



Murray Valley Citrus Board
FRUIT LOGISTICA : Berlin Germany 2 – 4 February 2006

FRUIT LOGISTICA:

- The largest dedicated exhibition of the fruit and vegetable industry.
- Held each February in Berlin, attracting up to 30,000 visitors from 64 countries
- This year largest ever, 1450 exhibitors, 16,000 participants, up by 17% on previous year.





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- Source of information for new trends in the industry – supply chain measures, handling and packaging equipment, logistics and varieties. Has the nature of an exchange market where trade visitors can approach exhibitors with their services and products.
- Target groups – growers, fresh produce importers and exporters, wholesale markets, wholesale and retail outlets, packing, shipping and disposal companies, institutions and associations.
- As a result of matching funding from Horticulture Australia Ltd, the Murray Valley Citrus Board was able to send a small delegation comprising Robert Mansell, John Tesoriero, Kevin Cock and John Bailey to participate in Fruit Logistica.
- Fruit Logistica provides a forum that is compact, highly effective, focuses on specific target groups and enables networking with key industry leaders from all citrus producing countries.



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Delegation Objectives

- Examination of international trends in citrus production/marketing.
- Study market characteristics, eg innovative packaging, innovations in product development and produce (value adding).
- Distribution channels by country and how fruit is marketed.
- Northern Hemisphere opportunities regarding the export of fresh and processed product.
- Quality assurance and food safety issues within Europe.





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International Trends

- Other Southern Hemisphere countries, eg South America and South Africa, are targeting the same markets as Australia.
- While quality of fruit is still an issue, our competitors are slowly getting it right.
- South America is a low cost producer and can land product into European markets at a fraction of the cost compared to Australia.
- The quality of South American citrus is looking good for this season.



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Market Characteristics

- Innovative packaging, product wrapping, netting, use of stickers, promotional graphics around trays and boxes – particularly from Spain.
- Eye catching presentation, convenient for consumers.
- Five oranges in a bag aimed at the single person or couples.
- 2 kg bags were prominent.
- Fresh cut fruit becoming more prominent in European supermarkets.
- Organic produce is commanding more shelf space in supermarkets, however hasn't achieved the high returns expected.
- Sizes across all markets tend to be the 88 and larger count range, with smaller fruit coming out of Turkey and Egypt.



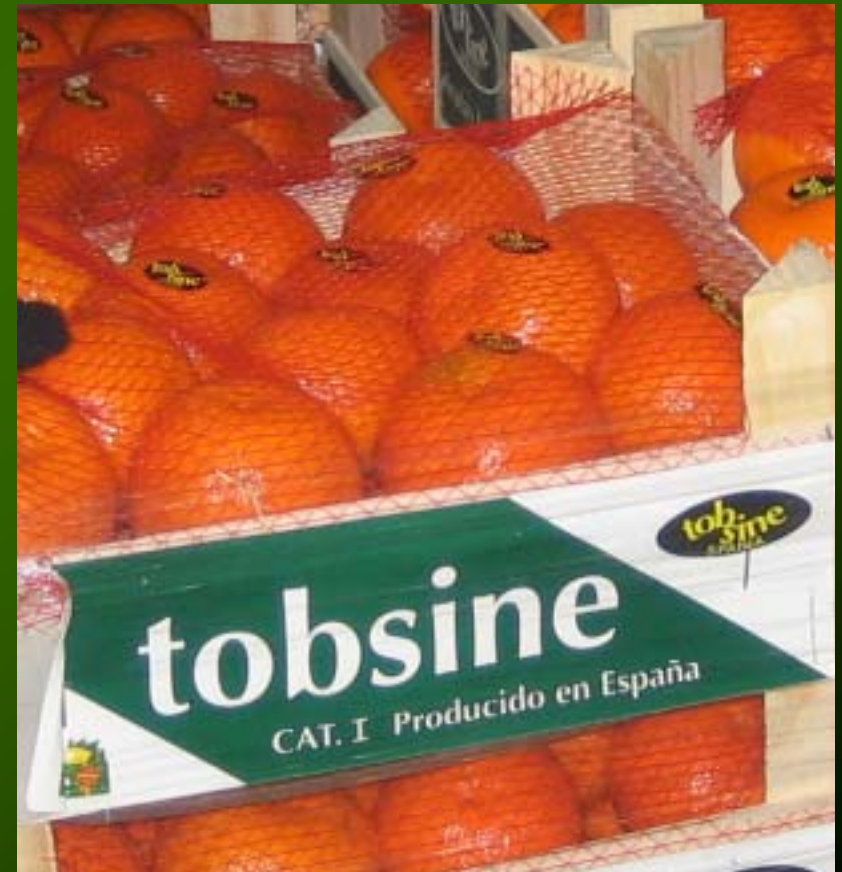


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Distribution Channels

- Most fruit goes into Rotterdam for distribution to European countries, or Southampton for distribution throughout the UK and Ireland.
- Fruit from Mediterranean countries including Turkey and Egypt, comes overland by refrigerated transport.
- Higher quality fruit, predominantly Navels, comes from Spain, Morocco, Italy and Cyprus closely followed by South Africa.
- The lesser quality fruit is from South America, Turkey and Egypt.





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Northern Hemisphere Opportunities

- Australia needs to target the high-end market niche, in particular organic and exotic fruit handlers
- An opportunity exists for our late Navels in September to mid October prior to the 16% EU duty coming into force and before Spanish Navels commence.
- An opportunity also exists for organic lemons May to September, potential of 50,000 to 100,000 cartons.
- Importers require details of Australian citrus varieties and when they are available (seasonality).





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Quality Assurance

- **EUREPGAP** – Euro-Retail Produce Working Group (EUREP) Good Agricultural Practices (GAP)
- **EUREPGAP** is the predominant standard throughout Europe.



PRODUCE OF TÜRKIYE

TS.34

CLASS	VARIETY	TREATMENT	SIZE / COUNT	REF. NO
I	WASHINGTON NAVEL	(X) WATER WAX (X) IMBARENDAZOLE (X) OPP (X) IMAZALIL	$\frac{3}{81-84 \text{ mm}}$	22 4 1267 =



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Outcomes

- Our delegation made contact with many importers and industry leaders.
- We recognise the challenges of the European market such as tariff protection within the EU, lower costs of production by competitors and distance between Australian ports and European ports.
- However, there are real opportunities for us in Europe if we can land product during periods when our Northern and Southern Hemisphere competitors are out of the market, generally between September and mid October.
- It was beneficial to be at Fruit Logistica as a trade exhibitor and demonstrates that Australia is open for business.



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Outcomes

- We have been invited to forward trial containers during the 2006 Navel season.
- Will follow up leads in relation to shipments into the Middle East this coming Navel season.
- A Berlin company dealing mainly in exotics including mangos with clients such as higher quality supermarkets and green grocers, was not put off by a proposed cost of 20 Euros for class 1 fruit.
- Air freighted Imperial mandarins represent a real opportunity.





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The next step...

- **Attendance at Fruit Logistica provided a great opportunity to network and to achieve outcomes but it does need more support from Australian industry.**
- **The Murray Valley Citrus Board will follow up identified opportunities for trial shipments of navels into Europe.**
- **The MVCB will work in close collaboration with other southern hemisphere citrus producing countries on market information exchange.**
- **Essential that we work with Austrade when developing new market opportunities.**



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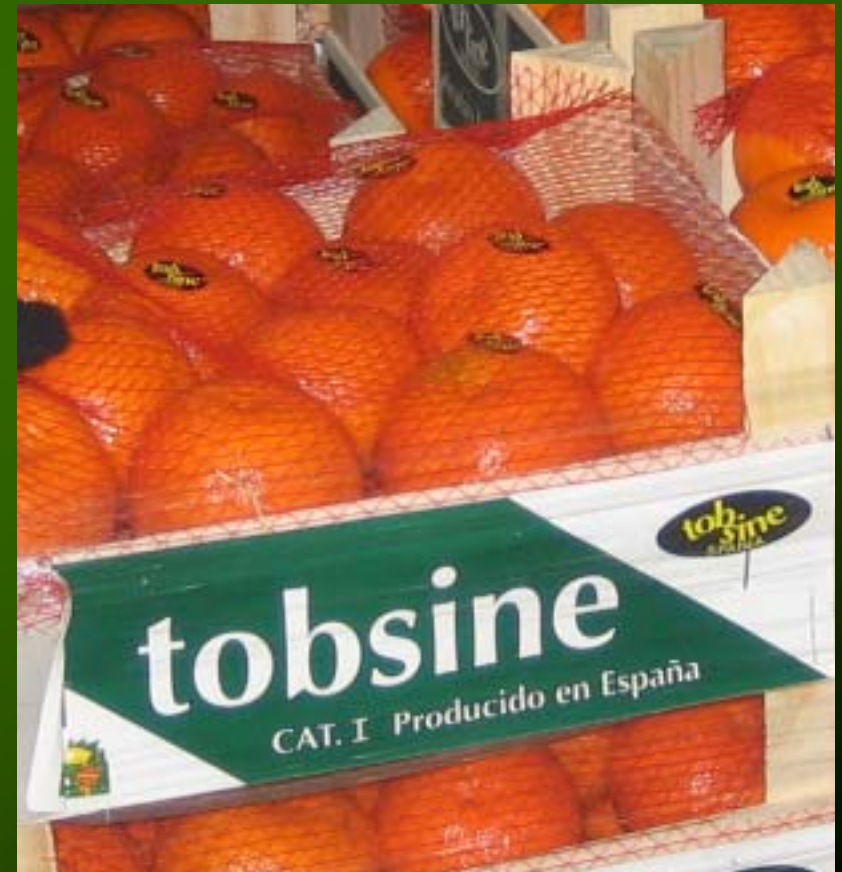


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