there is any potential for Vitaminka products at present, although, in view of the increasing interest amongst Belgian consumers in the more unusual types of fruit juice, such as plum, it is possible that there may be export opportunities at a future date.

Names and addresses of manufacturers

Hero Drinks
Boulevard St. Michel 6
1160 Brussels

Reino
Boulevard de l'Humanite
1190 Brussels

Looza
Avenue Brugmann 12
1060 Brussels

5. The Netherlands

5.1 Production

Dutch production of non-alcoholic beverages has followed a strong upward trend in recent years, though the trend was broken in 1972 due to an increase in excise duty of 14.5 cents per litre and the effects of a poor summer. In 1973 production recovered and surpassed the 1971 level by a wide margin.

The most important single item is fruit juice with production increasing steadily over the past 10 years. Fruit juice accounted for about 56 per cent of total production in 1973, and showed an increase of 21 per cent over 1972.

Production of Fruit Juice in the Netherlands

(million litres)

Small Packaging	1971	1972	1973
Fruit Juice	409.5	377.8	457.4

It is estimated that orange juice and orange drinks represent 40 per cent of the total fruit juice and fruit drinks market.

5.2 Consumption

Consumption of soft drinks rose consistently until 1971, but the trend was broken in 1972 by a poor summer and higher excise duties. Consumption recovered again in 1973 and reached a level of 58.4 litres per capita per year.

It is estimated that 80 per cent of all fruit juices and fruit drinks are consumed at home. The remaining 20 per cent is consumed in catering establishments. Consumption of fruit juices has increased in catering outlets since the introduction of a new law in 1974 enforcing very severe legislation concerning driving whilst under the influence of alcohol. Generally, however, consumption in the catering sector is declining.

Consumer Preferences

It is thought that fruit juices (containing 100 per cent fruit) claim 90 per cent of the market for fruit juices and fruit drinks whereas fruit drinks (containing 50 per cent fruit) only have a 10 per cent share.

As can be seen from the following figures, orange is by far the most popular variety and claims 40 - 45 per cent of the fruit juice market.

	%
Orange	40 - 45
Apple juice	20 - 30
Tomato juice	10 - 15
Grape juice	5
Grapefruit juice, Apricot juice, Others	up to 5

The quality of juices in the Netherlands is generally quite low. This is due to the fact that the Netherlands consumer is extremely price conscious and that the cheapest juices tend to have the highest turnover. As brand names do not play a very important role in the juice market, producers do not run the risk of losing sales by lowering quality in order to be able to offer their products at the most competitive prices.

A relatively small but growing number of consumers are prepared to pay a reasonable price for a good quality product. They have developed a form of "shop consciousness", attributing a particular quality image to each distribution organisation and assuming that they will be able to purchase, in the outlets of the distributor concerned, a product that conforms to at least a minimum standard of quality, whatever its specific brand. At present the demands of quality-conscious consumers are met mainly by the leading multiple, Albert Heijn, although other distributors aim at building up the same quality image. It will be a long time before the consumer can be persuaded to abandon his price conscious attitude in favour of insistence on quality. It would be inadvisable for new suppliers to attempt to export single-strength juices to the Netherlands because the EEC common external tariff favours the reconstitution of juices from concentrates rather than the direct import of glass-bottled single-strength juices. Since both types of juice are sold in glass bottles the consumer is not likely to distinguish between them.

Variations in Consumption

Consumption of fruit juice is higher in and around the four main cities, Amsterdam, The Hague, Rotterdam and Utrecht. Consumption in the North of Holland is slightly lower than in other areas.

Class variations in consumption exist only in terms of branded and non-branded products. Consumers in the upper income bracket tend to purchase more branded, high quality fruit juice such as De Betuwe, B3 and Hero, whereas consumers in the lower income bracket tend to be content with the non-branded products which are often of a lower quality.

Packaging

The dominant containers are one litre square topped glass bottles with twist-off tops and one litre "Purepack" square cartons. Cans are not widely used as containers for fruit juice.

Consumption Trends

Consumption of fruit juices is rising fast at a rate of 15 - 20 per cent per year. The main reasons are:

- fruit juices are now at a similar price level to fruit drinks whereas in the past they have been more expensive
- fruit juice is being consumed on social occasions as well as at breakfast
- the new severe legislation regarding drinking whilst under the influence of alcohol is encouraging the increased consumption of fruit juices.

5.3 Imports

There are only two important foreign suppliers to the Dutch market - Belgium and West Germany. Imports from Germany are mainly of apple and grape juice.

The following tables show Dutch imports of non-citrus fruit juice.

5.4 Exports

Exports of soft drinks, including fruit juice, achieved a phenomenal growth in 1973, and between 1971 and 1973 the volume of exports rose from 22 million litres to 98.5 million litres, a fourfold increase. Exports are mainly to West Germany which took 74 per cent of Dutch exports in 1973. The success of Dutch soft drinks on the German and Belgian markets can be attributed both to their low prices and to a reputation for fairly good quality, though not high quality.

Dutch exports of non-citrus fruit juice can be seen on the following tables:

5.5 Tariffs, quotas and regulations

These are included in Appendix I

5.6 Local Manufacturers

The brands of fruit juice available in the Netherlands and their share of the fruit juice market is as follows:

	Market Share
	%
De Betuwe	12.3
Vrumona (B3)	10.3
Di Giorgio	8.5
Hero (Swiss)	4.5
Granini (German)	1.0
Other brands Own label	63.4
	100.0

De Betuwe is part of the Unilever group. Its activities include the production and distribution of jams, soft drinks, fruit juices, sources, fruit wines and canned fruits.

The company's two brands of fruit juice, de Betuwe and Rijno together claim 12.3% of the market and are in a particularly strong position in the catering sector.

Distribution is carried out by de Betuwe's own sales and delivery force.

Vrumona originally belonged to 30 regional soft drink bottlers but it is now part of Heineken. The company's activities include the production and distribution of soft drinks, fruit juices and chocolate milk. Vrumona is in a strong position in the catering sector due to the influence of Heineken. Their two brands, Vrumona and B3 claim 10.3 per cent of the fruit juice market and have a reputation for being high quality products. Distribution is mainly carried out through wholesalers.

Di Giorgio - International BV is controlled by the Di Giorgio Corporation in the USA. The company produces, distributes and exports fruit juices, fruit drinks and catering packs of jam and sugar.

The company's two brands of fruit juice, Vallon (7.5%) and Sunland (1%) claim 8.5 per cent of the market. Vallon is mainly sold through grocery shops and Sunland through catering and licensed establishments. These fruit juices are of a medium quality. Distribution is mainly through wholesalers.

Hero Conserven NV is 70 per cent owned by Hero in Switzerland. Activities include the production and distribution of jams, soft drinks, fruit juices, ready-to-eat meals, canned fruit and vegetables. Hero fruit juice have a reputation for high quality and currently claim 5 per cent of the market. Distribution is mainly through general food or drink wholesalers.

Prices

Wholesale margins range from 10 - 20 per cent and retail margins from 15 - 25 per cent. It is interesting to note that margins vary for each type of fruit juice.

As mentioned earlier the Dutch consumer is very price conscious so on the whole prices are relatively low and the fruit juice is of a medium quality.

Price and pack sizes of selected brands of fruit juice are given below. These prices were collected in an Albert Hejn supermarket.

Brand	Type	Pack Size (grams)	Price (D.fl.)
Albert Heyn	tomato juice	0.956	1.49
	blackcurrant	0.336	3.50
	nectar peaches	0.700	1.98
Dr Sicmer	grape juice	0.700	1.95
	blackcurrant	0.700	1.95
Granini	cherry	0.700	2.49
Reiec'll	apple juice	1.000	1.49
Profimarkt			
Granini	apricot	0.700	2.25
Schwabental	grape juice	0.700	0.99
	blackcurrant	0.700	1.29
Vallon	tomato juice	1.00	1.18

Distribution

Fruit juice is distributed to retailers either by manufacturers or through wholesalers and is sold mainly in grocery shops and to a lesser extent in catering and licensed establishments.

5.7 Importers and Wholesalers

It is estimated that 65 - 70 per cent of fruit juices are distributed through wholesalers, either drink wholesalers or general food wholesalers. There are 800 - 850 food and drink wholesalers all of whom operate on a regional basis only. The specialised drink wholesalers concentrate mainly on catering outlets, whilst the general food wholesalers concentrate on the grocery trade.

The leading importers of fruit and fruit juice concentrates are:

Di Giorgio
de Betuwe
Vrumona
Hero
Catz International

With the exception of Catz International of Rotterdam the leading importers are all leading manufacturers. To a certain extent the big grocery chains, such as Albert Hejn, and department stores import direct.

The names and address of the leading fruit juice importers and manufacturers are given below:

Catz Interantional
Schiekado 133
Rotterdam 3001
Tel: 670444

Cleomene Aridjis
Jekerstraat 84
Utrecht 2503
Tel: 030/93-46-35

Cooymans B.V. Koninklijke
Branderijstraat 1
Hertogenbosch
Tel: 04100/25211

Covelt
Beeselseweg 7
Swlamen

F.A. J.W.F. v.d. Brenk (Sunkist growers)
Roosmale Nepveulaan 19
Apeldoorn
Tel: 95760/53739

H.J. Heinz N.V.
Stationsstraat 50
Est (gld)
Tel: 088191

Koninklijke Mij de Betuwe N.V.
Grotebrugse Grintweg 50
Tiel
Tel: 03440/5234

N.V. Essencefabriek Gruno
Nijverheidslaan 10
Weesp
Tel: 02940/13357

N.V. Vruchtenconservenfabrieken
Krayenhofflaan 10
Nijmegen
Tel: 080/774777

Polks Frutal Works
Nyverheidsweg 7
Amersfoort
Tel: 03490/13141

Raak
Reactorweb 69
Utrecht
Tel: 030/443444

Siebrand N.V. Wijnhandel en Likeur-
stokerij J.W.
Postbus 121
Kampen
Tel: 05202/3041

Spyer, Van Der Vijver & Zwanenburg B.V.
Oude Kerlstraat 8
P O B 27
Etten Leur
Tel: 01603/3951

Steur B.V
B.P. 93 Schiedam
Tel: 010/705433

Van Wagenberg-Festen Conserven Fabrieken
Nieuwe Maasijk 1
Jeusden a/d Maas
Tel: 04162/550

Verenigde Nederlandse Brouwerijen
Breda Oranjeboom N.V.
Ceresstraat 13
Breda
Tel: 01600/24241

Vrumona N.V.
Vrumonaweg 2
Bunnik
Tel: 03405/2344

Di Giorgio Internation BV
Turnout

Hero Conserven NV
Tetering se dijk 227
Breda
Tel: 01600 79220

De Betuwe NV
Grote Brugseweg 50
Tiel
Tel: 03440 5234

5.8 Advertising and Promotion

Fruit juice is not advertised very widely. Only three brands are advertised on television:

Brand	Advertising Expenditure 1974
Florida	not available
de Betuwe	800,000 DK
Vrumona	1,000,000 DK

Fruit juice promotions are fairly infrequent. The most common types of promotions are special display stands and price reductions.

5.9 Potential for Vitaminka Products

6. West Germany

The following standard definitions are applied to fruit juices:

"Saft"

This does not contain added sugar or colouring. With the exception of grape juice, concentrates may be used. Water which is used for thinning concentrates must not contain minerals.

"Naturreiner" Saft

This must not contain concentrates, sugar, colouring or water. It is a pure juice which often carries the word "spa" to indicate high quality.

"Muttersaft"

This is made from pressed fruits, (usually blackcurrant, redcurrant, white cherry, plum) and requires the addition of water and sugar before consumption.

Nectars

These contain fruit, water and sugar. Artifical colouring and preservatives are not permitted but fruit acid can be added. The expressions "whole fruit" and "drinking fruit" are not official.

6.1 Size of market

The West German market for fruit juice is greater than that of any other European country. Despite considerable home production, West Germany is by far the major European importer.

Domestic production is to a great extent dependent on the harvest of stoned fruits. Whilst the poor harvest of 1972 only produced 168.6 million litres of fruit juice and nectars, production in 1973 reached 256.1 million litres.

Production based on locally available fruits

	1972	1973
	(million litres)	
Apple juice	110	212
Juices of berries and fruits with stones	58.5	43.7
Grape juice	0.2	0.35

Domestic production accounts for less than half of total output by German manufacturers. As may be expected, a considerable proportion of raw materials for the production of fruit juices is imported (although to a lesser extent in the case of apple juice). In general only high quality product lines are made from domestic output.

Official statistics relating to companies with ten and more employees put German output of fruit juices (including products made from imported concentrates) at 692.6 million litres in 1973, a growth of 17 per cent over the previous year, when total output was 590.6 million litres, (as against a growth of 12 per cent for 1971/1972). It is, however, thought that this figure underestimates the true volume of output, which was thought to be 750-780 million litres in 1973, taking account of both industrial and artisan output of all fruit juices and fruit nectars.

6.2 Consumption

Total consumption of fruit juices, must, and fruit nectar was estimated at 1,054 million litres in 1973/1974. It is thought that total consumption of apple juice amounted to 200 million litres in the same year.

Apple juice is definitely the most popular fruit juice amongst West German consumers. Grape, redcurrant, blackcurrant and cherry juices are also popular. Consumption of citrus juices is showing the fastest rate of growth and this section of the market is thought to have great potential. Consumption of vegetable juices is rapidly increasing with the most popular varieties being carrot juice and mixed vegetable juices.

The following table shows the growth in the per capita consumption of fruit juice:

(litres per head)

	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974
Fruit juice	6.2	6.6	7.0	7.8	8.3	9.9	11.6	12.3	14.0	11.6
- juice of fruit with stones	2.5	3.3	4.6	3.4	4.4	4.6	4.6	4.1	4.1	4
- Citrus juice	0.9	0.8	1.0	1.5	1.5	2.4	3.5	4.4	6.1	4.5

Overall, consumption has increased but consumption fell in 1974 because in that year the fruit juice industry suffered rather badly as a result of a 20 per cent increase in raw material costs resulting mainly from the higher prices paid for sugar and bottles.

Recent research in West Germmay has indicated that although consumption of non-alcoholic drinks is still increasing it is likely to remain static after 1985 and this will lead to increasing competition among manufacturers. According to this research per capita consumption of fruit juice is likely to reach 17.3 litres in 1980 and 19.3 litres in 1985.

As one might expect consumer expenditure on fruit juice has increased along with increased consumption. Again the fall in expenditure in 1974 reflects the general economic recession in that year.

Total expenditure on fruit juice
(millions DM)

	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974
Fruit juice	534	519	495	662	637	776	979	1,129	1,735	1,117
- juice of fruit with stones	124	160	215	148	188	196	214	206	279	273
- citrus fruit	96	78	106	156	149	244	361	449	580	407

Research has indicated that, as far as fruit juices are concerned, consumers are particularly interested in the health aspect, and expect a high vitamin content, as well as a fruity and wholesome taste. In recent years consumers have become much more price conscious than ever before and it is the middle to low-priced fruit juices that are in demand. The market for high-priced products is considerably deflated. Housewives are buying less fruit nectars because these are expensive at 2.40 DM per litre compared with fruit juice which can be bought at a cost of 1.35 DM per litre.

Variations in consumption

Consumption at all levels of society has increased. This has happened as a result of an increased awareness of healthy living and a desire for pure food and drink, the poor quality of German water and the recent introduction of very severe penalties for drinking whilst under the influence of alcohol.

Fruit juice is mainly bought by housewives and the highest per capita consumption is amongst the upper income groups.

A recent survey indicated that proffesional people drink the most juice.

Consumption of fruit and vegetable juice

	Fruit juice %	Vegetable juice %
Professional people	60.6	20.6
Executives	58.4	26.3
Civil Servants	53.0	20.4
Skilled Workers	42.8	13.1
Labourers	42.1	13.1
Farmers	29.7	6.3

On the whole children are thought to prefer squashes to fruit juices.

Seasonal Variations

Until recently a definite peak was recorded for fruit juice consumption in the first and last quarters of the year. This seasonality has declined in importance and fruit juice is drunk all the year round, particularly in upper income households.

Packaging

The West German market is dominated by non-returnable one litre glass bottles with twist-off tops and one litre "Purepack" cartons. Cans are of minimal importance.

6.3 Imports

West Germany is a leading producer of fruit juices, with an output of around 150,000 tons per annum of orange juice, 250,000 tons of apple juice and a further 100,000 tons of other types. Apart from deciduous fruits, production is generally speaking based on imported concentrates, and has been developing in line with market demand and the use of one-litre bottles for single-strength juices.

The important development in imports has been the increase in shipments of concentrates since ad valorem duties, as imposed by the EEC, make it more economical to lower as far as possible the ratio of the value of the container to the value of the juice inside it. The EEC common external tariff has encouraged trading between the countries involved where there is significant production. For instance, West Germany obtains apple and grape juice from France and Italy, and the Netherlands is the largest supplier to the German market of lemon and grapefruit juice.

The high consumption levels for fruit juices ensure that despite considerable home production, West Germany is by far the major European importer, and in line with other European countries imports have expanded from 80,000 tons in 1960 to 270,000 tons in 1972. Over half of all imports are of citrus juice and grape, apple and pear juices are major products. Imports of pineapple juice are particularly small, and there has been a recent rise in shipments of currant and cherry juices.

Imports of major juice products in 1970/1972 and our forecasts for 1975 and 1980 are as follows:

('000 tons)

	1970	1972	1975	1980
Citrus	91.5	151.2	23.0	290.0
Grape	55.1	57.2	65.0	70.0
Apple/pear	32.7	31.8	30.0	35.0
Pineapple	1.5	2.6	2.2	2.5

Apple and pear juice

These two products are frequently combined in national statistics but by far the major commodity is apple juice. West German apple juice consumption is around 280,000 tons per annum and is principally supplied by local production. Imports are thus relatively small as compared with the total market, and inevitably the bulk of shipments are from EEC countries with surplus apple production, namely Italy and France. These two countries accounted for 88 per cent of total sendings of concentrated juice in 1972; exports from Greece in this category are of interest and in 1973 shipments from that country increased to 16 per cent of total West German imports.

Sendings of unconcentrated juice come from a wider variety of sources and products are largely of unsweetened pure fruit juices packed in various bottle sizes, with a growing tendency towards the one-litre bottle.

Unmixed juices, including cherry, peach, raspberry, blackberry and currant

There is substantial West German production of both cherry and currant juice, but imports account for some 30 per cent of total supplies of the market. Shipments of cherry juice are estimated at 8,000 tons for 1972, currant at 6,000 tons and raspberry and blackberry at 5,000 tons, and peach at 3,000 tons. Principal suppliers are the Netherlands and Italy for cherry and peach juice, the Netherlands and Austria for currant juice, and Yugoslavia for blackberry and raspberry juice.

Grape juice

In West Germany, there is a considerable market for grape juice and again there has been considerable success with the one-litre bottle. The import market has remained relatively static as compared with other juices, although there are signs of renewed growth in the 1970's. Shipments are principally of single-strength juice with grape must accounting for only 5 per cent of total sendings, recent growth, however, has principally been in the import of concentrated juice, for which the principal suppliers are France, Greece and Italy. Some 70 per cent of unconcentrated juice imports are from Italy and France but shipments from Bulgaria are substantial and those from Greece apparently increasing.

The following table summarises imports of fruit concentrates and fruit juices in 1972 and 1973.

	Imports			
	Volume (tons)		Value (DM'000)	
	1972	1973	1972	1973
Concentrates*				
Grape	2,939	3,940	3,821	5,763
Orange	880	1,518	1,982	2,603
Other citrus	323	258	861	754
Apple and Pear	17,649	14,387	30,968	35,126
Others	517	1,268	2,691	3,741
Fruit juices**				
Grape	54,237	56,249	26,315	34,458
Orange, unsweetened	116,319	149,891	161,038	190,743
Orange, sweetened	9,975	9,209	11,935	10,771
Grapefruit	11,076	12,484	18,291	16,997
Lemon	6,930	9,380	10,428	14,955
Other citrus	5,727	5,888	8,656	8,505
Citrus/Pineapple***	0	16	2	21
Cherry	8,390	7,096	13,006	11,358
Blackcurrant	3,139	2,433	5,820	4,790
Apple	13,228	7,907	13,802	9,021
Pear	912	1,254	803	1,278
Apple/pear***	-	22	-	7
Pineapple	2,568	1,919	2,856	1,970
Others	11,131	9,814	14,074	13,987

* specific gravity above 1.33
** including concentrates up to specific gravity 1.33
*** mixtures

Further details of imports of principal non-citrus juices are given in the following table.

6.4 **Exports**

The following table summarises exports of fruit juices and fruit concentrates in 1972 and 1973.

	Exports			
	Volume (tons)		Value (DM '000)	
	1972	1973	1972	1973
Concentrates*				
Grape	293	278	471	502
Orange	40	37	268	165
Other citrus	51	13	145	70
Apple and Pear	450	872	1,221	2,433
Others	354	157	3,673	1,162
Fruit juices**				
Grape	3,210	3,367	4,161	4,301
Orange, unsweetened	4,933	7.925	7.024	10,370
Orange, sweetened	1,249	2,999	1,541	3,489
Grapefruit	1,233	766	1,494	975
Lemon	941	869	1,792	1,797
Other citrus	166	370	218	489
Cherry	1,004	1,039	3,768	4,259
Blackcurrant	1,513	1,800	6,125	7,213
Apple	14,893	11,422	11,618	11,728
Pear	217	170	200	168
Apple/pear***	-	-	-	-
Pineapple	268	293	232	310
Others	3,519	5,115	5,381	7,828

* specific gravity above 1.33
** including concentrates up to specific gravity 1.33
*** mixtures

Further details of exports of principal non-citrus juices are given in the following table.

6.5 Tariffs, quotas and regulations

This information is included in Appendix I.

6.6 Local manufacturers

There are some 400 fruit juice producers in Germany, most of which are small. Only about 100 are members of the industry's trade association. The 11 largest companies control more than half of the fruit juice market. Fruit juice manufacturers tend to be located close to the centres of consumption which cuts transport costs to a considerable extent.

The major fruit juice manufacturers are shown in the following table:

Breakdown of major manufacturers of fruit juices

Companies	Per cent share (estimates)
Deutsche Granini GmbH	14.5
Peter Eckes KG	9.0 (approx)
Junita Furchtsaft KG	8.5
R.H. Dittmeyer OMG	6.5
Naturella Sudsaft AG	6.3
Anton Riemerschmid KG	3.6
Others	51.0 (approx)

Deutsche Granini GmbH is now owned by the Melitta Group and, since the takeover in 1968, the company has been very considerably expanded. This growth is due largely to the impact of the Granini brand which was "remarketed" in 1969. Granini now accounts for over 60 per cent of total turnover. Some 85 per cent of the company's output is sold through retail food outlets and only 9 per cent through the catering trade. Granini has three brand names, Kirsiegel, Granini and Gesund und munter. In 1966 Granini introduced a range of nectars which they call drinking fruits and discovered that there was considerable market potential for this type of product. Granini are currently producing about 70 million bottles of drinking fruit a year, and it is estimated that they now have 75 per cent of the West German market for nectars. This accounts for 55 per cent of their turnover.

Besides a wide range of fruit juices and nectars Granini added a "dinner" series of vegetable juices to their range in 1973. These proved to be very popular because Germans have become exceedingly health-conscious. The range includes such varieties as carrot, tomato and mixed vegetable juices.

All Granini products are sold in wide-necked glass bottles with screw-top lids. They are projected as drinks which are part of a civilised diet rather than a luxury product. Granini emphasise the quality of a first-class product.

Peter Eckes KG operates in numerous drink segments. In the fruit juice sector the company is represented by two main firms: Eckes Ubersee Fruchtsaft KG produces the relatively new citrus juices under the brand "Hohes C", while the more traditional juices are made by Natursaft GmbH under the brand "Dr Koch". The group includes companies importing both citrus andother tropical fruit juices and also has a cooperation arrangement with the Dutch company N.V.Raak.

Junita Fruchtsaft KG is the newly formed marketing and distribution company of the following medium-sized regional fruit juice manufacturers:

- Krings Fruchsaft OHG,
  Herrath
- Emig Natursaft KG
  Eberbach
- Brunia Gebr. Braun KG
  Strade and Berlin
- Bavaria Fruchsaft GmbH
  Furstenfeldbruck

This merging together of four manufacturers has streamlined production, administration and distribution. Junita distributes under the "Potz-Tausend" and "Drink out" brands. Products in the "Potz-Tausend" group are divided into the following groups:

(i)	German juices	- white cherry - blackcurrant - apple
(ii)	Fruit nectars	- apricot - peach - William's pear - tomato
(iii)	Imported juices	- grape - grapefruit - orange - passion fruit

R.M. Dittmeyer OMG has a variety of interests and branches throughout the world. The main brand of fruit juice is "Valensina". The company aims at the quality end of the market.

Naturella Sudsaft AG is owned by the Wurttemberg Agricultural Cooperative and is the main converter of domestically grown fruit.

Anton Riemerschmid KG has been developing the fruit juice side of it's activities, although the company is probably best known as a spirits manufacturer. In line with this development the company took over Fritz Donath in 1971. The parent company produces mostly fruit juices, made from tropical fruit, while Donath concentrates on non-tropical fruit juices. The leading brand of the parent company is "Sangrita" while Donath brands are "Neuform", (sold largely to hospitals and the catering trade), and "Banjo" (retailed in food outlets).

Among other significant companies in this sector are Deutsche Libby GmbH and G & J Rickertsen. Both are importers of fruit juices and the latter importing Sunkist products. Another important company is the Union Deutsche Lebensmittel GmbH (the German branch of Unilever) which is market leader in the fruit concentrates sector with the "Tri-Top" brand.

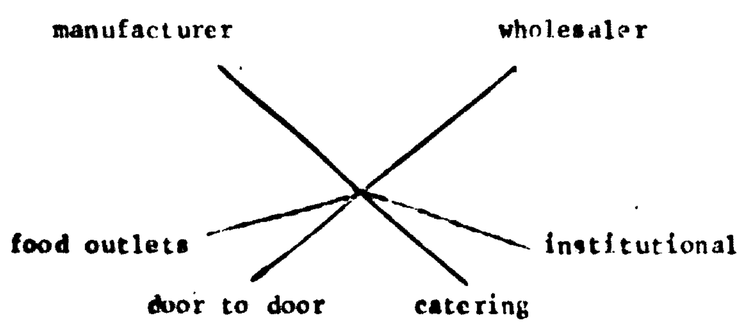
Prices

Retail prices of selected products are as follows:

Fruit juice	Container size	Price (DM)
Apple	0.7 litres	0.98
Grape (red)	1 litre	1.58
Currant	1 litre	1.88
Cherry	1 litre	1.88
		(July 1975)

Distribution

Channels of distribution for soft drinks and a breakdown of distribution are illustrated on the following diagram:



Breakdown of distribution of soft drinks

	Per cent
Direct to:	
- Hotels, restaurants and food retailers	40
- Canteens	10
- Consumers	10
- Specialist wholesalers supplying:	40
- Food retailers	41
- Hotels, restaurants	25
- Consumers	17
- Kiosks	11
- Canteens	6

Sales via specialist drink wholesalers have increased in recent years. Door-to-door supply is now a well accepted system of distribution with some 20 per cent of sales of non-alcoholic drinks reaching the consumer in this way.

It is estimated that 96 per cent of West German grocers sell fruit juice. A product breakdown is given below:

Fruit juice	Percentage of grocers selling product
Apple	65
Redcurrant and Blackcurrant	57
Cherry	39
Vegetable juices	59

6.7 Importers/wholesalers

Importers and wholesalers are listed below:

Bolland, J.H. & Co.
Hamburg 1
Monckebergstr 11
Tel: 331577

Braun Gebr. K.G.
216 Stade
Atlander Str. 21
Postfach 1147
Tel: 04141-2745-7

Franck, Otto,
P.O. Box 318
89 Augsburg 2
Frohsinnstr. 8
Tel: 30066

Handelsvarkehr G.m.b.H.
6 Frankfurt (Main)
Wohlerstr 3-5
P.O.Box 3088
Tel: (0611) 71 71 71

Hempel, Heinz A
28 Bremen 1
Donandstr.77
Tel: 344033

Rew-Zentral A.G.
3-17 Jakordenstr
5 Cologne
Tel: 7755-1

Stumpe, Ferdinand Firma
Inh. Eduard Stumpe
Eyssenecketr. 3
6 Frankfurt
Tel: 590411

6.8 Advertising and promotion

Television and weekly magazines are the most frequently used media for advertising fruit juice.

Breakdown of Advertising on fruit juices in 1972

(DM '000)

	Dailies	Weekly Magazines	Trade Publications	TV	Radio	Total DM
Fruit juices	922	3,480	190	1,980	256	6,738

Granini spend the most money on advertising, with expenditure at a level of 2.5 million DM in 1973.

All the leading maunfacturers advertise widely and provide retailers with extensive marketing services. In-store promotions take the form of free samples, recipes, price reductions, competitions etc. Promotional activity is often carried out in conjunction with the CMA.

6.9 Potential for Vitaminka products

7. Austria

7.1 Size of market

Production figures are not available.

7.2 Consumption

Estimates of Austrian fruit juice consumption (excluding imports) are as follows:

	1972	1973
	(litres)	
Apple juice	18,961,328	17,554,824
Apple drinks	7,021,368	4,647,942
Grape juice	743,615	463,477
Blackcurrant juice	2,038,823	2,227,443
Berry juices	700,444	871,948
Other juices (mainly citrus)	3,122,368	3,660,177

Although these figures are low due to the fact that imports are not included, we know that the principal imported fruit juices are apple and grape, so, overall, these two juices dominate the Austrian market.

Consumption trends

Consumption of fruit juice is increasing. In 1974, consumption showed an increase of 13 per cent and there is likely to be a further increase of 10 per cent in 1975.

7.3 **Imports**

Austrian fruit juice imports have undergone a very rapid growth in the past few years, showing a net increase of 40 per cent per annum since 1967. Unlike the major markets of West Germany and the United Kingdom, citrus juices are relatively unimportant in Austrian trade, the principal areas of growth being in grape and apple juices. The main impetus for this expansion has come from East European exporters, notably Bulgaria, Hungary and Romania.

Imports of grape and apple and pear juices in 1970/1972 and our estimates for 1975 and 1980 are as follows:

	1970	1972	1975	1980
Grape	14.6	15.5	14.0	18.0
Apple/Pear	4.4	8.5	10.0	13.0

Apple and pear juice

Imports in this category are primarily of concentrated apple juice (for use in the preparation of local drink products). Some 65 per cent of shipments are from East European countries, Switzerland being the only other major supplier.

Fruit juices including raspberry, blackberry, cherry and currant

There are substantial imports of both raspberry and blackberry juices to Austria, principally from Yugoslavia. Shipments are normally of single-strength unsweetened juice.

Grape juice

Austrian imports of grape juice have increased considerably in recent years. This situation has apparently been forced by massive shipments of cheap single-strength juice from Bulgaria.

Further details of imports are given on the following tables:

7.4 Exports

Details of exports are given on the following tables:

7.5 Tariffs, quotas and regulations

This information is included in Appendix I.

7.6 Local Manufacturers

The leading manufacturers of fruit juice in Austria are as follows:

- Ybbstaler Obstverwertung
- Firma Platzer
- Firma Pfanner
- Firma Rauch
- Steirerobst
- Pago
- Obi

Ybbstaler Obstverwertung dominates the fruit juice market in Eastern Austria together with Platzer. Products are distributed under the brand names "Yo" and "Susi". "Yo" is particularly popular for home consumption whereas "Susi" is mainly consumed at catering outlets.

Firma Platzer distribute fruit juice under the brand name "Platzer" and dominate the market in Eastern Austria togehter with Ybbstaler.

Firma Pfanner distribute under the brand name "Pfanner and dominate the market in the West of Austria together with Rauch who distribute under the brand name "Rauch". The products of the latter maufacturer are mainly consumed at home.

Steirerobst and Pago dominate the market in the South of Austria. Steirerobst with the "Mastro" and "Sonny" brands has a greater share of the market than the Pago brand which has a wide range and a good reputation but tends to be used mainly by catering outlets.

Obi, this company's main product is apple juice for which the brand is "Obi". This brand has only a small share of the fruit juice market.

Distribution

Fruit juice is either delivered direct to retailers by manufacturers or it reaches them via importers and wholesalers. Fruit juice is sold in most grocery shops.

7.7 Importers

The principal imported brands are German.

Peter Eckes

2514 Traiskirchen
Wiener Strasse 217

Peter Eckes is a leading German fruit juice manufacturer with production facilities in Austria.

Aktivator Spriituosenfadrik Ges. mbH

1230 Wien
Scheringgasse 4

This company imports and distributes Granini fruit juice nectars from Germany.

Other food and drink importers and wholesalers are listed below:

Billa
Industriegelaendestrasse 6
2351 Wiener Neudorf
Tel: 46 51

Hofer KG
Giering 100
46 12 Sattledt
Tel: 311

Loewa
Neulerchenfeldstrasse 17
1160 Vienna
Tel: 43 35 21

Julius Heninl
Julius Meinlgasse 3-7
1160 Vienna
Tel: 4680

Dand Aussenhandel
Mahlerstrasse 9
1010 Vienna
Tel: 52 19 02

Adeg
Bahnohof Praterstern-Lassallestr
1022 Vienna
Tel: 24 85 04

Konsumverband
Theobaldgasse 19
1060 Vienna
Tel: 7 57 38

Sapr
Imbergstrasse 33
5020 Salzburg
Tel: 77 1 25

Erich Schenkel & Sohn
Hasenaurstr 2
1190 Vienna

Franz Chobot
Yppengasse 5
1160 Vienna

Hans Mayr, Inh. E Herbsthofer
Linke Wienzoile 20
1060 Vienna

Franz Tommasoni
Kostlergasse 5
1060 Vienna

Gebr. Wild
Neuer Markt 10/11
1010 Vienna

Bohle
Wollzeile 30
1010 Vienna

Julius Meinl AG
Julius Meinlg 3-7
1160 Vienna

Kugler Kohlmarkt 6
1010 Vienna

Theodor Etti
Gudronstrasse 115
1100 Vienna

Frish & Haupt
Kumfgasse 7
1010 Vienna

Bayer-Pharma Ges mbH
Biberstrasse 15
1010 Vienna

Chemomedica
Creutzberg & Co
Wipplingerstrasse 19
1010 Vienna

Herbert Herdlitzka
Hasnerstrasse 7
9010 Klagnefurt

Joser Boigt & Co
Hoher Markt
1010 Vienna

Dr A Wander Ges mbH
Ebendorferstrasse 10
1010 Vienna

Weleda Diatetika
Weleda-Praparate, Apel & Co
Gauermanngasse 2-4
1010 Vienna

7.8 Advertising and promotion

Fruit juice is advertised in all the mass media. In 1974 a total of 11.29 million schillings was spent on fruit juice advertising.

7.9 Potential for Vitaminka products

The Austrian fruit juice market is dominated by non-citrus juices and consumption is increasing. Yugoslavia is already exporting fruit juice to Austria so it would seem reasonable to assume that there are export opportunities for Vitaminka products, expecially raspberry, blackberry, cherry and currant juices.

Names and address of Austrian manufacturers

Ybbstaler Obstverwertung
3363 Krellendorf
Ulmerer Feld
Haus Minig

Firma Platzer
3352 St. Peter in der Au

Firma Pfanner
6900 Bregenz
Alte Landstrabe 10

Firma Rauch

Steirerobst
8200 Gleisdorf
Mublwaldstrabe 1

Pago Jakob Pagitz
9029 Klagenfurt
Wagglatz 7

Obi
2482 Munchendorf

8. Sweden

8.1 Size of market

Citrus juice accounts for 90 per cent of the total fruit juice market in Sweden. The market for non-citrus juices is relatively very unimportant and consequently information relating to it is fairly scarce.

Production

The following table gives details of production of fruit juice in Sweden:

Production of fruit juice in Sweden

(Unit: tons/000 Kr)

	1972		1973		1974
	Quantity	Value	Quantity	Value	(not available)
Citrus juice (unsweetened)	31,879	58,713	36,367	68,577	-
Citrus juice (sweetened)	42,784	85,971	39,648	84,897	-
Non-citrus juice (unsweetened)		6,304	3,257	9,636	-
Non-citrus juice (sweetened)	71,102	70,685	32,050	78,519	-
Vegetable juice (unsweetened)	323	1,522	530	2,799	-
Vegetable juice (sweetened)	483	2,316	519	2,412	-
TOTAL	146,571	225,511	112,371	246,840	

Value

Total sales of fruit juice in Sweden in 1974 amounted to 205 million SKr.

8.2 Consumption

Per capita consumption of fruit juice was about 7 kilos in 1974 and has doubled since 1970. Per capita consumption of vegetable juice is minimal and has been static for some years at 0.2 kilos per person per year.

Consumer preferences

The most popular varieties of non-citrus juice are, tomato, pineapple, blackcurrant and apple.

Packaging

The most widely used containers are the Purepak 1-litre square carton bottle and to a lesser extent 1-litre glass bottles. The Purepak container has been a phenomenal success and this can be attributed to the fact that it is distributed mainly by dairy associations, which place the juice within the cooled dairy range.

Consumption trends

Total consumption doubled between 1970 and 1974. In 1974 total consumption amounted to 56 million kilos. This trend towards increased consumption has occurred as a result of the Government promoting health food and vitamin C and is also due to the fact that Swedish people travel extensively and are acquiring continental habits.

8.3 Imports

Total imports of fruit juice amounted to 36,906 tons in 1973. Imports of citrus juice amounted to 30,189 tons with the greatest quantities coming from Israel, the United States and Brazil. Imports of non-citrus juice only amounted to 6,717 tons in 1973 and came mainly from Austria, Poland and West Germany.

The following table summarises Swedish imports of fruit juice:

Imports

(Units: tons/000 Kr)

	1972		1973		1974
	Quantity	Value	Quantity	Value	
Citrus juice	26,184	69,709	30,189	80,165	not available
Non-citrus juice	7,695	17,420	6,717	19,986	
TOTAL fruit juice	33,879	87,129	36,906	100,451	

The following tables give further details of Swedish imports of fruit juice:

8.4 Exports

Swedish exports of fruit juice are minimal. In 1973 Sweden exported 406 tons of citrus juice and 292 tons of non-citrus juice. These exports were mainly to Scandinavian countries.

The following table summarises Swedish exports of fruit juice:

Exports

(tons/000 Kr)

	1972		1973		1974
	Quantity	Value	Quantity	Value	
Citrus	458	1,295	406	1,653	not available
Non-citrus	248	792	292	932	
TOTAL fruit juice	706	2,087	698	2,585	

The following tables give further details of Swedish exports of fruit juice:

Names and addesses of manufacturers

ICA/Kumla Furkfindustri
Vastra Drottninggatan 33
692 00 Kumla

Skanemejerier
213 01 Malmo

8.5 Tariffs, quotas and regulations

This information is included in Appendix I.

8.6 Local manufacturers

Non-citrus juices, particularly apple and blackcurrant are mainly produced by:

- Skanemejerier (The Skane Dairy)
- ICA/Kumla Fruktindustri (Brand name: Bob)

Imported brands are:

Jaffa - (citrus juices imported from Israel)

Delmonte - (tomato and pineapple juice imported from the United States)

Lindau - (apple and blackcurrant juice from Germany.)

Distribution

The distribution system is highly centralised. Most of the turnover of the food trade is controlled by the following three organisations:

- KP (Co-op),
  Fack,
  104 65 Stockholm 15.
- ASK/DAGAB,
  Fack,
  104 01 Stockholm 60.
- ICA Hakon,
  Sjohagsvagen 3,
  721 84 Vasteras.

- ICA EOL,
  Fack,
  Goteborg 5.

- ICA ESSVE,
  Box 9020,
  121 09 Stockholm.

8.7 Importers/wholesalers

The three organisations mentioned in the last section increasingly import directly without the services of an agent and aim to have their own brands in future, together with a few well-known quality brands. Since non-citrus juice is mainly locally produced it is either delivered direct to retail outlets by the manufacturers or goes through one of the main wholesale organisations.

8.8 Advertising and promotion

Since the market for non-citrus juices is so small, advertising is minimal.

8.9 Potential for Vitaminka products

In view of the fact that non-citrus fruit juice does not seem to be very popular in Sweden and only claims ten per cent of the total fruit juice market, we do not consider that there is any potential market for Vitaminka products.

9. Switzerland

9.1 Size of market

Production figures are not available.

9.2 Consumption

Apple juice dominates the fruit juice market followed by orange juice and grape juice. Per capita consumption in 1974 was as follows:

	(Litres per head)
Apple juice	13
Orange juice	4
Grape juice	2

Total consumption of grape juice in 1974 was 12 million litres. Consumption of grape juice has been fairly static in recent years because grape juice is expensive compared with other non-alcoholic drinks and there is growing competition from orange juice. Consumption of orange juice is increasing rapidly.

Other fruit juices, such as raspberries, blackcurrants and cherries play only a secondary role.

The most popular vegetable juices are tomato, beetroot, and carrot.

Home consumption of fruit juice is generally increasing and this sector of the market is likely to remain strong since consumption is highest among children. The catering sector is of considerable importance in Switzerland, owing to the great role of tourism in the country, and consumption of fruit juice in this sector is likely to continue to increase. Consumption of vegetable juice has been increasing recently and this trend is likely to continue. Biotta, a leading manufacturer has recently been promoting vegetable juice on a grand scale.

Packaging

The first concern of the average Swiss consumer is whether the product is in an acceptable price category compared with other brands of juice. Good quality and attractive packaging, supported by promotional measures, are the other decisive elements influencing the consumer's decision to buy. The introduction of the 1-litre glass bottle some years ago was very successful and has to a great extent replaced cans. More recently a gradual shift has been observed from the 1-litre square glass bottle to the round 1-litre bottle and a set of four 1.6 dl glass bottles, their tops connected by a strip of cardboard, has been brought on to the market. A serious problem for glass-bottled juice could arise from the Swiss consumer's increasing concern with pollution and the disposal of non returnable bottles. A Swiss reconstituting firm, with its "Ofruta" brand, packaged in a Hypa aluminium carton bottle, made great efforts with heavy advertising in all media, to strengthen the opposition to non-returnable glass bottles and tried to compensate for the disadvantage of the non-visibility of the juice in Hypa packaging by a very attractive pack design.

9.3 Imports

Swiss imports of fruit juice have shown consistent increase over the past 12 years of around 17% net per annum. Spectacular growth has come in citrus juice shipments, whilst increase in grape juice imports have been more conservative and those for apple and pear products remained minimal.

Imports of main products in 1970/1972 and our forecasts for 1975 and 1980 are as follows:

('000 tons)

	1970	1972	1975	1980
Red grape (unconcentrated)	4.7	6.5	7.0	8.0
Other grape (unconcentrated)	3.3	4.8	6.0	7.5
Grape/apple/pear/ (bottled)	0.4	.0.1	0.2	0.2

Fruit juice including raspberry, blackberry, cherry and currant

The data available in the national statistics relating to these products is largely composed of citrus juice imports, but it is estimated that some 500 metric tons of raspberry juice and similar quantities of blackberry, cherry and currant juice were imported in 1972, principally from Italy, the Netherlands, West Germany, Austria and Yugoslavia.

Grape juice

Grape juice imports have more than doubled in the past seven years with approximately 60% of shipments being of red grape juice in barrels. Very little grape must be imported. The principal suppliers of single-strength grape juice to the Swiss market are Italy, Spain and France.

The following tables give details of Swiss imports of grape juice and other non-citrus juice.

9.4 Exports

Swiss exports are not very significant - they consist mainly of grape juice. The following tables give further details of Swiss exports.

9.5 Tariffs quotas and regulations

This information is contained in Appendix I.

9.6 Local manufacturers

Biotta AG (brand name - Biotta)

Biotta is the leading brand of berry and vegetable juices and is generally considered to be of a high quality. Prices for Biotta juices are high but they have an excellent reputation. They are efficiently marketed and are backed up with heavy advertising and effective sales promotion material. They are available in the large grocery chains such as coop, Denner, Usego and Waro, and also in drugstores, pharmacies and health food shops.

Migros Genossenschafts-Bund

Migros is the most important chain of food stores in Switzerland and claims a 35 per cent share of the total food market. The following brands of citrus and non-citrus juices are sold in Migras:

- Del Monte
- M (Migros' own brand)
- Bebedor (fruit juice for babies).

The Migros brand is one of the five most popular in Switzerland. Migros juices are of a high quality and their prices are very competitive. They are exclusive to Migros supermarkets which are generally located in fairly large towns.

Galactina and Biomalt AG

This Company is part of the Biotta group and manufactures the Galactina brand of fruit juice as well as Galactina baby food. Galactina fruit juices are of a high quality and tend to be fairly expensive. The Company has a good reputation and markets its products very efficiently in chain food stores such as the Coop and Denner and also in drugstores and pharmacies.

Hero Conserven Lenzburg (brand name - Sip)

Hero is one of the most well-known Swiss companies and manufactures a range of processed fruit and vegetable products including fruit juice. Hero's brand name for fruit juice is Sip and is one of the five most popular brands on the market. Hero produce citrus and non-citrus juices which are sold in all the main chain food stores and also in high-class independent food shops.

Coop Schweiz

This is the second largest chain of food stores in Switzerland and claims a 25 per cent share of the total food market. The Coop sells the Mondial and Sun brands of fruit juice which are high quality products of a medium price. These brands are sold in the 3,500 Coop stores which are concentrated in the central area of Switzerland.

Samalon (brand name - Hipp)

This brand of fruit juice is mainly consumed by babies and is therefore generally sold through drugstores.

Prices

Retail prices of selected varieties of fruit juice in July 1975 were as follows:

Brand	Variety	Pack size	price (SFr)	Type of container
Del Monte/Negros (Nectar)				
	tomato	700 ml	1.70	can
	apricot	750 ml	1.90	can
	apricot	5 x 130 ml	2.40	glass
	cocktail	5 x 130 ml	2.40	glass
	pear	5 x 130 ml	2.40	glass
M (Migros own brand)	carrot	300 ml	1.10	glass
	red carrot	300 ml	1.10	glass
Galactina	tomato	180 g	1.90	glass
	carrot	120 g	1.40	glass
Biotta	tomato	500 ml	2.40	glass
	carrot	500 ml	2.40	glass
	banana	500 ml	2.70	glass

Distribution

The Swiss distribution system is becoming strongly centralised and the large distribution organisations frequently sell fruit juices under their own labels. They generally have both a single-strength and a reconstituted juice in their assortment, whereas frozen concentrates are marketed almost exclusively by Migros and the Coop. Migros is the most dynamic and the largest distributor in Switzerland. These two consumer co-operatives import directly, whereas in dealing with other retail groups such as USEGO in Olten or IGREG in Basle the services of an agent are essential.

The penetration level of distribution in the different types of outlets is as follows:

Type of outlet	Number of outlets	Estimated distribution of fruit juice %
Migros	400	100
Other chains	5,000	100
Independent food shops	7,000	90
Drugstores	1,268	100
Pharmacies	1,042	80
Hotels) Restaurants)		80

9.7 Importers/wholesalers

The leading importers and wholesalers are listed below:

Migros

Coop

Samalon

Usego AG, 4600 Olten/SO
(This is the fourth largest food chain in Switzerland and sells its own brand of fruit juice (U-brand) which is manufactured by various companies abroad).

Denner AG, 8045 Zurich, Grubenstr 12
(This is the third largest food chain in Switzerland and sells its own brand of fruit juice (B-brand) which is manufactured by various companies abroad).

Howeg, 2540 Grenchen/SO
(This is the main importer for the tourist and catering industry).

Other less important manufacturers/importers include:

Grapillon SA Mont S/Rolle
Laumann & Co AG, Bischofszell
Michel SA Lausanne, Mailly
OBI - Genossenschaft, Bischofszell
Morga AG, Ebnat-Kappel
Obst - und weinbau - Genossenschaft
Wadenswil.

OVA-Genossenschaft
Affoltern a/A
Sais AG, Horn/TG (Unilever)
Zweifel & Co. AG
Zurich.

9.8 Advertising and promotion

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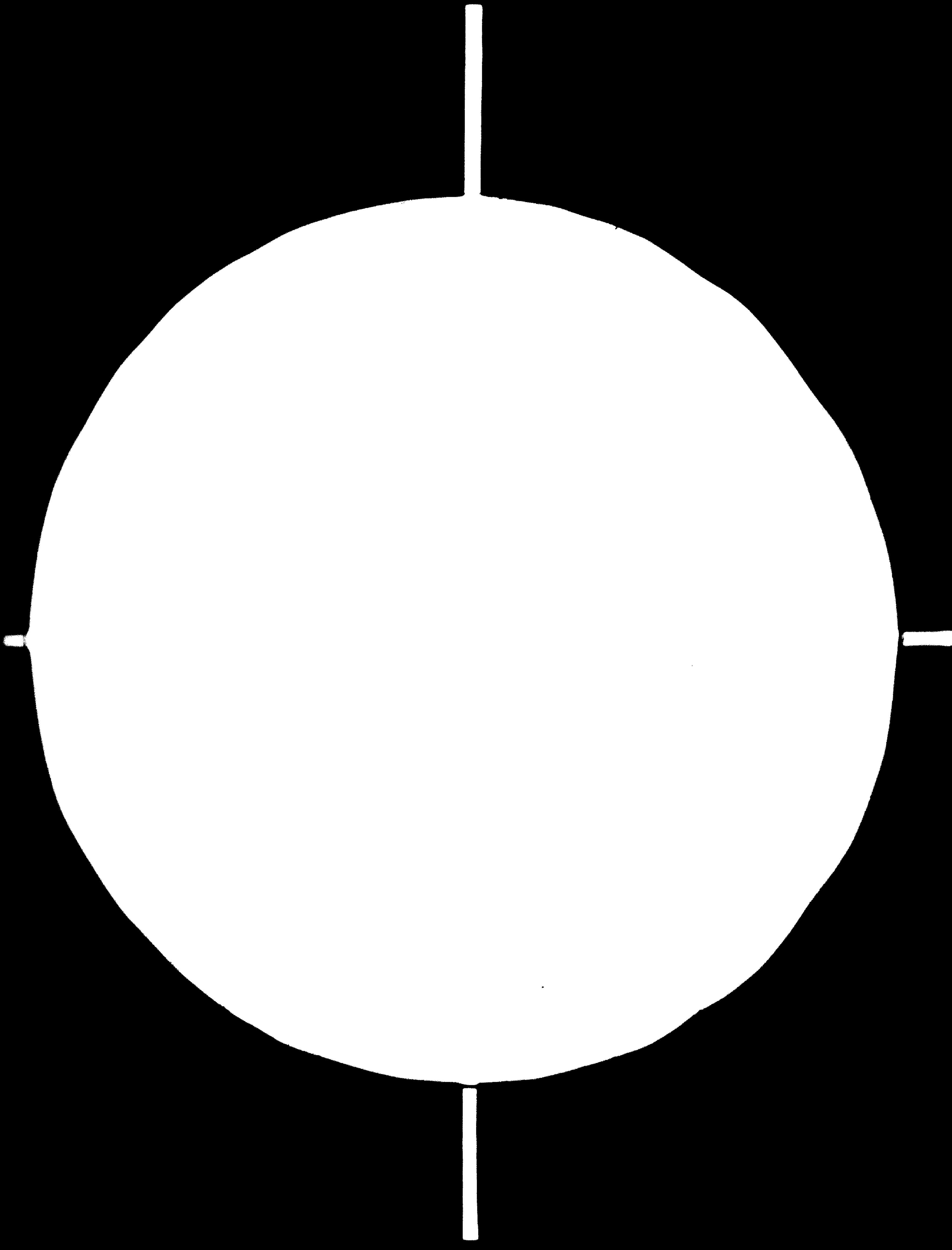

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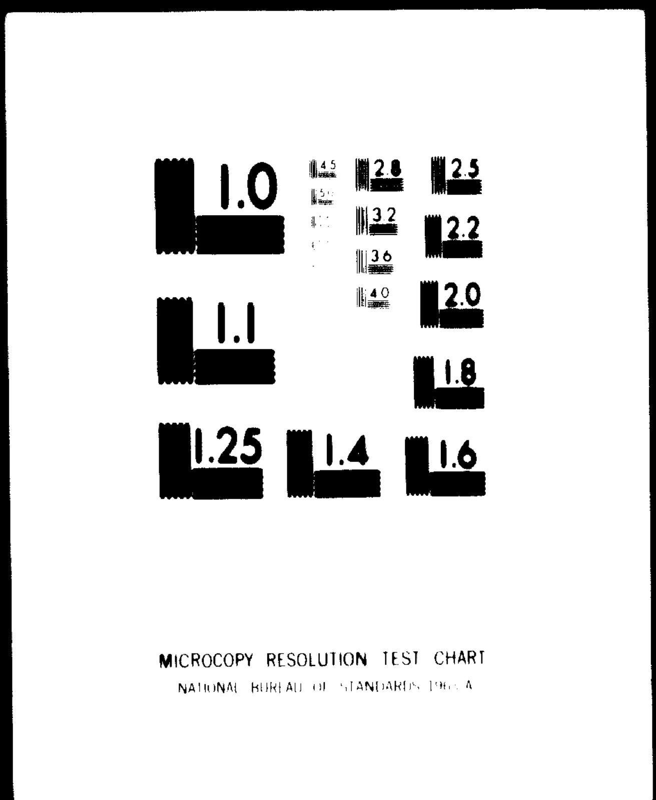

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9.9 Potential for Vitaminka products

The demand for citrus juice in Switzerland is rapidly increasing and substantial expansion is likely to occur in this section of the market. These will be in direct competition with non-citrus juices. However, it might be possible for Vitaminka to export high-quality juices, including apple, pear, cherry, blackcurrant, redcurrant, strawberry, raspberry and grape juice.

Names and addresses of leading manufacturers

Biotta AG
8274 Tagerwilen/TG
Tel: 672/96 7 11

Migros Genossenschafts-Bund
Limmatplatz
8005 Zurich

Galactina & Biomalt AG
3123 Belp/BE
Tel: 031/81 11 11

Hero Conserven Lenzburg AG
5600 Lenzburg 1AG
Tel: 064/50 11 5

Coop Schweiz
4002 Basel
Tel: 061/35 50 50

Samalon AG
6072 Sachseln/OW
Tel: 041/66 42 25

10. <u>Summary</u>

III THE MARKET FOR FROZEN FRUIT

1. General

2. United Kingdom

2.1 Size of market

Sales of frozen fruit in the United Kingdom are small. The market is well supplied with fresh fruit throughout the year. Technically it is difficult to freeze many of the more popular varieties, and frozen fruit is relatively expensive.

As a result, although there is a developing trade in bulk packs for catering and industrial use - much of it unsweetened - consumer packs are limited to a small volume of seasonal varieties such as strawberries and raspberries and more recently apple slices.

Imports account for the great majority of supplies of frozen fruit in the United Kingdom, the majority of imports consisting of frozen fruit without sugar destined for use in the production of jam and similar preserves. A recent trend is the development of imports of frozen fruit to use in the flavouring of yoghurt.

Production

United Kingdom production of frozen fruit is relatively low. Production figures are given on the following table:

	1972 Production (tons)	1973 Production (tons)	1974 Production (tons)
Frozen fruit	1,700	1,400	1,500

Source: Ministry of Agriculture and manufacturers estimates.

Value

It is estimated by a leading group of freezer centres that the total frozen fruit market is worth £750,000 at r.s.p. In terms of volume this amounts to 2,400 tons.

2.2 Consumption

Household per capita consumption is increasing slightly as can be seen from the following table:

Household consumption of frozen fruit

	(oz per person per year)
1972	3.12 (0.09 kg)
1973	4.16 (0.1 kg)
1974	not available

Figures for consumption in catering and institutional establishments are not available, but it is thought that total consumption amounts to 2,400 tons.

Consumer Preferences

As mentioned earlier, the frozen fruit market is largely concerned with bulk packs. These are either used for processing, catering or sold in freezer centres. The retail market is very small and consequently very little information is available. However, strawberries, raspberries and blackcurrants are the fruits in greatest demand, amongst both consumers and processers. A more recent development is the increasing population of frozen apple slices. Bejam, the leading freezer centre chain sold more apple slices than any other single item in 1974. They sold approximately 750 tons of frozen fruit of which 200 tons were frozen apple slices. The reason for this is thought to be the increased prices of fresh apples. It seems likely that this trend will continue.

Packaging

The standard retail pack for frozen fruit is an 8 oz cardboard pack. Sales through freezer centres are mainly in 2lb polybags.

Consumption trends

In view of the fact that this is a processing market rather than a consumer market, trends in actual consumption of frozen fruit are difficult to monitor. However, it can be said that production of frozen fruit in this country has increased over the last ten years, and so have imports. Manufacturers say that the consumption of frozen fruit is increasing due to increased ownership of freezers and the increasing price of fresh fruit.

2.3 Imports

As mentioned earlier imports account for the great majority of supplies of frozen fruit in the United Kingdom. Most of these imports consist of unsweetened frozen fruit for use in the production of jam and similar preserves.

After steady growth in the mid - 1960's, total imports stagnated in the five years to 1972, although 1973 shipments were up to over 9,000 tons. Principal products imported include strawberries, raspberries and apple.

Imports in 1970 and 1972 with our forecasts for 1975 are shown below:

	1970	1972	1975
Fruit without sugar of which:	3.7	3.1	9.0
Strawberries	0.2	1.0	2.0
Raspberries	-	0.8	1.1
Apples	0.3	0.2	0.7
Blackcurrants	-	0.1	0.4
Fruit with sugar	0.8	0.5	0.8

Frozen apple

Imports of frozen apple to the United Kingdom can be seen on the following tables:

Frozen Raspberries

The frozen raspberry has perhaps the greatest potential for domestic sales of any frozen fruit on the United Kingdom market.

However, an exporter would probably meet strong competition from Scottish suppliers in the market for whole fruit, and the principal imports demand will remain that for pulp. The main suppliers at present are Hungary, the Netherlands and Yugoslavia.

Imports of raspberries to the United Kingdom can be seen on the following tables:

Frozen blackcurrants

United Kingdom frozen blackcurrant consumption is estimated at over 1,500 tons per annum. Almost the whole of this quantity is used by caterers. Substantial quantities - mainly home produced - of frozen blackcurrant pulp are also used for further processing - mainly jams and pies. Frozen pulp consumption is estimated to amount to approximately 7,500 tons per annum.

Import statistics for frozen blackcurrants have only recently become available, but show the quantities shipped to be small and variable. Poland is the principal supplier.

Frozen strawberries and frozen fruit with sugar

The demand for frozen whole fruit is very limited in the United Kingdom, and the majority of supplies of both whole fruit and pulp are destined for further processing. The principal suppliers are the United States and Mexico, but imports from all sources vary considerably from year to year, dependent upon U.K. fresh fruit production and the harvests in supplying countries.

Frozen strawberries are also a principal commodity amongst imports of frozen fruit with sugar, although this category includes substantial quantities of other berry fruit notably bilberries and loganberries.

Imports of frozen strawberries to the United Kingdom can be seen on the following tables:

2.4 Exports

The United Kingdom is not a significant exporter of frozen fruit. Total exports of frozen fruit in 1974 only amounted to 1,186 tons. Details of exports can be seen on the following table.

2.5 <u>Tariffs quotas and regulations</u>

These are contained in Appendix I.

2.6 <u>Local manufacturers</u>

The retail market can be divided into traditional grocery outlets such as supermarkets, and freezer centres. An increasing amount of frozen fruit is being sold through freezer centres and they currently claim over 50 per cent of the total frozen fruit market. Traditional grocery outlets are not terribly interested in selling a wide variety of frozen fruit and their range is usually limited to strawberries and raspberries. The main suppliers to grocery multiples are:

- Birds eye
- Findus
- Ross

Birds Eye currently claim 20 per cent of the market for strawberries and raspberries and produced 200 tons in 1974. Birds Eye grow their own strawberries and import raspberries from Hungary.

Over 50 per cent of frozen fruit sales go through freezer centres and this is likely to increase. The most important chain of freezer centres is Bejam who claim one third of the total frozen fruit market. In 1974 Bejam sold 750 tons of frozen fruit. Bejam's range of frozen fruit includes the following:

- raspberries
- strawberries
- apricots
- apple slices
- gooseberries
- melon balls
- rhubarb
- fruit salad.

Sales of apple slices have increased recently and are regarded as having considerable potential.

Freezer centres have three main suppliers:

- Northray Farm
- Pellew Harvey (Angelus brand)
- Anglo European Foods (Harvest brand)

These companies are fairly equal in importance and supply over 200 freezer centres each.

Besides Bejam other freezer centres include Cordon Bleu in the North, Bewharst and centres belonging to the large grocery multiples such as Tesco.

Industrial market

Frozen fruit used for processing by manufacturers is supplied by a large number of small manufacturers, wholesalers and importers. (Names of importers and wholesalers will be given in section 2.7.)

Prices (June 1975)

Below are listed some current retail prices.

Findus (retail price list)

	pack size	Stockist per dozen	Recommended retail price
Raspberries	8 oz	£3.44	35p

Birds Eye (retail price list)

	pack size	Stockist per dozen	Recommended retail price
Raspberries	8 oz	£3.41	35p
Strawberries	8 oz	£2.53	26p

Ross (Freezer Centre price list

	pack size	Units per case	Price per case	Price per unit
			£ p	£ p
Strawberries	2 lb	12	7.92	0.66
Raspberries	2 lb	12	11.52	0.96
Melon Balls	2 lb	12	7.92	0.66

Distribution

Freezer centres buy direct from producers and pack under their own label, grocery multiples buy direct from manufacturers who usually deliver to them. Imported frozen fruit reaches the retail market via importers and wholesalers.

2.7 Importers

Leading importers and wholesalers are listed below:

	Interests
Armour & Co. Ltd 193 St Johns St London E.C.1 (Importer)	fruit, vegetables
F.R. Benson & Partners Ltd 35 Piccadilly London W.1. (Importer)	vegetables and fruit
Compass House Ltd Riby St, Grimsby (Importer, agent, wholesaler)	catering - all products

	Interests
William Graham Ltd Justin Manor 341 London Road Mitcham, Surrey	fruit and vegetables
Manuels Frosted Foods Ltd 53-55 Stepney Green London (Importer)	fruit and vegetables
Northray Farm Products Ltd Autby House North Thoresby Grimsby (Importer)	fruit and vegetables
James Richards & Co. Ltd Greenford Road, Sutton Surrey (Importer)	vegetables
Sidwell & Co. Ltd Rosemount Tower Stafford Road Wallington, Surrey (Importer)	catering vegetables
Sydney Harvey & Co. Ltd 26-28 Mark Lane London E.C.3 (Importer, agent)	vegetables and fruit
Southern Frozen Products Ltd Arundel Place, Brighton (Agent, wholesaler)	vegetables and fruit
Swithebank Frozen Foods Ltd White Rose Cold Store Ingleby Rd, Bradford 8	vegetables and fruit

C.R. Braybrooke & Co. Ltd
30-40 Featherstone Street
London EC1Y 8RH

J.L.P. Denny Ltd
39-41 High Street
Brentwood, Essex

Glasbea Ltd,
269a Ewell Road,
Surbiton, Surrey KT6 7AB

Hybe Food International Ltd
55 Park Street,
Bristol BS1 5NT

Jack L. Israel Ltd
36-40 Piazza Chambers,
Covent Garden
London WC2E 8EP

Leonard Nieto
25 Victoria Street,
Liverpool L1 6BD

2.8 Advertising and promotion

Since the retail market for frozen fruit is very limited there is no consumer advertising. There is no record of any expenditure on television or press advertising in published sources.

2.9 Potential for Vitaminka Products

We would suggest that it might be possible for Vitaminka to export unsweetened frozen berry fruits - including strawberries, raspberries, bilberries, loganberries - in bulk packs for catering and industrial use.

Names and addresses of leading manufacturers/suppliers

Birds Eye Foods Ltd
Station Avenue
Walton-on-Thames
Surrey
Tel: 98 28888

Findus
Humberstone Road
Grimsby, Lincs DN32 8HP
Tel: 0472 59141

Ross Foods Ltd
Ross House
Humber Bridge Road
Grimsby
Tel: 0472 59111

Northray Farm Products
Autby House
North Thoresby
Grimsby, Lincs
Tel: 0472 87441

W.B. Pellew - Harvey & Co. Ltd
London Road
Grantham
Lincs NG31 6JS
Tel: 0476 5511

Anglo European Foods Ltd
19/20 Old Bailey
London EC4
Tel: 248 9361

3. France

3.1 Size of Market

The retail market for frozen fruit is extremely small and total consumption in 1973 was only 907 tons. This compares with only 471 tons in 1972 and 894 tons in 1971. The market is therefore fairly volatile, consumption being very much determined by seasonal changes in the fresh fruit market. Annual production of frozen fruit for retail purposes rose from 444 tons in 1972 to 827 tons in 1973. The breakdown of this production was as follows:

French production of frozen fruit (retail) in 1973

(tons)

Raspberries	416
Bilberries	212
Strawberries	144

Raspberries are the main type of frozen fruit produced for the retail market followed by bilberries and strawberries.

However, the industrial usage of frozen fruit is far greater. National production of frozen fruit for re-processing was almost 26,000 tons in 1973 and net imports totalled 10,500 tons. The following table details this production for re-processing.

French production of frozen fruit (for re-processing) in 1973 (tons)

Strawberries	6,415
Chesnuts	4,526
Apricots	2,618
Bilberries	2,576
Raspberries	2,279
Others	7,572
Total	25,989

Strawberries accounted for one quarter of frozen fruit (for re-processing) production in 1973 with chestnuts being a further 15 per cent. Apricots, bilberries and raspberries each accounted for roughly 10 per cent of total production.

Trends

The retail frozen fruit market is relatively stagnant mainly because frozen fruit costs twice as much as it's fresh equivalent. Demand often reflects seasonal changes in the availability of fresh produce but in general the main demand is during the winter when the only alternative to frozen fruit is high cost imported fruit, the price differential thus being eroded.

The market for frozen fruit (for re-processing) is not as affected by changes in demand, the bulk of this production being for jam making etc.

3.2 Consumption

French demand for retail frozen fruit has shown little growth in recent years. Consumption has risen from 894 tons in 1971 to 907 tons in 1973. Per capita consumption is particularly low at only 17 grams per annum. The consumption of different types of frozen fruit is more or less the same as production, as France's net trade in these products is limited. Thus raspberries, bilberries and strawberries are the main types of frozen fruit consumed.

The breakdown of French consumption by the home and catering sectors is as follows:

Breakdown of home - catering consumption

	1971	1972	1973
Home	370	450	400
(%)	(41)	(96)	(44)
Catering	524	21	507
(%)	(59)	(4)	(56)

In normal years around two thirds of sales are to the catering sector. However, in 1972 the very sharp fall in consumption was mainly due to the fall in catering demand from 524 tons in 1971 to only 21 tons. In 1973 this fall was made up with catering demand rising to 507 tons.

Consumption patterns for frozen fruit are similar to those for frozen vegetables. The bulk of consumption is in the larger cities, mostly north of the Loire, and mainly by young people in the middle to upper income groups.

3.3 Imports

French imports of frozen fruit have grown by roughly one third from 9,156 tons in 1972 to 11,881 tons in 1974. The bulk of these imports are in fact for re-processing with only 94 tons in 1972 and 43 tons in 1974 aimed directly at the retail market. Belgium is the main supplier of this type of frozen fruit.

French imports of frozen strawberries, raspberries and blackcurrants and redcurrants (without added sugar) have been fairly static and in the latter case have declined since 1972. Imports of frozen strawberries have risen from 3,258 tons to 3,623 tons, frozen raspberries from 999 tons to 1,194 tons, and frozen blackcurrants and redcurrants have fallen from 721 tons to 575 tons. The main growth in French imports have been in the "other frozen fruit" category. This category includes apricots and other tree-fruits. Imports of these have increased from 4,084 tons to 6,446 tons.

French imports in total thus represent about one third of total demand for frozen fruit by the re-processing industry.

3.4 Exports

Exports of frozen fruit from France are still extremely small despite having almost doubled since 1972. Exports in 1972 totalled 575 tons and by 1974 had increased to just over 1000 tons. As with imports the bulk of these were exports of frozen fruit for re-processing. Exports of frozen fruit with added sugar in 1974 were 197 tons as against only 26 tons in 1972. These exports were mainly to Italy and Belgium.

French exports of frozen fruit without added sugar, with the exception of frozen strawberries, have grown strongly since 1972. Exports of frozen raspberries were up from 16 tons to 145 tons, frozen blackcurrants and redcurrant from only 2 tons to 17 tons and other frozen fruit from 272 tons to 449 tons. However, frozen strawberry exports fell from 259 tons to 196 tons. West Germany is the main market for all of the above exports.

French exports of frozen fruit represent only around 4 per cent of total production, the bulk of this being for home consumption purposes.

3.5 Tariffs, quotas and regulations

See Appendix I.

3.6 Local manufacturers

We have no precise breakdown of market shares but it is estimated that Findus, Groko and Iglo share the market roughly in proportion to their shares in the frozen vegetable market. Findus is therefore the market leader with around 50 per cent of the market.

Distribution is also as for frozen vegetables but because of the size of the retail market, obviously on a much smaller scale. Frozen fruit is usually marketed together with frozen vegetables.

The main local manufacturers are:

France Glace-Findus

(see Frozen Vegetable Section 3.6)

As in the frozen vegetable market, Findus is estimated to have 50 per cent of the retail frozen fruit market.

The two main types of frozen fruit distributed by the company are strawberries and raspberries both with added sugar. Current prices for these products are as follows:

Current prices for Findus frozen fruit products

Product	Size (grams)	Price (Fr.F)
Strawberries	225	4.50
Raspberries	225	5.80

Iglo-Ola

(see Frozen Vegetable Section 3.6)

Iglo's share of the frozen fruit is estimated to be around 15 per cent.

Iglo's two main types of fruit are also strawberries and raspberries both with added sugar. Current prices for these products are as follows:

Current prices for Iglo frozen fruit products

Product	Size (grams)	Price (Fr.F)
Strawberries	225	4.50
Raspberries	225	5.80

The other main manufacturers are listed in the Frozen Vegetable Section 3.6.

3.7 Importers

Groko-France

(see Frozen Vegetable Section 3.7)

Groko's market share for frozen fruit is roughly 5 per cent. The main variety of fruit is frozen strawberries.

Current prices for Groko frozen fruit products

Product	Size (grams)	Price (Fr.F)
Strawberries	225	4.50

The other main importers of frozen fruit are listed in the Frozen Vegetable Section 3.7.

3.9 Potential for Vitaminka products

4 Belgium

4.1 Size of market

The retail market for frozen fruit in Belgium is very small. Domestic production is limited and net imports have declined from 64 tons in 1972 to only 26 tons in 1974.

There has, however, been some growth in the bulk market for frozen fruit for re-processing. We do not at present have any data on domestic production but imports have grown from 798 tons in 1972, to 2,386 tons in 1974. Over the same period exports have increased from 347 tons to 422 tons. Net imports in 1974 were therefore almost 2,000 tons. This was largely made up of imports of frozen strawberries.

4.2 Consumption

We do not have any details on Belgian consumption at present.

4.3 Imports

Belgian imports of sweetened frozen fruit have declined from 99 tons in 1972 to only 58 tons in 1974. West Germany is the main supplier of this product.

At the same time, Belgian imports of unsweetened frozen fruit have grown strongly. These imports were only 798 tons in 1972, but had trebled to almost 2,400 tons by 1974. Strawberries are the most important type of frozen fruit imported into Belgium and strawberry imports have increased from only 135 tons in 1970 to over 1,000 tons in 1974. Frozen raspberries and blackberries accounted for a further 294 tons of the 1974 total with imports of other frozen fruit at 1,058 tons.

Holland and West Germany are still the main suppliers of these imports but recently Poland has become increasingly important, particularly in the supply of frozen strawberries.

4.4 Exports

Belgian exports of frozen fruit with added sugar in 1974 were particularly small at only 32 tons. This compares with 35 tons in 1972. France is the main recipient of these exports.

Exports of unsweetened frozen fruit have grown somewhat since 1972 from 347 tons to 422 tons. Strawberries were the main export product at 121 tons and 33 tons of frozen raspberries, and red and white currants were also exported in that year. The balance was made up by exports of other frozen fruit.

The Netherlands, West Germany and France were the main export market.

4.5 Tariffs, quotas and regulations

See Appendix.

4.6 Local manufacturers

The only significant retail distributors of frozen fruit in Belgium are Iglo and Frima. However, trade sources inform us that Frima is not at present producing frozen fruit due to market conditions. The main varieties of frozen fruit sold by either company are frozen strawberries and raspberries.

The small quantities of frozen fruit distributed on the Belgian market are sold through the same channels as frozen vegetables (see Frozen Vegetable Section 4.6).

The growing quantity of imported frozen fruit without added sugar are mainly used for the production of jams. The principal jam producers in Belgium are:

Materne, Rue du Progres 22, 5100 Jambes
Hartoy, Boulevard de L'Humanite 292, 1190 Brussels
Marie-Thumas Louvain, Kolonel Begaultlaan 25, 3010 Wilsele
Hero, Boulevard St.Michel 6, 1040 Brussels

4.7 Importers

The main importers of frozen vegetables are also involved in the importation of frozen fruit (see Frozen Vegetable Section 4.7). Other importers directly involved in the import of frozen fruit are:

Cocri Ringoir, Bursselsesteeweg 657, 9001 Gentbrugge
Mio, Rue des Grands Pres 164, 4600 Chence

4.9 Potential for Vitaminka products

5. Holland

5.1 Size of market

The Dutch market for frozen fruit has expanded considerably since 1965, although there has been a relative degree of stagnation in the last three or four years. Production in 1965 was 6900 tons and by 1970 this had increased to over 15,000 tons. However, production declined to only 12,000 tons. However, production declined to only 12,000 tons in 1971 and 1972 before recovering somewhat to just over 14,000 tons in 1973. We do not have a precise breakdown of production but the following table shows deliveries of fresh fruit to the frozen food industry between 1970 and 1973 and is a good indicator of final production.

Deliveries of fresh fruit to the frozen food industry 1970-1973

('000 tons)

	1970	1971	1972	1973
Strawberries	6.5	5.4	5.0	4.9
Blackberries	1.0	1.1	2.5	0.8
Raspberries	1.9	1.3	1.4	2.3
Cherries	4.2	4.3	1.8	4.6
Blackcurrants	0.5	0.7	0.6	0.6
Red/white currants	1.0	0.2	0.6	0.4
Others	0.9	-	0.8	1.2
Total	16.0	13.0	12.6	14.8

Dutch production is very much concentrated on soft fruits. Strawberries is the main fruit type accounting for around one third of production in 1973. Cherries with just over 30% are next in importance followed by raspberries. Blackberries had previously been of greater importance but in 1973 accounted for only 5% of total production. Black-currants and red and white currants are the only other fruit types of any importance.

We do not have any specific figure for retail consumption of frozen fruits but it is estimated to be quite small with the bulk of production being absorbed by the re-processing industry mainly for the production of jam. The retail market is considered to be small and static mainly because of the high cost of frozen fruit relative to fresh produce. Some small increase in the demand for frozen fruit is seen when supplies of fresh produce are reduced.

5.2 Consumption

Dutch consumption of frozen fruit is extremely volatile mainly as a result of changes in the net international trading position rather than changes in production. Total consumption of frozen fruit is shown in the following table:

Dutch apparent consumption of frozen fruit (tons)

	1967	1969	1970	1971	1972	1973
Production	7,800	12,500	15,290	12,430	12,220	14,140
Imports	3,000	7,900	9,140	7,540	11,410	7,960
Exports	7,200	11,000	12,620	10,500	11,590	13,060
Apparent Consumption	3,600	9,400	12,080	9,470	12,040	9,040

5.3 Imports

Total Dutch imports have grown considerably in recent years from only 8,680 tons in 1971 to 14,560 tons in 1973. However, the following tables do not include imports from Belgium which have in fact increased from 4,750 tons in 1971 to 7,220 tons in 1973 and thus represent almost 50 per cent of the total. In total, imports represent around 40 per cent of consumption although some quantity are re-exported.

Around two thirds of total imports consists of spinach from Belgium and West Germany, peas from France and Belgium and French beans from Belgium. As the following tables exclude Belgium supplies they understate the importance of these three crops. Frozen sprouts is the only other main category of vegetable, the balance being "other vegetables".

Since 1969 Dutch consumption of frozen fruit has varied from around 9,000 tons in a bad year to just over 12,000 tons in a good year. Production, although variable, has been much steadier than consumption and the main determinant of total consumption has been the level of net exports. On a per capita basis, frozen fruit consumption in 1973 was 0.66 kg.

5.4 **Exports**

Dutch frozen fruit exports underwent a period of sustained growth throughout the 1960's and Holland is by far the largest exporter of frozen fruit in Western Europe. Total exports in 1972 were 11,330 tons and although there has been some setback since that year, they still amounted to over 10,000 tons in 1974. Strawberries are the main export crop but there are considerable exports of raspberries, blackcurrants, and redcurrants and other frozen fruit.

Since 1974, all exports have been grouped together without a breakdown of types of fruit but we believe that the 1974 total would have been in similar proportion to the previous years.

West Germany is very much the main export market receiving over 70 per cent of total exports. France and the UK are the other main markets.

5.5 **Tariffs**

See Appendix.

5.6 Local manufacturers

As already stated, the Dutch retail market for frozen fruit is extremely limited with Iglo and Groho the main distributors of these products. Strawberries and raspberries are the main types of frozen fruit sold at the retail level although there is a small demand for frozen cherries. The bulk of production is in fact sold to the re-processing industry and the two main companies in this sector are Van Wagenberfesten, Heusden and Zwan and Burg, Etten. Other industrial users are:

de Betuwe
Hero
Jonher Fris
Zwaardemaher

For frozen fruits there are no contracts between the users and producers because of the short production periods. All supplies are therefore bought on the free market.

The details of distribution at the retail level are as for frozen vegetables, although on a much smaller scale (see Section 5.2 Frozen Vegetables).

The main local manufacturers are:

(1) Iglo (see Frozen Vegetables section 5.6)

It is estimated that Iglo accounts for roughly 55% of the Dutch retail market for frozen fruit. The two main types are strawberries and raspberries and the Company's products are considered to be of the highest quality, although this is compensated for in high prices.

(2) Groho (see Frozen Vegetables section 5.6)

With around one third of the market Groho is in a stronger position that in the frozen vegetable market. Again the two main varieties are strawberries and raspberries and the products are considered to be of medium quality.

5.7 Importers

The companies listed in Frozen Vegetables section 5.7 are the main Dutch importers of frozen vegetables.

5.8 Advertising and promotion

There are no separate allocations for the promotion of frozen fruit and all advertising is done within the context of the frozen food product range.

5.9 Potential for Vitaminka products

6. West Germany

6.1 Size of Market

The retail market for frozen fruit in West Germany is expanding rapidly, with the bulk of supplies coming from abroad. Total retail consumption is estimated at over 7,000 tons and with imports of frozen fruit (with added sugar) of around 2,000 tons, we estimate domestic production to be in the region of 5,000 tons.

In addition to the above sales of frozen fruit at the retail level, there is a much more substantial market for frozen fruit for re-processing. Imports alone of these products amounted to over 37,000 tons in 1974 with total exports in that year of 4,000 tons.

6.2 Consumption

Total retail consumption of frozen fruit in 1974 is estimated at 7,000 tons and on a per capita basis this works out at only 0.11kgs per annum. The West German retail market, although having increased by 40 per cent since the previous year, is obviously still very limited.

Strawberries, raspberries and myrtleberries are the main types of frozen fruit consumed, although there is a small but growing demand for frozen cherries. Frozen strawberries account for about half of total demand.

It is estimated that around 60 per cent of the above total is consumed by the catering industry with the remaining 40 per cent for home consumption.

The main demand for the large quantities of frozen fruit for re-processing available in West Germany, is from the jam and confectionary industry. A large part of total imports is in the form of frozen fruit-pulp.

6.3 Imports

Imports into West Germany of frozen fruit with added sugar are not detailed in the official statistics. However, we do know that these totalled 1,900 tons in 1972, with frozen strawberries accounting for roughly one third of this total.

The majority of imports consist of unsweetened fruit and a detailed breakdown of these imports is given in the following tables. In total, imports of unsweetened frozen fruit have declined sharply since 1972 from over 46,000 tons to 37,700 tons due to a fall in imports of other fruits, from 26,600 tons to 18,550 tons. Frozen rapsberry and blackberry imports have also fallen from 8,800 tons to 6,850 tons following a very strong growth in their importation in the previous two years. The only frozen fruit product to have gained since 1972 is frozen strawberries with imports up from 10,780 tons to 12,325 tons. However, import demand for this product, overall since 1970, has been fairly static.

Up to 80 per cent of the above imports are fruit pulp and it is in this sector of the industry in particular that Poland, Yugoslavia, Hungary and Czechoslovakia have recently achieved major export increases. The only significant West European supplier of frozen fruit is Holland.

6.4 Exports

West German exports of sweetened frozen fruit are also not detailed in the official statistics. Exports of these products have been around 500 tons in recent years and have been mostly exports of frozen strawberries.

Exports of unsweetened frozen fruit have declined since 1972 even more rapidly than imports. Exports totalled 5,360 tons in 1972 but had fallen to only 4,000 tons by 1974. Frozen strawberries accounted for around 40 per cent of the total in 1974 with exports of 1,428 tons as against 1,773 tons in 1972. Exports of raspberries and blackberries were 1,016 tons and other fruits were 1,534 tons. Both had declined by between 20 per cent and 30 per cent since 1972.

France and Holland were the main export markets but substantial quantities were also sent to Belgium and Italy.

6.5 Tariffs

See Appendix.

6.6 Local manufacturers

The retail market for frozen fruit in West Germany is similar, with regard to distribution, to the market for frozen vegetables. Iglo (see Frozen Vegetable section 6.6) is the main manufacturer and is estimated to have an even larger share of the frozen fruit market with possibly 75 per cent of the total market.

However, most of the frozen fruit available in West Germany is used by the processing industry, in particular the jam industry. The leading manufacturers of jam are:

Schwartauer Werke, Bad Schwartau.
Horman & Lol Gmbh, Altwarmbuchen.
Franz Zentis, Aachen.
Heinrich Weseloh, Winsen/Luke
Sieburg & Pfortner/Masserman & Cie, Schewetzeingen.
Arthur Schindler KG, Lugde/Westf.

The other main processing of frozen fruit is for the production of fruit juice and liqueurs.

6.7 Importers

Most of the main importers of frozen vegetables are involved in the importation of frozen fruit, (see Frozen Vegetable section 6.7).

Other importers, more directly involved in the import of frozen fruit are:

Hahn Albrecht Importagenturen,
Grossmarkthalle
5 Koeln

Handelsverkehr GmbH
3-5 Woehlerstr
6000 Frankfurt Main

Pacific KG
63 Eimsbuettler Str 63
2 Hamburg 50

Rhuhr-Ei Rhuhr-Frost Inh Paul Festing
Huethenstr 47
465 Gelsenkirchen

Wulff Gustav
26 Ballindamm
2 Hamburg 1

6.8 Advertising and promotion

There are no separate advertising budgets for frozen fruit. Any promotions of such products would come under the group of frozen foods in general.

6.9 Potential for Vitaminka products

7. Austria

7.1 Size of market

The Austrian market for frozen fruit is fairly small and is predominantly for frozen fruit without added sugar. We do not have any figures for home consumption of frozen fruit with added sugar but we believe this to be extremely small. The main suppliers to the overall market are from imported sources.

Austrain production is limited and has in fact declined in recent years. Total production in 1972 was 1,015 tons but by 1972 this had fallen to only 700 tons.

7.2 Consumption

Austrian consumption of frozen fruit is largely of unsweetened fruit from imported sources. The bulk of this is therefore used by the processing industry mainly for the production of jams. Total consumption has fallen from 6,841 tons in 1972 to 4,648 tons in 1974. On a per capita basis, consumption in 1974 was 0.60 kgs. We have no information, at present, relating to types of fruit consumed or consumption patterns.

7.3 Imports

Austrian imports of frozen fruit are principally of unsweetened fruits from Yugoslavia and Poland. No breakdown by product is available but shipments are primarily of pulped berries, peaches and apricots. After a period of sustained growth up to 1972, imports have receded from the record level in that year of 6,293 tons, to 4,457 tons in 1974.

7.4 Exports

Austrian exports are also totally of unsweetened fruits and are almost totally to West Germany. Although subject to annual variation they have averaged around 500 tons in recent years.

7.5 **Tariffs**

See appendix.

7.6 **Local manufacturers**

The only large Austrian manufacturer of frozen fruit is Eskimo-Iglo, 2301 Grossenzersdorf. This company sells it's products under the Iglo and Eskimo brand names and is estimated to have 95 per cent of the small retail market.

As the bulk of Austrian frozen fruit consumption is by the processing industry we include here a list of some of the main jam producers:

Pomona Obstverwertung
8181 St Rupprecht bei Villach

Bruder Unterweger Obstverwertung
9911 Thai Assling

Felix Austria
7210 Mattersburg
Postfach 109

Breganzia Konservenfabrik
6911 Lochau/Bregenz

Inzersdorfer Nahrungsuittelwerke,
1230 Wien Drachestrasse 107-9

7.7 Importers

Eskimo-Iglo is also a major importer of frozen fruit but in addition we include here the names of several other importers:

Wiescinger Elisabeth
Salzburg
Gabelsbergstrasse 20

Kamleitner & Kraupe,
Ledergasse 78
4020 Linz

(see also Section 7.7 Frozen Vegetables)

7.9 Potential for Vitaminka products

8. Sweden

8.1 Size of market

Although Sweden is still the main Scandinavian importer of frozen fruit, domestic demand for these products has declined considerably since 1970. Total demand in 1970 was almost 10,000 tons but in 1972 fell to only 3,000 tons before recovering a little to just over 5,000 tons in 1973.

Domestic production has fallen more or less in line with this drop in demand, as can be seen from the following table:

Swedish production of frozen fruit

(tons)

	1970	1971	1972	1973
Without added sugar	2,654	1,202	1,123	1,237
With added sugar	1,172	795	550	1,123
Total	3,826	1,997	1,673	2,360

Total production in 1970 was 3,826 tons but by 1973 had fallen by almost 40 per cent to 2,360 tons. Almost all of the fall in total production was in the unsweetened types of frozen fruit with production more than halving from 2,654 tons to 1,237 tons. The production of sweetened fruit in fact, fell by less than 50 tons over the period, and by 1973 represented almost half of all production.

Production of frozen fruit without added sugar is normally dominated by the production of red cranberries and myrtleberries. In 1973 these two types of frozen fruit accounted for over 80 per cent of production, with strawberries accounting for a further 13 per cent.

Swedish production in 1973 of frozen fruit without added sugar

	tons	%
Strawberries	159	13
Myrtle berries	442	36
Red Cranberries	583	47
Others	53	4
Total	1,237	100

The production of frozen fruit with added sugar, however, is as equally dominated by strawberries and bilberries. In 1973 over 84 per cent of total production was of these two fruit types with the balance being other frozen fruits.

Swedish production in 1973 of frozen fruit with added sugar

	tons	%
Strawberries	439	39
Bilberries	505	45
Others	179	16
Total	1,123	100

8.2 Consumption

The above changes in production very much reflect the recent fall in the overall consumption of frozen fruit. Total demand in 1970 was 9,426 tons but by 1973 had almost halved to only 5,360 tons having been as low as 3,180 tons in 1972. This fall in overall demand has, however, been felt only in the unsweetened frozen fruit sector of the market. Our estimates of consumption since 1970 are as follows:

Swedish apparent consumption of frozen fruit (1970-1973)

(tons)

	1970	1971	1972	1973
Without added sugar	7,754	3,952	2,223	3,639
With added sugar	1,672	945	957	1,722
Total	9,426	4,897	3,180	5,361

The above figures show that although total demand for unsweetened frozen fruit has more than halved since 1970 that for sweetened frozen fruits has increased slightly overall, despite having been well down in 1971 and 1972. As far as trends are concerned, it appears that the market for unsweetened frozen fruit is certainly experiencing considerable problems in maintaining levels even half those of 1970. The market for sweetened frozen fruit appears to have stagnated at around the 1970 level with recent estimates suggesting that demand in 1974 was roughly 1,600 tons.

Annual per capita consumption of frozen fruit was 0.65 kgs in 1973 of which 0.44 kgs was of unsweetened fruit and 0.21 kgs was of sweetened fruit.

The bulk of the unsweetened frozen fruit available is consumed by industry mainly for the production of jam. It is estimated that 70 per cent of the sweetened frozen fruit is used for home consumption and 30 per cent by catering outlets.

The most popular types of frozen fruit available on the retail market are strawberries and bilberries mainly provided for by home production, and raspberries most of which are imported.

8.3 Imports

For most of the 1960's, Sweden was the second largest importer of frozen fruit in Europe after West Germany. However, since the peak year of 1969, Swedish imports of frozen fruit have experienced no growth and until 1973 were in fact in regular decline. Sweden is now seventh in the European table of frozen fruit importers.

Swedish imports in 1969 were 7,000 tons but by 1972 they had fallen to only 4,100 tons. Some recovery was seen in 1973 and imports rose to 5,450 tons. During this whole period most of the imports were unsweetered fruit and in 1973, 4,740 tons of the total were unsweetened. These were mostly raspberries (30%), strawberries (21%), and myrtleberries (18%). The balance was made up of red cranberries (6%) and other frozen fruit (25%). Most of these imports were supplied by East European countries of which Hungary, Poland and Czechoslovakia were the most important.

Imports of sweetened frozen fruit have remained fairly steady and in 1973 totalled 700 tons. This total was almost equally split between strawberries and raspberries, again mostly from East Europe.

8.4 Exports

Up to 1970 Sweden had not been a significant exporter of frozen fruit with exports rarely exceeding 500 tons per annum. However, since 1970 exports have developed considerably from 700 tons to 2,400 tons. These exports are mostly unsweetened and exports of frozen fruit with added sugar totalled only 108 tons in 1973. The exports of sweetened fruit were almost all frozen myrtleberries.

The much larger export market for frozen fruit without added sugar is dominated by sendings of frozen myrtleberries which totalled 1,020 tons in 1973 and thus accounted for 44 per cent of the total. The other main exports were red cranberries (31%), raspberries (13%), strawberries (3%) and other frozen fruit (9%). West Germany was the largest export market followed by the neighbouring Scandanavian countries.

8.5 <u>Tariffs</u>

See Appendix

8.6 Local manufacturers

As two thirds of the total supplies to the Swedish market are unsweetened frozen fruit these are mainly used by the processing industry for the production of jams. The main Swedish manufacturers of jam are:

Foodia (Winner), 254 00 Staffanstorp
Findus (Nestle), Fach, 267 00 Bjun
Onos, 290 10 Tollarp
Novia (Unilever), Ostterportsgaten, 211 28 Malmo
Cadbury/Slotts, Uppsala

Frozen fruit for domestic consumption is exclusively produced by the following three companies.

Findus } See Above
Foodia }
Felix (Cavenham) 241 00 Eslou

Their shares of the market are similar to those in the frozen vegetable market with Findus and Felix accounting for around three quarters of total sales. The distributive system is also similar to that for frozen vegetables (see Frozen Vegetable Section 8.6).

8.7 Importers

The companies included in the list of main importers of frozen vegetables are also the main importers of frozen fruit (see Frozen Vegetable Section 8.7).

8.8 Advertising and promotion

There is no seperate advertising for frozen fruit and all promotional activity is included in the overall strategy for frozen foods.

8.9 Potential for Vitaminka products

9. <u>Switzerland</u>

9.1 <u>Size of market</u>

The total Swiss market for frozen food has grown considerably from 2,000 tons in 1968 to 6,000 tons 1972. The bulk of these supplies are from imported sources. However, we estimate that the actual retail market for frozen fruit is still small at below 1,000 tons.

We do not have any production statistics, at present, but believe that the bulk of market supplies are imported.

9.2 <u>Consumption</u>

Total consumption of frozen fruit was estimated at 6,000 tons in 1972. This, however, included frozen fruit for re-processing and we estimate that the actual domestic consumption of frozen fruit would have been less than 1,000 tons.

The main varieties preferred in the Swiss market are strawberries, raspberries, blackberries and bilberries.

9.3 <u>Imports</u>

Imports of frozen fruit are not broken down by type of fruit. We believe that they mainly consist of unsweetened strawberries, blackberries, peaches and apricots for re-processing. These totalled 5,000 tons in 1974 as against 6,000 tons in the previous two years. Unsweetened imports came mainly from East Europe, with Poland, Rumania and Yugoslavia the main suppliers. There were, in addition, 214 tons of sweetened fruit imported in 1974 almost totally from Mexico.

9.4 Exports

Swiss exports of frozen fruit have been limited in recent years. Total exports in 1974 were 510 tons after being as high as 669 tons in the previous year. These exports are mostly unsweetened fruit and the main export market has been France.

9.5 Tariffs, quotas and regulations

See Appendix I.

9.6 Local manufacturers

The main manufacturers of frozen fruit are the same as for frozen vegetables i.e. Migros, Frisco-Findus and Ditzler (see Frozen Vegetable Section 9.6). Distribution and market shares are also as for vegetables.

The following table shows current prices for frozen fruit in the Swiss market.

Product	Size (grams)	Price (S.F.)
Raspberry	350	2.70
Strawberry	400	2.00
Blackberry	300	2.10
Bilberry	350	2.30
Strawberry	450	2.60
Raspberry	375	3.50
Blackberry	425	3.70

9.7 Importers

The main importers of frozen vegetables also handle most of the frozen fruit imports (see Frozen Vegetable Section 9.7).

9.9 Potential for Vitaminka products

10. Summary

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